

**Frequently Asked Questions (FAQs)  
Concerning The Settlement Agreement  
in the Gasche v. Asworth Corp. Class Action Lawsuit**

Updated as of October 18, 2005

Note: These FAQ's were prepared to provide helpful information to members of the settlement class. However, please note that in the event of any inadvertent discrepancy between these FAQ's and the terms of the settlement agreement, the settlement agreement will govern.

**What was the lawsuit of *Gasche v. Asworth Corp.*?**

*Gasche v. Asworth Corp.* was a class-action lawsuit that was filed by five former Braniff pilots (Charles Jackson Gasche, Jr., Dennis J. Harris, Gene L. Peterson, William A. Schoknecht and John J. Skiba) against Asworth Corporation. Asworth Corporation is the successor corporation to Braniff Airways.

**What was the lawsuit about?**

After Braniff entered bankruptcy in 1982, it terminated its two pilot pension plans, the A Plan and the B Plan. It used the remaining assets of the two terminated plans to buy two group annuity contracts from Prudential Insurance Company. The two group annuity contracts provide retirement annuities to the former plan participants. Asworth, Braniff's successor, is the holder of the two group annuity contracts.

When the two group annuity contracts were purchased, Prudential was a mutual company, meaning it was owned by its policyholders and contractholders. In 2001, Prudential converted to a publicly-traded, shareholder-owned company, and issued Prudential shares to its policyholders and contractholders. Asworth received several million dollars worth of Prudential shares.

The plaintiffs in the lawsuit claimed that Asworth should be required to turn over the shares to the former Braniff pilots and their survivors who are annuitants under the two group annuity contracts, because the two group annuity contracts were purchased with the assets of the terminated pilot pension plans.

Asworth denied that it had any legal obligation to turn over the shares.

## **Has the lawsuit been resolved?**

Yes, the lawsuit is now over. The plaintiffs and Asworth entered into a settlement agreement which the court approved.

## **What are the terms of the settlement agreement?**

The settlement agreement required Asworth to transferred 60% of the shares it received from Prudential (plus 60% of the cash dividends that it had earned on those shares, plus 60% of the interest earned on those dividends) to a settlement fund for the members of the class. In exchange, members of the class gave up the right to sue Asworth.

After attorneys fees and costs of administration are deducted, the settlement fund will have approximately \$8.3 million available for distribution to the members of the class.

You can view a copy of the settlement agreement at [www.CompleteClaimSolutions.com](http://www.CompleteClaimSolutions.com). (At the Complete Claims Solutions homepage, go to the bottom right corner of the page, marked "Class Members." Click on that link, and then you will find a list of cases arranged alphabetically. Then, click on the link next to "Gasche v. Asworth").

## **Who is entitled to a distribution payment from the settlement fund?**

The settlement class generally includes anyone (including survivors of now deceased former Braniff pilots) who currently receives annuity payments from Prudential under either of the two group annuity contracts, designated GA-8896 and GA-8857. The settlement class also includes any former Braniff pilot who has a right to receive such annuity payments in the future. The estates of deceased individuals who had received such annuity payments are also part of the class, unless a survivor of the individual is currently receiving annuity payments, in which case the survivor and not the estate is part of the class. Class members are entitled to receive a payment if they submitted a timely claim form and any other required paperwork.

## **How is the settlement fund being distributed?**

In July 2005, Complete Claims Solutions, Inc. ("CCS"), which was retained by the plaintiffs to administer the settlement agreement, mailed a claim form to all known class members. In order to receive a distribution payment, class members were required to submit a completed claim form to CCS by October 1, 2005. Over

1,880 claims forms were received.

After calculating the distribution payments of the class members, CCS will send each class member a notice indicating the amount of his/her payment and also indicating the deadline by which the class member must object if he/she disputes the amount. Such notices will likely be mailed in early 2006.

After the objection deadline has passed and any disputes are resolved, CCS will mail the distribution payment checks to the class members.

### **When will the distribution payment checks be mailed?**

CCS estimates that checks will be mailed in spring 2006.

### **Will the settlement agreement affect annuity payments from Prudential?**

No. The settlement agreement will have no effect on the annuity payments that Prudential makes under the two group annuity contracts. Any money you receive from this settlement agreement will be in addition to any annuity payments you receive from Prudential.

### **How much money will I get under the settlement agreement?**

The amounts of the distribution payments to be made to members of the settlement class have not yet been calculated. They will vary individual by individual, according to the formula set forth in the settlement agreement.

We do know, however, that the settlement fund will have approximately \$8.3 million to distribute and that approximately 1,900 class members submitted claim forms.

### **How will payments under the settlement be divided among the members of the class?**

According to the settlement agreement, payments will be divided pro rata based on the amount of benefits that former Braniff pilots had accrued or accumulated in the Braniff pilot pension plans when those plans terminated. The claim forms mailed to class members contained a detailed explanation, as well as illustrations, of how distribution payments will be calculated.

### **Will distribution payments be taxed and, if so, how?**

The mailing that CCS sent to class members contained information on the

tax treatment of the distribution payments. In general, taxes will be withheld on the distribution payments unless a class member opts to have the distribution payment rolled over into an individual retirement account.

**How will the attorneys representing the settlement class be paid?**

The attorneys representing the settlement class have been paid out of the settlement fund, in an amount approved by the court. Class members are not responsible for any further payment of attorneys fees.

**What if I have further questions or need more information?**

**The claim forms contain detailed information and explanations regarding the distribution of the settlement agreement. You can also view the settlement agreement itself on the CCS website, [www.CompleteClaimSolutions.com](http://www.CompleteClaimSolutions.com). If you have further questions or need more information, you can call CCS toll free at 1-888-385-3086, send an email to [asworth@completeclaimsolutions.com](mailto:asworth@completeclaimsolutions.com), or write to CCS at P.O. Box 24656, West Palm Beach, FL 33416.**