

***Gasche, et al. v. Asworth Corp.***  
Letter From Plaintiffs Concerning Settlement Agreement

December 20, 2004

Greetings:

This is a letter from the five former Braniff pilots (Charles Jackson Gasche, Jr., Dennis J. Harris, Gene L. Peterson, William A. Schoknecht and John J. Skiba) who brought the class action lawsuit of *Gasche, et al. v. Asworth Corp.* We are writing to everyone who we believe may be a member of the class and who may be entitled to receive a cash payment if the settlement agreement is approved by the court. We write to explain the lawsuit and the settlement agreement that has been reached in the lawsuit.

You will shortly be receiving an official, court-approved notice of the settlement agreement in the mail. Please review that notice carefully, as it contains detailed and important information regarding the lawsuit and the settlement agreement. You can find a copy of the settlement agreement itself, and related legal papers, posted at the website [www.CompleteClaimSolutions.com](http://www.CompleteClaimSolutions.com).

You are **not** being sued. The suit is against Asworth Corporation, which is the successor to Braniff Airways, Inc. You are being notified of the lawsuit and the settlement agreement because you may be eligible to receive a cash payment if the settlement agreement is approved by the court.

To receive payment, **you do not need to do anything at this time.** If the court grants final approval to the settlement, you will at some future date receive instructions on how to claim your payment.

This is what the lawsuit is 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, which is 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.

In the lawsuit, we claimed that Asworth should be required to turn over the shares to a class of 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 asserts that it has no legal obligation to turn over the shares to the class.

We settled the lawsuit because, while we believed in the merit of our suit, we realized that our claims were uncertain. Asworth properly received the shares under Prudential's reorganization plan and we had nothing in writing saying that Asworth had to turn over the shares to the class. Our legal claims were in part based on the argument that it would be unjust for Asworth to keep the shares, but, in our view, a judge or jury could have ruled either way on that issue. We also asserted a claim under ERISA, the federal pension law, but it was uncertain whether that law would have required Asworth to turn over the shares.

After consulting with our attorneys, who are experienced labor lawyers, we decided to settle rather than risk losing the lawsuit and recovering nothing for the class. Asworth initially proposed a series of settlement figures that we rejected. After weeks of settlement negotiations, we got Asworth to agree to a settlement that we believe is fair and reasonable. If approved by the court, the settlement agreement will require Asworth to transfer 60% of the shares that it received from Prudential (plus 60% of the cash dividends that it has earned on those shares, plus 60% of the interest earned on the dividends) into a settlement fund to be established for the members of the class. In exchange, members of the class will give up the right to sue Asworth. Once the Prudential shares are transferred into the settlement fund, they will be sold for cash. After attorneys fees and costs of administration are deducted, the cash in the fund will be distributed to members of the class.

Payments will be divided among class members based on the amount of benefits that former Braniff pilots had accrued or accumulated in the Braniff pension plans when those plans terminated. Both the official court notice that you will receive in the mail and the settlement agreement itself contain detailed explanations concerning the distribution of the settlement fund.

We estimate that under the settlement, class members will probably each receive a cash payment in an amount between a few hundred and a few thousand dollars, although individual recoveries may be more or less than that. Amounts paid will vary between individual class members. For an explanation of how payments will be calculated, see the official notice, which also includes an illustration of how a payment would be calculated for a hypothetical individual.

**Important:** The lawsuit and the settlement agreement will have **no effect** on annuities that Prudential pays under the two group annuity contracts. If you receive a payment under the settlement agreement, it will be **in addition to**, and will **not affect**, any annuity payments you now receive or in the future will receive from Prudential.

The court will hold a hearing on whether to grant final approval to the settlement agreement at the time and place specified in the official notice. No payments will be made under the settlement agreement unless and until it is approved by the court (and, if the court's approval is appealed by someone who objects to the settlement, unless and until the court's approval is affirmed on appeal).

The official notice that you will receive in the mail provides instructions for how to object to or "opt out" of the settlement agreement, and sets a deadline for doing either. You do not have to object or "opt out" unless you choose to. If you submit an objection, the court will consider your objection in determining whether to approve the settlement agreement. If you "opt out" of the settlement agreement, you will receive **no payment under the settlement agreement**. If you "opt out", you will keep your right to sue Asworth. Note that if you "opt out" and sue Asworth, there is no guarantee that you will win your lawsuit and recover any money. If you sue Asworth and hire your own lawyer, you will have to make your own arrangements for payment of the lawyer. If more than 25 people "opt out" of the settlement agreement, Asworth has the right to terminate the settlement. If the settlement is terminated, no one will receive any money under the settlement.

For your information, we have enclosed a set of FAQ's (Frequently Asked Questions) about the lawsuit and the settlement agreement. You can view the settlement agreement and related legal papers at [www.CompleteClaimSolutions.com](http://www.CompleteClaimSolutions.com).

Sincerely,

Charles Jackson Gasche, Jr.  
Dennis J. Harris  
Gene L. Peterson  
William A. Schoknecht  
John J. Skiba