

---

# EXHIBIT B

---

J. SCOTT PAISLEY (State Bar No. 94256)  
AT&T SERVICES, INC. LEGAL DEPARTMENT  
525 Market Street, Suite 2001  
San Francisco, California 94105  
Telephone: (415) 778-1213  
Facsimile: (415) 882-4458  
Email: jp2749@att.com

Attorneys for Defendant  
AT&T PENSION BENEFIT PLAN –  
NONBARGAINED PROGRAM

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

QUILLER BARNES, ) Case No. CV 08-04058 MHP  
)  
Plaintiff, )  
v. ) **ANSWER OF DEFENDANT AT&T**  
) **PENSION BENEFIT PLAN –**  
) **NONBARGAINED PROGRAM TO**  
) **PLAINTIFF'S AMENDED COMPLAINT**  
AT&T PENSION BENEFIT PLAN – ) **(CLASS ACTION)**  
NONBARGAINED PROGRAM, )  
Defendant )

Defendant AT&T PENSION BENEFIT PLAN - NONBARGAINED PROGRAM  
("Defendant" or "the AT&T Pension Plan") hereby answers the Amended Complaint ("Amended  
Complaint") filed by Plaintiff Quiller Barnes ("Plaintiff") as follows:

**INTRODUCTORY ALLEGATIONS**

1. In answer to paragraph 1 of the Amended Complaint, there are no charging  
allegations calling for an admission or a denial. Rather, paragraph 1 constitutes an introductory

6 Pension Plan”). The PTG Pension Plan was merged into the SBC Pension Benefit Plan –  
7 Nonbargained Program (the “SBC Pension Plan”) in January, 1999, and was thereafter renamed  
8 the AT&T Pension Benefit Plan – Nonbargained Program (the “AT&T Pension Plan”) on  
9 November 18, 2005. The gist of Plaintiff’s complaint is that he was entitled to a “redetermined  
10 Acceleration Transition Benefit (“ATB”), adjusted to reflect his additional years of age and  
11 service after he was rehired and then retired again from his employment with Pacific Bell  
12 Telephone Company. Plaintiff’s claim is based on a fundamental misunderstanding and  
13 misinterpretation of section 3.4(d)(3) of the PTG Pension Plan Instrument which contemplates  
14 adjusted ATB for employees who elected to receive the benefit as a monthly *annuity* after their  
15 first term of employment. Employees who cash out the ATB in full as a lump sum, such as  
16 Plaintiff, have nothing left to “redetermine” and thus upon rehire are entitled only to the Cash  
17 Balance Benefit (or later, the Career Average Minimum Benefit – “CAM”), as set forth in section  
18 3.4(a) of the PTG Pension Plan Instrument and section 10-30 of the Summary Plan Description  
19 (“SPD”) for the PTG Pension Plan. For this reason, and the further reasons set forth below,  
20 Defendant denies Plaintiff’s claims.

21           2.       In answer to paragraph 2 of the Amended Complaint, Defendant admits and  
22 alleges that, in general, under section 3.2 of the PTG Pension Plan Instrument, a salaried  
23 employee who was employed by a Participating Company on March 22, 1996, and was a  
24 Participant in the Plan on any date during the period beginning March 22, 1996 and ending on  
25 July 1, 1996, was entitled on termination of employment to receive the greater of a Cash Balance  
26 Benefit or the Accelerated Transition Benefit (“ATB”), as calculated under the PTG Pension Plan  
27 Instrument. Defendant further admits that, under section 5.2 of the PTG Pension Plan Instrument

6 Defendant denies each and every allegation contained in paragraph 2.

7 3. In answer to paragraph 3 of the Amended Complaint, Defendant admits and  
8 alleges that under the terms of the PTG Pension Plan Instrument, a salaried employee who  
9 terminated employment on or after March 22, 1996, and elected an ATB benefit in the form of  
10 monthly annuity that was subject to an age discount under section 5.2, was subsequently rehired  
11 and then retired again after bridging his or her service, was potentially entitled to a benefit  
12 consisting of the prior ATB annuity adjusted to reflect the employee's age and term of  
13 employment at his or her next termination. The particulars of that benefit and benefit calculation  
14 are subject to the terms of the PTG Pension Plan Instrument, which constitute the best evidence  
15 thereof. Except as so admitted and alleged, and to the extent the allegations of paragraph 3 of the  
16 Amended Complaint vary from, or are qualified by, the terms of the PTG Pension Plan  
17 Instrument, Defendant denies each and every allegation contained in paragraph 3, and specifically  
18 denies that section 3.4(d)(3) of the Plan Instrument relating to the adjustment of the ATB applies  
19 to employees who took the ATB benefit in the form of a lump sum payment as Plaintiff did.

20 4. In answer to paragraph 4 of the Amended Complaint, Defendant admits and  
21 alleges that, prior to the merger of the PTG Pension Plan into the SBC Pension Plan, a rehired  
22 salaried employee who met all of the eligibility requirements set forth in the PTG Pension Plan  
23 was entitled to a monthly Cash Balance Benefit under section 4.5(b) of the PTG Pension Plan  
24 Instrument upon the employee's next termination of employment, based on allocations to the  
25 employee's cash balance account from the employee's rehire date to the Annuity Start Date that  
26 applies to the Cash Balance Benefit. After the merger of the PTG Pension Plan into the SBC  
27 Pension Plan, and after the amendment of the SBC Pension Plan on September 28, 2001, by

28

6 Except as so admitted and alleged, and to the extent the allegations of paragraph 4 of the  
7 Amended Complaint vary from, or are qualified by, the terms of the PTG Pension Plan Instrum  
8 and/or the SBC Pension Plan Instrument, Defendant denies each and every allegation contained  
9 paragraph 4.

10 5. In answer to paragraph 5 of the Amended Complaint, Defendant admits and  
11 alleges that salaried employees who terminated their employment on or after March 22, 1996, a  
12 cashed out their ATB in the form of a lump sum instead of an annuity, such as Plaintiff did, we  
13 not entitled to have that benefit “redetermined” or recalculated under section 3.4(d)(3) of the P  
14 Pension Plan Instrument if they were subsequently rehired and retired again after bridging their  
15 service. Such employees were only entitled to a Cash Balance Benefit or, after September 28,  
16 2001, the greater of the Cash Balance Benefit or the CAMS benefit. Only employees who took  
17 their ATB in the form of an annuity were entitled to have that benefit adjusted to reflect the  
18 employee’s additional age and term of employment upon their subsequent termination of  
19 employment. Except as so admitted and alleged, Defendant denies each and every allegation  
20 contained in paragraph 5 of the Amended Complaint.

21 6. In answer to paragraph 6 of the Amended Complaint, Defendant denies that  
22 Plaintiff is entitled to the requested relief set forth therein.

23 **JURISDICTION AND VENUE**

24 7. In answer to paragraph 7 of the Amended Complaint, Defendant admits that the  
25 Court has subject matter jurisdiction under 28 U.S.C. § 1331 and ERISA § 502(a), 29 U.S.C. §  
26 1132(a).

27 8. In answer to paragraph 8 of the Amended Complaint, Defendant admits that the  
28

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.