



Disregarded NQ Benefit Class Action Q&A

Q1. Would you explain the meaning of the class action suit in layman's terms?

A1. Delta promised its retirees in the Pilot Working Agreement a specific pension benefit called the "formula benefit". It agreed to pay that benefit from the Qualified Plan Trust unless the limitations on benefits and compensation imposed by the Internal Revenue Code prevented Delta from paying your benefit from that source. Delta further agreed that, if the retired pilot could not be paid from the Qualified Plan Trust, it would pay the retired pilot the remainder of his formula benefit from non-qualified plans.

When Delta calculated the non-qualified pension post-termination claim for each pilot, it based its calculation on the monthly benefit that the retiree was receiving immediately prior to pension plan termination on Sept. 6, 2006. That amount was based on the allocation of pension benefit between the qualified and non-qualified plans determined by the IRC limitations in place in 2006.

When retired pilots received their estimates from Delta in January 2007 of what they would receive on account of the benefit paid from the qualified plan after the qualified plan was terminated, they saw that Delta/PBGC was not using the same allocation required by the 2006 IRC limitations. Instead, the allocation between the plans was based on the allocation that was in effect 5 years earlier in 2001.

This 2001 allocation required a larger portion of the benefit to be paid from the non-qualified plan. Using two different allocations leaves the retired pilot without a claim for the full amount of his formula benefit. Because the use of the 2001 allocation results in a larger portion of retirees' benefit coming from non-qualified plans, the number used to determine the post termination non-qualified claim was lower than it should have been.

The DP3 motion contends that Delta should include that difference in the calculation of the economic loss the retired pilots suffered from the termination of the non-qualified plans. This class action suit is for this unaccounted-for loss, the "disregarded benefit." It was filed as a class action in an effort to ensure that all

retired pilots have their claims treated in the same manner and to prevent inconsistent methods of calculating those claims from being applied.

Q2. Why are we filing this motion now? Could it have been brought earlier?

A2. As a result, and in settlement of litigation brought during the bankruptcy by DP3, Delta and the Unsecured Creditors Committee stipulated that retired pilots were entitled to a claim for the economic loss caused by Delta's termination of the non-qualified plans. That Stipulation contained a methodology for calculating the loss.

However, Delta did not provide to DP3 individual retirees' information which would have allowed us to independently confirm that Delta had correctly calculated the economic loss for each pilot. Following receipt of the PBGC/Delta benefit estimate letters in January 2007, some retired pilots raised this issue of a disregarded benefit in their proofs of claims filed in March. Delta's objections to these proofs of claim were filed in late June.

Therefore, DP3 has now filed this class action motion to help the class claimants and all similarly affected retired pilots to assert a claim for the "disregarded benefit."

As explained above, the disregarded benefit resulted from Delta using the 2001 IRC limitations when it calculated the qualified benefit estimates, but used the 2006 IRC limitations when it calculated the non-qualified unsecured claim due affected pilots.

Again, by approaching this issue as a class action, DP3 is seeking to ensure that a consistent starting point be used for all retired pilots when establishing the proper value of the loss of non-qualified monthly pension benefits.

Q3. How can I tell if I am included in the Class?

A3. Only Delta and the PBGC have all the records needed to determine if you are affected by Delta's disparate application of the IRC limitations to allocate benefits between the qualified and non-qualified plans. DP3 has not obtained this information for all retired pilots and therefore cannot speak directly to your individual situation.

However, you might compare your situation to those of our class claimants. Based on information we have received from them and the statements of estimated benefits they received, the tables calculating their PC3 benefits used the 2001 allocation to determine their estimated benefit from the PBGC.

If your statement of estimated benefits uses a lower benefit amount than you were receiving in 2006 to calculate your PC3 benefits, then you are potentially part of the class.

Q4. If the claim is awarded, how will it be paid?

A4. DP3 is seeking an increase in the unsecured claim amounts. The amount of the class claim and its allocation will be determined by the court. If the increase is allowed, you will be notified of the details of the amount and the payment at a later date. If the increase is allowed, we anticipate that claims will be paid in stock pursuant to Delta's Plan of Reorganization.

Q5. When and where will the motion be heard?

A5. The initial hearing date before the bankruptcy court was scheduled for Oct. 2nd. At Delta's request, the hearing has now been continued to Nov. 14, 2007 in White Plains, New York.

This hearing is to consider only whether the issue of disregarded benefits may be pursued as a class action by DP3 on behalf of all retired pilots. A determination of the allowability and the amount will be determined at a later date. If the Class is certified, we will keep the membership advised of any scheduled hearings.

Q6. Will you publish a document or spreadsheet to help us estimate the value of any claim we might receive as a result of this motion?

A6. As usual, we will provide the best information and estimating tools possible when the time comes.

Q7. Is this claim only available to DP3 members?

A7. No. DP3 has requested that every retired pilot who has had a portion of his or her pension benefit disregarded be included in the class. The Court will determine whether the class is as broad as we have requested. However, this type of litigation is extremely expensive to pursue, and we urge all non-members of DP3 to join in order to share in the burden of this and other possible legal challenges.

Q8. Will I have to take any action of my own, such as filing an individual proof of claim, or will the claim be automatically considered for all members of the class who have suffered the loss?

A8. The Class Claimants have requested the Court to certify a class consisting of all retired pilots affected by the IRC Limitations. As noted in the response to Question 5 above, the hearing on whether to certify the class is set for Nov. 14, 2007.

Only those retired pilots who are members of the Class certified by the Court will be covered by the Class Claim. If the Court certifies a class, additional action may be required on your part. If additional action is needed, DP3 will notify you. However, if you have filed an individual proof of claim, the pending motion and the class claim does not alleviate the need for you to respond to any claims objection filed by Delta.

All available communications vehicles including the DP3 BLOG, the DP3 web site, email, and U.S. Mail will be used to keep members advised of the progress of the case and any requirements for individual action.

Q9. What is the current amount of dues and assessments required to be a fully paid member of DP3?

A9. Full membership in DP3 requires a total payment of \$1,000, which includes membership dues and the three annual assessments to date.

We appreciate your support of DP3, and thank those who have initially carried the financial load on behalf of all the retired pilots. If you have a question about your membership status, send us an email at contact@dp3.org and we will confirm your membership status and any dues owed.

If you would like to become a member, click the "JOIN DP3" link on our web site at www.dp3.org, complete the application, and send it to the address indicated with your check for \$1,000.

Mail your application and check to:

Delta Pilots' Pension Preservation Organization, Inc.

P.O. Box 76362

Atlanta, GA 30358

DP3 Website: www.dp3.org

DP3 BLOG: <http://dp3org.wordpress.com/>

Email Address: contact@dp3.org