



Our Mission Statement

To work to preserve the earned pensions, health insurance and other benefits paid by Delta Air Lines to retired Delta pilots, their dependants and survivors.

www.dp3.org

August 8, 2007

Class Action Lawsuit Filed Over 5-year Lookback

Dear DP3 member and others;

First, on behalf of the continuing Trustees and the members of DP3, I would like to warmly welcome Will Buergey and Jeff Pickett to the Board. Will and Jeff bring a wealth of experience, ideas, energy and a dedication to the mission of DP3. We look forward to their contributions on behalf of retired pilots and survivors in the years ahead

The Board of Trustees and its attorneys met in Atlanta on July 31 and August 1.

Five-year lookback

Second, attorney's for DP3 yesterday filed a motion with the bankruptcy court seeking class status for all retired pilots who were adversely affected by the so-called 5-year lookback in calculating retirement benefits following the termination of the pension plan.

This motion seeks an unsecured claim of at least \$100 million against Delta for the "disregarded benefit" on behalf of all members of the class.

This filing potentially affects hundreds of pilots. I urge you to read these papers which are posted on the DP3 web site.

The earliest hearing date is Oct. 2.

Here are selected excerpts from the filing:

As a result of the manner in which Delta applied certain limitations imposed by the Internal Revenue Code ("IRC") and allocated the retirement benefit between the Qualified Plan and the Non-Qualified Plans, Class Claimants should have an additional claim under the Non-Qualified Plans.

Delta's application of the IRC Limitations, discussed in more detail below, effectively reduced the portion of the benefit payable from the Qualified Plan without allowing an unsecured claim for a corresponding increase in the retirement benefit due from the Non-Qualified Plan.

Class Claimants file the Class Claim, not only on behalf of themselves individually, but also on behalf of that class of persons similarly situated (the "Class"), consisting of all persons who: (a) were previously employed by Delta as pilots; (b) retired from service with Delta prior to September 2, 2006; (c) qualified as participants under the Qualified Plan, a tax-qualified defined benefit plan, which originated in 1972 and was amended and restated to be effective July 1, 1996; and (d) are not being allowed a claim for their full retirement benefits under the Qualified Plan and the Non-Qualified Plans because a portion of those benefits are being disregarded by Delta through Delta's inconsistent application of the compensation and benefit limitations specified in IRC § 401 (a)(17) (the "Compensation Cap") and § 415 (b) (the "Benefit Cap"). The total amount of their class claims is unknown at this time, but Class Claimants estimate these claims are not less than \$100,000,000.00 in the aggregate.

In other words, Delta's inconsistent application of the IRC Limitations when allocating the Formula Benefit between the Qualified Plan and Non-Qualified 3761083_8.DOC-5-Plans resulted in a reduction of the Formula Benefits payable under the [Pilot Working Agreement]. The Class members have not been allowed a claim for this reduction. (The difference in the Non-Qualified Plan benefit payable using the 2001 IRC Limitations and the Non-Qualified Plan benefit payable using the 2006 IRC Limitations constitutes the "Disregarded Benefit" for each Claimant.) Delta has breached PWA and Non-Qualified Plans, and the members of the class should be afforded an unsecured claim for their Disregarded Benefit.

PBGC

Third, in parallel with the motion filed today, DP3 and its attorneys have been engaged with attorneys and staff members of the PBGC regarding

benefit estimate calculation policies, bankruptcy claim recoveries and other matters relating to the administration of the pilots' pension plan under the PBGC.

The PBGC recently notified retirees by mail of road shows later this month in Atlanta and Dallas; we urge you to attend and ask your questions and receive the answers in person.

Medical claim

Finally, we are in a continuing dialogue with Delta over the proper way to account to the IRS and SSA regarding the nature of the medical claims awarded as a result of bankruptcy. A definitive answer has not yet been determined.

As you know, this issue could have major impact on future Social Security payments to many recipients should the medical claims be considered earned income. Stay tuned.

Thank you for your continued support for DP3. Be sure to check the BLOG on our web site for the very latest updates and information.

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DP3

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