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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

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PETER A. RAETSCH, GERALDINE RAETSCH,	:	:
CURTIS C. SHIFLETT, WILLIAM FOSTER, JR.,	:	:
JOAN W. FOSTER, STANLEY C. THOMAS, and	:	:
LARRY F. THOMPSON, individually	:	:
and on behalf of all others similarly situated,	:	:
	:	:
Plaintiffs,	:	CIVIL ACTION NO.
	:	:
v.	:	2:05-cv-5134 (PGS)
	:	:
LUCENT TECHNOLOGIES, INC.,	:	:
ALCATEL-LUCENT USA INC.,	:	CLASS ACTION
LUCENT TECHNOLOGIES, INC.	:	:
EMPLOYEE BENEFITS COMMITTEE, and	:	:
LUCENT TECHNOLOGIES, INC. MEDICAL	:	:
EXPENSE PLAN FOR RETIRED EMPLOYEES,	:	:
	:	:
Defendants.	:	:
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THIRD STATUS REPORT RE: SETTLEMENT DISTRIBUTION

Plaintiffs and class counsel submit this Status Report to provide the current status of the settlement distribution, as well as the status of the investigation of the 449 remaining households which may be eligible to receive settlement payments.

A. Settlement Distribution Authorized by November 15, 2011 Order

Pursuant to the authorization granted by the Order dated November 15, 2011 (“the Order”), class counsel, the Settlement Administrator (Heffler Radetich & Saitta LLP or “HRS”), and the mailing house vendor used by HRS effected the settlement distribution on November 30, 2011. This distribution involved the mailing of settlement payment checks to 53,048 class member households which had been determined to be eligible to receive payments. The amount of funds authorized by the Order and used as the basis for the payout calculations and this distribution was \$ 25,252,422.07.¹

As of February 15, 2012, the custodian bank, FirstTrust Bank, reported that a total of 47,803 settlement payment checks had been negotiated, representing 90.01% of the updated total number (53,106) of checks issued for the November 30, 2011 distribution. The checks negotiated to date have a value of \$ 23,093,636.88, representing 91.45% of the funds in this distribution.

¹ The distribution amount authorized by the Court was \$ 25,252,625. As noted in the previous Status Report, three checks, having a combined value of \$ 485, were held back from the November 30 mailing in order to secure updated addresses. Two of these checks (having a total value of \$ 281.91) later were mailed to updated addresses. In the case of the third possible payee, the claim records do not provide identifying information to link the claims to a class member, so it is not possible to issue a settlement payment. So the actual amount distributed on November 30 was reduced by \$ 203.09. (The grand total distributed is 16 cents higher due to the net effect of rounding actual check amounts.)

After this initial distribution, HRS received requests to re-issue a number of checks to multiple beneficiaries. To accommodate these requests, HRS added 58 records into the database to account for these additional checks. The total number of checks issued for the initial distribution, including the original checks, the 58 additional re-issued checks to beneficiaries, and the two checks referenced in this footnote, is 53,106 checks.

The corresponding data for the number of uncashed checks is as follows. As of February 15, 2012, a total of 5,303 checks with a total value of \$ 2,158,785.19 had not yet been negotiated. (By way of comparison, the Second Status Report, filed January 6, 2012, reported that 9,067 checks, with a total value of \$ 3,700,038.24, had not yet been negotiated as of January 4, 2012. The progress made since January 4 represents a reduction of 3,764 uncashed checks and \$ 1,541,535.12 in dollar value.

As we anticipated during the last conference with the Court, HRS on January 20, 2012 mailed a reminder postcard (copy attached as Exhibit A) to 2,766 households which had not cashed settlement checks as of January 17, 2012. Since the mailing, the number of outstanding checks has steadily declined, as shown by the following information reported by FirstTrust Bank:

<u>Date Cleared</u>	<u>No. of Checks</u>	<u>Amount of Checks</u>
January 23, 2012	91	28,604.64
January 24, 2012	78	30,025.68
January 25, 2012	172	88,617.15
January 26, 2012	166	71,964.61
January 27, 2012	80	42,536.57
January 30, 2012	254	91,099.34
January 31, 2012	94	35,906.72
February 1, 2012	101	35,722.05
February 2, 2012	76	27,970.09
February 3, 2012	64	18,799.94
February 6, 2012	76	22,249.56
February 7, 2012	39	11,118.18
February 8, 2012	71	27,105.11
February 9, 2012	50	22,811.69
February 10, 2012	117	63,722.29
February 13, 2012	199	113,987.18
February 14, 2012	118	62,351.84
February 15, 2012	<u>79</u>	<u>35,344.94</u>
	1,925	829,937.58

These results are not limited to households that received the reminder postcard.

The total of 5,303 checks which remain outstanding can be broken down as follows:

- a. 194 checks, with a total value of \$ 119,617.91, were re-issued on February 6, 2012. The majority of these checks were re-issued based on requests from beneficiaries or other next of kin of deceased class members.
- b. 407 checks, with a total value of \$ 213,404.52, are in the process of being re-issued to a different payee, such as an estate representative or other surviving relative. The new checks will be mailed once HRS has received adequate documentation to confirm that the substituted payee is proper.
- c. 718 checks, with a total value of \$ 293,735.12, were returned by the postal service and were re-mailed to updated addresses provided by either the postal service or by research through the locator service, LexisNexis.
- d. 120 checks, with a value of \$ 45,451.15, were returned by the postal service and will be re-mailed upon receipt of updated address information which is in the process of being obtained from Lexis/Nexis and Equifax.
- e. 1,061 checks, with a total value of \$ 477,261.82, were returned by the postal service and submitted to LexisNexis but no updated address was obtained. Further address research is currently being performed through Equifax.
- f. 2,803 checks, with a total value of \$ 1,009,314.70, apparently were delivered to valid addresses but have not been cashed, either due to loss or delay. A follow-up reminder postcard was mailed to these households to remind them to either cash the checks or request replacement checks was mailed on January 20, 2012 to 2,766 of these households. A reminder postcard was mailed on February 17, 2012 to the balance of 37 households which had not previously received it.

B. Plan for Locating Recipients of Remaining Uncashed Checks

At the last conference, the Court directed class counsel and the Settlement Administrator to include in this Status Report a specific, detailed plan for locating recipients of uncashed checks and delivering the checks to the appropriate recipients so that they are cashed.

HRS plans to undertake the following steps to address the uncashed checks:

1. By February 21, 2012, submit a listing of households with uncashed checks to Lucent/ING/Hewitt to obtain contact phone numbers and names of next of kin (if pertinent).
2. Once the file of phone numbers is received, HRS will arrange for robocall messages to be placed to all households which were issued checks in amounts greater than \$ 150.00.
3. Approximately one week after the original robocalls are made, HRS will arrange for robocall messages to be placed to all households which were issued checks in amounts between \$ 50.00 and \$ 150.00.
4. Approximately two weeks after receipt of next of kin data, where the payee is shown as deceased, HRS will locate and send a letter to next of kin as indicated in either the Lucent records or the Social Security Administration deaths database.
5. Approximately two weeks after the letters are sent to the next of kin, HRS will arrange for robocalls to the next of kin.

HRS anticipates that the above steps will be completed by the end of March, leaving approximately 60 days in which the originally issued checks can continue to be negotiated, given their stated “non-negotiable” date 180 days from the date of issue.

Following the completion of this program and evaluation of its results, additional steps will be proposed and reviewed with the Court to address the remaining uncashed checks.

C. Settlement Payments Issued to 401 Additional Households

As stated in the previous Status Report and in the Request for Authorization to Distribute Settlement Funds Subject to Reserve for Later-Recognized Class Members, filed October 28, 2011 (Dkt. # 171), the list of unresolved eligibility cases had been reduced to 450 households at the time of the main settlement distribution made in late November. One duplicate record was detected recently, so the corrected total of unresolved cases is 449.

As previously reported, these 449 cases fall into two groups. First, 362 households may be potentially eligible for settlement payments from Pools One, Two and/or Three based on their medical plan participation before October 1, 2003. Second, 87 households may be potentially eligible for settlement payments only from Pool Three based on their medical plan participation during the period October 1, 2005 to September 30, 2006 but not during the earlier period.

For 407 of these remaining households, Lucent provided in December the information available from sources other than TRH which was needed to make final determinations of eligibility and payment amounts due from Pools Two and/or Three (a process which does not require analysis of claims data). The necessary payment calculations for these households were completed and transmitted to HRS by Segal Company on January 19, 2012. Segal determined that 401 of the 407 households were eligible for a payment in some amount, and HRS issued and mailed checks to these 401 eligible households on January 31, 2012. As of the most recent bank report, 257 of these new checks, representing 64% of the total, had been cashed. The dollar value of the cashed checks was \$ 130,218.30, representing 73% of the total value of \$ 178,022.99 in this supplemental distribution. In cases where checks are returned by the postal service, re-mailing to updated addresses will occur. In cases where checks remain uncashed, HRS will mail a reminder postcard and pursue the follow-up steps which are detailed above for the main settlement distribution group.

D. Status of Investigation of Remaining 42 Households

Actual household medical claims data is only needed to compute settlement payments under Pool One. Of the original total of 449 unresolved cases, only 42 households are potentially eligible for payments from Pool One, which is based on the actual financial burden of increased co-pays and deductibles on each household during the period January 1, 2001 to September 30, 2003. For this small number of households, historic medical claims data for each household is in the process of being restored from inactive data archives maintained by Lucent's vendor Thomson Reuters Healthcare ("TRH"). The TRH data will then be analyzed by Segal Company, both to establish eligibility and to compute the amount of the payments due under Pool One.

On Tuesday, February 14, 2012, a conference call was conducted with TRH representatives to finalize the parameters of its data production. TRH has confirmed that it will deliver the necessary claims data by the end of February 2012. Accordingly, it continues to be the case that the process of determining eligibility and payment amounts, and issuing settlement payments, for the 42 households that are potentially eligible for Pool One payments will occur during March 2012.

In light of the ongoing status of both the settlement distribution and the household eligibility investigation, plaintiffs and class counsel propose to file a new Status Report on or before April 20, 2012. This date is expected to follow the date of distribution to the remaining households by at least ten days.

Dated: February 17, 2012

Respectfully submitted,

SANDALS & ASSOCIATES, P.C.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Third Status Report Re: Settlement Distribution was served upon counsel listed below on February 17, 2012 by ECF Filing, personal email, and first class mail:

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s/ Scott M. Lempert
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EXHIBIT A

LUCENT RETIREE MEDICAL SETTLEMENT

Dear Class Member:

On November 30, 2011 you were mailed a check representing your share of the distribution from the Settlement Fund in **Raetsch, et al. v. Lucent Technologies, Inc.**, No. 2:05-cv-5134 (PGS) (U.S. District Ct. D.N.J.), the Lucent Retiree Medical class action. Our records show that you have not yet presented this check for payment. If you received this check, please **cash it promptly**. If you have not received this check or mistakenly discarded it, please contact us at one of the following addresses within ten (10) days to request a replacement check:

Lucent Retiree Medical Settlement
Claims Administrator
Heffler, Radetich & Saitta, LLP
1515 Market Street, Suite 1700
Philadelphia, PA 19102
1-888-229-4969
or
LucentRetirees@Heffler.com

Sincerely,
Heffler, Radetich & Saitta LLP
Claims Administrator