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KENNETH J. MURPHY
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U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
WESTERN DIV. DAYTON

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

ART SHY, FRED BURRIS,)
CLARENCE NUSS, JOHN HERRING,)
CARL POTTS, HAROLD RETHERFORD,)
HENRY G. BETLEY, RICHARD A.)
SPITLER, on behalf of)
themselves and other persons)
similarly situated, and)
INTERNATIONAL UNION, UNITED)
AUTOMOBILE, AEROSPACE AND)
AGRICULTURAL IMPLEMENT WORKERS)
OF AMERICA AND ITS LOCAL)
UNIONS 6, 66, 98, 119, 226,)
305, 402, 472, 658, 2274, AND)
2293, INTERNATIONAL UNION,)
UNITED PLANT GUARD WORKERS OF)
AMERICA ("UPGWA") AND ITS)
LOCAL UNIONS 122, 4 and 134)
AND INTERNATIONAL ASSOCIATION)
OF MACHINISTS DISTRICT LODGE)
28 AND ITS LOCAL LODGES 1471,)
2819, AND 2821, SOCIETY OF)
ENGINEERING EMPLOYEES, INC.)
("SEE"), INTERNATIONAL UNION,)
UNITED STEELWORKERS OF AMERICA)
("USWA") AND ITS LOCAL UNION)
4320 on behalf of themselves and)
other similarly situated unions.)

Plaintiffs,)

v.)

NAVISTAR INTERNATIONAL)
CORPORATION, NAVISTAR)
INTERNATIONAL TRANSPORTATION)
CORP., NAVISTAR FINANCIAL)
CORPORATION, HARCO NATIONAL)
INSURANCE COMPANY, the NAVISTAR)
INTERNATIONAL TRANSPORTATION CORP.)
HEALTH PLAN and the INDIANAPOLIS)
CASTING CORPORATION,)

Defendants.)

Case No. C-3-92-333
Judge: Walter H. Rice
FIRST AMENDED COMPLAINT
CLASS ACTION
JURY DEMAND ENDORSED HEREON

#2

1. This is an action for violation of collectively-bargained health insurance agreements under Section 301 of the Labor-Management Relations Act ("LMRA"), 29 U.S.C. §185, and for clarification and enforcement of rights to future benefits due pursuant to an employee welfare benefit plan under Section 502(a)(1)(B) and (a)(3) of the Employee Retirement Income Security Act ("ERISA"), 29 U.S.C. §1132(a)(1)(B) and (a)(3).

JURISDICTION AND VENUE

2. This Court has subject-matter jurisdiction over this action pursuant to the LMRA, 29 U.S.C. §185, and ERISA, 29 U.S.C. §1132(a)(1)(B), (a)(3) and (e)(1).

3. Venue is proper in this district under the LMRA, 29 U.S.C. §185(a), under ERISA, 29 U.S.C. §1132(e)(2), and under 28 U.S.C. §1391(c).

CLASS ACTION ALLEGATIONS - RETIREES

4. The individual plaintiffs named herein -- Art Shy, Fred Burris, Clarence Nuss, John Herring, Carl Potts, Harold Retherford, Henry G. Betley and Richard A. Spitler, -- bring this action pursuant to Rule 23(a), (b)(1), and (b)(2) of the Federal Rules of Civil Procedure on behalf of themselves and all persons similarly situated.

5. The individual named plaintiffs seek to represent a class consisting of the following:

All retired persons, and spouses, surviving spouses and dependents of retired persons, who are currently participants in, or covered by, the Navistar International Transportation Corp. Health Plan ("the Plan").

6. The requirements of Rule 23(a) of the Federal Rules of Civil Procedure are met in that:

(a) The Class identified herein consists of approximately 63,000 persons, making joinder of all class members impracticable.

(b) There are questions of law and fact that are common to the claims of all class members -- including but not limited to whether defendants anticipatorily breached contractual obligations and violated statutory obligations on July 28, 1992, when they prospectively announced the termination of their current health insurance program as it applies to all retirees and spouses, surviving spouses and dependents of retirees, and announced the substitution of a new program that will provide health insurance benefits that are substantially inferior to the health benefits that are currently provided to such persons.

(c) The claims of the named representative plaintiffs are typical of the claims of the class, in that all retirees (and spouses, surviving spouses, and dependents of retirees) are affected in the same way by the changes that defendants announced on July 28, 1992, differing only in the timing of changes affecting different groups within the class. The named representative plaintiffs have an interest in common with the class members to establish that these announced changes are in violation of their rights under contracts and under ERISA.

(d) The named plaintiffs will fairly and adequately protect the interests of the class in that they will vigorously prosecute this action through qualified, experienced counsel and they have no interests that conflict with those of the class.

7. In addition, the requirements of Rule 23(b)(1) are met in that the prosecution of separate claims against defendants would create a risk of inconsistent and varying adjudications with respect to individual members of the class which would establish incompatible standards of conduct for defendants. The requirements of Rule 23(b)(2) are met in that the defendants, by announcing the prospective changes in their current health insurance program for all retirees and spouses, surviving spouses and dependents of retirees, have acted on grounds generally applicable to the class, thereby making appropriate final injunctive relief with respect to the class as a whole.

CLASS ACTION ALLEGATIONS - UNIONS

8. The union plaintiffs named herein, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America and its Local Unions 6, 66, 98, 119, 226, 305, 402, 472, 658, 2274, and 2293; International Union, United Plant Guard Workers of America ("UPGWA") and its Local Unions 122, 4 and 134; International Association of Machinists District Lodge 28 and its Local Lodges 1471, 2819, and 2821; Society of Engineering Employees, Inc. ("SEE"); International Union, United Steelworkers of America ("USWA") and its Local Union 4320, bring this action

pursuant to Rule 23(a) and (b)(2) of the Federal Rules of Civil Procedure on behalf of themselves and all other unions similarly situated.

9. The union named plaintiffs seek to represent a class consisting of the following:

All labor organizations which presently are or were in the past parties to collective bargaining agreements pursuant to which Navistar maintains its program of retiree health insurance.

10. The requirements of Rule 23(a) of the Federal Rules of Civil Procedure are met in that:

(a) The class identified herein consists of approximately 25 unions and 230 local unions, making joinder of all class members impracticable.

(b) Upon information and belief, there are questions of law and fact that are common to the claims of all class members -- including but not limited to whether defendants anticipatorily breached contractual obligations when they prospectively announced the termination of their current health insurance program as it applies to all retirees and spouses, surviving spouses, and dependants of retirees, and announced the substitution of a new program that will provide health insurance benefits that are substantially inferior to the health benefits that are currently provided to such persons.

(c) Upon information and belief, the claims of the named union representative plaintiffs are typical of the claims of the class, in that all labor organizations are affected in the same

way by the changes that defendants announced on July 29, 1992, differing only in the timing of changes. Upon information and belief, the named representative plaintiffs have an interest in common with the class members to establish that these announced changes are in violation of their past and present collective bargaining agreements with Navistar.

(d) The named plaintiffs will fairly and adequately protect the interests of the class in that they will vigorously prosecute this action through qualified, experienced counsel and they have no interests that conflict with those of the class.

11. In addition, the requirements of Rule 23(b)(2) are met in that the defendants, by announcing the prospective changes in their current health insurance program for all retirees and spouses, surviving spouses and dependents of retirees, have acted on grounds generally applicable to the class, thereby making appropriate final injunctive relief with respect to the class as a whole.

PARTIES

12. Plaintiff Art Shy resides at 621 North John Daly, Dearborn Hts., Michigan 48127. He was employed by defendant Navistar and its corporate predecessors from 1946 to June 1989. During this period, he was represented by UAW Local 402. Mr. Shy retired in June 1989 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

13. Plaintiff Fred Burris resides at RD #2, Box 282, Elm Grove, West Virginia 26003. He was employed by defendant Navistar and its corporate predecessors from 1962 to January 1984. During this period, he was represented by UAW Local 1077. Mr. Burris retired in January 1984 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

14. Plaintiff Clarence Nuss resides at 1126 Torrence Drive, Springfield, Ohio 44503. He was employed by corporate predecessors of defendant Navistar from 1950 to April 1982. During this period, he was represented by UAW local 658. Mr. Nuss retired in April 1982 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

15. Plaintiff John Herring resides at 1016 Mavor, Springfield, Ohio 45505. He was employed by defendant Navistar and its corporate predecessors from 1954 to April 1985. During this period, he was represented by UAW Local 402. Mr. Herring retired in April 1985 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

16. Plaintiff Carl Potts resides at 570 Tuttle Road, Springfield, Ohio 45503. He was employed by defendant Navistar and its corporate predecessors from November 1955 to March 1986. Immediately prior to his retirement Mr. Potts was the process engineering supervisor at the Springfield plant and was not represented by any labor organization. Mr. Potts retired in March 1986 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

17. Plaintiff Harold Retherford resides at 5817 Twitchell Road, Springfield, Ohio 45502. He was employed by defendant Navistar and its corporate predecessors for more than 31 years. Immediately prior to his retirement Mr. Retherford was supervisor in department 92 at the Springfield Plant and was not represented by any labor organization. Mr. Retherford retired in 1987 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

18. Plaintiff Henry G. Betley resides at 5806 Sandra Lee Avenue, Fort Wayne, Indiana. He was employed by defendant Navistar and its corporate predecessors from March 1960 to August 31, 1989. During this period, he was represented by the Society of Engineering Employees, Inc. Mr. Betley retired in August 1989 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

19. Plaintiff Richard A. Spitler resides at 4239 Beaver Avenue, Fort Wayne, Indiana. He was employed by defendant Navistar and its corporate predecessors from November 1955 to April 30, 1990. During this period, he was represented by the Society of Engineering Employees, Inc. Mr. Spitler retired on April 30, 1990 and since his retirement he and his wife have received health insurance benefits pursuant to the Plan.

20. Plaintiff International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW") is an unincorporated labor association with its headquarters in Detroit, Michigan. The UAW is a labor organization under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

21. Plaintiffs Local Union 6, 66, 98, 119, 226, 305, 402, 472, 658, 2274, and 2293 are unincorporated labor associations chartered by and affiliated with the UAW. They are parties to collective bargaining agreements with Navistar that provide health benefits for retirees. These local unions are labor organizations under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

22. Plaintiff International Union, United Plan Guard Workers of America ("UPGWA") is an unincorporated labor association based in Roseville, Michigan. The UPGWA is a labor organization under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

23. Plaintiff Local Unions 122, 4, and 134 are unincorporated labor associations chartered by and affiliated with the UPGWA. Local 122 is a party to a collective bargaining agreement with Navistar that provides health benefits for retirees. Local 122 is a labor organization under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

24. Plaintiff International Association of Machinists District Lodge 28 ("Machinists Union") is an unincorporated labor association. The Machinists Union is a labor organization under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

25. Plaintiffs Local Lodges 1471, 2819, and 2821, are unincorporated labor associations chartered by and affiliated with the Machinists Union. They are parties to collective bargaining agreements with Navistar that provide health benefits for

retirees. Local Lodges 1471, 2819, and 2821 are labor organizations under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

26. Plaintiff Society of Engineering Employees, Inc. ("SEE") is an Indiana not-for-profit corporation based in Fort Wayne, Indiana. SEE is a party to a collective bargaining agreement with Navistar that provides health benefits for retirees. SEE is a labor organization under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

27. Plaintiff International Union, United Steelworkers of America (USWA) is an unincorporated labor association with its headquarters in Pittsburgh, Pennsylvania. The USWA is a labor organization under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

28. Plaintiff Local Union 4320 is an unincorporated labor association chartered by and affiliated with the USWA. It is a party to a collective bargaining agreement with Navistar that provides health benefits for retirees. Local 4320 is a labor organization under Section 2(5) of the National Labor Relations Act, 29 U.S.C. §152(5).

29. Defendant Navistar International Corporation is a holding company of the Navistar operating company, defendant Navistar International Transportation Corp. Defendants, Navistar Financial Corporation, Indianapolis Casting Corporation, and Harco National Insurance Company are wholly-owned direct or indirect subsidiaries of Navistar International Transportation Corp. Defendants Navistar International Corporation, Navistar

International Transportation Corp. and Indianapolis Casting Corporation are Delaware corporations. Defendants Navistar International Corporation and Navistar International Transportation Corp. have their corporate headquarters and their principal place of business in Chicago, Illinois. Defendant Indianapolis Casting Corporation has its corporate headquarters in Chicago, Illinois, and its principal place of business in Indianapolis, Indiana. Defendant Navistar Financial Corporation is a Delaware corporation; defendant Harco National Insurance Company is a New York corporation; both have their principal place of business in Rolling Meadows, Illinois. Navistar is engaged in the manufacture and assembly of trucks and diesel engines. Defendants Navistar Financial Corporation and Harco National Insurance Company are engaged primarily in providing financial and insurance services for truck dealerships and truck owners. Prior to 1985, Navistar (formerly International Harvester Company) was also engaged in the manufacture and assembly of agricultural equipment and implements, construction equipment and gas turbine engines. Navistar owns and operates manufacturing facilities in Springfield, Ohio; Columbus, Ohio; Melrose Park, Illinois; Indianapolis, Indiana; and Waukesha, Wisconsin. Navistar is an employer in an industry affecting commerce within the meaning of Sections 2(2), 2(6) and 2(7) of the National Labor Relations Act, 29 U.S.C. §152(2), 152(6) and 152(7), and Section 301 of the LMRA, 29 U.S.C. §185, and is a plan sponsor, fiduciary and administrator of the Plan within the meaning of sections 3(16)(B), 3(21)(A) and 3(16)(A) of ERISA, 29 U.S.C. §1002(16)(B), 1002(21)(A) and 1002(16)(A).

30. Defendant Navistar International Transportation Corp. Health Plan ("the Plan") is an employee welfare benefit plan under Section 3(1) of ERISA, 29 U.S.C. §1002(1). All individual plaintiff class members are participants in the Plan.

COUNT I

(Under Section 301 of the LMRA, 29 U.S.C. §185)

31. At all relevant times, Navistar and the UAW and UAW Local Unions 6, 66, 98, 119, 226, 305, 402, 472, 658, 2274, and 2293 were parties to a series of Collective Bargaining Agreements covering employees of Navistar represented by the UAW and its locals.

32. At all relevant times, Navistar and the UPGWA and its Local Unions 122, 4 and 134 were parties to a series of Collective Bargaining Agreements covering employees of Navistar represented by the UPGWA and its Local Union 122.

33. At all relevant times, Navistar and the International Association of Machinists and its Local Lodges 1471, 2819 and 2821 were parties to a series of Collective Bargaining Agreements covering employees of Navistar represented by the Machinists Union and its Local Lodges.

34. At all relevant times, Navistar and the Society of Engineering Employees, Inc. ("SEE") were parties to a series of Collective Bargaining Agreements covering employees of Navistar represented by SEE.

35. At all relevant times, Navistar and the International Union, United Steelworkers of America ("USWA") and its Local 4320 were parties to a series of Collective Bargaining Agreements covering employees of Navistar represented by USWA.

36. These successive agreements between Navistar and the UAW and its locals, between Navistar and the UPGWA and its locals and between Navistar and the Machinists Union and its local lodges, between Navistar and SEE, and between Navistar and the USWA and Local 4320, constitute contracts between an employer and a labor organization within the meaning of section 301 of the LMRA, 29 U.S.C. §185.

37. Each of the collective bargaining agreements described in paragraphs 22 through 24 required Navistar, as a matter of binding contract, to provide certain medical, surgical, hospital, and other health care benefits ("health insurance benefits"), to retired employees who had been represented by the respective unions and to their spouses and eligible dependents, and to continue providing those health insurance benefits throughout the lifetime of each retired employee and each surviving spouse of a retired employee.

38. Plaintiffs Shy, Burris, Nuss, Herring, Betley and Spitler were beneficiaries of certain of the labor agreements between Navistar and the UAW and its locals. Shy, Burris, Nuss, Herring, Betley and Spitler are participants in the health insurance program established and maintained pursuant to those agreements.

39. On July 28, 1992, Navistar prospectively announced that it will terminate the health insurance program established and maintained pursuant to its Collective Bargaining Agreements with the UAW, with the UPGWA, with the Machinists Union, with SEE, with the USWA and with their respective locals, as that program applies to retirees and to spouses, surviving spouses, and dependents of retirees. Retirees and spouses, surviving spouses, and dependents of retirees who had been represented by the UPGWA will cease to receive health insurance benefits under the existing health insurance program on September 30, 1992 when the current collective bargaining agreement between Navistar and the UPGWA and its local union expires. Retirees and spouses, surviving spouses, and dependents of retirees who had been represented by the UAW will cease to receive health insurance benefits under the existing health insurance program on September 30, 1993 when the current collective bargaining agreement between Navistar and the UAW and its local expires. Retirees and spouses, surviving spouses and dependents of retirees who had been represented by SEE and the USWA are similarly faced with the cessation of health benefits under the existing health insurance program.

40. On July 28, 1992, Navistar prospectively announced the creation of a new program for providing health insurance benefits to retirees and to spouses, surviving spouses, and dependents of retirees. The new Navistar health insurance program will shift to retirees of Navistar a large portion of the cost of health care benefits that Navistar is obligated to pay pursuant to its Collective Bargaining Agreements with the UAW, with the UPGWA,

with the Machinists Union, with the SEE, with the USWA, and with their respective locals. Coverage under the new Navistar health insurance program will commence for retirees, and spouses, surviving spouses, and dependents of retirees, who had been represented by the UPGWA on October 1, 1992. Coverage under the new Navistar health insurance program will commence for retirees, and spouses, surviving spouses, and dependents of retirees, who had been represented by the UAW on October 1, 1993.

41. Navistar's prospective announcement of the termination of its existing program for providing health insurance benefits to retirees, and spouses, surviving spouses, and dependents of retirees, and the prospective announcement of a new program that shifts substantial costs from Navistar to retirees constitutes an anticipatory breach of the collective bargaining agreements described in paragraphs 31 through 35, which is actionable under §301 of the LMRA, 29 U.S.C. §185.

COUNT II

(Under Section 502 of ERISA, 29 U.S.C. §1132)

42. The allegations in paragraphs 1 through 41 are incorporated herein by reference.

43. The Plan is an employee welfare benefit plan within the meaning of ERISA, 29 U.S.C. §1002(2). Plaintiffs Shy, Burris, Nuss, Herring, Potts, Retherford, Betley and Spitler, and the members of the class they represent, are "participants" within the

meaning of sections 3(7) and 502(a)(1) of ERISA, 29 U.S.C. §§1002(7) and 1132(a)(1).

44. Under the terms of the Plan as consistently interpreted by Navistar and communicated to Navistar employees upon their retirement, the Plan provided health insurance benefits to retired employees and to their spouses and eligible dependents, and provided those health insurance benefits throughout the lifetime of each retired employee and each surviving spouse of a retired employee. See Exhibits A and B.

45. The termination by Navistar of its existing program for providing health insurance benefits and its creation of a new program that shifts substantial costs from Navistar to retirees will constitute a violation of the Plan. Such a violation is actionable under §502(a)(1)(B) of ERISA, which authorizes plan participants to sue for a clarification of their rights under the terms of a plan, and §502(a)(3) of ERISA, which authorizes participants to sue for an injunction or other equitable relief to enforce provisions of a plan. 29 U.S.C. §1132(a)(1)(B) and (a)(3).

PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray that this Court grant the following relief:

(1) a judgment clarifying the future rights of the individual plaintiffs and the members of the class that they represent to receive lifetime health benefits as provided by the

Plan immediately prior to Navistar's July 28, 1992, announcement of prospective changes in those benefits;

(2) a preliminary and permanent injunction directing Navistar and the Plan, their officers, agents, servants and employees and all persons in active concert or participating with them to comply with the Collective Bargaining Agreements and the Plan and directing them to continue to provide the lifetime health insurance benefits required by the Plan and the applicable Collective Bargaining Agreements, and prohibiting them from terminating the program or decreasing the benefits provided to retirees of Navistar, their spouses, surviving spouses, and eligible dependents;

(3) judgment against Navistar and the Plan, jointly and severally, in an amount equal to all costs and expenses sustained by retired employees of Navistar and their spouses and eligible dependents as a result of the Defendants' refusal to provide the promised health insurance benefits including, but not limited to:

(a) premiums paid to obtain insurance coverage to replace the benefits formerly provided by Navistar and the Plan and/or all contributions or premiums imposed by Navistar for coverage under the substitute Plan; and

(b) all direct payments for drugs, medical, surgical, hospital and other health care benefits or services which should have been provided by Navistar and the Plan.

(4) judgment against Navistar and the Plan for the costs of this action, including attorneys fees; and

(5) such other and further relief as the Court may deem just and proper.

By: Betty Grdina
BETTY GRDINA (0014602)
Trial Attorney
Bobulsky & Grdina
2036 East Prospect Rd.
Astabula, Ohio 44004
(216) 998-4214

Counsel for Plaintiffs
Art Shy, Fred Burris,
Clarence Nuss, John Herring,
Henry G. Betley and Richard
A. Spitler

By: Frederick G Cloppert, Jr.
FREDERICK G. CLOPPERT, JR.
(0010371), Trial Attorney
MICHAEL J. HUNTER (0018756)
Cloppert, Portman, Sauter,
Latanick & Foley
225 East Broad Street
Columbus, Ohio 43215
(614)461-4455

By: Gerald B Lackey
GERALD B. LACKEY (0017244)
Trial Attorney
Lackey, Nusbaum, Harris,
Reny & Torzewski
Two Maritime Plaza, 3rd Fl.
Toledo, Ohio 43604
(419) 243-1105

Counsel for Plaintiffs
Carl Potts and Harold
Retherford

By: Gordon A Gregory
GORDON A. GREGORY
Gregory, Moore, Jawkle,
Heinen, Ellison & Brooks
3727 Cadillac Tower Bldg.
Detroit, Michigan 48226
(313) 964-5600

Counsel for Plaintiffs
International Union,
United Plant Guard Workers
of America and Local Union
122

By: Ian D Lanoff
IAN D. LANOFF
JULIA PENNY CLARK
Bredhoff & Kaiser
1000 Connecticut Ave., N.W.
Suite 1300
Washington, D.C. 20036
(202) 833-9340

Counsel for Plaintiffs
International Union, United
Automobile, Aerospace, and
Agricultural Implement
Workers of America, and its
Local Unions 6, 66, 98, 119,
226, 305, 402, 472, 658, 2274
and 2293, International
Union, United Plant Guard
Workers of America, and Local
Unions 122, 4, and 134,
International Association of
Machinists District Lodge 28,
and its Local Lodges 1471,
2819, and 2821, Society of
Engineering Employees
("SEE"), International Union,
United Steelworkers of
America, and its Local 432

By: Bruce O. Boxberger By: David Gore
BRUCE O. BOXBERGER DAVID GORE
ARTHUR E. MANDELBAUM Kleiman, Whitney, Wolfe &
Miller, Carson & Boxberger Gore
1400 One Summit Square 1 East Wacker Drive
Fort Wayne, Indiana 46802 Suite 1910
(219) 423-9411 Chicago, IL 60601
(312) 467-4380
Counsel for Society of Counsel for USWA, Local 4320
Engineering Employees, Inc.

JURY DEMAND

Plaintiffs hereby demand a trial by jury.

Frederick G. Cloppert Jr.
Frederick G. Cloppert, Jr.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing was served by first class U.S. mail, postage prepaid, upon Navistar International Transportation Corporation Health Plan, 455 North Cityfront Plaza Drive, Suite 1300, Chicago, IL 60611, Navistar International Corporation, 6125 Urbana Road, Springfield, Ohio 45502, Navistar Financial Corporation, 455 North Cityfront Plaza Drive, Suite 1300, Chicago, IL 60611, Navistar International Transportation Corp., CT Corporation System, Registered Agent, 208 South LaSaile Street, Chicago, IL 60604-1135, Harco National Insurance Company, 2850 West Golf Road, Rolling Meadows, IL 60008, Indianapolis Casting Corporation, 455 North Cityfront Plaza Drive, Suite 1300, Chicago, IL 60611, Emily Nicklin, Ruben Castillo, Douglas C. Gessner, Gregory Markow, Kirkland & Ellis, 200 East Randolph Drive, Suite 6000, Chicago, IL 60601, David P. Radelet, Wildman, Harrold, Allen & Dixon, 225 West Wacker Drive, Suite 2500, Chicago, IL 60606-1229, and Michele E. Smith, Navistar International Transportation Corp., 455 North Cityfront Plaza Drive, Suite 1300, Chicago, IL 60611, this 14th day of September, 1992.

Frederick G. Cloppert Jr.
Frederick G. Cloppert, Jr.

6-15-89
Mr. Arthur D. Shy
621 N. Toluca Daily Rd.
Dearborn Heights, MI 48127

Re: After Retirement Insurance Coverage

NAVISTAR

Dear Mr. Shy,

We are pleased to advise you that effective 7-1-89 you and your spouse are insured for lifetime medical coverage in conjunction with your retirement from the Company.

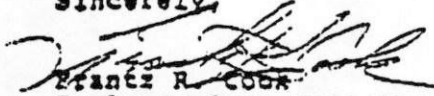
In order for our department to maintain the records of your coverage, we must have the enclosed enrollment form completed where checked and returned to our office in the enclosed envelope as soon as possible.

Your medical coverage is in accordance with the benefits described in the enclosed booklet. If you need any claim forms you should write to Aetna Life & Casualty Company, P.O. Box 5367, Rockford IL 61125 or call toll free 1-800-433-2969.

Enclosed is a statement of After-Retirement Life Insurance provided for you by Navistar International Transportation Corp. under Group Policy 52000 issued by the Aetna Life & Casualty Company. This form provides information concerning your After-Retirement life insurance coverage including Accidental Death and Dismemberment Benefits and Supplemental Survivor Benefits where applicable. This statement should be retained as your evidence of continued coverage as indicated.

Any questions concerning your benefits may be directed to the writer.

Sincerely,


Francis R. Cook
Employee Insurance Plans Analyst

Enclosures

gs



EXHIBIT
A
ALL-STATE LEGAL SUPPLY CO.

*Don
Harrell*



April 4, 1979

Mr. Mathew Harrington
1812 Dawn Drive
Fort Worth, TX 76118

Dear Mr. Harrington:

This letter is in reply to your wife's recent request for an explanation of the Spouse Option Election.

Your pension file indicates that you retired under a Total and Permanent Disability Retirement on October 31, 1974 from the Irving Street, Dallas Branch at age 53 years, 10 months with 20.3 years of credited pension service. You were a member of the United Auto Workers Union.

Under the terms of the Non-Contributory Retirement Plan and as indicated on the copy of the "International Harvester Application for Non-Contributory Retirement Benefits" in your possession, you will be given the opportunity at age 60 to elect to receive a reduced pension benefit in order to provide your wife, Billie Louise, with a lifetime retirement benefit in the event you predecease her. The reduction, based on your birthdate of December 17, 1920 and your wife's birthdate of February 26, 1926, will be 3.5 percent. Your wife's benefit would be 55 percent of your reduced benefit.

The Company will contact you in November, 1980 and, should you elect the option, it would become effective January 1, 1981. The Non-Contributory Retirement Plan specifies that no benefits are payable if either the retiree or his designated spouse dies prior to the effective date of the election.

Whether or not you elect the Option, should you predecease your wife, she will be covered under the Company's Hospital-Medical-Surgical insurance for her lifetime at no expense to her, as long as she participates in Parts A and B of Medicare when eligible. Your wife is also listed as beneficiary of your group life insurance policy.

If you have any further questions about these benefits, please contact this office.

Sincerely,

T. E. Rogers

T. E. Rogers
Retirement Plans Manager

TBR/cs

CC: Southwest TSR

EXHIBIT
B
ALL-STATE LEGAL SUPPLY CO.