EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:	)	Case No. 01-00056 (PJW)
	)	Chapter 11
T.W.A. POST CONFIRMATION ESTATE,	)	Courtroom No. 2
	)	824 Market Street
Debtor.	)	Wilmington, Delaware 19801
	)	
	)	October 14, 2003
	)	1:31 P.M.

TRANSCRIPT OF ELIZABETH ROBINSON'S MOTION TO COMPEL AMERICAN AIRLINES TO CONTINUE TWA COMPENSATION BENEFITS
BEFORE HONORABLE PETER J. WALSH
UNITED STATES CHIEF BANKRUPTCY JUDGE

APPEARANCES:

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Proceedings recorded by electronic sound recording, transcript produced by transcription service.

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THE COURT: Please be seated. Yes.

MR. MIGLIORE: Good afternoon, Your Honor. Michael Migliore Pachulski Stang Ziehl Young Jones and Weintraub on behalf TWA, the post confirmation estate.

We are here before the Court today, Your Honor, for one matter, and that is the motion of Elizabeth Robinson to compel American Airlines to continue paying worker's compensation benefits.

This matter being brought before the Court by Ms. Robinson as the movant, I will cede the podium to Ms. Robinson.

MS. ROBINSON: Good afternoon, Your Honor. Elizabeth Robinson, pro se.

Did you have an opportunity to see the papers that I entered with the Court last week?

THE COURT: I have.

MS. ROBINSON: Thank you, Your Honor. In that case, I'll be brief and to the point. The sole matter that's before the Court is the matter of paying me my worker's compensations, namely benefits, namely the Longshore and Harbor Worker's Act, according to Article 20(d)(2) of the 1983 contract under which -- or collective bargaining agreement to be more accurate, between the Independent Federation of Flight Attendants and Transworld Airlines. It's a collective bargaining agreement.

I believe that the second or third contract after that, it was deleted. And all of those who had it were

grandfathered in.

Also in the asset sale and purchase agreement between American Airlines and TWA in 3.1(c), it clearly states that all employees will continue to be paid their worker's compensation. In small letters, "Therefore, it means all kinds of worker's compensation."

And upon that, I'll concede to opposing counsel.

MR. SILBERGLIED: Good afternoon, Your Honor. For he record, Russ Silberglied of Richards Layton and Finger on behalf of American Airlines.

First of all, I apologize to your Court that you're -- to the Court that you're seeing a different attorney than the last time, I'm filling in for Mr. Stearn who had a conflict, but I have read the transcripts of the previous hearings.

We do have in the courtroom the witness that Mr. Stearn promised to supply for the Court. That's Dennis Steeves, and he is in the courtroom here.

However, before I put Mr. Steeves on the stand, I would first like to raise a new issue, and what I believe is a case dispositive issue, which I think would obviate the need for testimony and obviate the need for the Court to take its valuable time with hearing the testimony. We only learned of this issue yesterday. The papers that Ms. Robinson submitted, for whatever reason, we did not receive them. I don't know if it's a mail problem or what it is, but we did not receive them.

We received them actually yesterday because they were attached to the agenda, or the amended agenda that counsel, Pachulski Stang supplied. It, frankly, doesn't make a difference why, but that's why we haven't called the Court's attention to this earlier is we just found out about it.

And specifically what I'm referring to is the settlement agreement that is attached as Exhibit 7 to Ms. Robinson's submission. I take it that this settlement agreement is the settlement agreement that was mentioned a few times at the July 7th hearing that Your Honor had asked Ms. Robinson to produce, and I take it that this is such the production and that's why we're here. And it doesn't specifically say that but I'm sure I'll be corrected if I'm wrong, but I believe that's what it is.

But we think that this settlement agreement is very important and we think it's case dispositive because as a result of this settlement, which is a settlement between TWA and Ms. Robinson, we believe that her claim against American Airlines, if any ever existed, is now extinguished.

It, first of all, as background of what it purports to be, it's a settlement of all of her claims against TWA and specifically her various proofs of claim.

And I'd like to talk about one of those proofs of claim in particular. I actually have hearing binders here, exhibit binders that I was going to introduce when the witness

took the stand, so I put the proofs of claim in the back of the binders. So, perhaps if I can -- I've already handed Ms. Robinson a binder, perhaps if I can approach the Court with a binder.

THE COURT: Okay. Because I have no idea what these claims are.

MR. SILBERGLIED: Yes.

(Pause)

MR. SILBERGLIED: I put it at the end of the binder because the binder had been prepared previously. So, the proofs of claim are from 8 to the end, and it's specifically the one at 8 that I'd like to focus on.

Your Honor will see from Exhibit 8 that there is no particular money that is set forth as a claim. It's listed as an unsecured priority claim. Going about halfway up and on the right side, it is specifically for longshoreman's and harbor worker's disability benefits. So, that's the claim we're here for today.

And under category 6, it checks a box and it says it's for ongoing accrual. And I take it that ongoing accrual means the ongoing payments pursuant to the act. So, these essentially -- this is a proof of claim that was filed with respect to payments that would come due over time.

This proof of claim, like the others that were filed by Ms. Robinson, is specifically settled in the settlement

agreement. It's a settlement agreement that contains a general release and specifically is a settlement of proofs of claim on top of it. And the proof of claim numbers are specified, including this proof of claim number.

Your Honor, the other key provisions in the settlement agreement -- there are three other key provisions. First of all, there is a $25,000 cash payment to Ms. Robinson. Before talking about the other two important claims, let's talk about that cash payment for a minute. Remember that all unsecured --

THE COURT: How do we know what that is?

MR. SILBERGLIED: Thank you, Your Honor. I have a copy of it that is slightly more legible. The copy that Pachulski was good enough to deliver, along with the agenda, they faxed one copy and hand-delivered one copy. The faxed copy, which is probably the one Your Honor has, it's completely illegible, the handwritten copy is -- excuse me -- hand-delivered copy is slightly more legible. If I may approach with the hand-delivered copy, I think Your Honor will see the $25,000 --

THE COURT: Was this --

MR. SILBERGLIED: -- if you look carefully.

THE COURT: Was this settlement agreement filed in this -- in the Chapter case?

MR. SILBERGLIED: Your Honor, my understanding is it

does not appear on the docket. However, my understanding from speaking with counsel at Pachulski, who will correct me if I'm wrong, is that there were procedures in the confirmation order that allowed for settlements of proofs of claim. Sort of like a 9019(b), I suppose. And that, therefore, Court approval was not required. The settlement agreement is post confirmation.

THE COURT: Okay.

MR. SILBERGLIED: May I approach with a slightly more legible copy?

THE COURT: Yes.

MR. SILBERGLIED: Thank you.

(Pause)

THE COURT: Okay. Where are you referring to for the -- what'd you say, $25,000?

MR. SILBERGLIED: Yes, it looks like there -- maybe either a highlighter went over it or tape or something.

THE COURT: It looks like it was redacted.

MR. SILBERGLIED: It perhaps may have been, Your Honor. But I think if you look closely, it looks like it says the words 25,000.

In any event, Your Honor --

THE COURT: Well, before we leave, wouldn't TWA have a copy of an unredacted version in its records?

MR. MIGLIORE: I would image it would, Your Honor.

THE COURT: Unless Ms. Robinson agrees that it says

$25,000.

MR. SILBERGLIED: I'd be very surprised if she disagrees, but --

THE COURT: Ms. Robinson?

MS. ROBINSON: My point is it's irrelevant, Your Honor.

MR. SILBERGLIED: We'll get to the relevance momentarily.

THE COURT: Do you agree that the -- what appears to be redacted is the number $25,000?

MS. ROBINSON: I believe it is, Your Honor. But I believe it's also irrelevant.

MR. SILBERGLIED: Your Honor, I'd like to address the relevance first before she rebuts.

First, let's talk about 25,000 and what that is. It's $25,000 cash. Remember that unsecured claims in this case did not get much. Unsecured claims in this case got 3.3 percent of the recovery on avoidance proceeds only, and that's it.

The plan estimated that there would be $1.7 billion in unsecured claims and this was on 4.5 billion of actually filed unsecured claims. Assuming that the 1.75 is the accurate estimate for the sake of argument, by my math, if there's a $15 million recovery on avoidance actions, which is a fairly aggressive number, that puts the unsecured's recovery in this

case at .8 cents on the dollar, which implies for a $25,000 cash payment an allowed unsecured claim of $3.15 million. So, she received valuable consideration in exchange for this release.

The second important provision, Your Honor, is that there is a full release of TWA.

And the third important provision, which is what Ms. Robinson will likely speak to, is that there is a reservation of rights. She purports to reserve the right to continue to pursue American for the very same debt.

Your Honor, it is American's position that that reservation is invalid and not permissible. This is not the situation of joint and several liability. Nor is it the situation of a guarantee. In each of those situations, Your Honor, there are two debts, one debt by one creditor -- or excuse me -- by one debtor and a second debt by the other debtor. And just because you get two cents on the dollar from one doesn't mean you can't get 98 cents on the dollar from the other.

That's not what we have here. We have one debt and we have purported successor liability. Now, obviously if Your Honor doesn't rule on this particular issue, then we'll get into whether there, in fact, was or was not successor liability under these circumstances.

But assuming for the sake of this portion of the

argument that there was successor liability, it can't be that the original party to the debt can settle its claim that the other party can receive valuable consideration therefore and that the purported successor in interest can still be sued. Indeed, bankruptcy --

THE COURT: I'm sorry. When was this settlement agreement executed?

MR. SILBERGLIED: Your Honor, there is no date on there, but I understand from debtors' counsel that it was approximately December of 2002.

THE COURT: December --

MR. SILBERGLIED: And there's a fax tag line that has that date, I think that's where the debtors got that proposition from.

MR. MIGLIORE: There's a fax reflected on Page 3 of the signature page, Your Honor.

MR. SILBERGLIED: Your Honor, if --

THE COURT: I'm --

MR. SILBERGLIED: I apologize.

(Pause)

MR. MIGLIORE: If you look about an inch down, Page 3 of the executed stip.

THE COURT: All right, I'm looking at that. Okay, I see it.

MR. SILBERGLIED: Your Honor, if I can take it out of

the bankruptcy context, just to show why this must be correct because it really is not even a bankruptcy issue, it's really an issue of how a release operates. Let's take as an example any transaction that's occurred recently. I'll take as one example the transaction that was ripped from the headlines from last week, the Vivendi transaction where it sold Universal Pictures to NBC or GE.

Suppose the Vivendi had a personal injury lawsuit at a time before the sale of Universal to NBC. And further suppose, as would be typical, that NBC arguably might not have picked up that liability in the asset purchase agreements. The cost Vivendi still exists, it's not selling all of its assets, it's only selling one business unit. It certainly would be common for a party like Vivendi to settle with the plaintiff in that personal injury case because it doesn't know whether it still had liability or does not have liability. And that way, it would avoid any doubt and would get some certainty.

There cannot be any possible basis under those facts for somebody to continue to pursue NBC in that personal injury case. NBC did not commit the alleged personal injury, was not involved with Vivendi or Universal at the time and only is being sued as successor in interest. If the original claim is extinguished, so is the successor liability.

In short, the claim here has been released. You can't reserve your right to sue the successor in interest when

you have released the claim for valuable consideration. And as a result, Your Honor, we would respectfully submit that this claim is extinguished.

THE COURT: Well, I don't think I agree with that. Why do you have two provisions, Paragraph 3 and 4, specifically acknowledging that Ms. Robinson has an alleged claim against American Airlines? And the TWA estate says it will not interfere with her ability to pursue that claim.

MR. SILBERGLIED: Thank you, Your Honor. The answer to that question is twofold. First of all, I don't have that provision. This was not American's stipulation. American is not a signatory to it. Frankly, I'm not aware of whether American ever even saw this stipulation prior to it being filed. I understand that it's possible that we -- that other attorneys at my firm did. I simply don't know at this time.

But in any event, certainly American was not requested to, nor did it consent to this language. So, that's the first step.

The second step is a party can reserve any rights that it actually has. That doesn't give them new rights, it simply reserves whatever rights it had at the time.

And the third step to this is that the debtor is saying that it will not interfere with Ms. Robinson attempting to assert a claim against American. The debtor is not here today interfering. The debtor didn't call me and ask me to

make this argument. American is making this argument because American has the right to defend itself against this argument especially with respect to a stipulation that it was not a party to.

THE COURT: Well, the way I read this document is TWA said to Ms. Robinson to the extent that we have any liability under any of the proofs of claim you filed, including the Exhibit Number 8, we're settling with you. By implication, it's saying if you have a claim against American Airlines, this does not affect that claim.

MR. SILBERGLIED: Your Honor, that may be TWA's position, but that's not TWA's position to take. There is one claim and one claim only, and she has received valuable consideration in exchange for releasing that claim. You don't release part of a claim and you don't release a claim against someone. You release a claim in full.

In fact, Your Honor, we have -- we obviously did not have a chance to research this in detail because we only identified this issue last night upon receipt of the amended agenda, so I apologize that we don't have the typically fully researched papers that we normally would. We did locate one case this morning, Brady versus Prairie Materials, Inc., 190 Illinois Appellate 3d 571, also 546 --

THE COURT: I'm not going to rule on a legal issue that I haven't had an opportunity to examine prior to the

hearing.

MR. SILBERGLIED: Well, I'm happy to submit it, Your Honor. We certainly can put on the testimony as an alternate basis -- as an alternate basis that the Robinson motion ought to be denied.

But, you know, Kirkland and Ellis is located in Illinois and we believe that this is authority for the proposition that a reservation of rights to sue somebody else on a claim that is released is not valid. You release a claim, you don't release a party to the claim.

THE COURT: Okay. Well, I think you ought to get on with the rest of your case.

MS. ROBINSON: May I make a statement, Your Honor?

THE COURT: I'm not ruling on this issue at this point. My reaction is that there's nothing in this settlement that precludes Ms. Robinson from pursuing American Airlines for its liability created under the APA.

MR. SILBERGLIED: Thank you, Your Honor. We will -- we would like --

THE COURT: Before I leave -- you talk about the relevance of the $25,000, what was the -- as I see from a couple of canceled checks, Ms. Robinson, you were getting about eighteen hundred dollars a month?

MS. ROBINSON: It was short paid, yes, Your Honor. Eighteen sixty-six and change, and it was short paid at that.

THE COURT: What do you mean it was short paid?

MS. ROBINSON: They did not pay me the sufficient amount. We've had an ongoing battle with Mr. Steeves and myself over many, many, many years on this matter. It should be two-thirds percent of my last annual income, which I believe you have the W-2 there, which is $41,396.26, that's the basis. If you calculate --

THE COURT: Well, all right, in any event, I -- we're not going to resolve that issue now either.

MS. ROBINSON: Oh.

THE COURT: But it's pretty obvious that on an annual basis, Ms. Robinson was getting about $20,000 a year and a one-time lump sum payment of $25,000 doesn't strike me as a good deal.

MR. SILBERGLIED: Except, Your Honor, that it is an unsecured claim. Her claim is an unsecured claim that she received $25,000 cash. It is the equivalent of a $3.1 million general unsecured claim that is allowed. That -- I mean to the extent that she can still recover from American, the question is then why did TWA pay $25,000 of cash, cash that it barely has. That does not inure to the benefit of the rest of the TWA creditors.

THE COURT: I have no idea why they paid it because I have no idea what the other claims are that were released by this claimant. There was a half a dozen of them, weren't

there? One, two, three, four, five.

MR. SILBERGLIED: You know, as I said, Your Honor, you know, we're happy to brief that in full if Your Honor doesn't accept the testimony, but we're confident you will. So, perhaps we would proceed then directly to the testimony of Mr. Steeves.

THE COURT: Okay.

MR. SILBERGLIED: I'd like to call Mr. Steeves to the stand.

CLERK: Remain standing, place your hand on the Bible. Please state your name for the record, spelling your last name.

MR. STEEVES: Dennis Steeves, S-T-E-E-V-E-S.

DENNIS STEEVES, AMERICAN AIRLINES' WITNESS, SWORN

CLERK: You may be seated.

DIRECT EXAMINATION

BY MR. SILBERGLIED:

Q Good afternoon, Mr. Steeves.

A Good afternoon.

Q Can you please very briefly state for the Court your educational background. First, where did you go to college?

A The University of Nebraska.

Q And what was the year and degree of your graduation?

A 1985, got a degree in finance.

Q Did there come a time where you began working for TWA?

A Yes.
Q When did you start working for TWA?
A June 10th of 1996.
Q And when did you stop working for TWA?
A May 31st of 2002.
Q At the time that you stopped working for TWA, what was your title?
A Director of Worker's Compensation.
Q And what were your duties in that capacity?
A I oversaw the Worker's Compensation Department of TWA, which handled all of the claims for domestic employees.
Q Did you also work in the worker's compensation or benefits area before and/or after you worked for TWA?
A Yes, both.
Q With which companies?
A I was with Federated Mutual Insurance Company for approximately nine years, and then with a company by then name of Gallagher Basset Services since that time.
Q So, how long total have you been working in the area of worker's compensation and benefits?
A Approximately 16 years.
Q Are you generally familiar with the Robinson claim?
A Yes.
Q In what capacity did you become familiar with the Robinson claim?

A A few years before I left TWA, I took over the administration of payment of the benefits to Ms. Robinson.

Q Can you describe the nature of the payments to Ms. Robinson to the Court?

A The payments were made as part of a contractual agreement from a labor contract in 1983 as part of the Federal Longshore benefit.

Q Now, the Federal Longshoreman benefits, since the Longshoreman's Act applies to acts at sea, and she was a flight attendant, why was it that she was receiving Longshoreman's benefits?

A It was part of a contractual agreement in the labor contract.

MR. SILBERGLIED: At this time, Your Honor, if I may approach the witness with one of these exhibit binders.

THE COURT: Okay.

Q Mr. Steeves, can you please open up to Exhibit 1? The first question is what is this document?

A This is an excerpt from the labor contract of 1983 between the flight attendants and TWA.

Q And is that the contract you were referring to in your prior answers about the Longshore Act?

A Yes.

Q Are you familiar incidentally with any governmental agencies that agreed with your position that the Longshore Act

was a contractual benefit?
A Yes, there was a letter that I had received a copy of from the Department of Labor.
Q Can you please open to Exhibit 2 in your binder? Have you ever seen this document before?
A Yes, I have.
Q What is this document?
A This is document from the Department of Labor to Congressman Steve Israel from the State of New York indicating that the longshore benefits were a contractual agreement.
Q And is this the letter you were referring to in your prior answer?
A Yes.
Q Okay. Let's look back to Exhibit 1 then. In the circled provision under Article 20D, at the end of that provision, it says, "Whichever act provides the higher benefits." What is your understanding of the worked "higher" in that context?
A That the employee would receive the higher of the greater of the two benefits, either the longshore or the state work comp benefits of the State of New York, but not both. They would receive the higher of the two.
Q Since you joined the company in 1996, mechanically who was it that paid Ms. Robinson?
A She received a check from an outside insurance company for the State-mandated portion of the benefit and TWA issued the

balance of the benefit to bring her up to the level of the Longshore benefit.

Q Now, if you would please turn to Exhibit 3. Have you ever seen Exhibit 3 before?

A Yes, I have.

Q Were you, in fact, the author of Exhibit 3?

A Yes.

Q Is that your signature at the bottom of Exhibit 3?

A Yes, it is.

Q And did you send Exhibit 3 to Ms. Robinson?

A Yes.

Q Let's look at the date on Exhibit 3, it's in the upper left-hand corner. April 10, 2001, how does that date relate to the sale of the TWA assets to American Airlines?

A That was the date following the date of the sale.

Q What is the purpose of this letter?

A To advise Ms. Robinson that the benefits would be terminated as a stipulation of the sale of TWA to American.

Q Now, why did you send this letter to Ms. Robinson as opposed to, say, simply stop writing the checks?

A Basically just as a courtesy to let her know why the benefits were terminated and to provide an explanation.

Q Now, on what basis did you reach the conclusions that are reached in this letter, the ones that you just described?

A Based on language that was part of the asset purchase

agreement.

Q And are you referring to the schedule of assumption, Schedule 3.1C?

A Yes.

Q Did you have a copy of it at the time?

A Yes, I did.

Q That schedule refers to the assumption of worker's compensation. Did you believe that there was a distinction between worker's compensation and Longshoreman benefits?

A Yes. It was my understanding that worker's compensation referred to State-mandated worker's compensation benefits. Whereas the Longshore benefit was part of a contractual agreement in a labor contract.

Q Now, did there come a time where you sought to confirm your understanding with anyone?

A Yes, I did.

Q Who?

A Two people actually, the first was a man by the name of Dave Luce who was in the TWA Legal Department. And the second was a gentleman by the name of Steve Wiseman, who was an independent attorney in New York that we had used for years on worker's compensation matters.

Q Now, without getting into the substance of your conversations with those two gentlemen, let me ask you if you felt more comfortable or less comfortable in making the

statements that you made in Exhibit 3 after you had spoken to them?

A I felt more comfortable.

Q Okay. Now, let's turn to the Robinson claim itself. Do you personally have any information as to whether Ms. Robinson has a temporary or a permanent disability?

A No.

Q Why, in your role, do you not have that information? Or your former role, I should ask.

A The benefits had been issued by an outside insurance company, were never administered by TWA. We did not have a copy of her injury file in our possession, that was maintained by the insurance company. The only thing we maintained was just our payment file for the longshore benefits.

Q Now, do you know what year the work related accident occurred?

A I believe it was 1984.

Q Okay. Would you please turn to Exhibit 4? You can look at whichever portion of Exhibit 4 you'd like, but I'd like to direct your attention to Page 62. And, again, there are a few provisions in here that are underlined, but you can read whichever portion you need to read to feel comfortable, and I'll let you read them at this moment.

A Okay.

(Pause)

A Okay.
Q Let me focus your attention on the portions of Page 62 at Lines 4, 11 and 16 to 17, that states, "Ms. Robinson is permanently disabled and permanently totally disabled." First of all, are those terms that are familiar to you?
A Yes, they are.
Q Are they essentially terms of art in your industry?
A Yes.
Q Do you have any independent reason as you sit here today to disagree with those statements?
A No.
Q Would you have had any reason to disagree in April of 2001 with those statements?
A No.
Q Based upon your 16 years in the industry, are the claims that they are permanent disability somewhat consistent or somewhat inconsistent with the fact that the injury occurred in 1984?
A It would be consistent with that.
Q Let's look at Exhibit 5. This document is obviously an excerpt, what is this an excerpt from?
A It appears to be an excerpt from the labor contract, May of 1992.
Q Now, you may need a moment to read that first paragraph, but I'd like you to tell us what your understanding of the

first paragraph is.

(Pause)

A It appears that this is, at least initially, eliminating Article 20D-2 from the previous labor agreement, which provided for the higher of either the State Worker's comp benefit or the Federal Longshore benefit. But it goes on to state that a flight attendant who sustained an injury prior to the effective date of the new agreement will essentially be grandfathered in, provided that the injury they're receiving compensation for is based on a temporary disability.

Q Based upon your 16 years in the industry, would you interpret this 1992 amendment to obligate TWA to pay longshore benefits for cases of permanent disability?

A No.

Q Then why did TWA continue to pay longshore benefits until 2001?

A We had not received any information from the insurance company about the degree of her disability. So, our assumption was that it was still temporary.

Q And when was the first time that you learned that Ms. Robinson was claiming permanent disability?

A When I was provided a copy of this transcript from the previous hearing.

Q Let's turn now to Exhibit 6. If you flip through Exhibit 6, there are several versions of a similar looking document.

And the first question I will ask you is have you seen these documents before?

A Yes.

MS. ROBINSON: Which one are we looking at?

MR. SILBERGLIED: Exhibit 6.

Q Have you seen these documents before?

A Yes, I have.

Q Other than the first page in which there is no signature on the lower left-hand corner, is that your signature in the lower left-hand corner of the other iterations of this document?

A Yes, it is.

Q Did you personally prepare these reports?

A Yes, I did.

Q What generally are these transmittal sheets designed to show?

A These are sheets that we use to show the monthly benefit that was payable to the recipients of the benefit and what these represented was basically an instruction to our accounts payable department to issue the checks.

Q Now, in the title, what does L.S. and H.W. stand for?

A Longshoreman and Harbor Workers.

Q Did you prepare these longshore and harbor workers transmittal sheets in the ordinary course of your business?

A Yes, I did.

Q To the best of your recollection, is the top sheet here, the April 10 version, was that the last one?
A Yes.
Q Why do you have that recollection?
A Because this followed the issuance of the previous letter that I had issued to Ms. Robinson and the other recipients essentially terminating the benefits as of the date of this transmittal.
Q And this is issued the very same day as that letter?
A Yes.
Q Do you know if this April 10 version was shared with American?
A Yes, it was.
Q Were the other ones that are a portion of this, the February 28 and the February 7 submitted to American?
A Yes.
Q Let's look at the fifth column across the top, it's labeled S-T W-K-L-Y-T-T-D rate, what does that stand for?
A Standard weekly temporary total disability rate.
Q What is temporary total disability?
A That's a benefit that's provided to an employee who is off work in a temporary medical status.
Q Another term of art in your industry?
A Yes.
Q Did you have any independent basis to report in this

report that Ms. Robinson was temporarily totally disabled?
A No.
Q Who did -- who are you relying upon for that information?
A If we needed to verify it, it would be the insurance company who is managing the claim.
Q Did you give that matter any thought in preparing this report?
A No, we hadn't.
Q Please look at the gross amount due column? Did you think that TWA or American owed anything more to Ms. Robinson than the amount in that column, $446.30?
A No.
Q Do you know if the information used in this transmittal sheet was used by TWA or American to prepare any financials?
A Yes, it was.
Q What did you do with this information?
A After preparing this sheet, I provided it to the Director of Corporate Insurance at TWA.
Q And who is that?
A That was Larry Anderson.
Q What did Mr. Anderson, in turn, do with that?
A He put it into a spreadsheet that he kept for insurance matters and then forwarded that information on to the Accounting Department at TWA.
Q And what was the person at the Accounting Department's

name?
A That was Cindy King.
Q And what did Ms. King do with the document?
A She took the information and put it into a master spreadsheet, the final accruals for TWA up to the date of the sale.
Q Would you please turn to Exhibit 7 in this binder? Is this the master spreadsheet that you were just referring to that Ms. King compiled based ultimately upon your data?
A Yes.
Q Would you please turn your attention to the account labeled Longshore Benefits, it's about two-thirds of the way down the page?
MR. SILBERGLIED: And for the Court's benefit, I'll just simply point out, this is the document we were looking at at the last hearing that was attached to the Wrangle affidavit.
MS. ROBINSON: Where is that? I can't see it.
MR. SILBERGLIED: Longshore Benefits.
MS. ROBINSON: Yeah, I can't see it.
Q The first question about the Longshore Benefits column, are the numbers in this column the entire number or are they numbers essentially in thousands like you would see on a -- some kind of financial report that says, parentheses zero, zero, zero?
A These represent the entire numbers.

Q So, that for instance, the balance at the end of April, May and June, 2001 is actually $1,898.80, is that correct?
A Yes, that's correct.
Q What is in this account? What is the account compromise?
A The account comprises the amount that TWA had put in the accrual for the final payments up through the date of sale in April.
Q Only for Ms. Robinson?
A It was for the benefits issued to four people in total, Ms. Robinson and three others.
Q Look -- please look at May and June in the Longshore Benefits account, there's nothing listed under debit or credit in either one of those months. What does that tell you?
A That tells me that the amount accrued or accredited, I should say, in April was for the final payment and no further benefits were accrued or paid for the following two months.
Q Essentially the account is dormant at that time, is that right?
A Yes.
Q So, the 1,898.80 at the end of April, at the end of May, at the end of June, is that one last payment of 1,898.80 or is that a payment each month of 1,898.80?
A That was one final payment that was accrued.
Q And how do you know that?
A Because essentially the total for the four recipients was

approximately that amount up to the date of the sale. And as I had previously stated, with nothing else, debited or credited for the follow two months, there was no other accruals.

Q Now, let me ask you this, are these numbers roughly consistent with the numbers in Exhibit 6? Exhibit 6 being the transmittal reports.

A Yes, but they are not quite exactly the same.

Q And what is the difference? Why aren't they exactly the same?

A The amount in Exhibit 6 for the transmittals was figuring the payments up through April 8th, the day prior to the sale. And the amount that was actually accrued by the Accounting Department took into account the day of the sale. So, there was one additional day on the accrual amount.

Q So, these numbers are the same, but for a one-day difference?

A Yes.

MR. SILBERGLIED: No further questions.

CROSS EXAMINATION

BY MS. ROBINSON:

Q Good afternoon, Mr. Steeves.

A Good afternoon.

Q We finally meet face-to-face.

A Yes.

Q Are you being compensated for today?

A No, I am being paid for my trip out here and for the time that I'm missing away from my other job.
Q Trip and what for time?
A And the time that I'm missing from my other employment.
Q All right. What is that employment?
A It's as an Account Manager for Gallagher Basset Services.
Q And where are they located?
A My office is in Kansas City, Missouri.
Q Did you work with Dennis Beeney (phonetic)?
A Yes, I did.
Q For how long?
A From June of '96 up until his retirement. And I do not remember exactly when his retirement was. I believe it was sometime late 1999 or possibly into 2000.
Q Okay. So, as I understand what you have said today, you decided how much to be paid, you send that to accounts payable, and then what do they do?
A They issue the checks.
Q They issue the checks. So, it's just you stating how much and accounts payable paying it, is that correct?
A Yes.
Q Nobody else is involved in it?
A No.
Q And you're the one who determines the amount of pay?
A Well, the employees' previous wages determines the amount

of the pay.

Q Fine. And based on previous wages, how much would that be for longshore?

A I believe it was two-thirds of the gross average weekly wage.

Q Or annual income, right, whichever?

A Right.

Q So, shall we leave it annual, just to make it simpler?

A (No verbal response.)

Q Okay. Do you know how much I was paid for my last full year?

A No, I don't have those figures with me.

Q Oh, I see. Would it be a surprise to you if I said $41,396.24?

A Not at all because you had previously provided me with your W-2s.

Q Okay, fine. So, you saw the W-2s then, this is not a surprise?

A No, I have seen them.

Q You did. But you didn't issue them.

A I didn't issue the W-2s, no.

Q Right. Just checking, fine. So, therefore, after accounts payable pays, it goes on to what department, the information?

A After they pay, that's essentially the end of the process,

the checks go out.
Q Well, in other words, at some point in time, I get paid and you have stated that a W-2 is made out. So, somebody somewhere has to be in charge of the W-2s, who's that?
A The W-2 is for your wages, not for the longshore benefits.
Q Fine. How about a 1099 miscellaneous?
A I don't know what department issues those.
Q So, therefore, there may yet be another department that you haven't already stated?
A There may be.
Q Uh-uh. So, you're not completely familiar with all the process then.
A As far as issuance of the benefits, yes, there is two processes. From my department to accounts payable.
Q Well, there's more than that if it gets to go on to the IRS. Okay.

MR. SILBERGLIED: Objection. Argumentative and not asking a question.

MS. ROBINSON: Your Honor, he's an expert --

THE COURT: All right. Proceed.

MS. ROBINSON: -- on the whole payment from start to finish.

THE COURT: Proceed.

MS. ROBINSON: He should know what he's talking about.

THE COURT: Proceed.

MS. ROBINSON: Thank you very much, Your Honor.

BY MS. ROBINSON:

Q Did you meet with counsel before today?

A No.

Q Have you spoken with him on the telephone?

A Yes.

Q How many times?

A Probably not more than two.

Q And so they coached you on what to respond?

MR. SILBERGLIED: Objection.

Q Did they?

THE COURT: He can answer.

Q Did they?

A No, we went over the information that they needed and what knowledge I had of the information.

Q Um-hum. And they didn't encourage you in any way to respond?

A No, they didn't.

Q Okay. So, you're the one who calculated the longshore benefits, and yet at this moment in time as an expert witness, you don't even know what the basis of the two-thirds percent was?

MR. SILBERGLIED: Your Honor, I just need to state a fundamental objection. He was not proffered as an expert

witness, he was proffered as a factual witness.

MS. ROBINSON: Facts, experts, what's the difference? He paid it.

MR. SILBERGLIED: There's a difference under the Federal Rules.

MS. ROBINSON: Your Honor, he's the one who paid the check.

THE COURT: All right. Continue. Repeat your question.

MS. ROBINSON: Thank you very much.

BY MS. ROBINSON:

Q You've come here today as a fully knowledgeable person on the payment of my longshore, which you have stated is two-thirds percent of my last full year's salary. And yet I asked you what that was, and you didn't know. Okay?

A I don't have the information with me what your salary was. That was in a file that I maintained at TWA.

Q I see. And you took no copies or information with you and American didn't provide it either?

A I didn't -- I wasn't able to take information with me when I left the company.

Q Most people Xerox the important things. But be that as it may, opposing counsel didn't offer anything to you.

A I was provided the copy of my previous information from TWA.

Q Well, I'm trying to clarify what that information was. Anything I ask you, you don't have. So, what is it you have that I don't know about?

A That information was in the file. I do not personally have it with me today.

Q Fine.

MS. ROBINSON: Your Honor, he's playing silly games here. But be that as it may.

Q The information that you don't have today that you should have had today, what is the information so that I may know it, too? Since you were not coached and you're only giving facts of your own knowledge, you can equally spout them to me of your own knowledge.

MS. ROBINSON: Is that not fair, Your Honor?

THE COURT: Ms. Robinson, please don't argue with the witness. Just ask questions.

MS. ROBINSON: Okay.

Q So, you have no --

THE COURT: You'll have argument later.

MS. ROBINSON: Thank you.

Q You have absolutely no evidence to provide today and you can't remember anything or is there something you would enlighten me on?

A What I would --

MR. SILBERGLIED: Your Honor, I would ask you to

instruct the witness to ask questions that are not argumentative.

Q When you paid me --

THE COURT: Well, it's -- if you can answer the question, you can answer it.

A The information I was provided was the transmittal sheets, which part of those were part of the evidence or part of the information that the attorney had provided. I believe your W-2s may or may not have been a part of that file that was also sent to me. I have not had time to go through every document that was in the file.

(Ms. Robinson conferring with Mr. Silberglied off-the-record)

Q So, the W-2s that would actually show the amount paid to me I'm missing by both American and you, do I correct -- do I understand that -- 1099s, I should say?

A My response was I have not had time to go through the entire file that was sent to me, they may or may not be in there.

Q I see. Okay. So, all you're doing is reading from these printed numbers here that give you no factual basis, it's just numbers which don't even agree with the previous matter stated that I'm owed money, correct, as of April the 9th? That was TWA -- to make it clear to the Court, this moment in time would be TWA or TWA LLC?

A I don't understand what question you're asking.

Q First it was TWA.
A Yes.
Q Then came TWA LLC, which was funded in point of fact by American Airlines, and then came American Airlines in the history of the events of what transpired. So, on April the 10th or the 9th, depending on which date you care to choose, was it not TWA LLC which then became part of American Airlines?
A Yes.
Q So, it was not TWA, Inc?
A Correct.
Q Right.

MS. ROBINSON: That, Your Honor, should be a point made with regard to previous matters discussed in this Court. Because my settlement was with TWA, Inc., not TWA LLC. So, I just want to give that, Your Honor.

Q Now, you've stated here about temporary longshore. What did that have to do with me? You say that it's on the -- what was it on -- supposed to be, the temporary -- in other words, you stated that you thought I had a temporary disability?
A The --

MR. SILBERGLIED: Objection. Mischaracterizes his prior testimony.

MS. ROBINSON: Please. Perhaps you would correct me?

THE COURT: Okay. Sustained. Ask a question differently.

Q There was discussion earlier about those people who had temporary disability were the only ones who should or should not be paid, is that correct?
A Yes.
Q Okay. And so you're saying that because I was temporary, according to you, is that correct, you thought I was temporarily disabled?
A Yes.
Q And you base this on what knowledge?
A This information that was given to me when I took over the administration of the payments.
Q Okay. So --
A I didn't have --
Q May I ask what that information was that was given to you when you took over?
A It was information given to me by my predecessor, Dennis Beeney, who essentially instructed me to continue issuing these benefits to the four recipients.
Q There were six, weren't there?
A There was four. From the time I took over the payments until the time of the bankruptcy, there was four.
Q Oh, I thought there were six. So, were you familiar with Babs Troutman (phonetic), wasn't that his boss?
A Yes, it was mine also.
Q Oh, fine. And you said that you worked with Dennis Beeney

before you took over his job and he was under Babs Troutman, am I correct in that?

A Yes.

Q Okay, fine. The longshore benefits are tax exempt. Would you explain to me how come I was given a Missouri vendor's number when I neither lived in Missouri nor worked anywhere including Missouri, would you explain that to me?

A That was a different department than I worked in and I am not knowledgeable enough to give an answer on that.

Q And yet you --

MS. ROBINSON: Never mind. Withdrawn.

Q I understand that you were not just head of worker's comp -- am I correct in saying you were head of worker's compensation, or should I say director? What -- would you clarify?

A Either term is fine.

Q Okay. So, you were director of worker's compensation, is that correct?

A Yes.

Q Okay, fine. Were you not director also of Risk Management?

A The departments are one in the same.

Q Right. But you didn't mention that before, did you?

A (No verbal response.)

Q And then there was also a third department, which you