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DISTRICT COURT, CITY AND COUNTY OF DENVER, COLORADO

1437 Bannock Street
Denver, CO 80202

Plaintiffs: ADELE BRODY, EMPLOYER-TEAMSTERS LOCAL NOS. 175 AND 505 PENSION TRUST FUND, CARPENTERS PENSION & ANNUITY FUND OF PHILADELPHIA & VICINITY and FOX ASSET MANAGEMENT, INC., on behalf of themselves and all others similarly situated,

v.

Defendants: PETER S. HELLMAN, JERRY COLANGELO, SOLOMON D. TRUJILLO, RICHARD D. McCORMICK, MANUEL A. FERNANDEZ, DR. CRAIG R. BARRETT, FRANK P. POPOFF, MARILYN CARLSON NELSON, HANK BROWN, GEORGE J. HARAD, LINDA G. ALVARADO, QWEST COMMUNICATIONS INTERNATIONAL, INC. and JOSEPH P. NACCHIO.

COURT USE ONLY

Case Number: 00 CV 4142

Courtroom: 1

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PLAINTIFFS' AMENDED CLASS ACTION COMPLAINT FOR BREACH OF CONTRACT, BREACH OF THIRD PARTY BENEFICIARY CONTRACT, BREACH OF FIDUCIARY DUTY, AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES, AND COMMISSION OF *ULTRA VIRES* ACTS

INTRODUCTION

1. This is a class action on behalf of the public stockholders of the former US West, Inc. ("US West") against US West's former directors, Qwest Communications International Inc. ("Qwest") and Joseph P. Nacchio ("Nacchio"), a director and the CEO of Qwest. The claims against some or each of the defendants are for breach of contract, breach of third party beneficiary contract, breach of fiduciary duties, aiding and abetting breach of fiduciary duties and *ultra vires* acts arising out of defendants' failure to pay US West shareholders a declared dividend valued at approximately \$270 million.

2. On July 18, 1999, US West and Qwest entered into an Agreement and Plan of Merger (the "Merger Agreement") whereby Qwest agreed to acquire US West in a stock-for-stock transaction (the "Merger"). Consummation of the Merger was dependent in large part on the approval of various state regulatory organizations, including the Minnesota Public Utilities Commission ("MPUC"), which had exhibited concerns about the Merger and was expected to resist the combination of the two companies.

3. On June 5, 2000, US West and its board of directors, all of whom are defendants herein, issued a press release announcing the declaration of a regular quarterly dividend on the common stock of US West of \$.535 per share, payable on August 1, 2000, to shareholders of record as of the close of business on June 30, 2000 (the "record date"). US West had declared a dividend in that amount for each of its prior 29 quarters. The total value of the dividend exceeded \$270 million. The declaration and announcement of the dividend created an enforceable contract between US West and its shareholders to pay the dividend on August 1, 2000, and gave rise to a debt owed by US West to its shareholders.

4. The next day, on June 6, 2000, the MPUC unexpectedly approved the Merger. With the MPUC's sudden approval, defendants realized that they could consummate the Merger by early July, much sooner than they had anticipated, and thus could attempt to avoid paying the declared quarterly dividend if they could rescind the record date, announce a new, later record date, and merge

US West with Qwest before that date. The US West board, Qwest and Nacchio were motivated to avoid payment of the dividend because the majority of the US West board was to be appointed to the Qwest board after the Merger, and by avoiding the dividend, the newly merged company would realize a windfall of over \$270 million.

5. One day after the MPUC's surprise approval, in order to ensure adequate time to close the Merger and take the position that they would not pay the declared dividend, defendants unilaterally rescinded the record date and declared a new record date for the dividend ten days later. On June 7, 2000, at 9:00 pm EST, US West and its Board of Directors issued a press release declaring that the previously announced record date of June 30, 2000 had been "incorrect," and that the dividend would be payable to shareholders of record on *July 10, 2000*, not June 30, 2000. They did not disclose their intentions or the likely impact of this change.

6. On June 21, 2000, an article was published in the *Denver Post* confirming that defendants intended to try to avoid payment of the dividend if the Merger closed by July 10, 2000, the new record date. In fact, it was clear from this article and several releases issued during the following week that Qwest was actively attempting to avoid paying the dividend, and thereby gain a windfall of \$270 million, by trying to consummate the Merger before July 10. The article reported that according to Qwest, "[i]f [the Merger] closes before July 10, Qwest is not obligated to pay [the dividend]," and quoted defendant Nacchio, Qwest's chairman and CEO, as saying, "*[i]t's not my dividend*" ... when asked about the future of the dividend." (Emphasis added.)

7. Plaintiffs filed this action on the same day, June 21, 2000, alleging that defendants were improperly attempting to avoid paying the dividend by changing the record date. In an apparent effort to merge US West out of existence before the expiration of the new record date, defendants scrambled over the next several days to close the Merger as quickly as possible.

8. US West and Qwest announced the close of the Merger after the close of business on June 30, 2000.

9. US West was a Delaware corporation. Under the terms of the Merger Agreement and Delaware law, US West's obligation, debt and liability to its shareholders arising out of the dividend transferred to Qwest at the moment the Merger became effective. Merger Agreement at §1.03, page A-1. The Merger Agreement expressly provides that US West's debts and obligations became those of Qwest at the time the Merger became effective. Merger Agreement at §1.03, page A-1. To date, the board of directors of the surviving company, which consists of seven of the former US West directors named as defendants herein and Qwest's CEO, Nacchio, has not expressed any intent to honor the contract and pay the dividend to US West shareholders of record as of the close of business on June 30, 2000. The August 1, 2000 date for payment of the dividend passed without any payment having been made. Thus, neither US West nor Qwest paid the dividend to US West's shareholders, despite being obligated to do so.

10. By failing to pay the dividend, by changing the record date for the dividend and/or deliberately trying to close the Merger before the declared record date, defendants were seeking to avoid any obligation to pay the dividend, and thus breached fiduciary duties owed to US West shareholders and/or aided and abetted such breaches; committed *ultra vires* acts; and breached contractual obligations, including covenants of good faith and fair dealing, owed to shareholders of US West to pay the declared dividend.

JURISDICTION AND VENUE

11. This Court has jurisdiction over each of the defendants because they conduct business in, reside in and/or are citizens of Colorado. Certain of the defendants are citizens of Colorado, including defendant Qwest, which has its principal place of business in this state, and defendant Trujillo, who resides in this state. This action is not removable. Venue is proper in this Court because defendants' wrongful acts arose in and emanated from this county.

PARTIES AND RELATED ENTITIES

12. Plaintiff Adele Brody was a common stockholder of US West through June 30, 2000 and is now a stockholder of Qwest.

13. Plaintiff Employer-Teamsters Local Nos. 175 and 505 Pension Trust Fund was a common stockholder of US West through June 30, 2000 and is now a stockholder of Qwest.

14. Plaintiff Carpenters Pension & Annuity Fund of Philadelphia & Vicinity was a common stockholder of US West through June 30, 2000 and is now a stockholder of Qwest.

15. Plaintiff Fox Asset Management, Inc. served as investment manager of accounts which held shares of US West through June 30, 2000.

16. Prior to the Merger, US West was a Delaware corporation with its principal executive office located at 1801 California Street, Denver, Colorado 80202. US West was a telecommunications provider whose common shares were publicly traded on the New York Stock Exchange ("NYSE"). US West had over 507 million shares outstanding held by thousands of shareholders until the Merger.

17. Defendant Peter S. Hellman ("Hellman") was a director of US West and is a director of Qwest.

18. Defendant Jerry Colangelo ("Colangelo") was a director of US West.

19. Defendant Dr. Craig R. Barrett ("Barrett") was a director of US West and is a director of Qwest.

20. Defendant Frank P. Popoff ("Popoff") was a director of US West and is a director of Qwest.

21. Defendant Marilyn Carlson Nelson ("Nelson") was a director of US West and is a director of Qwest.

22. Defendant Hank Brown ("Brown") was a director of US West and is a director of Qwest.

23. Defendant George J. Harad ("Harad") was a director of US West and is a director of Qwest.

24. Defendant Linda G. Alvarado ("Alvarado") was a director of US West and is a director of Qwest.

25. Defendant Solomon D. Trujillo ("Trujillo") was the Chairman and CEO of US West.

26. Defendant Richard D. McCormick ("McCormick") was a director of US West.

27. Defendant Manuel A. Fernandez ("Fernandez") was a director of US West.

28. The defendants identified in ¶¶16-27 are sometimes referred to collectively as the "US West Defendants."

29. Defendant Qwest is a Delaware Corporation with its principal executive offices at 1801 California Street, Denver, Colorado 80202. Qwest provides long distance telephone services and broadband internet-based communications to businesses and consumers.

30. Defendant Nacchio is a director and CEO of Qwest.

31. The defendants identified in ¶¶29-30 are sometimes collectively referred to as the "Qwest Defendants."

32. By virtue of their positions as directors and/or officers of US West and Qwest, the US West Defendants and Nacchio have, and at all relevant times had, the power to control and influence and did control and influence and cause US West and Qwest to engage in the practices complained of herein.

FIDUCIARY DUTIES OF THE US WEST DEFENDANTS

33. As officers and/or directors of US West, the US West Defendants were at all relevant times in a fiduciary relationship with plaintiffs and the other public stockholders of US West and owed plaintiffs and the other members of the Class, as hereinafter defined, the highest duties of good faith, fair dealing, care, candor and loyalty.

34. Plaintiffs' claims are brought under state law, which requires every corporate director to act in good faith, in the best interests of a corporation's shareholders and with such care, including reasonable inquiry, as would be expected of an ordinary prudent person. Directors of a publicly-traded company who declare a dividend have a fiduciary obligation to act in good faith to assure that the company honors its obligation to pay the dividend and may not take action to evade payment of the dividend.

35. As alleged herein, the US West Defendants have breached their fiduciary duties and contractual obligations by taking actions designed to avoid payment of a dividend valued at approximately \$270 million declared on June 5, 2000. By announcing a dividend on June 5, 2000, US West created a corporate obligation to pay shareholders the declared dividend. The Qwest Defendants aided and abetted these breaches by knowingly participating in a course of actions which resulted in the failure to pay the dividend to US West shareholders.

CLASS ACTION ALLEGATIONS

36. Plaintiffs bring this action pursuant to Rule 23 of the Colorado Rules of Civil Procedure on their own behalf and as a class action on behalf of all former US West common stockholders who were harmed by defendants' actions as described herein, *i.e.*, persons who would have been entitled to receive the US West dividend as declared on June 5, 2000 (the "Class"). Excluded from the Class are defendants herein and any person, firm, trust, corporation or other entity related to or affiliated with any defendant.

37. This action is properly maintainable as a class action.

38. The Class is so numerous that joinder of all members is impracticable. As of the date of the Merger, there were over 507 million shares of US West stock outstanding. The shares traded on the NYSE and thousands of former US West stockholders of record are located throughout the United States.

39. Questions of law and fact are common to the Class and predominate over questions affecting any individual Class members. The common questions include, *inter alia*, the following:

(a) whether the US West Defendants breached their fiduciary duties of good faith, loyalty, care and candor owed by them to plaintiffs and the other members of the Class by: (i) attempting to avoid paying, and failing to pay, the declared dividend; and (ii) changing the declared dividend record date;

(b) whether the Qwest Defendants aided and abetted the US West defendants in committing the breaches of fiduciary duties alleged;

(c) whether US West breached contractual obligations, including covenants of good faith and fair dealing, by not paying the declared dividend, in changing the record date and/or deliberately seeking to avoid paying the declared dividend, regardless of its actual record date;

(d) whether, following the Merger, Qwest breached the obligation to pay the declared dividend to the US West shareholders who were third party beneficiaries of the Merger Agreement, which included Qwest's assumption of US West's obligation to pay the dividend;

(e) whether defendants have, in bad faith or for improper motives, sought to avoid payment of the declared dividend for US West shareholders; and

(f) whether plaintiffs and other members of the Class will be irreparably harmed if defendants are permitted to avoid payment of the declared dividend funds which were and should be held in trust for their benefit.

40. Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final imposition of a constructive trust, and/or injunctive relief with respect to the Class as a whole.

41. Plaintiffs are committed to prosecuting this action and have retained competent counsel experienced in litigation of this nature. The claims of plaintiffs are typical of the claims of the other members of the Class and plaintiffs have the same interests as the other members of the Class. Accordingly, plaintiffs are adequate representatives of the Class and will fairly and adequately protect the interests of the Class.

42. Plaintiffs anticipate that there will be no difficulty in the management of this litigation as a class action.

43. For the reasons stated herein, a class action is superior to other available methods for the fair and efficient adjudication of this controversy.

BACKGROUND TO THE MERGER

44. US West was a "Baby Bell" provider of a full range of telecommunications services including wireline, wireless personal cellular services, data networking, directory and information services, with customers located primarily in the Western and Midwestern United States. US West was an earnings-driven company rather than a "growth-oriented" company, so that its investors looked to earnings and dividend payments to measure the profitability of the company and, consequently, their investments. US West thus traditionally issued substantial quarterly dividends, and had paid quarterly dividends of \$.535 per share in the 29 quarters preceding its second quarter of the year 2000, ended June 30, 2000.

45. Qwest, a provider of long-distance telephone and internet-based communication services, is considered a "growth-oriented" company whose investors look to share-price appreciation, rather than substantial dividends, as an indicator of the company's profitability.

46. In July 1999, US West and Qwest announced that they had entered into the Merger Agreement whereby, subject to shareholder and federal and state regulatory approval, they would merge through the exchange of Qwest stock for US West stock in a transaction valued at approximately \$57 billion.

47. On September 17, 1999, defendants issued a Joint Proxy Statement/Prospectus pursuant to Section 14(a) of the Securities Exchange Act of 1934 ("Proxy") in which they advised the shareholders of US West and Qwest of the terms of the Merger and provided other information related to the transaction. Defendants represented to shareholders in the Proxy, among other things, that "*[w]e do not expect any changes in the current dividend policies of either of the companies before the merger.*" Proxy at 1 (emphasis added). US West's dividend policy had been, for at least the last decade, to declare a regular quarterly dividend each fiscal quarter, which had been in the amount of \$.535 since the first quarter of 1993.

48. The Proxy also advised that all outstanding options awarded under US West's Stock Option Plan prior to the announcement of the Merger, whether or not fully vested, would accelerate

and become fully exercisable as a result of the Merger, and that those options not exercised before the date the Merger became effective would be converted into immediately exercisable options to purchase Qwest common stock following the Merger. The Proxy revealed that the unvested options of certain high-ranking officers and directors of Qwest and US West, including defendant Trujillo, which would accelerate as a result of the Merger, were collectively worth about \$135 million. The aggregate value of Trujillo's unvested options in US West, which would accelerate as a result of the Merger, was \$17,752,721.

49. The Merger was subject to regulatory approval from state regulators in Minnesota, Arizona, Utah and Washington and the Federal Communications Commission. While the FCC and the regulators from Arizona, Utah and Washington were not expected to resist the Merger, the MPUC indicated that it was oppose to the Merger after its announcement. Thus, defendants' ability to consummate the Merger depended heavily upon the approval of the MPUC.

THE DIVIDEND

50. On June 5, 2000, US West announced to its shareholders that its Board of Directors had declared a regular quarterly dividend for the second quarter of fiscal year 2000 ("2Q00") of \$.535 per share on its common stock payable on August 1, 2000 to shareholders of record at the close of business on June 30, 2000, the last day of the quarter. The dividend was valued at about \$270 million. The declaration of this dividend and record date created an immediate contractual obligation on the part of US West to pay the declared dividend on August 1, 2000.

51. Section 1.03, page A-1 of the Merger Agreement between US West and Qwest provided that "all debts, liabilities and duties of US West [shall become] the debts, liabilities and duties of the Surviving Corporation [Qwest]" at the time the Merger became effective. As a result, Qwest assumed the debt arising out of the declaration of the 2Q00 dividend and the duty to pay it to US West shareholders if the Merger closed.

52. On June 6, 2000, one day after US West announced its quarterly dividend for record holders as of June 30, 2000, the MPUC unexpectedly approved the Merger. In exchange for and to

hasten the MPUC's approval, US West agreed to spend \$160 million over four years in Minnesota and pay as much as \$170 million as a penalty for poor service it provided in the past. Commenting on the approval from the MPUC in a PR Newswire article, defendant Trujillo stated: "this approval moves us one step closer to a mid-year merger close." The Merger had by this time been approved by regulators in Washington and Utah, and the FCC and Arizona were expected to grant approval in the coming weeks.

53. Defendants then realized that, with the MPUC's approval and the anticipated imminent approval of the FCC and Arizona, they could actually close the Merger by early July, and could thus try to avoid payment of the 2Q00 dividend if they could close before expiration of the record date – which could be ensured by simply moving the record date by a few days. The US West Defendants were as motivated as the Qwest Defendants to avoid the dividend, as seven of the US West Defendants were slated to become directors of the newly merged Qwest. By avoiding the dividend, the newly merged company would realize a windfall of over \$270 million, money which had been earmarked for payment of the 2Q00 dividend to US West shareholders.

54. Delaware law and US West's bylaws, however, did not permit its directors to change declared record dates for payment of dividends. Thus, in order to ensure that the Merger closed before the record date, on June 7, 2000, at 9:00 pm EST, the US West Defendants announced that the previously disclosed record date of June 30, 2000, the last day of the second quarter, was "incorrect" and that the dividend would be payable to shareholders of record on July 10, 2000 – not June 30, 2000. The purpose of this announced change was to try to circumvent US West's bylaws and Delaware law, which did not authorize a change in the record date, and to try to avoid payment of the dividend.

55. Qwest unabashedly let it be known that it intended to avoid paying the dividend in a June 21, 2000 *The Denver Post* article, which reported that "[i]f [the Merger] closes before July 10, Qwest is not obligated to pay [the dividend]." Defendant Nacchio was granted nine million options in connection with the merger and was to receive a "growth share payment" of over \$25 million after

the Merger. He disclaimed any obligation on the part of Qwest to pay the dividend if the Merger closed, remarking, "*it's not my dividend*" when asked about the future of the dividend. (Emphasis added).

56. The US West Defendants' representation that the originally announced record date was "incorrect" was untrue because: (a) the June 5, 2000 press release was approved in advance of its release by US West and/or the US West Defendants prior to its publication; and (b) a mistake in both the *month and day* for the record date would not have been overlooked in the exercise of ordinary care in making a press release about a \$270 million obligation to the shareholders of the Company. Indeed, US West has apparently never before made such an error in the announcement of a quarterly dividend.

57. On June 21, 2000, plaintiffs commenced this litigation, alleging that defendants were purposefully trying to avoid payment of the dividend by changing the record date.

58. In the ensuing nine days, defendants scrambled to close the Merger not by July 10, 2000, but by June 30, 2000, so that they could try to avoid payment of any dividend regardless of the record date and the obligation to pay a declared dividend.

59. Defendants succeeded in closing the Merger on or after June 30, 2000, but upon information and belief were unable to do so until after the close of business on June 30, 2000. The board of directors of the newly merged company, Qwest, consists of seven former US West directors (defendants Alvarado, Barrett, Brown, Harad, Hellman, Nelson and Popoff) and seven former Qwest directors (including defendant Nacchio). As a result of the Merger, US West's debts, liabilities and duties, including those arising out of the declaration of the 2Q00 dividend, were transferred to Qwest in accordance with the Merger Agreement.

60. Qwest has not made further public comment on the 2Q00 dividend declared by US West's board of directors. It has become clear from the failure to pay the dividend on or after August 1, 2000, and Qwest's purposeful silence on the issue, that defendants have no intention of paying the dividend to US West shareholders.

FIRST CAUSE OF ACTION

Breach of Contract Against US West

61. Plaintiffs incorporate the above allegations by reference.

62. On June 5, 2000, the US West Defendants announced the declaration of a lawful dividend payable to record owners of US West common stock at the close of business on the record date, June 30, 2000.

63. The June 5, 2000 declaration of the dividend payable to record owners of US West shares created an immediate contractual obligation on the part of US West to pay the dividend on August 1, 2000 to shareholders of record at the close of business on June 30, 2000, the last business day of US West's operations before the Merger and the last day of the second quarter, and a corresponding right on the part of plaintiffs and US West shareholders to enforce such payment, regardless of whether the record date was June 30, 2000, as plaintiffs allege, or whether it was July 10, 2000, as defendants will allege.

64. The dividend declared was fixed, ascertained and accrued and therefore due and payable to plaintiffs and members of the Class.

65. US West breached the contract to pay the dividend by:

- (a) not paying the dividend; and
- (b) breaching the covenants of good faith and fair dealing implied in all contracts,

by not paying the dividend.

66. As a result of the US West breach of contract as alleged herein, plaintiffs and the Class suffered damages in an amount to be determined at trial.

SECOND CAUSE OF ACTION

Breach of Third Party Beneficiary Contract Against Qwest

67. Plaintiffs incorporate the above allegations by reference.

68. The declaration of the 2Q00 dividend created a contractual obligation to pay the dividend and created a debt and liability on the part of US West to its shareholders in the total

amount of the dividend. This obligation existed once the dividend was declared, regardless of whether the record date was June 30 or July 10, 2000.

69. The Merger Agreement between US West and Qwest provided that at the time the Merger became effective, "all debts, liabilities and duties of US West [would become] the debts, liabilities and duties of the Surviving Corporation [Qwest]." Merger Agreement at §1.03, page A-1. The plaintiffs and the class members are third party beneficiaries of the contract.

70. In accordance with the terms of the Merger Agreement and Delaware law, therefore, upon the consummation of the Merger, US West's debt arising out of the dividend, and its liability and duty to pay the dividend, were transferred as a matter of law to Qwest.

71. As a result, Qwest assumed any and all liability on the part of US West and is liable for the entire amount of the dividend to the US West shareholders.

72. Qwest breached its obligation to the former US West shareholders as third party beneficiaries.

73. As a result, plaintiffs and the Class suffered damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION

Breach of Fiduciary Duty Against the US West Defendants

74. Plaintiffs incorporate the above allegations by reference.

75. The US West Defendants, as directors of US West, owed the fiduciary duties of good faith, care, loyalty and a duty of complete candor to US West's shareholders. These duties required them to act in good faith and in the best interests of US West shareholders at all times, to exercise due care in carrying out their duties, to refrain from favoring their own interests, or the interests of others, at the expense of US West shareholders and to communicate corporate actions and decisions to US West shareholders with complete candor.

76. The US West Defendants breached their fiduciary duties by not providing for payment of the dividend, by changing the record date for the 2Q00 dividend; and by actively seeking to avoid

payment of the dividend to US West shareholders by deliberately endeavoring to close the Merger in advance of the record date, so as to provide a windfall of over \$270 million to the newly merged company at the expense of and to the detriment of US West shareholders.

77. By seeking to avoid payment of the dividend, the US West Defendants favored their own interests and the interests of Qwest over the interests of US West's shareholders.

78. By reason of the foregoing acts and course of conduct, the US West Defendants failed to perform their fiduciary obligations toward plaintiffs and the other US West public stockholders. The common course of conduct complained of on the part of the US West defendants was not due to an honest error of judgment, but rather was due to bad faith and done in disregard of the rights and interests of US West shareholders.

79. As a result of the US West Defendants' actions, plaintiffs and the other members of the Class suffered loss of the benefit and use of the dividend funds which were to be held in trust and disbursed to them.

FOURTH CAUSE OF ACTION

Aiding and Abetting Breach of Fiduciary Duties Against the Qwest Defendants

80. Plaintiffs incorporate the above allegations by reference.

81. The Qwest Defendants knew that the US West Defendants owed a fiduciary duty to the US West shareholders and that failing to pay the declared dividend before or after the Merger closed, the changing of the record date and the US West Defendants' and Qwest Defendants' efforts to avoid payment of the dividend were done in breach of the US West Defendants' fiduciary duties and duty of candor owed to US West shareholders.

82. The Qwest Defendants knowingly participated in the breaches of fiduciary duties on the part of the US West Defendants by acting in concert with the US West Defendants in deliberate efforts to try to avoid paying the dividend to attempt to ensure a windfall of \$270 million to the newly merged company at the expense of US West shareholders and by failing to pay the dividend after the merger.

83. As a result of the Qwest Defendants' actions, plaintiffs and the Class suffered damages in an amount to be determined at trial.

FIFTH CAUSE OF ACTION

Commission of Ultra Vires Acts Against the US West Defendants

84. Plaintiffs incorporate the above allegations by reference.

85. The bylaws of US West permitted its board of directors to set record dates for voting at shareholders' meetings and adjournments thereof, and for the payment of dividends. The bylaws permitted US West's board to fix new record dates only for adjourned meetings – not for the payment of dividends.

86. Thus, the change of the dividend record date was not authorized by the bylaws and constituted an *ultra vires* act on the part of the US West Defendants.

87. As a result of the US West Defendants' *ultra vires* acts, plaintiffs and the Class suffered damages in an amount to be determined at trial.

PRAYER

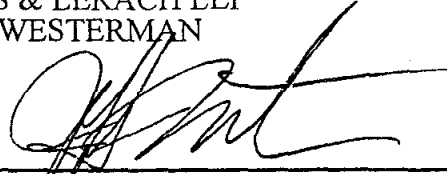
WHEREFORE, plaintiffs demand preliminary and permanent relief, in plaintiffs' favor and in favor of the Class and against defendants, as follows:

- A. Declaring that this action is properly maintainable as a class action;
- B. Imposition of a constructive trust over the funds for the declared dividend;
- C. Awarding to plaintiffs and the Class damages in an amount which may be proven at trial, together with interest thereon;
- D. Awarding plaintiffs the costs and disbursements of this action, including reasonable attorneys' and experts' fees; and

E. Granting such other and further relief as this Court may deem just and proper, including any extraordinary equitable and/or injunctive relief as permitted by law or equity to impose a constructive trust upon, attach or otherwise restrict the assets of Qwest to assure that plaintiffs have an effective remedy.

DATED: January 8, 2001

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the attached **PLAINTIFFS' AMENDED CLASS ACTION COMPLAINT FOR BREACH OF CONTRACT, BREACH OF THIRD PARTY BENEFICIARY CONTRACT, BREACH OF FIDUCIARY DUTY, AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES, AND COMMISSION OF *ULTRA VIRES ACTS*** was served by depositing same in the United States mail, first-class postage prepaid, on this 10th day of January 2001, addressed to the following:

Bobbee Musgrave
PERKINS COIE LLP
1675 Broadway, Suite 2800
Denver, CO 80202
Tel: (303) 291-2300
Fax: (303) 291-2400


Lisa R. Crisswell