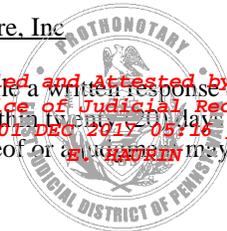


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NOTICE TO PLEAD
 To: Towers Watson Delaware, Inc

You are hereby notified to file a written response to the enclosed New Matter with a due date of 14 days from the date of service hereof or a default may be entered against you.



/s/ Michael L. Banks
 Michael L. Banks

TOWERS WATSON DELAWARE, INC.,)	COURT OF COMMON PLEAS
Plaintiff,)	PHILADELPHIA COUNTY
)	
v.)	COMMERCE COURT
)	
MORGAN, LEWIS & BOCKIUS LLP, et al.,)	April Term, 2017
)	
Defendants.)	No. 02096

**VERIFIED ANSWER AND NEW MATTER OF DEFENDANTS MORGAN, LEWIS &
 BOCKIUS LLP & JEREMY P. BLUMENFELD, ESQUIRE
 TO PLAINTIFF’S COMPLAINT**

Pursuant to Pennsylvania Rules of Civil Procedure 1029 and 1030, Defendants Morgan, Lewis & Bockius LLP (“Morgan Lewis”) and Jeremy P. Blumenfeld, Esquire (“Mr. Blumenfeld”) (collectively, “Defendants”), by and through their undersigned counsel, hereby submit their Verified Answer and New Matter in response to the Complaint of Plaintiff, Towers Watson Delaware, Inc. (“Plaintiff” or “Towers”) in the above-captioned matter in accordance with the numbered paragraphs thereof as follows:

INTRODUCTION

Plaintiff’s Introduction violates Pennsylvania Rule of Civil Procedure 1022 which provides that “[e]very pleading shall be divided into paragraphs numbered consecutively. Each paragraph shall contain as far as practicable only one material allegation.” Defendants deny the conclusory allegations in the Introduction suggesting that Morgan Lewis breached any duties

owed to Plaintiff and that there was a conflict of interest in the firm's representation of Meriter Health Services, Inc. ("Meriter") in an ERISA class action. In fact, Plaintiff expressly waived any such conflict of interest in a 2010 engagement letter and a 2012 reaffirmation of that letter, both of which permitted Morgan Lewis to be adverse to Plaintiff. Furthermore, notwithstanding the conflict waivers to which Plaintiff agreed, Morgan Lewis refrained from any direct adversity to Plaintiff in the firm's representation of Meriter. Defendants deny that Plaintiff is entitled to any recovery of damages or a disgorgement of fees paid to Morgan Lewis, and further deny that they breached any fiduciary or contractual duties owed to Plaintiff.

THE PARTIES

1. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to whether Plaintiff is a corporation and, if so, where its principal place of business is located.

2. Admitted.

3. Admitted.

4. The averments contained in Paragraph 4 of the Complaint are conclusions of law to which no responsive pleading is required.

JURISDICTION AND VENUE

5. The averments contained in Paragraph 5 of the Complaint are conclusions of law to which no responsive pleading is required.

6. The averments contained in Paragraph 6 of the Complaint are conclusions of law to which no responsive pleading is required.

FACTUAL BACKGROUND¹

7. Admitted in part, denied in part. It is admitted that Morgan Lewis served as legal counsel at various times to Towers, Perrin, Foster & Crosby, Inc., Towers Watson & Co., and Towers Watson Investment Services, Inc. (collectively referred to herein as the “Towers Entities”) and that Mr. Blumenfeld participated as defense counsel in the litigation that is referenced in Paragraph 7 of the Complaint. It is denied that Defendants represented Plaintiff Towers Watson Delaware, Inc. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to the relationship between the Towers Entities and the named Plaintiff in this litigation.

8. Admitted.

9. Admitted in part, denied in part. It is admitted that a letter dated December 21, 2016 was sent by a Morgan Lewis attorney to the Wisconsin Circuit Court of Dane County. The averments of Paragraph 9 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. The document speaks for itself.

10. Admitted in part, denied in part. It is admitted that Morgan Lewis represented the Towers Entities. It is denied that Defendants represented the Plaintiff. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to the relationship between the Towers Entities and the named Plaintiff in this litigation.

11. Admitted in part, denied in part. It is admitted that, pursuant to written engagement agreements, various Towers Entities made payments to Morgan Lewis for attorneys’ fees and that over a period of many years, those payments totaled several million dollars. The

¹ Defendants provide no response to the headings or sub-headings included in the Complaint because they do not comply with Pa. R. Civil P. 1022.

engagement agreements are written documents which speak for themselves. The averments in Paragraph 11 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety. It is denied that the legal services were provided to Plaintiff or that Plaintiff paid the bills for those services.

12. The averments contained in Paragraph 12 of the Complaint are conclusions of law to which no responsive pleading is required. To the extent a responsive pleading is required, the allegations in Paragraph 12 of the Complaint are denied. The engagement letters are written documents which speak for themselves, and the allegations in Paragraph 12 are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

13. The averments contained in Paragraph 13 of the Complaint are conclusions of law to which no responsive pleading is required.

14. Admitted in part, denied in part. It is admitted that, between 2009 and 2016, various Towers Entities paid legal fees to Morgan Lewis. It is denied that Plaintiff paid such fees to Morgan Lewis, and it is further denied that Morgan Lewis engaged in impermissible conflicts of interest. As noted above, the Towers Entities represented by Morgan Lewis waived conflicts and agreed as a condition of the representation that Morgan Lewis could be adverse to those Towers Entities. Furthermore, notwithstanding that waiver, Morgan Lewis declined to be adverse to the Towers Entities in the firm's representation of Meriter. The remaining averments contained in Paragraph 14 of the Complaint are conclusions of law to which no responsive pleading is required.

15. Admitted in part, denied in part. It is admitted that Morgan Lewis defended Meriter (as well as the Meriter Health Services Employee Retirement Plan (“the Plan”)) in the Class Action. It is denied that Morgan Lewis represented Plaintiff in litigation and other legal matters.

16. Admitted.

17. Denied as stated. The Class Action Complaint and amended complaints are written documents which speak for themselves. The allegations in Paragraph 17 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

18. Admitted.

19. Admitted in part, denied as stated in part. Defendants admit that Meriter filed suit against Plaintiff and other defendants in Wisconsin State court based on their involvement in the design and operation of the Plan. The complaint and amended complaints in the Wisconsin State court action are written documents which speak for themselves. The allegations in Paragraph 19 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to the relationship between Towers Perrin and the named Plaintiff in this litigation.

20. Admitted in part, denied as stated in part. It is admitted that Morgan Lewis represented Meriter in the Class Action and that Morgan Lewis became aware that certain interests of Meriter were potentially adverse to the interests of certain Towers Entities that had provided services to the Plan at issue in the Class Action. It is denied that there was a conflict of

interest between the representation of Meriter in the Class Action by Morgan Lewis and the representation of the Towers Entities in unrelated matters.

21. Admitted in part, denied as stated in part. It is admitted that Morgan Lewis contacted Meriter's insurer, Chubb, and that the email referenced in Paragraph 21 is a written document that speaks for itself. The averments in Paragraph 21 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

22. Admitted in part, denied as stated in part. It is admitted that Morgan Lewis advised Chubb that it would not be directly adverse to certain Towers Entities. It is denied that Morgan Lewis was precluded by the terms of its engagement letters from being adverse to the Towers Entities, and it is further denied that Morgan Lewis was actually adverse to those Towers Entities or to Plaintiff by reason of its representation of Meriter in the Class Action. It is also denied that Morgan Lewis attorneys, including Mr. Blumenfeld, provided advice or comments to Meriter or Meriter's separate counsel about the tolling agreement. The emails referenced in Paragraph 22 of the Complaint are written documents that speak for themselves, and the remaining allegations in Paragraph 22 of the Complaint are denied because they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

23. Admitted in part, denied in part. It is admitted that certain Morgan Lewis attorneys who were involved in the defense of the Class Action recognized the potential for adversity between Meriter and certain Towers Entities and that Meriter, acting through separate counsel it had retained for that purpose, might choose to assert claims against one or more Towers Entities. The email referenced in Paragraph 23 of the Complaint is a written document

which speaks for itself. The averments in Paragraph 23 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

24. Denied. It is denied that the Morgan Lewis representation of Meriter in the Class Action involved or resulted in a conflict with any Towers Entities or Plaintiff. It is further denied that the Towers Entities represented by Morgan Lewis did not consent to a waiver of any conflicts. On the contrary, as noted above, the Towers Entities specifically waived conflicts, thus permitting Morgan Lewis to be adverse in litigation matters, and they did so with knowledge of both the Morgan Lewis representation of Meriter in the Class Action and the likelihood that Meriter would be asserting claims against Towers Entities or Plaintiff arising from or related to the Class Action.

25. Admitted in part, denied in part. It is admitted that after Morgan Lewis declined to participate in the evaluation and development of Meriter's potential claims against the Towers Entities or any other related entities, Meriter retained a separate law firm to pursue such third-party claims. That other law firm also was hired to handle matters related to Meriter's insurance coverage for the Class Action, ongoing legal advice relating to Meriter's pension plan, and potential claims against other parties unrelated to Plaintiff or the Towers Entities. It is denied that there was any conflict with Towers Entities or Plaintiff arising from the Morgan Lewis representation of Meriter in the Class Action. The remaining averments contained in Paragraph 25 of the Complaint are conclusions of law to which no responsive pleading is required.

26. The emails referenced in Paragraph 26 are written documents, which speak for themselves. The averments in Paragraph 26 of the Complaint are specifically denied to the

extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

27. Admitted in part, denied in part. It is denied that Morgan Lewis “withheld notice” of any present or potential conflict from the Towers Entities or Plaintiff, and it is further denied that Defendants assisted Meriter and Nixon Peabody² in developing claims against the Towers Entities or Plaintiff. It is further denied that there was an actual conflict with Towers Entities or Plaintiff as a result of the Morgan Lewis representation of Meriter in the Class Action. In addition, the Towers Entities waived any such conflicts and did so with knowledge that Morgan Lewis was representing Meriter in the Class Action and that Meriter had potential claims against the Towers Entities arising from or related to the Class Action. It is admitted that, notwithstanding the aforementioned conflict waivers, Morgan Lewis declined to assist Meriter in the development or evaluation of claims against the Towers Entities or Plaintiff, but that Defendants did communicate periodically with Meriter and Nixon Peabody about factual developments in the Class Action. By way of further response, the emails referenced in Paragraph 27 of the Complaint are written documents, which speak for themselves. The averments in Paragraph 27 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

28. Admitted in part, denied in part. It is admitted that Meriter and Nixon Peabody had knowledge that Meriter might have claims against the Towers Entities or Plaintiff and that Defendants had declined to represent or advise Meriter in the development and evaluation of

² Upon information and belief, Ungaretti & Harris LLP merged with Nixon Peabody LLP effective on or about February 1, 2015. For ease of reference, this law firm is referred to herein as “Nixon Peabody.”

such potential claims. It is denied that there were any conflicts of interest arising from Defendants' representation of Meriter in the defense of the Class Action.

29. Admitted in part, denied in part. The communications referenced in Paragraph 29 are written documents that speak for themselves. The allegations in Paragraph 29 are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety. It is denied that there were any conflicts of interest arising from the Morgan Lewis representation of Meriter in the defense of the Class Action. It is admitted that, notwithstanding the aforementioned conflict waivers, Morgan Lewis declined to assist Meriter in the evaluation, development, and/or pursuit of claims against the Towers Entities or Plaintiff.

30. The communication referenced in Paragraph 30 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 30 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to the truth of the averments relating to the understandings formed by representatives of Chubb.

31. The email referenced in Paragraph 31 of the Complaint is a written document that speaks for itself. The averments in Paragraph 31 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. By way of further response, Defendants specifically deny that any conflict of interest existed as a result of the Morgan Lewis representation of Meriter in the Class Action.

32. Denied. To the contrary, Defendants reviewed the Towers Entities' documents in the defense of Meriter in the Class Action, but not for purposes of evaluating or pursuing Meriter's potential claims against the Towers Entities. By way of further response, Defendants state that one or more of the Towers Entities requested that Morgan Lewis review the Towers Entities' documents to determine whether the documents contained privileged information.

33. Admitted in part, denied in part. It is admitted that Morgan Lewis attorneys communicated with Nixon Peabody about factual developments in, and the status of, the Class Action. It is specifically denied that Morgan Lewis worked with Nixon Peabody to preserve and develop Meriter's claims against the Towers Entities or Plaintiff or that there was a conflict in the representation of Meriter. Morgan Lewis did not have a conflict with the Towers Entities or Plaintiff as a result of its representation of Meriter in the Class Action, and it did not assist Meriter or Nixon Peabody in the development of claims against the Towers Entities or Plaintiff.

34. Admitted in part, denied in part. It is admitted only that Morgan Lewis communicated with Nixon Peabody about the status of the Class Action. It is denied that Nixon Peabody was asked to participate in strategy discussions for the purpose of preserving and developing claims against the Towers Entities or Plaintiff.

35. Admitted in part, denied in part. It is admitted that Morgan Lewis communicated with Nixon Peabody about the status of the Class Action. It is denied that Defendants preserved or developed Meriter's claims against the Towers Entities or Plaintiff.

36. Admitted in part, denied in part. It is admitted that Morgan Lewis attorneys communicated with Nixon Peabody and that such communications included summaries of some of the depositions in the Class Action. It is denied that Morgan Lewis attorneys played any role in the development of claims against the Towers Entities or Plaintiff.

37. It is admitted that Morgan Lewis attorneys provided drafts of some briefs and expert reports to Nixon Peabody and, in certain instances, provided an opportunity for Nixon Peabody to provide questions and comments. It is denied that Morgan Lewis participated played any role in the development of claims against the Towers Entities or Plaintiff. The averments in Paragraph 37 of the Complaint are specifically denied to the extent they purport to characterize emails or other documents, which speak for themselves, and are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

38. Admitted in part, denied in part. It is admitted that Morgan Lewis communicated with Nixon Peabody and provided documents that were part of the record in the Class Action. It is denied that Morgan Lewis attorneys played any role in the development of claims against the Towers Entities or Plaintiff. The remaining allegations in Paragraph 38 of the Complaint are denied.

39. The emails referenced in Paragraph 39 of the Complaint are written documents that speak for themselves. The averments in Paragraph 39 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety. It is denied that Mr. Blumenfeld played any role in the development of claims against the Towers Entities or Plaintiff.

40. Denied. Morgan Lewis attorneys working on the Class Action declined to provide legal analysis or other assistance in connection with Meriter's development of claims against the Towers Entities or Plaintiff, for which Meriter engaged a separate law firm.

41. The email referenced in Paragraph 41 of the Complaint is a written document that speaks for itself. The averments in Paragraph 41 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the

written document in part or in its entirety. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to the truth of the averments relating to the purpose behind the referenced request from the attorney at Nixon Peabody.

42. The email referenced in Paragraph 42 of the Complaint is a written document, which speaks for itself. The averments in Paragraph 42 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

43. Denied. It is denied that Morgan Lewis attorneys played any role in the development of claims against the Towers Entities or Plaintiff.

44. The email referenced in Paragraph 44 of the Complaint is a written document that speaks for itself. The averments in Paragraph 44 of the Complaint are specifically denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

45. It is denied that the email referenced in Paragraph 45 of the Complaint was sent for the purpose of assisting Meriter in the development of claims against the Towers Entities or Plaintiff. The email referenced in Paragraph 45 of the Complaint is a written document that speaks for itself. The averments in Paragraph 45 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

46. Admitted in part, denied in part. It is admitted that Morgan Lewis participated in deposition preparation sessions with witnesses who were employed by or affiliated with the Towers Entities, and that such participation occurred with the knowledge and consent of counsel

for the Towers Entities. It is denied that Morgan Lewis attorneys conspired with Meriter or assisted Meriter in the development of claims against the Towers Entities or Plaintiff.

47. Denied in part. Morgan Lewis attorneys did not intend to solicit testimony from witnesses for the purpose of harming the interests of the Towers Entities or Plaintiff, or for the purpose of developing claims by Meriter against the Towers Entities or Plaintiff. The email referenced in Paragraph 47 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 47 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

48. Denied. Morgan Lewis attorneys did not allow or induce any of the Towers Entities or Plaintiff to take positions that would be harmful to the Towers Entities or Plaintiff for the purpose of assisting Meriter in the development of claims against the Towers Entities or Plaintiff.

49. The internal email referenced in Paragraph 49 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 49 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. It is further denied that the email referenced in Paragraph 49 of the Complaint was an act of disloyalty or a breach of any duties owed by Morgan Lewis to the Towers Entities or Plaintiff. By way of further response, Towers was represented by outside counsel at Littler Mendelson, P.C. in negotiating the referenced stipulation.

50. The email referenced in Paragraph 50 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 50 of the Complaint are denied to the extent they

are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. It is further denied that Morgan Lewis colluded with Nixon Peabody to pressure the Towers Entities or Plaintiff to contribute to the Class Action settlement and that Morgan Lewis participated in the development of claims by Meriter against the Towers Entities or Plaintiff. By way of further response, and as reflected by Ms. Saunaitis' email, Meriter engaged separate counsel to represent it in coverage issues involving its insurance carriers and an assessment of potential third party responsibility for Meriter's liability in the Class Action.

51. The email referenced in Paragraph 51 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 51 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

52. The email referenced in Paragraph 52 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 52 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

53. The email referenced in Paragraph 53 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 53 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. It is further denied that Mr. Blumenfeld suggested that Meriter's settlement be funded by extracting money from the Towers Entities or Plaintiff.

54. The document referenced in Paragraph 54 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 54 of the Complaint are denied to the extent

they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

55. The emails referenced in Paragraph 55 of the Complaint are written documents that speak for themselves. The allegations in Paragraph 55 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety. It is further denied that Mr. Jackson engaged in any acts of disloyalty to the Towers Entities or Plaintiff.

56. The email referenced in Paragraph 56 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 56 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. It is further denied that the suggested use of particular themes in settlement discussions in the Class Action litigation was contrary to the interests of the Towers Entities or Plaintiff.

57. Denied. The Morgan Lewis attorneys refrained from participation in the development of any potential claims by Meriter against the Towers Entities or Plaintiff, and there never was a trial in the Class Action.

58. The transcript of the voicemail referenced in Paragraph 58 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 58 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

59. The emails referenced in Paragraph 59 of the Complaint are written documents that speak for themselves. The allegations in Paragraph 59 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the

written documents in part or in their entirety. It is further denied that Mr. Blumenfeld and Morgan Lewis acted in disregard of obligations owed to any of the Towers Entities or Plaintiff, that there was an impermissible conflict in their representation of Meriter in the Class Action litigation, and/or that Morgan Lewis participated in the development of claims against the Towers Entities or Plaintiff.

60. The email referenced in Paragraph 60 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 60 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

61. The redline referenced in Paragraph 61 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 61 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. It is further denied that the document, which was for use in connection with the defense of Meriter in the anticipated trial of the Class Action, was against the interests of the Towers Entities or Plaintiff. By way of further answer, there never was a trial in the Class Action.

62. Denied. The Class Action did not proceed to trial, and there were no “trial themes” that were utilized by Morgan Lewis or that were contrary to the interests of the Towers Entities or Plaintiff.

63. Denied. The document referenced in Paragraph 63 of the Complaint is a written document that speaks for itself, and the allegations in Paragraph 63 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. Furthermore, the Class Action did not proceed to

trial, and there were no “trial themes” that were utilized by Morgan Lewis or that were contrary to the interests of the Towers Entities or Plaintiff.

64. The email referenced in Paragraph 64 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 64 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. By way of further response, it is denied that Morgan Lewis participated in the development of Meriter’s claims against the Towers Entities or Plaintiff.

65. Denied. Morgan Lewis did not assist Meriter or Nixon Peabody in the development of claims against the Towers Entities or Plaintiff.

66. Admitted in part, denied in part. It is admitted that Morgan Lewis provided drafts of the settlement agreement in the Class Action to Nixon Peabody. It is denied that Morgan Lewis participated in the development of claims against the Towers Entities or Plaintiff, or that it provided advice on the legal theories or the claims that Meriter was considering.

67. The email referenced in Paragraph 67 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 67 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

68. Admitted in part, denied in part. It is admitted that Plaintiff did not see the referenced email at the time it was sent, but it is denied that the Towers Entities or Plaintiff lacked knowledge of the Morgan Lewis representation of Meriter or of the fact that Meriter was contemplating claims against the Towers Entities or Plaintiff. The email referenced in Paragraph 68 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 68

of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

69. The email referenced in Paragraph 69 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 69 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations relating to concerns that Nixon Peabody may have had about the applicability of the statute of limitations.

70. The email referenced in Paragraph 70 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 70 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. It is further denied that Morgan Lewis revised the notice for the purpose of assisting Meriter in developing claims against the Towers Entities or Plaintiff.

71. Admitted in part, denied in part. It is admitted that Morgan Lewis prepared the referenced written presentation. The remaining allegations in Paragraph 71 of the Complaint are conclusions of law to which no responsive pleading is required. To the extent a response is required, it is specifically denied that Morgan Lewis had a conflict of interest. By way of further response, Defendants state that any conflict was waived by the Towers Entities, and that Morgan Lewis attorneys refrained from assisting or advising Meriter or Nixon Peabody in the development of claims against the Towers Entities or Plaintiff. The presentation referenced in Paragraph 71 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 71 of the Complaint purporting to characterize that document are denied to the extent

they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

72. The presentation referenced in Paragraph 72 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 72 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

73. The memorandum referenced in Paragraph 73 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 73 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. It is further denied that the presentation makes accusatory or disparaging remarks about the Towers Entities or that the presentation contained any advice about the duty of the Towers Entities or Plaintiff to contribute to the Class Action settlement.

74. Denied. Morgan Lewis prepared the November 2014 memorandum for the purpose of advising the Board of Directors about a tentative settlement of the Class Action that had not yet been approved by the court. The memorandum and the email referenced in Paragraph 74 of the Complaint are written documents that speak for themselves. The allegations in Paragraph 74 of the Complaint are denied to the extent they are inconsistent with the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

75. Admitted in part, denied in part. It is admitted that Mr. Thompson contacted Robert Abramowitz on November 21, 2014 and that his email inquired about the Morgan Lewis role in representing Meriter. It is denied that Morgan Lewis played a role in the development of Meriter's claims against the Towers Entities or Plaintiff. The email referenced in Paragraph 74

of the Complaint is a written document that speaks for itself. The allegations in Paragraph 74 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety. After reasonable investigation, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations relating to any contact with Mr. Thomson on November 21, 2014 by an attorney with Meriter's separate counsel in its action against the Towers Entities. By way of further answer, Mr. Thomson was aware that Morgan Lewis represented Meriter in the Class Action.

76. The email referenced in Paragraph 76 of the Complaint is a written document that speaks for itself. The allegations in Paragraph 76 of the Complaint are denied to the extent they are inconsistent with the terms of the written document and/or do not reflect the written document in part or in its entirety.

77. Admitted.

78. Denied. By way of further response, it is denied that Morgan Lewis assisted Meriter or Nixon Peabody in the development of Meriter's claims against the Towers Entities or Plaintiff.

79. Denied. By way of further response, it is denied that Defendants assisted Meriter or Nixon Peabody in the development of Meriter's claims against the Towers Entities, and it is denied that any conduct by Defendants caused or contributed to any losses, exposure or settlement costs borne by the Towers Entities or Plaintiff.

80. It is denied that Morgan Lewis had a conflict of interest or engaged in any acts of disloyalty to the Towers Entities or Plaintiff, and it is further denied that Morgan Lewis conspired with Nixon Peabody or concealed its representation of Meriter in the Class Action

from the Towers Entities or Plaintiff. Defendants also deny that the Towers Entities and Plaintiff lacked knowledge of the Morgan Lewis representation of Meriter, or of the fact that Meriter was contemplating and developing claims against the Towers Entities or Plaintiff, or that Nixon Peabody represented Meriter in its pursuit of claims against the Towers Entities or Plaintiff.

81. It is denied that Morgan Lewis was working in concert with Nixon Peabody to devise and preserve claims against the Towers Entities or Plaintiff, and it is further denied that Morgan Lewis concealed its role in defending Meriter in the Class Action from the Towers Entities or Plaintiff.

82. Admitted in part, denied in part. It is admitted that Morgan Lewis communicated to Meriter, Meriter's insurer and Nixon Peabody that it would not be involved in the development of claims against the Towers Entities or Plaintiff. It is denied that Morgan Lewis attorneys played a role in the development of such claims and that Morgan Lewis attorneys breached the Rules of Professional Conduct or the duty of loyalty to the Towers Entities or Plaintiff.

COUNT I
Towers v. Morgan Lewis and Jeremy P. Blumenfeld
(Breach of Contract)

83. No response is required to this Paragraph 83 of the Complaint, as it merely incorporates prior paragraphs by reference.

84. Admitted in part, denied in part. It is admitted that Morgan Lewis provided legal representation to the Towers Entities about matters unrelated to the Class Action, and that such representation was provided pursuant to written engagement agreements that are attached to the Complaint. The engagement agreements are written documents that speak for themselves. The averments in Paragraph 84 of the Complaint are denied to the extent they are inconsistent with

the terms of the written documents and/or do not reflect the written documents in part or in their entirety.

85. The averments contained in Paragraph 85 of the Complaint are conclusions of law to which no responsive pleading is required. By way of further response, Defendants deny that they breached any fiduciary or professional duties to the Towers Entities or to Plaintiff, whether under the Pennsylvania Rules of Professional Conduct, the terms of the engagement letters, or any duties owed as a matter of law.

86. The averments contained in Paragraph 86 of the Complaint are conclusions of law to which no responsive pleading is required. To the extent a responsive pleading is required, the allegations in Paragraph 86 of the Complaint are denied.

87. The averments contained in Paragraph 87 of the Complaint are conclusions of law to which no responsive pleading is required. To the extent a responsive pleading is required, the allegations in Paragraph 87 of the Complaint are denied. It is denied that there was any impermissible conflict in the entirely separate Morgan Lewis representations of Meriter and the Towers Entities.

88. It is admitted that various Towers Entities paid legal fees to Morgan Lewis over a period of more than five years for work that was unrelated to the Class Action, and that the aggregate fees paid to Morgan Lewis totaled in excess of several million dollars. It is denied that such fees were incurred or paid by Plaintiff.

89. Denied. It is denied that Defendants engaged in any wrongful conduct toward the Towers Entities or Plaintiff, or breached any duties owed to the Towers Entities or Plaintiff.

WHEREFORE, Morgan Lewis respectfully requests that judgment be entered in its favor on Count I of the Complaint. (The Court sustained Mr. Blumenfeld's preliminary objection to Count I and dismissed Count I as to him by Order dated November 8, 2017.)

COUNT II
Towers v. Morgan Lewis and Jeremy P. Blumenfeld
(Breach of Fiduciary Duty)

90. No response is required to Paragraph 90 of the Complaint, as it merely incorporates prior paragraphs by reference.

91. The averments contained in Paragraph 91 of the Complaint are conclusions of law to which no responsive pleading is required.

92. Denied. Defendants did not breach any duties owed to the Towers Entities represented by Morgan Lewis on matters unrelated to the Class Action, and it is further denied that Defendants assisted Meriter or Nixon Peabody in preserving and/or building a case against the Towers Entities or Plaintiff.

93. Denied. It is denied that Defendants breached any duties to any of the Towers Entities or Plaintiff and/or that any conduct by Defendants compromised the defenses and litigation position of the Towers Entities or Plaintiff in the Meriter lawsuit.

94. Denied. It is denied that Defendants breached any duties to any of the Towers Entities or Plaintiff, and it is denied further that the Defendants' representation of Meriter in the Class Action posed any conflict of interest with regard to the Towers Entities or Plaintiffs.

95. Admitted in part, denied in part. It is admitted that certain of the Towers Entities paid legal fees to Morgan Lewis over a period of time for legal representation unrelated to the Class Action. It is denied that Morgan Lewis had any direct adversity to, or a conflict of interest with, the Towers Entities or Plaintiff. It is denied further that Defendants failed to disclose any

material facts that they were required by law or contract to disclose to the Towers Entities or Plaintiff.

96. Denied. Defendants did not breach any fiduciary duties to the Towers Entities or to Plaintiff, nor did they engage in conduct that was directly adverse to the interests of the Towers Entities or of Plaintiff.

97. Denied. Defendants did not breach any fiduciary duties to the Towers Entities or to Plaintiff, nor did their representation of Meriter in a matter wholly unrelated to the representation of the Towers Entities cause them to place the interests of Meriter over the interests of the Towers Entities or Plaintiff.

98. Denied. It is denied that Defendants engaged in any wrongful conduct toward the Towers Entities or Plaintiff, or breached any duties owed to the Towers Entities or Plaintiff.

WHEREFORE, Defendants respectfully request that judgment be entered in their favor on Count II of the Complaint.

NEW MATTER

Subject to and without waiving any prior objections, answers or defenses, and without accepting the burden on any matters for which Plaintiff otherwise carries the burden of proof, pursuant to Pennsylvania Rule of Civil Procedure 1030, Defendants state the following defenses:

1. The Towers Entities and Plaintiff waived any conflict arising from Defendants' representation of clients in matters adverse to the Towers Entities and/or Plaintiff, as reflected in a July 2010 engagement agreement and a March 2012 email reaffirming the pertinent terms of that waiver. Copies of the 2010 engagement agreement and the March 2012 reaffirmation of the waiver are attached to the Complaint.

2. Both the 2010 engagement agreement and the 2012 reaffirmation of the conflict waiver were agreed to and approved with knowledge of in-house counsel for the Towers Entities and/or Plaintiff.

3. The conflict waiver contained in the 2010 engagement agreement was given by and on behalf of the Towers Entities and/or Plaintiff, which were sophisticated business entities. Attorneys at the Towers Entities and/or Plaintiff understood at the time that Morgan Lewis regularly represented clients in a broad range of commercial matters and that there was a significant likelihood that the waiver would result in Morgan Lewis engaging in one or more litigations or other legal matters that were adverse to the Towers Entities and/or Plaintiff.

4. At the time that the conflict waiver was reaffirmed in the March 2012 email attached to the Complaint, the Towers Entities and/or Plaintiff, through their in-house counsel and others, were already aware that: (a) Defendants were representing Meriter in the Class Action; and (b) that Meriter was contemplating the assertion of claims against the Towers Entities and/or Plaintiff relating to that litigation. Specifically, the Towers Entities and/or Plaintiff were aware that Meriter was considering the assertion of claims arising from and related to actuarial and benefits consulting work performed by the Towers Entities, Plaintiff and/or predecessor or affiliated entities and persons. Thus, the waiver was given with informed consent.

5. The Towers Entities and/or Plaintiff were aware in 2010 that Meriter was seeking a tolling agreement to preserve potential claims that Meriter may have against them. At that time, Meriter's counsel in the pursuit of those claims (not Defendants) contacted counsel for the Towers Entities and/or Plaintiff about a tolling agreement.

6. The Towers Entities and/or Plaintiff were aware in 2011 at the latest that Defendants were representing Meriter in the Class Action. If they did not know sooner, the Towers Entities and/or Plaintiff were put on notice that Defendants were representing Meriter in the Class Action by Meriter in April 2011.

7. The Towers Entities and/or Plaintiff were aware in 2011 at the latest that work done by individuals employed by or affiliated with the Towers Entities was relevant to that Class Action.

8. Notwithstanding their knowledge of the likelihood of claims by Meriter and the role of Morgan Lewis and Mr. Blumenfeld in representing Meriter in the Class Action, no attorneys or representatives of the Towers Entities or Plaintiff ever requested during the pendency of the Class Action to rescind or limit the conflict waiver that had been granted to Morgan Lewis, nor were any questions even posed to Defendants by the Towers Entities or Plaintiff during that time about the scope of the Morgan Lewis representation of Meriter.

9. Notwithstanding the above-referenced waiver, Morgan Lewis attorneys declined to participate in any direct adversity to the Towers Entities or Plaintiff. Meriter retained separate counsel to evaluate, develop, and assert claims against Plaintiff in state court in Wisconsin, and that separate counsel did so independently.

10. Meriter's separate counsel neither sought nor obtained any advice or substantive input from Morgan Lewis attorneys in the evaluation, development, and/or assertion of claims against the Towers Entities or Plaintiff.

11. To the extent that Morgan Lewis attorneys working on the defense of Meriter shared information with Meriter's separate counsel about the status of or factual developments in the Class Action, they did so: (a) in connection with separate counsel's role as counsel for

Meriter and the fiduciaries of the Meriter pension plan on matters relating to insurance coverage in the Class Action; (b) to assist Meriter's separate counsel in evaluating the defenses, exposure, and likelihood of success in the Class Action; and (c) in connection with the role of that separate counsel in advising Meriter on matters involving plan design and pension benefit plan administration.

12. The factual information that Defendants shared with separate counsel for Meriter was derived from the factual record developed in the Class Action, and was also shared with Meriter as a necessary part of the Morgan Lewis defense of Meriter in connection with the Class Action. At no time did the Morgan Lewis attorneys share with Meriter or Meriter's separate counsel any information learned as a result of the representation of the Towers Entities in unrelated matters.

13. Morgan Lewis attorneys declined to advise Meriter on the development of third party claims against the Towers Entities and/or Plaintiff. As a result, Meriter engaged separate counsel – the same law firm that was advising Meriter on matters relating to its insurance coverage and ongoing pension benefit plan administration – to represent Meriter in the evaluation, development, and pursuit of third-party claims, including claims against Plaintiff.

14. Meriter's claims against Plaintiff were ultimately asserted based on the independent judgment and strategic decisions made by Meriter's separate counsel about services that Plaintiff and/or affiliates and/or predecessors had provided to Meriter and to the Plan in the years before the Class Action.

15. No sharing of information about the Class Action by Morgan Lewis with Meriter or its separate counsel caused any harm, damages, or loss to Plaintiff or to any of the Towers Entities.

16. Any attorneys' fees incurred by Plaintiff in defending the claims brought by Meriter were not caused by any conduct of Defendants.

17. Any liability on the part of Plaintiff to Meriter is solely the result of conduct (or failure to act) by Plaintiff and/or its affiliates and predecessors.

18. Having waived any potential or actual conflict and having agreed to allow Morgan Lewis to be adverse on unrelated matters, Plaintiff and/or the Towers Entities have waived any claims against Morgan Lewis and are estopped from asserting the claims set forth in the Complaint.

19. Having elected to settle the lawsuit filed by Meriter without any findings of liability or causation, Plaintiff is estopped, precluded, and barred from asserting claims against Defendants to recover amounts that it voluntarily paid in settlement.

20. Upon information and belief, Plaintiff made the decision to settle the claims brought by Meriter because Plaintiff made the independent judgment, with the advice of its own internal and external counsel, that if it did not settle, it faced a significant risk that it would be found liable to Meriter for a greater sum than the settlement amount on the grounds that its predecessors and/or affiliates, together with their current and/or former employees, had engaged in negligence, professional negligence, and malpractice in the work they had done for Meriter and the Plan.

21. Upon information and belief, Plaintiff made the decision to settle the claims brought by Meriter because Plaintiff made the independent judgment, with the advice of its own internal and external counsel, that its exposure for its own conduct (or failure to act) justified such settlement.

22. Upon information and belief, Plaintiff's decision to settle the claim by Meriter included no consideration of any alleged conduct by Defendants in the defense of Meriter in the Class Action or otherwise.

23. No conduct by Defendants caused or created Plaintiff's liability in Meriter's claim against Plaintiff.

24. No conduct by Defendants led to or caused Plaintiff's independent decision to settle Meriter's claim against Plaintiff.

25. Other defendants in the Meriter lawsuit against Plaintiff similarly settled Meriter's claims against them based on their responsibility for the design and/or operation of the Meriter Plan.

26. Upon information and belief, even before the Class Action had been filed, and without any involvement by Defendants, Plaintiff knew that its current and/or former employees had engaged in negligence, professional negligence, and/or malpractice in the work they had done for Meriter and the Plan, and that Plaintiff and/or its predecessors and affiliates faced considerable legal exposure to claims by Meriter.

27. By way of example, one or more representatives of Plaintiff testified about the Plan (without naming the Plan) in a Rule 30(b)(6) deposition in *Ruppert v. Alliant Energy Cash Balance Plan*.

28. In addition, upon information and belief, at least three other plans that were designed by Plaintiff's current and/or former employees with similar features had been the subject of litigation in federal court in Wisconsin.

29. Plaintiff's claims to recover fees paid to Morgan Lewis for services rendered are barred by accord and satisfaction.

30. To the extent that Plaintiff and/or its predecessors and affiliates engaged Morgan Lewis to provide legal services and obtained the benefit of those services at a time when it/they had knowledge of the Morgan Lewis representation of Meriter and the fact that Meriter was contemplating claims, Plaintiff is estopped from seeking disgorgement of those fees.

31. To the extent that Plaintiff and/or its predecessors and affiliates engaged Morgan Lewis to provide legal services and obtained the benefit of those services at a time when it/they had knowledge of the Morgan Lewis representation of Meriter and of the fact that Meriter was contemplating claims, Plaintiff's claim for disgorgement is barred in whole or in part by the doctrine of unclean hands.

32. To the extent that Plaintiff and/or its predecessors and affiliates engaged Morgan Lewis to provide legal services and obtained the benefit of those services at a time when it/they had knowledge of the Morgan Lewis representation of Meriter and the fact that Meriter was contemplating claims, Plaintiff's claim for disgorgement is barred in whole or in part to the extent it would result in an unjust enrichment.

33. Even if Morgan Lewis were found to have breached the terms of its engagement agreement(s) with the Towers Entities by assisting Meriter in the development of claims, any disgorgement of fees must be no greater than the fees incurred and paid by Plaintiff during the period of the actual breach.

34. At all times, Defendants acted in good faith, reasonably, and for legitimate reasons, and in accordance with applicable laws and express and implied duties, and with the understanding that the Towers Entities and/or Plaintiff did not object to the Morgan Lewis representation of Meriter in matters related to the Class Action.

WHEREFORE, Defendants respectfully request that this Court enter judgment in their favor and award all costs, including attorneys' fees, incurred in defending this action, and such further relief that this Court deems just and proper.

Dated: December 1, 2017

/s/ Michael L. Banks

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on December 1, 2017, a true and correct copy of the foregoing Verified Answer and New Matter of Defendants Morgan, Lewis & Bockius LLP & Jeremy P. Blumenfeld, Esquire to Plaintiff's Complaint were served on the following counsel by the electronic court filing system:

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