

EXHIBIT 8  
DATE 2/18/05  
HB 733

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

TOUCH AMERICA HOLDINGS, INC., et al.,

Debtors.

Chapter 11  
Case No. 03-11915 (KJC)  
(Jointly Administered)

OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS,

Plaintiff,

-against-

ROBERT P. GANNON; JERROLD P.  
PEDERSON; MICHAEL ZIMMERMAN;  
MICHAEL MELDAHL; CARL LEHRKIND III,  
ALAN F. CAIN, JOHN R. JESTER,  
MARGARET A. McGREEVEY; THOMAS G.  
TAYLOR; JOANNE BARKELL; PATRICK  
BURTON; ROSALIE BURTON; JAMES  
DUDLEY; JOSEPH MARTELLI; and  
LAWRENCE A. LOMBARDO

Defendants.

Adversary Proceeding No. 04-51840

COMPLAINT

JURY TRIAL DEMANDED

The Official Committee of Unsecured Creditors appointed by the Bankruptcy Court in the Chapter 11 cases of Touch America Holdings, Inc. and its affiliates alleges the following claims for relief against the above named Defendants.

JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") has exclusive jurisdiction over this adversary proceeding pursuant to 28 U.S.C. sections

157(b) and 1334(b) and (e) and the reference of such proceedings to the Bankruptcy Court by the District Court for the District of Delaware.

2. The claims in this proceeding arise under the State law of Montana and Delaware and 11 U.S.C. sections 105, 362, 541, 547 and 548. This proceeding is a core proceeding under 28 U.S.C. section 157(b)(2) with respect to the claims that request relief under Title 11. The balance of the claims in this complaint are non-core.

3. The Creditors Committee does not consent to the Bankruptcy Court determining the non-core claims or presiding over a trial of claims before a jury.

### GENERAL ALLEGATIONS

#### The Parties

4. Touch America Holdings, Inc. ("Touch America"), a Delaware corporation, and its wholly owned subsidiary, Entech, LLC ("Entech"), and their affiliates commenced Chapter 11 reorganization cases in the United States Bankruptcy Court for the District of Delaware on June 19, 2003.

5. On the day that Touch America filed its bankruptcy case, Touch America, was a publicly traded holding company that owned Entech and various other operating subsidiaries as the result of a merger and share exchange transaction that took place on February 15, 2002 (the "Merger"). Prior to the Merger, the predecessor holding company of these corporations was Montana Power Company ("Montana Power"), a Montana corporation. As the result of the Merger, Touch America became the successor holding company to Montana Power and its former subsidiaries (hereinafter, collectively "the Holding Company" referring to Montana Power with respect to events prior to the Merger, and Touch America with respect to events occurring after the Merger took place).

6. During the January through March of 2000 time period, substantially all of Montana Power's assets were involved directly or indirectly in the energy industry. During this period of time, Montana Power operated a utility transmission and distribution business as an unincorporated division, and owned 100% of a subsidiary known as Entech Inc. (Entech's predecessor). Entech, Inc. in turn owned an independent power business, and oil, gas and coal resources. Entech, Inc. also owned 100% of a subsidiary known as Touch America, Inc. that operated a fiber network telecommunications business. During this period of time, substantially all of the revenues generated by these corporations arose from energy related business segments and not from the telecommunications business, and substantially all of the property owned by these corporations was involved in the energy business and not the telecommunications business.

7. Prior to the Merger, Montana Power's subsidiary, Entech, Inc., sold all of its mining operations and all of its oil, gas and coal resources for \$700 million. After the Merger, Touch America sold its interest in its Montana Power subsidiary that operated the utility transmission and delivery lines for approximately \$600 million cash, but retained its ownership of all of the other subsidiaries previously owned by Montana Power, such as Entech, Inc. Both before and after the Merger, the Holding Company invested the proceeds of the various divestitures in a risky telecommunications business that ended up having virtually no value. As a result of these various merger, divestiture and investment decisions by the relevant directors and officers of the companies, a group of energy and telecommunications businesses with a value in excess of \$1.5 billion in 2002 lost all of their value and were forced into bankruptcy one year later.

8. Plaintiff is the duly appointed Official Unsecured Creditors Committee in the Chapter 11 cases of Touch America and their affiliates pending in the Bankruptcy Court

("Plaintiff"). On July 15, 2004, the Bankruptcy Court authorized the Committee to commence, prosecute and/or settle potential claims that Touch America, Entech and the other related debtors may hold against their current and former directors and officers as well as the current and former directors and officers of their predecessors and former affiliates such as Montana Power and Entech, Inc. The Committee is filing this complaint pursuant to that authority in order to recover the damages suffered by the various operating groups as a result of the decisions that the defendants made in overseeing and managing the companies and that contributed to the insolvency and eventual demise of the businesses.

9. The following defendants are individuals who reside in the United States and who served as directors and/or officers of Touch America and/or Entech and their predecessors and former affiliates such as Montana Power and Entech during the respectively stated periods; this Complaint will refer to all such defendants as a "Director" with respect to the corporations that they served as a director during the relevant period, and as an "Officer" with respect to the corporations that they served as an officer during the relevant period, January 2001 through June 19, 2003:

a. Defendant Robert P. Gannon ("Gannon") served as Chairman, Director, President and Chief Executive Officer of the Holding Company and as an officer and director of all of its subsidiaries.

b. Defendant Jerrold P. Pederson ("Pederson") served as a Director, Vice-President and Chief Financial Officer of the Holding Company and as an officer and director of all of its subsidiaries.

c. Defendant Michael Zimmerman ("Zimmerman") served as a Vice-President of the Holding Company.

### THIRD CLAIM FOR RELIEF

(By Plaintiff on behalf of Touch America as Successor to Montana Power, against Montana Power's Directors and Officers for Breach of Duty)

50. Plaintiff realleges paragraphs 1 through 30, and 38 through 49 of this Complaint and pleads this Third Claim for Relief as an alternative (or in addition to) the First and Second Claims for Relief.

51. Defendants Gannon, Pederson, Cain, Jester and Lehrkind served as Montana Power's Executive Committee Directors at all times before the Merger. Defendants Gannon, Pederson, Zimmerman, and Meldahl served as Montana Power's Officers at all times before the Merger.

52. After March 28, 2000, Montana Power's Executive Committee Directors and Officers arranged the sale of all of the energy assets held and operated by Montana Power and its subsidiaries, and the subsequent investment of the sales proceeds in risky ventures involving telecommunications, in violation of the Corporate Sale of Assets law and the prudence required for such investments. Montana Power's Executive Committee Directors and Officers exhibited a conscious and/or reckless disregard for Montana Power's compliance with the Corporate Sale of Assets Law and the risks attendant to further investments in the telecommunications business.

53. Montana Power's Executive Committee Directors and Officers breached their duties of care and loyalty to Montana Power in acting in the foregoing manner.

54. Montana Power's Executive Committee Directors' and Officers' actions and omissions were a substantial factor in Montana Power, and its successor Touch America, losing over \$1.5 billion of value and cash.

55. Touch America is the successor to Montana Power's claims against Montana Power's former directors and officers on the basis of the following facts, among others: (a) on

March 28, 2000, the MPC Board approved a Reorganization Plan by which Montana Power and all of its subsidiaries would be reorganized under Touch America as the successor holding company, and the new holding company and its subsidiaries would divest themselves of their energy assets; (b) the Directors and Officers of both Montana Power and Touch America implemented the resulting reorganization and divestitures pursuant to that single integrated Reorganization Plan and no other plan (although they did not follow all aspects of the plan and their implementation was improper); (c) Montana Power and its subsidiaries commenced the improper divestitures and Touch America and its subsidiaries ratified the improper divestitures, assumed certain Holding Company liabilities of Montana Power, completed the balance of the divestitures envisioned by Montana Power's Reorganization Plan, and bought out the change in control option contained in Montana Power's employment contracts with its senior officers; (d) after the Merger, Touch America sold its subsidiary that owned the remaining energy assets to NorthWestern and indemnified NorthWestern against all claims arising out of or related to the Holding Company's divestitures and the Merger (subject to the terms of the relevant written agreements), and Touch America thereby became subrogated to all of the claims that its former subsidiary could assert against the Directors and Officers for breaches of duty to the Holding Company or its subsidiaries; (e) NorthWestern, the purchaser of old Montana Power's utility business, agrees that Touch America is the successor to old Montana Power as it relates to claims that arise out of the Merger and the dispositions that took place before and after the Merger; and (f) the Shareholder Defendants, acting on behalf of the pre-Merger shareholders of Montana Power, have taken the position in shareholder litigation against the Directors and Officers that Touch America is the successor to Montana Power's liabilities associated with the Merger and it

would be inequitable for Touch America to be a successor to the liabilities and not the related claims too.

#### FOURTH CLAIM FOR RELIEF

(By Plaintiff on behalf of Touch America, against Touch America's Directors and Officers for Breach of Duty Post Merger)

56. Plaintiff realleges paragraphs 1 through 30 of this Complaint.

57. After the Merger, defendants Gannon, Pederson, Lehrkind, Cain, and Jester served as Directors of Touch America. After the Merger, defendants Gannon, Pederson, Zimmerman and Meldahl served as Officers of Touch America.

58. At all times after the Merger, Touch America was insolvent within the meaning of 11 U.S.C. section 101, and Touch America's Directors and Officers had a conflict deciding whether to continue to invest the company's assets in telecommunications or commence reorganization proceedings under Chapter 11 of the United States Bankruptcy Code.

59. From February 15, 2002, through the bankruptcy filing, the Directors and Officers knew or had reason to know that the Holding Company's continued divestiture of energy assets and its continued investment of energy sales proceeds in the telecommunications business was risky and not in the best interests of the corporations or their creditors. During that period of time, the Directors and Officers received information that indicated that their investments of the Entech sale proceeds in the telecommunications business was not achieving the results that they had predicted, that the economics of the telecommunications business no longer favored such investments, and that the investors who typically invested in telecommunications had lost confidence in the Holding Company's telecommunications ventures. During the same period of time, the Directors and Officers realized that the investing public was questioning whether the Holding Company and its subsidiaries should continue with their planned divestitures and