

Pilots' Union Settles United Fliers' Lawsuit for \$44 Million

By Andrew M. Harris

Jan. 21 (Bloomberg) -- The Air Line Pilots Association International agreed to pay \$44 million to settle a lawsuit filed by a group of United Airlines pilots claiming the organization didn't adequately represent their interests while the carrier's corporate parent was in bankruptcy.

The accord, approved by U.S. Magistrate Judge **Martin C. Ashman** in Chicago last month, may be the largest settlement ever for a case filed under the Railway Labor Act, an attorney for the pilots said today in a telephone interview.

More than 2,100 United pilots with at least 16 years of flight experience will participate in the accord, said the lawyer, Myron M. "Mike" Cherry of Chicago. He called it a "very good settlement."

UAL Corp., operator of the third-largest U.S. carrier, emerged from bankruptcy in February 2006 after more than three years under court protection. The pilots -- led by retiree John Mansfield -- sued the union known as ALPA in December of that year, alleging that it had favored younger union members when it allocated \$550 million in convertible notes given by the airline in exchange for the right to terminate pension plan obligations.

The union deprived the most senior pilots of more than \$130 million, the plaintiffs claimed.

UAL intervened in 2007, arguing in court documents that the case might undermine the finality of its reorganization.

Cherry today said it was his understanding ALPA would ask the airline to fund at least some of the settlement. UAL spokeswoman **Jean Medina** said in a phone interview that the carrier had received no request for payment.

David Kelly, a spokesman for the United chapter of the pilots' union, declined to comment on the accord.

The case is Mansfield v. Air Line Pilots Association International, 06cv6869, in the Northern District of Illinois (Chicago).

To contact the reporter on this story: **Andrew M. Harris** in Chicago at aharris16@bloomberg.net

Last Updated: January 21, 2010 19:43 EST