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Brothers and Sisters:

Below, please find several questions and answers we’ve received regarding the American Airlines Equity Distribution.

Question: Why has so much time passed since the initial distribution of equity in American Airlines until now without all of the equity being distributed to TWU represented AA employees in accordance with the TWU Equity Distribution Plan?

Answer: Distribution of the equity—or the proceeds from sale of the originally distributed stock in AA—was delayed by four years due to the filing of a class action lawsuit against TWU on behalf of individual TWU-represented employees (plaintiffs) who were ineligible under the TWU Plan for a distribution, mainly because they were not employees on the dates required by the Plan (most of the plaintiffs had retired by July 26, 2013). TWU had to deal with the possibility that plaintiffs’ lawsuit would succeed. Therefore, it was necessary to hold the major portion of the proceeds which would have been distributed from the sale of the originally distributed stock in AA in reserve until the conclusion of the case.

Question: Is the case now over?

Answer: Yes. Plaintiffs had until October 4, 2017 to petition the United States Supreme Court to review the decision of the Court of Appeals for the Ninth Circuit upholding the decision of the U.S. District Court, which granted TWU’s motion to dismiss the case. No such petition was filed; therefore, the decision of the Ninth Circuit Court has become final.

Question: What now needs to be done before we can each receive the sums due to us under the TWU Equity Distribution Plan?

Answer: TWU must complete putting together a practical plan for the distribution. We believe that the simplest way for the distribution to be done would be for TWU to transmit the TWU Reserve Fund, all in cash, to American Airlines, which could then distribute the entire sum, by one of the several methods available to them, in accord with TWU instructions, to the same employees who received equity through earlier distributions. The amount received by each distributee will be calculated based on the same percentage of the entire sum being distributed as was used in calculating the equity he/she received in prior distributions.

Question: Why can't this distribution by AA be done immediately?

Answer: In order for this plan to be implemented, TWU must secure AA's agreement to it. It is not certain that AA will agree; it is possible that their agreement will depend on the negotiation of a number of legal questions, including tax questions. TWU will not sacrifice member rights that will be determined by these questions merely to gain the administrative simplicity and speed that distribution by AA would provide.

Question: If TWU is unable to get AA to agree to make the distribution sought, how will TWU handle the problem?

Answer: Should AA not agree to be involved in the distribution, TWU will arrange on its own for the distribution to be made. This will most likely involve getting all of the payroll information necessary to make the distribution; securing a payroll company to do the actual cutting of checks; and having that company do the actual mailing of the checks.

Question: Will the process of calculating how much each covered employee is entitled to delay the distribution significantly?

Answer: No. The calculations of what percentage of the whole each TWU distributee was entitled to were made years ago, and were found to be accurate as a result of the actual distributions made based on them. These same percentage calculations are still available, to be applied mechanically to the sum deemed available for distribution.

Question: What deductions will be made from the sum available for distribution prior to its being divided up among those receiving it?

Answer: Potential taxes will have to be withheld prior to the distributions being made. This includes tax regarding FICA and other possible tax liability. Significant legal questions remain to be definitively resolved. TWU will not delay the general distribution for final resolution of legal questions, but instead will make the distribution and hold the amount in question in reserve. While there is no guarantee of a favorable outcome, if there is, the amount in reserve will be distributed when the issues are finally determined.

Question: How will TWU deal with the possibility that the calculation of some individuals' distribution may either be in error, or the distributee may believe that it was in error?

Answer: In the prior distributions, there was an appeals process for precisely this kind of error. The process was meant to give fair and final determinations to complaints regarding such errors. We are putting together the nuts and bolts of such a procedure right now, so that it can be applied to the distribution.

We appreciate your continued patience throughout this process.