

**Hearing Date and Time: November 4, 2021 at 11:00 a.m. (Eastern Time)**

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
AMR CORPORATION, <i>et al.</i> ,	:	Case No. 11-15463-SHL
	:	
Debtors.	:	(Jointly Administered)
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**REPLY OF ALLIED PILOTS ASSOCIATION IN SUPPORT OF STIPULATION AND  
AGREED ORDER FOR PROOF OF CLAIM FILED BY THE ALLIED PILOTS  
ASSOCIATION [ECF. No. 13364]**

TO THE HONORABLE SEAN H. LANE  
UNITED STATES BANKRUPTCY JUDGE:

The Allied Pilots Association (“APA”) hereby submits this Reply in support of the Stipulation and Agreed Order (“Stipulation”) entered into between AMR Corporation and its related debtors, as debtors and reorganized debtors (collectively, the “Debtors”) and the APA.

**PRELIMINARY STATEMENT**

After the Debtors commenced their bankruptcy cases in 2011, APA filed Proof of Claim No. 8331 against American Airlines, Inc. (the “Original Proof of Claim”),<sup>1</sup> which asserted a

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<sup>1</sup> The APA also filed Proofs of Claims against 19 debtors other than American Airlines, Inc. (Proofs of Claim Nos. 8548–8557), which were subsequently resolved.

number of claims against the Debtors, including claims based on grievances. Since that time, APA and Debtors have worked to resolve the APA's claims. On November 16, 2012, APA and the Debtors entered into a Letter of Agreement ("Letter of Agreement") settling most of the APA claims on behalf of itself or the pilots it represents. The parties excluded certain claims and grievances identified on Exhibit 1 to the Letter of Agreement from that settlement. In 2014, APA filed Proof of Claim No. 13866, amending those excluded claims and grievances. On January 15, 2015, the Court approved a stipulation [ECF No. 12387] between the APA and Debtors providing that the remaining excluded claims and grievances under the Letter of Agreement would be resolved in the ordinary course pursuant to the collective bargaining agreement and the Debtors' grievance procedures.

That is exactly what the APA and Debtors have done. They have used the normal grievance procedures to resolve those excluded grievances. The APA and the Debtors now seek to resolve all of the remaining claims and grievances, except for two grievances, for \$625,000. The two preserved grievances, Grievance No. 12-011 (02/04/12 Meadows, Lawrence) and Grievance No. 12-012 (05/22/12 DFW Domicile) (the "Preserved Grievances"), the parties' legal positions are fully preserved.

Lawrence M. Meadows ("Meadows"),<sup>2</sup> Wallace T. Preitz, II ("Preitz"),<sup>3</sup> and Herman J. Straub, Jr.<sup>4</sup> ("Straub" and collectively with Meadows and Preitz, the "Objectors") have objected

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<sup>2</sup> Creditor Lawrence M. Meadows' Objection to Notice of Presentment of Stipulation and Agreed Order for Proof of Claim Filed by the Allied Pilots Association (Doc. 13364) and Request to Stay that Presentment Pending Proper Notice to All Adversely Affected Disabled Pilot Grievants [ECF No. 13371] ("Meadows Objection").

<sup>3</sup> Wallace T. Preitz, II, Objection and Response to Notice of Presentment of Stipulation and Agreed Order for Proof of Claim Filed by the Allied Pilots Association [ECF No. 13370] ("Preitz Objection").

to the Stipulation. The Objectors argue that the Court should not approve the Stipulation because (i) Grievance 11-054 should be excluded from the Stipulation and preserved,<sup>5</sup> (ii) the Stipulation does not preserve their rights and those of other pilots with respect to Grievances 12-011 and 12-012, and thus further notice is required to all pilots who might be impacted by Grievances 12-011 and 12-012.

These objections lack merit. First, Grievance 11-054 was settled and closed years ago: it is no longer active and therefore there is nothing to preserve or exclude from the Stipulation. Second, the Stipulation preserves all rights with respect to Grievances 12-011 and 12-012. The Preserved Grievances and any rights with respect to them are not impacted by the settlement. Third, because all rights are preserved with respect to those grievances, further notice is not required.

## **REPLY**

### **I. Grievance 11-054 Was Settled and Closed**

The Objectors first argue that the Court should not approve the Stipulation because it does not preserve Grievance 11-054 (LGA Domicile). *See* Preitz Objection at 4-5; Straub Objection at 1; Meadows Objection ¶ 1. But, Grievance 11-054 was settled and closed years ago. There is nothing to exclude or preserve.

LGA Domicile Grievance 11-054 was filed on August 18, 2011. The APA conducted an appeal hearing before then-Vice President Flight, CA John Hale. An appeal hearing decision was not issued. Subsequently, the APA and American Airlines agreed to convert LGA Domicile

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<sup>4</sup> Email from Herman J. Straub, Jr. [ECF No. 13372] (“Straub Objection” and collectively with the Meadows Objection and Preitz Objection, the “Objections”).

<sup>5</sup> Mr. Meadows and Mr. Preitz also reference ORD Domicile Grievance 12-105, but as Mr. Meadows acknowledges, that grievance was withdrawn when the Debtors reinstated a pilot. Meadows Objection ¶¶ 1 & 5, Preitz Objection at 1.

Grievance 11-054 into an individual grievance on behalf of FO Rodney Charlson under the same grievance number (11-054). The grievance then advanced to Pre-Arbitration Conference level and then to the System Board of Adjustment level. Debtors and APA agreed to resolve the matter and executed a confidential settlement agreement resolving the grievance. Grievance 11-054 was resolved and closed in 2015.

In short, Grievance 11-054 need not be preserved or excluded from the Stipulation because it was resolved years ago and there are no further proceedings related to that grievance.

## **II. Grievances 12-011 and 12-012 Are Fully Preserved.**

The Objectors further assert that the stipulation is ambiguous regarding the rights of parties affected in the Preserved Grievances and assert that pilots are thus “in danger of losing their rights” and further notice is required. Meadows Objection ¶¶ 1, 16; Preitz Objection at 5; Straub Objection at 1. Along these lines, Meadows asserts that pilots “are in danger of losing their substantial collective and individual rights of their jobs and seniority” without being afforded due process. *See* Meadows Objection ¶ 16. Meadows further asserts that the Stipulation’s “language is unclear as to protecting the rights of those adversely affected pilot grievances . . . and requires input and necessary modifications by the affected pilot grievants” but does not explain what is unclear or what language is necessary. *See* Meadows Objection ¶ 19.

APA rejects the assertions made by Objectors with regard to any “rights” under Grievance 12-012. Even if Objectors were “affected pilots” under the relief sought by Grievance 12-012, however, the Stipulation unambiguously preserves all rights with respect to the Preserved Grievances. Paragraph 3 provides that:

“This Stipulation does not affect Grievance No. 12-011 (02/04/12 Meadows, Lawrence) and Grievance No. 12-012 (05/22/12 DFW Domicile) identified on Exhibit 1 to the Letter of Agreement, and

the parties retain their respective legal positions on the validity and status of those grievances.”

Stipulation at ¶ 3. And Paragraph 4 plainly states:

Nothing in this Stipulation shall be construed as an admission of liability or constitute, imply, or evidence the validity of any claim, allegation, objection, defense, asserted right or remedy at law or equity, raised, or that could be raised, by any party in connection with the Amended Claim.

Stipulation at ¶ 4. The English could not be plainer, the Stipulation preserves all rights that may exist and does not present any danger that rights will be lost. As rights are unimpaired, neither modifications nor further notice is required.

### III. CONCLUSION

For all the foregoing reasons, Labor respectfully request that the Court deny the Renewed DCR Motion and grant such other relief as the Court deems just and equitable.

Dated: October 28, 2021

Respectfully submitted,

/s/ Joshua R. Taylor  
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