

Wallace T. Preitz II

120 Suffield Court
Chalfont, PA 18914
215-796-2499

April 12, 2018

Honorable Judge Sean H. Lane
U.S. Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

Via: FedEx

Re: AMR CORPORATION, *et al.*, Debtors.
Chapter 11 Case No. 11-15463 (SHL)



Honorable Judge Lane:

This is simply a letter to inform the Court that I was very recently made aware of the EEOC settlement with American Airlines, Inc. I think it safe to say that hundreds of other similarly situated medically disabled American Airlines (“AA”) pilots are also unaware of the issue at hand.

As a quick background. In July 2005 I applied for American Airlines, Inc. Pilot Long Term Disability Plan benefits which was approved in August 2005. In November 2007 American Airlines Medical Review Board terminated my disability benefits despite the fact that there were no changes to my condition or medication. This is the same Medical Review Board that American Airlines is now referencing by adding the underlined language in ¶22.b.ii. which **excludes** “those individuals reviewed by the Medical Review Board (MRB), exclusively for purposes of obtaining disability benefits”

In April 2008 I appealed the benefit termination to AA’s Pension Benefits Administration Committee (“PBAC”). June 2008 the PBAC arbitrarily and capriciously denied my appeal. In their denial the PBAC purported to rely on evaluations made by Western Medical Evaluators (“WME”). WME was not a properly selected or compensated “clinical authority” under the Plan, and the conclusions contained in the WME report are not supported by, but rather are inconsistent with, the extensive medical information in the claim. Moreover, no representative of WME ever examined me.

In November 2010 I filed an ERISA lawsuit against American Airlines, Inc. AA’s 2011

bankruptcy stayed the case until their bankruptcy exit in December 2013. I learned in the course of discovery that WME and its principals were indicted by the State of Texas in August 2010 for securing execution of documents by deception in connection with workers compensation claims during the precise time frame in 2007 and 2008 that they were performing services for AA. WME principals were later convicted and incarcerated. WME and its principals also have been accused in affidavits filed in litigation in the United States District Court for the Southern District of Florida of sending out forged or fraudulent reports on doctors' behalf. My ERISA lawyer served a subpoena on the one, and only, living WME doctor who supposedly wrote the report on me. Dr. Karen Grant's verified statement states that "I can tell you that a copy of the [W]estern Medical Evaluators Inc letterhead purported to have been written and signed by me was not of my doing. I do not have nor have I ever had any of their stationary."

In the course of discovery in the lawsuit, I learned that AA tracked its "savings" resulting from the termination of disabled claims like mine in the same fashion as they would track savings from the elimination of in-flight amenities. Its estimated that approximately 100 disabled pilots were tracked.

My ERISA claim and settlement spanned from November 2010 till final settlement monies were received in August 2017. As an affected disabled pilot, I and my ERISA attorney can state that during that time period neither American Airlines or the EEOC ever informed us of the ongoing EEOC investigation or settlement discussions. I understand the EEOC investigation spanned from 2009 till 2015 with settlement discussions covering 2015 - 2017.

My ERISA settlement negotiations/mediation spanned from August 2014 through 2016. I can state with certainty that my ERISA settlement decision, and settlement terms, would have been greatly impacted by the knowledge that American Airlines was under investigation and in settlement negotiations with the EEOC. I feel that my ERISA settlement with American Airlines, which was settled at a fraction of the claim, was done under false pretense and with a lack of knowledge which was withheld from me by American Airlines, Inc. and possibly the EEOC.

Another disabled AA pilot, who also settled an ERISA lawsuit in the approximate time frames mentioned above, sent me the letter that follows.

"I am writing to express my strong opposition to the Joint Motion for Entry of Amended Consent Decree ("Amended Consent Decree"). In support thereof the following five arguments are offered:

(1) The Party's Joint Motion for Entry of Amended Consent Decree should be denied because it does not correct the deficiencies of the original Consent Decree

previously submitted which was not approved by the bankruptcy Court.

American's submission of the Amended Consent Decree as a proposal that corrects deficiencies of the original Consent Decree is disingenuous. American's new proposal changes semantics and attempts to mislead the Court into thinking that it has now properly included pilots in the settlement but in reality pilots are still excluded. In hope of deceiving the Court into believing it has made corrections, American relies heavily on the Court's lack of knowledge of critical information pertaining to the supposed corrections.

Previously, American sought to completely exclude pilots from the Employee List of potentially aggrieved individuals who were found by the EEOC to have been discriminated against. This act constitutes further discrimination against an already discriminated against group of employees. This was pointed out to the Court. American comes now and is makes a pretense of having corrected the deficiency of excluding pilots by a mere change in semantics.

The Parties now seek to have the court approve an Amended Consent Decree that still excludes pilots. The Amended Consent Decree, while removing the explicit language from the original Consent Decree (at ¶ 22.(c)) excluding pilots of American and Envoy from the Employee List, again seeks to exclude most, if not all, potentially aggrieved American pilots and possibly Envoy pilots by adding the underlined language in ¶22.b.ii. which excludes “those individuals reviewed by the Medical Review Board (MRB), exclusively for purposes of obtaining disability benefits” [ECF No. 10].

This play on words attempts to lead the court into believing that the Parties have now included the pilots. This is misleading for two reasons.

- (A) It is still unlawful to discriminate against an entire group of employees (“those individuals reviewed by the Medical Review Board”); it is still unlawful to discriminate against those with a disability and/or a history of disability, and this is exactly what the Parties are requesting the Court allow them to do.
- (B) American presumes that the Court does not know that the revised language in the Amended Consent Decree defines the same group of pilot employees discriminatorily excluded in the original Consent Decree.

American's new criteria of excluding only “those individuals reviewed by the Medical Review Board (MRB), exclusively for purposes of obtaining disability benefits” [ECF No. 10] applies to every pilot on Long Term Disability leave who was discriminated against by wrongful termination in violation of both the American's with Disabilities Act and the Collective Bargaining Agreement, and/or who were either not offered, or were denied, a

Reasonable Accommodation and/or reassignment. Although not appearing personally before the Review Board, every such pilot was reviewed. Thus, the Amended Consent Decree potentially excludes every such pilot. This blanket exclusion of an entire group of employees should not be permitted.

(2) American should not be allowed to benefit from willfully and improperly setting the stage for minimal opposition.

American declares to the court that three pilots have objected, the unspoken implication being that “only three” pilots have objected. The obvious goal is for the court to believe that there is only minimal opposition from the pilot group to the both the Consent Decree and the Amended Consent Decree.

This outcome was crafted, designed and executed by American specifically to ensure minimal opposition. In reality they were hoping for no opposition. American failed to notify the affected pilot employees of the proceedings and of their right to object. Obviously, if the affected employees are not aware of the proceedings, they will not object.

The three pilots who have objected learned of the proceedings only through an EEOC press release about the settlement agreement, and this at the eleventh hour providing little opportunity for opposition.

Comes now American before this Court attempting to benefit from the advantage gained from their willful failure to notify those who would or might object.

It would be a great miscarriage of justice, and a dishonor to the Court, to allow American to benefit from their duplicitous conduct, or to gain advantage therefrom.

(3) American should not be allowed to pay EEOC fines, penalties, or settlement amounts from the Disputed Claims reserve.

Allowing payment of the EEOC settlement amounts from the Disputed Claims Reserve (“DCR”) would allow an inappropriate disbursement from the Disputed Claims Reserves. The DCR exists for the settlement of debts of the Debtors from legitimate business dealings. The Debtors should not be allowed to use the DCR to pay penalties, fines or settlement amounts owed due to widespread, systematic, and willful violations of the ADA and Title VII of the Civil Rights Act of 1964, as amended, neither of which are the result of legitimate business dealings. The granting of use of the DCR to pay penalties, fines or settlement amounts will result in a reduction in the funds available for the settlement of legitimate debts from business dealings. Ultimately this will result in incremental reductions in payment amounts to creditors who have also suffered harm and loss at the hands of the Debtors.

Further, the DCR is designated for the settlement of pre-petition disputed claims. The time period of American's discriminatory conduct extends well beyond the petition date.

(4) American should not be granted impunity from EEOC prosecution for the period between the end of the EEOC investigation period (August 2015) to the effective date.

The Amended Consent Decree provides that American is immune from additional EEOC prosecution for violations for the period from the end of the investigation period to the Effective Date – which has not yet occurred. It is known that violations at American are continuing to the present day.

Thus, this immunity constitutes yet another potential injustice against employees in favor of American. The EEOC's mandate is to protect employees from discrimination---always, not just most of the time or sometimes.

It is incomprehensible that (1) the EEOC would willingly agree to turn a blind eye to further discrimination for such an extended period of time. This provision gives American, who has already demonstrated its willingness to discriminate against employees broadly and systemically, to discriminate further for several years, with impunity. It basically constitutes a reward for the current inadequate settlement. The 9.8 million settlement is but a slap on the hand given the magnitude and duration of the violations committed by American. Further, given that American seeks to pay the settlement from the disputed claims reserve, rather than from corporate accounts, this constitutes a free pass for American.

Ultimately, the employees are being sold out by the EEOC in direct violation of its mandate.

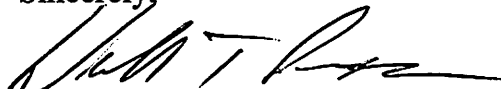
The Court is asked not to endorse and allow this proposed injustice to become reality.”

Formal objections to the Party's Amended Consent Decree have been filed. I hope this letter demonstrates to the Court that there are hundreds of unsuspecting American Airlines disabled pilots who were fraudulently reviewed by American's Medical Review Board and who are currently unaware of the situation at hand. I'm certain they would protest if they knew their rights were silently being destroyed. I am not formally intervening at this time but I humbly and respectfully requested that this Court: (1) deny the Joint Motion for Entry of Amended Consent Decree, (2) have the EEOC hire a law firm, at EEOC expense, to pursue equal justice for the disabled pilots mentioned above, and (3) simply inform all

affected disabled pilots so they can make a choice to have their voices be heard or not.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Wallace T. Preitz II". The signature is fluid and cursive, with a long horizontal stroke at the end.

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