

FedEx Pilots, Union Agree To End Bargaining Promises Suit

By [Kat Sieniuc](#)

Law360, New York (May 12, 2017, 6:13 PM EDT) -- A putative class of [FedEx](#) pilots and the Air Line Pilots Association have resolved a suit alleging the pilots were shorted more than \$100 million in a collective bargaining agreement with the company that they'd never have ratified if not for deliberate misrepresentations and "fear-mongering tactics" by their union, according to documents filed in Tennessee federal court on Friday.

Both parties agreed to dismiss the matter and pay for their own legal fees — although, according to pilots' counsel, the terms of that agreement remain confidential.

The pilots **brought the suit** a year ago, alleging that [Air Line Pilots Association International](#) breached its responsibility to represent them fairly in a 2015 collective bargaining agreement in which it allegedly misrepresented provisions for pay and signing and retirement bonuses, all because the union was out of money to negotiate.

"Had ALPA been forthright in all aspects regarding the 2015 CBA, the vote would have been different, either at the [master executive council] or the FedEx pilots stage," the pilots said in their April 2016 complaint. "Furthermore, considering FedEx's strong financial situation and dependence upon its pilots, FedEx would have acceded to union demands for additional compensation had the FedEx pilots or the MEC rejected the tentative agreement."

Allen Press, counsel for the pilots, told Law360 on Friday his clients are disappointed in the court's January decision not to certify a putative class.

"The ruling prevents class treatment of a case in which a union, during the process to ratify a new collective bargaining agreement, misrepresents to its members the terms of the agreement. If followed elsewhere, the ruling would seriously limit employees' abilities to check their unions in this regard," Press said.

According to the complaint, which sought to represent all 4,190 FedEx pilots covered by the agreement, the ALPA master executive council representing company pilots "grossly mishandled" union dues between 2011 and 2015, including by paying thousands of dollars to officers just to sit at home.

The result of that mishandling was a reserve that went down from a high of \$8.2 million in October 2011 to just \$1.2 million when a new secretary-treasurer took over, the complaint said.

"The MEC never said publicly that it was low on funds, and its mismanagement of funds for years prevented it from utilizing the options of either assessing the FedEx pilots or seeking [major contingency fund] money" from the national union, the pilots said. "So the MEC and negotiating committee instead opted to aggressively push the passage of the tentative agreement, even if that meant misrepresenting key terms of the deal."

The impacts of that deal were felt by pilots in the millions of dollars after voting for passage, 2,098-1,559, according to the lawsuit.

Named pilots Stephen Valdez, Jeffrey Ware, Ruben Freyre and Armando Castroverde also accused the 50,000-pilot-strong ALPA of assuring them of "meaningful" increases to their retirement benefits, and of FedEx's ability to pay for them, only for the negotiating committee to change course after the company purportedly said it would face massive liabilities from those benefits.

They said the union also promised that all pilots would be eligible for up to \$110,000 under a "sick leave buyback" upon retirement that was in reality only available to captains of wide-body planes who make up about 40 percent of the seniority list, according to the complaint.

Counsel for ALPA was not reachable for comment on Friday.

The pilots are represented by Allen P. Press of Jacobson Press & Fields PC., and Kenneth P. Jones of Bourland Heflin Alarez Minor & Matthews.

ALPA is represented by and Stephen B. Moldof of [Cohen Weiss & Simon LLP](#), and

Marcus C. Migliore.

The case is Valdez, et al. v. Air Line Pilots Association International, case number [2:16-cv-02256](#) in the U.S. District Court for the Western District of Tennessee.

--Additional reporting by Bryan Koenig. Editing by Joe Phalon.

Correction: A previous version of this story listed incorrect counsel for the plaintiff and defendant. The error has been corrected.