

March 6, 2015

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Dear Brian,

Earlier today three West Pilot members of USAPA were granted permission to and did file a Title V action under the LMRDA in Federal Court in North Carolina against 14 individuals who are associated with USAPA. The suit alleges that the Defendants, each acting in their personal capacity, have violated their fiduciary obligations to USAPA, thus injuring USAPA.

With this letter, we are putting USAPA on notice through you as its General Counsel, that USAPA cannot and should not use its funds to defend any of the individual Defendants in this Title V suit. The law is quite clear on this point. The decision in *Mulligan v. Parker*, 805 F. Supp. 592, 595 (N.D. Ill. 1992) clearly states the common rule. ("A union is customarily prohibited from paying the legal expenses of officers charged in Title V suits.") *See also Milone v. English*, 306 F.2d 814, 817 (D.D.C. 1962) ("As a general proposition, we think funds of a union are not available to defend officers charged with wrongdoing which, if the charges were true, would be seriously detrimental to the union and its membership. . . . [C]ounsel who are chosen by and represent officers charged with misconduct, and who also represent the union, are not able to guide the litigation in the best interests of the union because of the conflict in counsel's loyalties. In such a situation, it would be incumbent upon counsel not to represent both the union and its officers."). Also relevant is *McNamara v. Johnston*, 522 F.2d 1157, 1167 (7th Cir. 1975) ("[U]nion officials charged as defendants in suits [alleging breach of fiduciary duty] should retain independent counsel and bear the financial burden of their defense.") Given that the 14 individual Defendants have all allowed USAPA funds to be used to advance the seniority goals of themselves and the East Pilots to the detriment of the West Pilots, the case of

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Highway Truck Drivers & Helpers Local 107 v. Cohen, 182 F. Supp. 608, 620–21 (E.D. Pa. 1960) is particularly pertinent. (“To allow a union officer to use the power and wealth of the very union which he is accused of pilfering to defend himself against such charges is totally inconsistent with Congress’ efforts to eliminate the undesirable element which has been uncovered in the labor management field.”)

If USAPA disregards this demand and allows its treasury funds to be used to defend the individual Defendants in the Title V lawsuit, then the Plaintiffs will have no choice but to seek an order requiring the individual Defendants, both jointly and severally, to repay all USAPA funds that USAPA wrongfully spends to defend the individuals in the Title V lawsuit.

We have explained on numerous occasions that at least from September 16, 2014, USAPA is not the East Pilots’ private bank to be used to advance the seniority goals of the East Pilots only. But that is essentially what each of the individual Defendants has done at least from decertification. They have allowed USAPA monies, which belong to all former U.S. Airways pilots in good standing with USAPA, to be used to advance the seniority goals and interests of themselves and the other former East Pilots to the detriment of the West Pilots. This is especially true with regard to any monies spent since January 9, 2015, when the PAB determined that USAPA cannot and will not represent the West Pilots in the SLI process.

In continuing to allow USAPA monies to be spent on anything other than normal winding-down expenses, each of the individual Defendants has allowed the USAPA treasury to be wrongfully depleted. The Title V lawsuit seeks to require each of the individual Defendants, either jointly or severally, to replenish the USAPA treasury with all the money that has been and will be wrongfully spent.

I expect that as USAPA’s general counsel you will take the proper steps to inform USAPA of this demand and then advise it appropriately.

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Very truly yours,

A handwritten signature in black ink that reads "Marty Harper". The signature is written in a cursive style with a long, sweeping flourish at the end.

Marty Harper

MH:kah