

# News Release

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## UNITED AIRLINES ESOP REACHES ACCORD IN \$2 BILLION SUIT

**New York, NY** – Lawyers representing committee members of the United Airlines Employees Stock Ownership Plan (ESOP) announced they reached an agreement to limit recovery in a \$2 billion lawsuit brought against the ESOP, the ESOP committee and its members by certain plan participants in a proposed class action.

The plaintiffs charged the ESOP committee members with breach of fiduciary duty claiming that shares of the company's stock should have been sold earlier in order to minimize losses when the price of UAL stock began to fall.

“After approximately nine months of legal wrangling and negotiations we were able to reach agreement with the plaintiffs that if they got to trial and if they won, the plaintiffs would be limited in their recovery to no more than the remaining proceeds of United's \$10 million fiduciary insurance policy,” said [Cathy Hershcopf](#), who with her partner [Ronald Sussman](#) of Kronish Lieb Weiner & Hellman LLP represented the ESOP committee members.

Under the terms of the accord, the plaintiffs will be precluded from recovering the personal assets of ESOP Committee members and will only be entitled to collect from United's fiduciary insurance policy if a judgment is obtained against the ESOP committee members.

“For that to happen,” said Sussman, “a number of legal hurdles still have to be cleared including whether the court grants the plaintiffs class certification giving the plaintiffs standing to proceed with the lawsuit as class representatives.”

A status conference before the presiding judge is scheduled in early July to determine the next steps in the lawsuit.

Cathy Hershcopf and Ronald Sussman are partners in the Bankruptcy department of Kronish Lieb Weiner & Hellman LLP -- a full-service, New York-based law firm which has provided counsel to an increasingly broad array of institutional and private clients from around the world, since 1958.

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