



News Release

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Miller & Chevalier Secures Two Victories on Behalf of the Retired Pilots Association of US Airways

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Washington, D.C., April 1, 2009 -- In the summer of 2008, Miller & Chevalier, representing more than 1700 retired pilots of US Airways, Inc. (all part of an informal association known as the Retired Pilots Association of US Airways, or the "Soaring Eagles"), filed suit in federal district court against the Pension Benefit Guaranty Corporation (PBGC). This ERISA-based action, emanating from U.S. Airways' bankruptcy and its related decision to effect a distress termination of its pension plan, asserts several claims for equitable and declaratory relief, primarily focused on the PBGC's methods for calculating retirement benefits.

The Retired Pilots Association of US Airways secured two recent victories. The first victory in the litigation came on March 16, 2009, when the United States Court of Appeals for the District of Columbia Circuit granted the Retired Pilots' motion for injunction pending appeal of a preliminary ruling by the district court. This ruling pertains to the PBGC's efforts, during the lawsuit, to take back pension money it claims to have "overpaid" the pilots. The district court allowed these "recoupment" actions to go forward, but the Circuit's recent order puts them on hold, accepting the pilots' position that the Court should freeze the status quo during the appeal because if the pilots win the appeal and then the underlying case, the PBGC will owe them money and not vice versa.

The second victory came the next day, on March 17, 2009, when the district court allowed the pilots' lawsuit to move forward toward a trial. The PBGC has tried to dismiss portions of the case on legal grounds, but the district court concluded that the pilots could hold the PBGC responsible for failing to take reasonable action to investigate and remedy wrongful acts committed by US Airways that affect the level of funding in the plan. The district court also determined that the pilots could properly challenge how the PBGC applies its insurance guarantee and pursue a claim for money -- two issues the PBGC fought vigorously. The effect of this order is that the case will now move into the discovery phase and toward an ultimate trial in the district court.

About Miller & Chevalier

Founded in 1920, Miller & Chevalier is a leading Washington, D.C. law firm with more than 100 lawyers who practice in the areas of tax, benefits, including ERISA, federal healthcare programs, white collar, federal procurement fraud, international, and related litigation. For more information on the firm visit www.millerchevalier.com.

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