



## **What was APFA leadership thinking when they hired the Jefferies Group?**

On December 23, CBS News reported that American Airlines was cleared to buy 200 Boeing planes that it had been scheduled to receive through the end of next year. U.S. Bankruptcy Judge Sean Lane confirmed the carrier's ability to buy and finance the planes.

Also on December 23, Bloomberg reported that AMR and Citigroup plan to ask a judge to sign a fuel-price hedging deal that "would lift bankruptcy rules to allow AMR to make payments and grant security to the bank. Citigroup will have a first-priority lien on AMR's collateral" over other creditors including employees. A judge yesterday approved a similar pact between AMR and Morgan Stanley.

It's interesting to note that both Citigroup and Morgan Stanley have a presence on AMR's board: Judith Rodin is a Citigroup/AMR board member and Philip Purcell is the former CEO of Morgan Stanley and is currently an AMR board member. Simply put, the board members who instigated AMR's bankruptcy filing are now petitioning the court to give the banks they represent priority status over AMR's employees.

But here's where this story gets real interesting.

When we take a closer look at the company that APFA hired to help APFA through the bankruptcy process — the Jefferies Group (<http://jefferies.com>) — what we see is an organization with ties close to AMR's interests, not with APFA's or organized labor.

One quick glance at Jefferies reveals some unsettling connections. Michael Sharp, for instance, Jefferies' general council, secretary and executive vice president, previously served as general counsel at Citigroup for 12 years, and Jefferies board member, Peregrine Broadbent, was a high-rolling executive at Morgan Stanley for 16 years. Both Citigroup and Morgan Stanley are represented on AMR's board, and as previously mentioned were able to manipulate the bankruptcy court so as to give themselves priority creditor status.

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Most fascinating is the fact that Richard Handler, the CEO of the Jefferies Group, made \$47,349,121 last year, landing him at #8 on the AFL-CIO's Top 100 Executive Paywatch List. Isn't that what American's employees are trying to fight, corporate greed?

It could be my imagination, but it appears on the surface that the Jefferies Group was referred by AMR to assist APFA in dealing with bankruptcy. How APFA can afford an outside counsel where the CEO makes \$47 million, more than nine times that of AMR's CEO, raises some very startling questions — namely, how much is the Jefferies Group being paid by APFA and what exactly is the firm doing for this money.

According to Jeffries own website, "Jefferies has over 650 investment banking professionals serving companies in North America, Europe and Asia." Upon a closer look, it's clear that Jeffries has few, if any, clients within the labor community, and if they do, they're certainly not posting any union successes on their website.

Some news about Jefferies not found on its website.

Why has APFA's current leadership brought in a firm like Jeffries? Not only does Jeffries seem to be a typical corporate firm with close ties to AMR, but the firm's been caught up in some highly unethical behavior in recent years.

According to [www.Stockbroker-Fraud.com](http://www.Stockbroker-Fraud.com), "Brokerage firm Jefferies & Co. Inc. was fined \$5.5 million by the NASD for providing more than \$1.6 million in improper gifts and entertainment to equity traders employed by Fidelity."

Jefferies & Company, Inc. was also "censured and fined \$125,000 by the NASD and required to revise its written supervisory procedures, regarding front-running, trade reporting and long/short sales. Without admitting or denying the allegations, the firm consented to the sanctions."

Less than a year ago, The Financial Industry Regulatory Authority (FINRA) fined Jeffries \$1.5 million "for failing to disclose additional compensation received and conflicts in connection with the sale of auction rate securities (ARS)."

In times like these, can we really afford to look to a firm like Jeffries & Co. to best represent and fight for us in bankruptcy proceedings?

APFA President Laura Glading has told us that she "will ensure every available resource is put to work on your behalf and that Flight Attendants are represented by a truly world-class team of experts. We deserve nothing less."

We deserve nothing less??? Personally, I believe we deserve a whole lot

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Candidate for president, Liz Geiss, even touted the retaining of the Jefferies Group by Laura Glading stating "I was impressed with the financial advisors we retained....Jeffries Group," later noting that she "[has] established relationships with these outside hired professionals, and [has] no intention of making any changes."

After taking a look at Jefferies, it's clear that no one did any background research, for if they had, they would have realized that Jefferies is no friend of labor — if anything, they're exactly what we don't need.

\*\*\*Jefferies & Company is the principal operating subsidiary of Jefferies Group\*\*\*

More information on Jefferies & Co.'s history can be found at:

FINRA Fines Jefferies \$1.5 Million for Failing to Disclose Additional Compensation Paid and Conflicts in Sale of Auction Rate Securities  
Stockbroker-Fraud.com

About Jefferies Group from their website

Read APFA's Hotline message regarding the Jefferies Group:

Read Liz Geiss' words of support for the Jefferies Group

Thank you for your consideration in this election and please remember to vote.

In Solidarity,

Rock Salomon

Candidate for APFA President

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