AMERICAN AIRLINES INC
Form 8-K
April 30, 2001

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of earliest event
reported: April 27, 2001

American Airlines, Inc.
(Exact name of registrant as specified in its charter)

Delaware	1-2691	13-1502798
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4333 Amon Carter Blvd.	Fort Worth, Texas	76155
(Address of principal executive offices)		(Zip Code)

(817) 963-1234
(Registrant's telephone number)

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Item 5. Other Events

American Airlines, Inc. ("American", a wholly owned subsidiary of AMR Corporation) is filing herewith two press releases issued by American on April 27, 2001 as Exhibits 99.1 and 99.2 which are included herein. The first press release was issued to announce American was granted its motion for summary judgment in the U.S. Government's 1999 civil lawsuit alleging predatory pricing by American. The second press release was issued to announce American has reached an agreement with the Allied Pilots Association ("APA") on a settlement to resolve the outstanding $45.5 million contempt damage award levied against the APA.

Item 7. Financial Statements and Exhibits

The following exhibits are included herein:

99.1 Press Release issued to announce American was granted its motion for summary judgment in the U.S. Government's 1999 civil lawsuit alleging predatory pricing by American.

99.2 Press Release issued to announce American has reached an agreement with the APA on a settlement to resolve the outstanding $45.5 million contempt damage award levied against the APA.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

American Airlines, Inc.

/s/ Charles D. MarLett
Charles D. MarLett
Corporate Secretary

Dated: April 30, 2001

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EXHIBIT INDEX

Exhibit	Description
99.1	Press Release issued to announce American was granted its motion for summary judgment in the U.S. Government's 1999 civil lawsuit alleging predatory pricing by American.
99.2	Press Release issued to announce American has reached an agreement with the APA on a settlement to resolve the outstanding $45.5 million contempt damage award levied against the APA.

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Exhibit 99.1

Contact: Corporate Communications
Fort Worth, Texas
817-967-1577

FOR RELEASE: Friday, April 27, 2001

AMERICAN WINS SUMMARY JUDGMENT IN
PREDATORY PRICING CASE

FORT WORTH, Texas - U.S. District Court Judge J. Thomas Marten of the District of Kansas today advised American Airlines that he was granting its motion for summary judgment in the U.S. Government's 1999 civil lawsuit alleging predatory pricing by the airline.

American said that it had not yet seen the court's written opinion but was extremely pleased with the ruling. American said it would continue to compete fairly and vigorously and that it would continue to rely on the traveling public to determine which airlines will be the winners and losers in the commercial aviation marketplace.

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MORE ROOM FOR MORE COACH PASSENGERS. . .ONLY ON AMERICAN AIRLINES

Current AMR Corp. news releases can be accessed via the Internet.
The address is http://www.amrcorp.com/corpcomm.htm

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Exhibit 99.2

Contact: Corporate Communications
Fort Worth, Texas
817-967-1577

FOR RELEASE: Friday, April 27, 2001

AMERICAN AND ALLIED PILOTS SETTLE OUTSTANDING JUDGMENT

FORT WORTH, Texas - American Airlines today said it had reached an agreement with the Allied Pilots Association (APA) on a settlement to resolve the outstanding $45.5 million contempt damage award levied against the APA.

American and the APA also agreed that, as part of the payment, the $20 million previously deposited by APA into escrow, plus interest, is to be transferred to American. The airline said that the transfer has already been made by the escrow agent.

The agreement reached today states that the remaining balance of approximately $25.5 million will be repaid, with interest, to American on a 15-year payment schedule.

According to the agreement, claims against the former APA President and former Vice President and 23 other union officials have been dismissed by American.

American said it believed the settlement represented a

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responsible way of resolving a difficult issue from the past, and
in a manner that serves the interests of customers, employees and
shareholders.
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MORE ROOM FOR MORE COACH PASSENGERS. . .ONLY ON AMERICAN AIRLINES

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liabilities decreased $9.7 million, while the cost of funds increased 54 basis points to 3.03% from 2.49% for the same period in 2005. The decrease in the average balance of interest-bearing liabilities resulted primarily from an $8.3 million, or 19%, reduction in borrowed funds, and a $4.8 million, or 6%, reduction in average deposits. The reduction in borrowed funds is primarily attributable to the pay off of several short-term advances in the fourth quarter of 2005 and the third quarter of 2006. The reduction in deposits principally occurred in the municipal money management accounts due to the cyclical nature of the tax collections and expenditures of local municipal entities. The sharp increase in cost of funds can be attributed to the 175 basis point increase in short-term interest rates over the past 12 months, combined with a $8.2 million deposit migration from lower earning savings accounts to higher yielding certificates of deposit. Provision for loan losses for the quarter ended September 30, 2006 decreased 100% from the same period in 2005. The Company's ratio of allowance for loan losses to period end loans has decreased to 0.83% at September 30, 2006 from 0.97% at September 30, 2005. Nonperforming loans to period end loans have decreased to 0.69% at September 30, 2006, compared to 0.88% at September 30, 2005. Overall, asset quality has improved significantly over the past two years through a combination of tightened credit administration and more robust collection activities. Non-interest income, net of gains and losses from the sale of securities, loans and foreclosed real estate, decreased 4% to $573,000 for the quarter ended September 30, 2006 compared to $599,000 for the same period in the prior year. The decrease in non-interest income is primarily attributable to decreases in service charges on deposit accounts, loan servicing fees and other charges, commissions and fees of $18,000, $6,000, $8,000, respectively. These decreases were offset by an increase in earnings on bank owned life insurance of $6,000. Operating expenses decreased 4% to $2.4 million for the quarter ended September 30, 2006 compared to $2.5 million for the quarter ended September 30, 2005. During the third quarter of 2006, professional and other services, other expenses and building occupancy decreased $51,000, $44,000 and $27,000, respectively. These decreases were offset by increases of $17,000 and $3,000 in salaries and employee benefits and data processing expenses, respectively. The decrease in professional and other expenses was primarily due to costs associated with a company wide leadership training program and process improvement initiatives that occurred in 2005. The decrease in other expenses was primarily attributable to lower expenses on other real estate owned, a reduction in office supplies and a reduction in costs associated with no cost closing loans. The decrease in building occupancy was primarily due to a reduction of machine maintenance expenses and expenses associated with branch facility improvements that did not recur in 2006. Pathfinder Bancorp, Inc. is the mid-tier holding company of Pathfinder Bank, a New York chartered savings bank headquartered in Oswego, New York. The Bank has seven full service offices located in its market area consisting of Oswego County. Financial highlights for Pathfinder Bancorp, Inc. are attached. Presently, the only business conducted by Pathfinder Bancorp, Inc. is the 100% ownership of Pathfinder Bank and Pathfinder Statutory Trust I. This release may contain certain forward-looking statements, which are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact the Company's earnings in future periods. Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions, changes in interest rates, deposit flows, loan demand, real estate values, and competition; changes in accounting principles, policies, or guidelines; changes in legislation or regulation; and economic, competitive, governmental, regulatory, and technological factors affecting the Company's operations, pricing, products, and services. PATHFINDER BANCORP, INC. FINANCIAL HIGHLIGHTS (DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS) For the three months For the nine months ended September 30, ended September 30, (Unaudited) (Unaudited) -- 2006 2005 2006 2005 -- CONDENSED INCOME STATEMENT Interest income $ 3,967 $ 3,829 $ 11,764 $ 11,314 Interest expense 1,910 1,627 5,511 4,652 --------------- -------------- --------------- --------------- Net interest income 2,057 2,202 6,253 6,662 Provision for loan losses - 91 23 229 --------------- -------------- --------------- --------------- Net interest income after provision for loan losses 2,057 2,111 6,230 6,433 Other income 544 449 1,743 1,484 Other expense 2,391 2,493 7,112 7,423 --------------- -------------- --------------- --------------- Income before taxes 210 67 861 494 Provision for income taxes 40 (49) 148 (5) --------------- -------------- --------------- --------------- Net income $ 170 $ 116 $ 713 $ 499 =============== ============== =============== =============== KEY EARNINGS RATIOS Return on average assets 0.23% 0.15% 0.32% 0.22% Return on average equity 3.21% 2.16% 4.53% 3.10% Return on average tangible equity (A) 3.98% 2.71% 5.64% 3.90% Net interest margin (tax equivalent) 3.11% 3.21% 3.12% 3.24% SHARE AND PER SHARE DATA Basic weighted average shares outstanding 2,463,482 2,461,328 2,463,250 2,453,744 Basic earnings per share $ 0.07 $ 0.05 $ 0.29 $ 0.20 Diluted earnings per share 0.07 0.05 0.29 0.20 Cash dividends per share 0.1025 0.1025 0.3075 3.075 Book value per share - - 8.67 8.76 (Unaudited) (Unaudited) (Unaudited) September 30, December 31, September 30, September 30, 2006 2005 2005 2004 --------------- -------------- --------------- --------------- SELECTED BALANCE SHEET DATA Assets $ 298,003 $ 296,948 $ 303,076 $ 303,029 Earning assets 268,550 266,198 272,290 274,207 Total loans 197,463 189,568 185,459 187,788 Deposits 237,921 236,377 240,852 236,731 Borrowed Funds 30,660 31,360 32,360 35,360 Trust Preferred Debt 5,155 5,155 5,155 5,155 Shareholders' equity 21,365 20,928 21,578 21,953 ASSET QUALITY RATIOS Net loan charge-offs (annualized) to average loans 0.06% 0.24% 0.18% 0.17% Allowance for loan losses to period end loans 0.83% 0.89% 0.97% 1.00% Allowance for loan losses to nonperforming loans 120.58% 99.94% 109.75% 63.94% Nonperforming loans to period end loans 0.69% 0.89% 0.88% 1.57% Nonperforming assets to total assets 0.62% 0.82% 0.85% 1.06% (A) Tangible equity excludes intangible assets