

Who's Running The Show At American Airlines?

NEW YORK (AP) — A new executive is taking the helm at American Airlines parent AMR Corp. as the nation's third-largest carrier heads into Chapter 11 bankruptcy protection.

Thomas W. Horton, who first started at the Fort Worth, Texas, company 26 years ago, will now lead the company through court reorganization. He will take on the role of CEO, replacing Gerard Arpey, who told the board late Monday he will step down. Horton will keep his previous job as president, which he's held for a little more than a year.

Arpey, 53, is headed for a new job at investment firm Emerald Creek Group, founded by former Continental CEO Larry Kellner.

Although the board asked him to stay, Arpey said in a letter to employees that he decided to step aside and let someone with "restructuring experience and a different perspective" take the lead. Some analysts said it amounted to a public relations move. Naming a new boss could win points with some frustrated shareholders and investors.

Horton, 50, was first named president of AMR and American last July. Before that, he was executive vice president of finance and planning as well as chief financial officer. He was named to that role in March 2006 when he returned to the airline from AT&T Inc., where he had been vice chairman and CFO.

In 2005, while at AT&T, Horton led the company's evaluation of strategic alternatives and its combination with SBC Communications Inc.

Horton originally joined the airline in 1985, holding a number of senior financial executive roles. From 1998 to 2000, he was vice president responsible for the airline's European business. He became CFO and senior vice president in 2000.

Arpey received compensation valued at more than \$5.2 million in 2010, an 11 percent increase over the previous year, according to an Associated Press analysis of a regulatory filing. The boost in AMR Corp. CEO Gerard Arpey's compensation was almost entirely due to higher values on stock grants and options at the time they were granted. The board of AMR said Arpey's compensation was below that of most leaders of similarly sized companies ranging from retailers to defense contractors.

Arpey had been CEO since 2003 and chairman since 2004.

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