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Press Release: National Center for Public Policy Research v. United Airlines Holdings, Inc.

Shareholder Action Against United Airlines Tests Scope of Corporate Transparency Laws Beyond Delaware

CHICAGO, IL — The National Center for Public Policy Research (“NCPPR”) has filed an action against United Airlines Holdings, Inc. (“United”) in the U.S. District Court for the Northern District of Illinois, invoking Illinois inspection statutes to allow NCPPR to review United's books and records in order to determine whether recent business decisions—including the prolonged suspension of flights to Tel Aviv—were impermissibly influenced by external considerations, including ideological labor union pressure, at the expense of transparency, corporate earnings, and shareholder value.

Stefan Padfield, Executive Director of NCPPR’s Free Enterprise Project, explained: “We submitted this request because there is reason to be concerned about possible destruction of United’s shareholder value by corporate decision-makers who may have been improperly influenced by a red-green alliance of antisemitic activists.”

The case has broad implications: it seeks inspection rights under 805 ILCS 5/7.75 of the Illinois Business Corporation Act, and not under the law of Delaware, where United is incorporated. In March of 2025, Delaware adopted significant amendments to DGCL §220 of its corporate statute, which acquiesced to narrow management interests, and significantly curtailed shareholder inspection rights, limiting access to internal documents and reducing judicial discretion. Plaintiffs are represented by the law firm of Goldfeder, Schlager & Beck, LLP, as well as the National Jewish Advocacy Center.

Dr. Mark Goldfeder, attorney for the Plaintiffs explained that, “As Justice Brandeis once famously said, sunlight is the best of disinfectants. In light of the economic impact, shareholders have a right to know whether it is true, as the evidence appears to suggest, that United bowed to ideological pressure to join a silent boycott of Israel.

The action investigates whether United Airlines’ suspension of its Tel Aviv route was driven not by operational risk or FAA guidance, but instead by political pressure from unions, including the Association of Flight Attendants–CWA. Public statements by union leadership suggest ideological motivations, raising serious questions of fiduciary breach, governance failure, and undisclosed risks to investors. Upon information and belief, United’s February 4, 2025, public statement announcing the resumption of the Tel Aviv route marked a sharp and troubling departure from the airline’s longstanding practice of citing only operational, commercial, or safety considerations in such decisions. In an unprecedented move, United stated that the decision “follows a detailed assessment of operational considerations for the region and close work with the unions who represent our flight attendants and pilots.” This was the first time United publicly acknowledged union input as a determinative factor in the resumption of international flight operations.

Citing Delaware law, United has previously refused to comply with NCPPR's demand for inspection of board minutes, risk assessments, and internal communications. By bringing the action in Illinois, NCPPR contends that foreign corporations doing business in the state are subject to its transparency laws, regardless of their state of incorporation. The interests of Illinois in supervising the activities of corporations headquartered in Illinois are not extinguished by Delaware's attempt to preempt shareholder rights of inspection.

Anat Alon-Beck, a CWRU Law professor and attorney for Plaintiffs, noted that inspection rights are not always governed by the internal affairs doctrine, citing her own published academic work. "There is broad consensus among scholars that shareholder inspection statutes concern public policy and procedural fairness," she explained. "These rights are enforceable where companies operate—not just where they're chartered." She further emphasized that "various state statutes depart from a strict adherence to the internal affairs doctrine," reinforcing the view that states like Illinois can assert oversight over corporations conducting significant business within their borders.

Alon-Beck's scholarship argues that state inspection statutes serve as a check on corporate power and must remain available even when Delaware tightens access. "This case is about regulatory pluralism and investor protection," she added. "It's a bellwether for how shareholders can fight back when traditional oversight channels are closed."

The complaint also flags potential exposure arising from United's close alliance with Turkish Airlines, a state-aligned Star Alliance partner whose government has promoted boycotts of Israel. The shareholder seeks to determine whether United's route decisions were shaped in part by foreign policy considerations contrary to U.S. anti-boycott laws. A number of representatives of Congress have questioned the motives and actions of United. Ritchie Torres (D-NY) and Ted Cruz (R-TX) have both publicly criticized United Airlines on this.

Ben Schlager, counsel for Plaintiffs, summarized: "Shareholders don't have to accept management's word when there's a credible basis for concern. We are exercising lawful, jurisdictionally sound rights to investigate what really happened."

CONTACT

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