

Boeing 737 MAX negligence case ends with \$237.5 mn settlement

November 5 2021



Boeing shareholders have reached a \$237.5 million out-of-court settlement with the aircraft manufacturer's current and former directors in a 737 MAX aircraft safety negligence case.

Boeing shareholders have reached a \$237.5 million out-of-court

settlement with the US aircraft manufacturer's current and former directors in a 737 MAX aircraft safety negligence case, according to documents released Friday.

Shareholders had accused Boeing board members and several executives, as well as current CEO David Calhoun, of failing to ensure that control and information instruments on the 737 MAX were functioning effectively.

Under the agreement, still to be validated by a judge, the \$237.5 million compensation will be paid out by insurers, not the board members and executives.

Boeing has also agreed to hire a mediator to handle internal issues and appoint a board representative with aviation safety experience.

The agreement does not require Boeing to admit to negligence on behalf of persons sued in the case.

The 737 MAX was involved in two crashes—one operated by Lion Air in October 2018 and the other by Ethiopian Airlines in March 2019—that killed a total of 346 people. Investigations revealed that both incidents were related to the crash prevention system (MCAS).

Based on internal documents, shareholders said that proper safety procedures were not implemented on the 737 MAX after the 2018 crash, despite media reports linking the incident to the MCAS.

Developed in 2011 and launched in 2017, the 737 MAX was banned from flying in March 2019, before being declared safe again in November 2020.

In a statement released Friday evening, Boeing said it "has taken

significant actions to reinforce and strengthen our commitment to aviation safety" since the two crashes.

"Today's proposed settlement builds on those actions with additional oversight and governance reforms that will further advance safety and quality in the work that we do," the company said.

© 2021 AFP

Citation: Boeing 737 MAX negligence case ends with \$237.5 mn settlement (2021, November 5)
retrieved 5 May 2024 from

<https://techxplore.com/news/2021-11-boeing-max-negligence-case-mn.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--