
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): January 22, 2014

American Airlines Group Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State of
Incorporation)

1-8400
(Commission
File Number)

75-1825172
(IRS Employer
Identification No.)

4333 Amon Carter Blvd., Fort Worth, Texas
(Address or principal executive offices)

76155
(Zip Code)

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

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers, Election of Directors, Appointment of Certain Officers, Compensatory Arrangements of Certain Officers.

(e) Compensatory Arrangements of Certain Officers

On January 22, 2014, the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of American Airlines Group Inc. (the “Company”) took the actions that follow in respect of the compensation of certain executive officers.

Chairman Stipend

The Committee awarded Thomas W. Horton, the Company’s former Chief Executive Officer and current Chairman of the Board, a stipend of \$400,000 to compensate Mr. Horton for his service as the Chairman of the Board in addition to the compensation payable to non-employee directors generally.

Base Salary Increases

The Committee increased the annual base salaries of W. Douglas Parker, the Company’s Chief Executive Officer, and Derek J. Kerr, the Company’s Executive Vice President and Chief Financial Officer, to \$700,000 and \$575,000, respectively.

2014 Short Term Incentive Program

The Committee adopted the 2014 Short Term Incentive Program. Under the program, executive officers and other key management employees of the Company and its subsidiaries, including Messrs. Parker and Kerr, are eligible to participate in a short term incentive program administered under the American Airlines Group Inc. 2013 Incentive Award Plan. Under the program, the Committee established a corporate financial performance target based on designated levels, threshold, target and maximum, of pre-tax income for fiscal year 2014 that will be used to determine incentive awards for fiscal year 2014. The Committee also established target and maximum incentive award amounts as a percentage of base salary for each participant, including a target incentive award of 200% and 125% of base salary for Messrs. Parker and Kerr, respectively. If the performance measure is met at the maximum level, the Committee may approve payouts of up to 400% and 250% for Messrs. Parker and Kerr, respectively. If the Company does not meet the corporate financial performance threshold, then no awards will be paid. The Committee may adjust each individual’s payment amount in its discretion based on individual performance, provided that total payments do not exceed the fiscal year 2014 short term incentive program pool. After Committee certification of achievement, the incentive awards are paid as lump-sum cash distributions as soon as practicable after the end of the plan year.

Item 7.01. Regulation FD Disclosure.

On January 27, 2014, the Company distributed to its employees a letter from Mr. Parker. The letter is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference. The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Letter from W. Douglas Parker to Employees of American Airlines Group Inc.

Signatures

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.

Dated: January 27, 2014

American Airlines Group Inc.

/s/ Stephen L. Johnson

Stephen L. Johnson

Executive Vice President, Corporate Affairs

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Letter from W. Douglas Parker to Employees of American Airlines Group Inc.

Special Jetwire**My 2014 Compensation: A Message from Doug Parker**

Jan. 27, 2014

Dear Fellow Employees,

When we closed our merger in December, I committed to being transparent about my compensation and told you I expected the Board would set my pay in January. Last week, at our first in-person Board meeting, my new base salary and short-term incentive pay target were set and I wanted to tell you what they are. This information will also be filed with the Securities and Exchange Commission (SEC) and will be available on aa.com and the SEC's website.

First, remember I had mentioned that since many of our represented employees are not yet paid at the same rates as their peers at Delta and United, I would request the Board set my total target compensation at a level at least 15% lower than the same targets for the CEOs of United and Delta. I also told you I would ask that my compensation be 80%-90% performance based or "at risk", meaning that if American doesn't do well, it could be worth nothing. The compensation plan our Board approved last week has my target total compensation approximately 20% below my peers at Delta and United and it is over 90% performance based, so both conditions have been met. The end result is a structure that consists of a base salary and two performance components: a short-term incentive program that measures performance over the next year, and a long-term incentive program that will consist of equity in the Company that will vest over an extended period of time and that will have other performance metrics tied to it. Here's how my 2014 compensation will be structured:

Base Salary: My base annual salary was set at \$700,000. Although the other carriers have not disclosed their 2013 compensation, this is lower than either of my peers' last publicly filed base salary information, and well below their average of \$850,000.

Short-term Incentive Pay: For 2014, my short-term incentive target payment is 200% of my base salary. But I will only receive a target payment if American Airlines earns \$2.5 billion in pre-tax profit in 2014 – far more than American has ever earned in its history.

Long-Term Incentive Pay: The last component of my 2014 compensation is a "long-term incentive" or stock. The Board will determine the amount and the performance metrics around any stock compensation later this year. While this part of my compensation is not yet finalized, it will comprise the majority of my total compensation and will only hold value if American is successful.

While set at a level that is 20% lower than my peers at the other network carriers, these three components total a large sum and it is a significant expense to our Company. With that expense comes responsibility — to you, to our customers and to our shareholders. I am honored to be given that responsibility, and consider it a privilege to work with you at the new American. I will do everything I can to live up to the trust and confidence you have placed in me.

Thank you for your commitment to our airline and the customers we serve. Thanks also for your support. We have much work ahead as we integrate our two airlines and restore American to its rightful place as the greatest airline in the world — but I know we have the best team in the world to make it happen.

