

1
2 **UNITED STATES DISTRICT COURT**
3 **EASTERN DISTRICT OF WASHINGTON**

4 CASEY CLARKSON,

5 *Plaintiff,*

6 v.

7 ALASKA AIRLINES, INC. and
8 HORIZON AIR INDUSTRIES, INC.,

9 *Defendants*

Case No. 2:19-cv-0005 TOR

**CLASS ACTION SETTLEMENT
AGREEMENT**

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1 **INTRODUCTION**

2 Subject to approval by the United States District Court for the Eastern
3 District of Washington, this Class Action Settlement Agreement is entered into by
4 and among Plaintiff Casey Clarkson, individually and on behalf of the Class, as
5 herein defined, and Defendants Alaska Airlines, Inc. and Horizon Air Industries,
6 Inc., to settle claims against Defendants, subject to the terms and conditions
7 below. All capitalized terms shall have the meaning ascribed to them by Section I
8 of this Agreement.

9 **RECITALS**

10 A. Plaintiff Casey Clarkson filed the original Complaint on January 7,
11 2019, docketed as Civil Action No.: 2:19-cv-00005-TOR in the United States
12 District Court for the Eastern District of Washington, asserting claims on behalf of
13 himself and a class of current and former employees of Alaska Airlines, Inc.
14 (“Alaska”) and Horizon Air Industries, Inc. (“Horizon”) under the Uniformed
15 Services Employment and Reemployment Rights Act.

16 B. Defendant Alaska Airlines Pension/Benefits Administrative
17 Committee (the “Committee Defendant”) answered the Complaint on April 17,
18 2019. Dkt. No. 17.

19 C. Defendants Alaska and Horizon filed a Motion to Dismiss on
20 April 17, 2019, which was denied on June 17, 2019. Dkt. Nos. 18 & 30.

21 D. Plaintiff filed the Amended Complaint on July 1, 2019. Dkt. No.
22 31.

23 E. Defendants answered the Amended Complaint on July 15, 2019.
24 Dkt. No. 32.

25 F. On August 1, 2019, Defendants filed a Motion for Immediate
26 Appeal under 28 U.S.C. § 1292(b) or for the Court to reconsider its decision
27 on the Motion to Dismiss. Dkt. No. 36. The Court denied this motion on

1 August 8, 2019. Dkt. No. 43.

2 G. Plaintiff filed a Motion for Class Certification on May 20, 2020.
3 Dkt. No. 73. The Court partially granted the motion on August 4, 2020,
4 certifying a Paid Leave Class of Horizon and Alaska pilots and a Virtual
5 Credit Class of Horizon pilots. Dkt. No. 89.

6 H. Defendants moved to decertify the Virtual Credit Class on
7 September 1, 2020. Dkt. No. 94. The Court granted the motion on November
8 3, 2020. Dkt. No. 111.

9 I. The parties reached a separate settlement with respect to Count
10 V and stipulated to dismiss the Committee Defendant and Count V without
11 prejudice on November 5, 2020. Dkt. No. 112.

12 J. The parties filed cross-motions for summary judgment on March
13 22, 2021.

14 K. The Court granted Defendants' Motion for Summary Judgment
15 and entered Judgment on behalf of Defendants on May 24, 2021. Dkt. Nos.
16 187 & 188.

17 L. Plaintiff filed a Notice of Appeal on June 21, 2021, appealing
18 the final judgment to the United States Court of Appeals for the Ninth
19 Circuit. Dkt. No. 190.

20 M. On February 14, 2022, Plaintiff Clarkson and Defendant
21 Horizon executed a settlement regarding his individual Virtual Credit claims
22 (Counts I-III), and Plaintiff subsequently withdrew his appeal as to those
23 Virtual Credit claims.

24 N. The Ninth Circuit issued a decision reversing and remanding the
25 District Court's decision on February 2, 2023.

26 O. The parties conducted an all-day mediation on October 11, 2023,
27 with the assistance of mediator Hunter R. Hughes, which was attended by

1 Plaintiff Casey Clarkson, two representatives of Defendants, and the Parties’
2 respective counsel. The parties reached a settlement-in-principle as to the
3 monetary terms of the settlement and agreed to schedule a second mediation
4 session to resolve the non-monetary terms.

5 P. The parties met for a second all-day virtual mediation session on
6 December 6, 2023, with Mr. Hughes. This session was attended by Plaintiff
7 Casey Clarkson, proposed class representatives Ryan Schwend, Scott Silvester,
8 and Matt Fisk, and two representatives of Defendants. As a result of this
9 session, the parties reached a settlement-in-principle as to the non-monetary
10 terms of the settlement.

11 Q. Class Counsel have concluded that the terms of this Settlement are
12 fair, reasonable, adequate and in the best interests of the proposed Class, and have
13 agreed to settle the Action on the terms set forth herein.

14 R. Defendants deny the material allegations asserted in the Action and
15 deny any wrongdoing or liability whatsoever, and state that they are entering into
16 the Settlement to avoid the cost, disruption, and uncertainty of litigation.

17 S. The Parties desire to promptly and fully resolve and settle with
18 finality all of the claims of the Amended Complaint on the terms set forth herein
19 and subject to the approval of the Court.

20 **I. DEFINITIONS**

21 A. “Action” means the lawsuit entitled *Casey Clarkson v. Alaska*
22 *Airlines, Inc., et al.*, docketed as Civil Action No.: 2:19-cv-0005 TOR in the
23 United States District Court for the Eastern District of Washington.

24 B. “Additional Class Representatives” refers to Ryan Schwend, Scott
25 Silvester, and Matt Fisk.

26 C. “Alaska CBA” refers to the collective bargaining agreement governing
27 the employment of pilots at Alaska as it may be amended from time to time.

1 D. “CAFA” means the Class Action Fairness Act.

2 E. “Cash Settlement Amount” means four million seven hundred
3 and fifty thousand dollars (\$4,750,000.00) paid by or on behalf of Defendants.

4 F. “Class” means a class certified by the Court consisting of current and
5 former Alaska or Horizon pilots who have taken short-term military leave (periods
6 of 30 days or fewer) from October 10, 2004 through May 31, 2023. Excluded
7 from the Classes are persons who previously reached settlements with or
8 judgments against Defendants resolving or releasing any claims arising during the
9 Class periods under USERRA related to any of the claims in this lawsuit.

10 G. “Class Counsel” means R. Joseph Barton of Barton & Downes LLP
11 and Michael Scimone of Outten & Golden LLP.

12 H. “Class Member” means an individual who is a member of the Class.

13 I. “Class Notice” means a form of notice provided to the Class
14 Members that complies with the requirements of this agreement, Fed. R. Civ. P.
15 Rule 23, and is approved by the Court.

16 J. “Class Notice Packet” means the Class Notice and any other forms
17 approved or directed by the Court.

18 K. “Class Representatives” means Plaintiff, and any of the following who
19 are appointed by the Court: Ryan Schwend, Scott Silvester, and/or Matt Fisk.

20 L. “Complaint” refers to the Amended Complaint (Dkt. No. 31).

21 M. “Court” refers to the United States District Court for the Eastern District
22 of Washington.

23 N. “Defendants” means Alaska Airlines, Inc. and Horizon Air Industries,
24 Inc.

25 O. “Defense Counsel” means the undersigned counsel for Defendants.

26 P. “Escrow Account” means an account established by Class Counsel and
27 Defendants in the name of the “Alaska Military Paid Leave Settlement Fund” into

1 which the Cash Settlement Amount has been paid.

2 Q. “Expense Award” will have the meaning set forth in Section IX.1 of
3 this Agreement.

4 R. “Fee Award” will have the meaning set forth in Section IX(2) of this
5 Agreement.

6 S. “Final Approval Motion” means the motion to be filed by Class
7 Counsel requesting that the Court grant final approval of the Settlement pursuant to
8 Fed. R. Civ. P. 23(e).

9 T. “Final Approval Order” means the Order and Final Judgment,
10 substantially in the form of an Order described in Section XI(2) below.

11 U. “Horizon CBA” refers to the collective bargaining agreement
12 governing the employment of pilots at CBA as it may be amended from time to
13 time.

14 V. “Non-Appealable” means an order entered by the Court is no
15 longer subject to appeal, which will occur: (i) if no appeal is taken therefrom, on
16 the date on which the time to appeal therefrom (including any extension of time)
17 has expired; or (ii) if any appeal is taken therefrom, on the date on which all
18 appeals therefrom, including any petitions for rehearing or re-argument,
19 petitions for rehearing *en banc*, and petitions for writ of *certiorari* or any other
20 writ, or any other form or review, have been finally disposed of, such that the
21 time to appeal therefrom (including any extension of time) has expired, in a
22 manner resulting in an affirmance of the Final Approval Order.

23 W. “Parties” or “Settling Parties” means collectively Plaintiff,
24 individually and on behalf of the Class, and Defendants.

25 X. “Party” refers to any of the Parties.

26 Y. “Plan of Allocation” means the plan for distribution of the
27 proceeds of the Settlement Fund as proposed by Class Counsel to be

1 approved by the Court.

2 Z. “Preliminary Approval Order” means the “Order Preliminarily
3 Approving Settlement, Approving Form of Notice, and Setting Final Approval
4 Hearing” in this Action, substantially in the form described in Section XI(1).

5 AA. “Plaintiff” means Casey Clarkson.

6 BB. “Plaintiff’s Counsel” means Barton & Downes LLP, Gupta Wessler
7 PLLC, Outten & Golden LLP, Riverside Law Group, PLLC, the Law Office of
8 Thomas G. Jarrard LLC, and Peter Romer-Friedman Law PLLC.

9 CC. “Service Awards” has the meaning afforded it by Section IX(1).

10 DD. “Settled Claims” means the Settled Class Claims as well as other
11 claims released pursuant to this Settlement as provided in Section XV.

12 EE. “Settled Class Claims” means the claims that the Class will release
13 pursuant to this Settlement as provided in Section XV(1).

14 FF. “Settlement” means the settlement and compromise of this Action as
15 provided for in this Settlement Agreement.

16 GG. “Settlement Administrator” means any person appointed by the
17 Court, who is to be responsible for, among other things, providing the Class
18 Notice Packet to Class Members and/or assisting with the administration of the
19 Settlement.

20 HH. “Settlement Agreement” means this Class Action Settlement
21 Agreement and any accompanying Exhibits, including any subsequent amendments
22 thereto and any Exhibits to such amendments.

23 II. “Settlement Fund” means the Cash Settlement Amount plus any
24 earnings and interest thereon, minus any Court-approved deductions and
25 expenses.

26 JJ. “Tax” or “Taxes” means any and all taxes, fees, levies, duties, tariffs,
27 imposts, and other charges of any kind (together with any and all interest,

1 penalties, additions to tax and additional amounts imposed with respect thereto)
2 imposed by any governmental authority, including income tax and other taxes and
3 charges on or regarding franchises, windfall or other profits, gross receipts,
4 property, sales, use, capital stock, payroll, employment, social security, workers'
5 compensation, unemployment compensation, or net worth; taxes or other charges
6 in the nature of excise, withholding, *ad valorem*, stamp, transfer, value added or
7 gains taxes; license, registration, and documentation fees; and customs' duties,
8 tariffs, and similar charges.

9 KK. "Termination Notice" will have the meaning set forth in Section
10 XVI(1) of this Settlement Agreement.

11 **II. CLASS CERTIFICATION**

12 1. **Modification of the Class Definition.** As part of or along
13 with the Motion for Preliminary Approval, Class Counsel will request that the
14 current class definition be amended to provide an end date of May 31, 2023.

15 2. **Appointment of Additional Class Representatives.** As part
16 of or along with the Motion for Preliminary Approval, Class Counsel will request
17 the Court appoint Ryan Schwend, Scott Silvester, and Matt Fisk as additional
18 class representatives.

19 3. **Non-Opposition.** Defendants will not oppose continued
20 certification of the Class, for settlement purposes only, or the modification of
21 the Class Definition (as specified above).

22 **III. CLASS NOTICE**

23 1. **Provision of Class Notice.** The Settlement Administrator
24 shall provide notice of the proposed Settlement to the Class Members by the
25 date in the Court's Preliminary Approval Order.

26 2. **Contents.** The Class Notice will contain: a brief description of
27 the claims advanced by the Class; a summary of the terms of the Settlement

1 Agreement; the maximum amount of attorneys' fees and costs that Class Counsel
2 will seek; a description of the proposed Plan of Allocation of the Settlement Fund
3 to the Class; and information about the Final Approval Hearing.

4 3. **Method of Providing Class Notice.** Class Notice will be
5 provided to each individual Class Member: (a) by mailing via first class U.S. Mail
6 and (b) by posting the Class Notice (and other documents filed in the litigation) on
7 a dedicated website. Defendants will cooperate with Class Counsel to facilitate
8 providing Class Notice and other settlement-related communications by providing
9 the last known mailing address for all Class Members.

10 4. **Undeliverable Notices.** In the event that a Class Notice sent
11 by U.S. Mail is returned as undeliverable, the Settlement Administrator will
12 make reasonable efforts to obtain a valid mailing address and promptly resend
13 the Class Notice to the Class Member by U.S. Mail.

14 5. **Class Data.** Within 10 days of this Agreement being fully
15 executed, Defendants will, to the extent not already disclosed, provide Class
16 Counsel with the following contact information in electronic form for each Class
17 Member, to the extent such information is reasonably available in Defendants'
18 files: (1) name; (2) a street mailing address; and (3) Class Member employment
19 numbers. Within 10 days after the Court certifies a class, Defendants will provide
20 an updated list containing Class Member Social Security numbers to the
21 Settlement Administrator and Class Counsel. Defendants will also provide other
22 information reasonably requested by Class Counsel or the Settlement
23 Administrator.

24 6. **Declaration Regarding Class Notice.** Within 30 days after
25 the date on which Notice is required to be sent, the Settlement Administrator will
26 file a declaration with the Court confirming that the Notice and related
27 information was sent in accordance with the Preliminary Approval Order.

1 **IV. NON-MONETARY SETTLEMENT TERMS AND PROCEDURES**

2 1. **Paid Military Leave.** Defendants will provide an annual
3 allotment of paid short-term military leave to Class Members while they are pilots at
4 Alaska or Horizon on the following terms:

5 a. Beginning the year in which the Final Order becomes Non-
6 Appealable, each Class Member shall receive up to four (4) days of paid
7 short-term military leave per calendar year every year (or part thereof)
8 that the Class Member is employed.

9 b. Each day of paid short-term military leave shall be paid at
10 the Class Members' hourly wage as provided by the Alaska CBA or
11 Horizon CBA, as applicable. The pay for each day shall be equivalent to
12 the Minimum Daily Guarantee at Alaska (as defined by the Alaska
13 CBA, presently five hours) and the Minimum Daily Credit at Horizon
14 (as defined by the Horizon CBA, presently four hours and twelve
15 minutes), as applicable.

16 c. To qualify for payment for any such day of short-term
17 military leave, the pilot must provide notice of the military leave no later
18 than the deadline for disclosing known absences – which is presently the
19 18th of the Planning Month (as defined by the Alaska CBA) at Alaska
20 (e.g. by December 18 for January) and the 25th of two months prior at
21 Horizon (e.g. November 25 for January);

22 d. Unless a Class Member specifies otherwise by the deadline
23 for known absences (identified in the Paragraph 2.b), each pre-planned
24 day that qualifies for this paid short-term military leave allotment will
25 automatically count towards the annual cap of four days per calendar
26 year, such that a pilot will automatically reach the annual cap after the
27 first four such qualifying days in the calendar year.

1 e. The qualifying days must be used each calendar year or
2 they will be forfeited. There will be no carryover to the next calendar
3 year and no payout for unused days.

4 f. Any day that is identified as a holiday in the Alaska CBA
5 or Horizon CBA is not eligible for a paid day of military leave at that
6 respective carrier. If a pilot notifies Alaska or Horizon of a known
7 military absence on such a holiday in advance of the deadline, that
8 absence shall not be charged against the Class Member's paid short-term
9 military leave allotment and the pilot shall not be paid for that absence.

10 g. These paid short-term military leave eligibility provisions
11 will apply only to this paid short-term military leave benefit. Pilots'
12 ability to take unpaid military leave (in accordance with USERRA and
13 the terms of the Alaska CBA or Horizon CBA, as applicable) will not be
14 affected by this paid short-term military leave benefit.

15 h. Any pay for this paid short-term military leave benefit will
16 be credited as compensation for the Class Members who use the benefit
17 under any applicable retirement plan – presently an applicable 401(k)
18 plan – or bonus program – presently the Performance Based Pay
19 program; and

20 i. Any qualifying days for this paid short-term military leave
21 benefit will be credited in the month used for purposes of the minimum
22 guarantee and scheduling, but Alaska or Horizon will be required to
23 provide pay for the short-term military leave benefit by no later than the
24 last pay period for each calendar year or on the last paycheck following
25 the end of the Class Member's employment, whichever is earlier;
26 however, Alaska or Horizon may make the payment earlier including if
27 state laws require earlier payment.

1 2. **Treatment of Paid Military Leave.** Payments made pursuant
2 to this Section IV of this Settlement will be treated as wages for tax purposes and
3 will be included as compensation the same as any other wages for purposes of any
4 bonus or calculation of benefits under any retirement plans, including the current
5 Alaska Airlines, Inc. Pilots Investment and Savings Plan or the Horizon Air
6 Savings Investment Plan (as well as any other retirement plan that exists or that
7 exist in the future).

8 3. **Retirement Plan Documents.** To the extent not previously
9 provided, within 21 days after this Settlement Agreement is signed, Defendants
10 will provide to Class Counsel copies of the written instrument of any retirement
11 plan that covers any member of the Class and applicable bonus program that
12 applies to any Class Member, as well as information sufficient to identify how
13 compensation is determined or contributions will be calculated for purposes of
14 those plans/programs. To the extent that any of these plans are modified in a
15 manner that affects any of the benefits of this Section IV prior to the Final
16 Approval Order becoming Non-Appealable, Defendants will provide Class
17 Counsel with the updated terms of the plans.

18 **V. MONETARY SETTLEMENT & SETTLEMENT FUND**

19 1. **Payment of Cash Settlement Amount.** Defendants will
20 pay the Cash Settlement Amount -- four million seven hundred and fifty
21 thousand dollars (\$4,750,000.00) -- into the Escrow Account within 30 days
22 after this Settlement Agreement is fully executed.

23 2. **Custody of Settlement Fund.** The Settlement Fund held in the
24 Escrow Account will be administered in accordance with the terms of this
25 Settlement Agreement and the Orders of the Court. Except as provided herein, the
26 Settlement Fund will not be paid to the Class Members pursuant to the Plan of
27 Allocation until the Final Approval Order becomes Non-Appealable.

1 3. **Management of the Settlement Fund.** Until the Final
2 Approval Order becomes Non-Appealable or until the Settlement is terminated in
3 accordance with this Agreement, the Settlement Fund will be held in the Escrow
4 Account, for which an Escrow Agent will act pursuant to the terms of the Escrow
5 Agreement or as ordered by the Court. After the Final Approval Order becomes
6 Non-Appealable, Class Counsel will have the sole right and duty to manage the
7 Settlement Fund in compliance with the terms of the Final Approval Order. Any
8 earnings or interest earned by the Settlement Fund will become part of the
9 Settlement Fund.

10 4. **Qualified Settlement Fund.** The Settlement Fund is intended
11 by the Settling Parties to be a “qualified settlement fund” for federal income tax
12 purposes under Treas. Reg. § 1.468B-1 at the earliest date possible.

13 **VI. DISTRIBUTIONS FROM THE SETTLEMENT FUND**

14 1. **Expenses Before the Effective Date.** Until the Final Approval
15 Order becomes Non-Appealable or the Settlement is terminated in accordance
16 with this Agreement, Class Counsel will be authorized to pay from the Settlement
17 Fund upon notice to Defense Counsel: (a) amounts sufficient to pay the Settlement
18 Administrator for the expense of notice; (b) any actual or estimated taxes on any
19 income earned on the Settlement Fund; and (c) all costs and expenses related to
20 the preparation of such tax filings or payments. Any dispute regarding the
21 reasonableness of any expense incurred, paid, or owing will be adjudicated by the
22 Court, but in no event will such a dispute require Class Counsel to cause or allow
23 the Settlement Fund to fail to file a tax return or make a tax payment in a timely
24 manner.

25 2. **Tax Reserve After the Effective Date:** Upon the Final
26 Approval Order becoming Non-Appealable, Class Counsel will be authorized to
27 establish a reserve out of the Settlement Fund to pay any Taxes that are or will

1 be owed (but not yet due) and for expenses related to payment of Taxes, filing of
2 tax returns or, to the extent not yet incurred, costs of settlement administration.

3 **3. Distribution to Class Members.** After the Final Approval
4 Order becomes Non-Appealable, the Settlement Fund will be distributed to Class
5 Members pursuant to the Court-approved Plan of Allocation. The following
6 payments will be made from the Settlement Fund prior to any distributions to
7 Class Members: (a) any Taxes on the income or earnings by the Settlement Fund,
8 any tax-related expenses, and the creation of any reserve for future expenses (as
9 described above); (b) any expenses incurred in connection with the administration
10 of the Settlement Fund. After deduction of the foregoing, the Settlement Fund will
11 be distributed to the Class Members in accordance with the Plan of Allocation, and
12 in amounts to each individual Class Member as directed by Class Counsel or the
13 Settlement Administrator.

14 **4. Tax Liability.** Each Class Member who receives any monies
15 paid in accordance with Sections V and VI of this Agreement is responsible for
16 any taxes associated with the monies received by that recipient, except that
17 Defendants agrees to pay 100% of the employer's share of any applicable payroll
18 taxes associated with payments made to Class Members in addition to and
19 separate from the Cash Settlement Amount. Plaintiff, on behalf of himself and the
20 Class Members, acknowledges and agrees that he has not relied upon any advice
21 from Defendants or Class Counsel as to the taxability of the payments received
22 pursuant to this Settlement Agreement. For purposes of the amounts paid pursuant
23 to Sections V and VI of this Agreement, 65% of the amounts paid to Class
24 Members shall be treated as wages for the purposes of withholding all applicable
25 local, state and federal taxes, and 35% shall be treated as remuneration for
26 damages separate and distinct from lost wages.

27 **5.** Notwithstanding any treatment of payments as wages under

1 this Section VI of this Settlement for tax purposes, this Settlement does not give
2 rise to any obligation to retroactively recalculate or retroactively adjust pension or
3 other retirement benefits under the Alaska Airlines, Inc. Pilots Investment and
4 Savings Plan or the Horizon Air Savings Investment Plan. Payments to Class
5 Members from the Cash Settlement Amount will not be eligible for purpose of
6 calculating employer contributions to any retirement or 401(k) benefits or for any
7 bonus payments at Alaska or Horizon, except that Class Members may individually
8 choose to use any settlement payments to make unmatched make-up contributions
9 to their 401(k), per IRS Code 414(u)(1)-(7).

10 **VII. PLAN OF ALLOCATION**

11 1. **Proposed Plan of Allocation.** Class Counsel will propose
12 and submit a Plan of Allocation to the Court as to the recommended method of
13 determining and distributing the proceeds of the Settlement Fund to members of
14 the Class. Class Counsel will recommend a method that allocates the Net
15 Settlement Fund in accordance with the pro rata interest of each member of the
16 Class or as close an approximation to that interest as is feasible.

17 2. **Defendants' Limited Involvement.** Defendants shall have
18 no responsibility for preparing or any right to provide input into and will take
19 no position on the Plan of Allocation.

20 3. **No Claim Based on Distribution in Accordance with the**
21 **Plan of Allocation.** The Class and its members will not have any claim against,
22 and will hold harmless, Plaintiff, Defendants, counsel to any of the foregoing
23 (including Class Counsel), the Settlement Administrator, or other individuals
24 involved in the distribution under the Plan of Allocation, from any claim based
25 on any distributions of the Settlement Fund made substantially in accordance
26 with this Settlement Agreement, the Plan of Allocation, or as otherwise may be
27 authorized by the Court.

1 **VIII. SETTLEMENT ADMINISTRATION**

2 1. **Appointment of Settlement Administrator.** Class Counsel
3 shall propose a qualified person to act as Settlement Administrator. Any such
4 Settlement Administrator will be approved and appointed by the Court to
5 administer the Settlement and will report to Class Counsel and the Court. The
6 Settlement Administrator will have experience providing notice to Class Members
7 and administering settlements in employment or employee benefit class action
8 settlements and settlement funds. The Settlement Administrator shall not be any
9 business with or in which any Party or their counsel (or the firm of such counsel)
10 has any personal relationship or financial interest. The Parties and their counsel
11 will reasonably cooperate with the Settlement Administrator to facilitate providing
12 Class Notice and other settlement-related communications and administration.

13 2. **Settlement Administrator’s Responsibilities.** The Settlement
14 Administrator will undertake the following tasks to administer this Settlement
15 consistent with the terms of this Settlement, the Plan of Allocation, and the Orders
16 of the Court and such other procedures required by the Court or as directed by
17 Class Counsel:

18 a. Print and mail the Class Notice Packet to the Class
19 Members in accordance with this Settlement Agreement and any
20 order of the Court and undertake to trace and re-mail all undeliverable
21 Class Notice Packets or other reasonable steps to locate missing Class
22 Members;

23 b. Provide any information on any new addresses to
24 Class Counsel;

25 c. Provide Class Counsel and Defense Counsel with copies
26 of any requests for exclusions or objections to the Settlement (to the
27 extent such requests or objections are not filed with the Court);

1 d. Respond to questions from Class Members or refer Class
2 Members to Class Counsel for responses;

3 e. Maintain and staff a toll-free phone number and a web
4 site until six (6) months after distributions of the Settlement Fund have
5 been made to Class Members;

6 f. File with the Court a declaration confirming
7 compliance with the procedures approved by the Court for providing
8 notice to the Class;

9 g. Determine for purposes of allocation of the Net
10 Settlement Amount, subject to the approval by the Court, whether Class
11 Members claiming to have sufficiently established either their status as
12 members of the Class and send notice of determinations or adjudications
13 to those persons;

14 h. Calculate the amount of the Net Settlement Amount to be
15 allocated to each Class Member entitled to payment from the Net
16 Settlement Amount by name and amount;

17 i. Calculate for any payments to be made to Class
18 Members amounts that must be reported as income, withhold from
19 payments of the settlement proceeds to Class Members any applicable
20 payroll taxes, determining the employer's share of taxes, and as
21 necessary, remit such funds to the appropriate taxing authorities, along
22 with any associated tax reporting, return and filing requirements;

23 j. Distribute payments of the settlement proceeds to Class
24 Members, consistent with instructions from Class Counsel and the
25 Court-approved Plan of Allocation;

26 k. Monitor the Qualified Settlement Fund and file all
27 informational and other tax returns necessary or advisable with respect

1 to the Settlement Fund (including without limitations the returns
2 described in Treas. Reg. Section 1.468B-2(k));

3 1. Ensure that Class Data is used solely for the
4 administration of this Settlement and is shared only with any persons or
5 entities employed by the Settlement Administrator or for purposes of the
6 administration of this Settlement. Because the list contains personal
7 information, the Settlement Administrator shall maintain the list securely
8 and in confidence, maintaining the strictest standards of data privacy,
9 except as necessary to fulfill its responsibilities to administer the
10 Settlement.

11 m. Any other responsibilities set forth in this Agreement and
12 any other responsibilities agreed to by the Settling Parties related to
13 administration of the Settlement and consistent with the orders of the
14 Court or any other responsibilities ordered by the Court.

15 3. **Class Notice Costs and Expenses.** All costs and expenses
16 for the Class Notice and the Settlement Administrator will be paid from the
17 Settlement Fund.

18 **IX. PAYMENT OF FEES, SERVICE AWARDS, AND REIMBURSEMENT**
19 **OF COSTS AND EXPENSES**

20 1. **Attorneys' Fees & Expenses from the Settlement Fund.**
21 Class Counsel will be entitled to file a motion for attorneys' fees, and
22 reimbursement of litigation expenses, and costs from the Settlement Fund. Prior
23 to the deadline for Class Members to object to the Settlement Agreement, Class
24 Counsel will file a motion with the Court for an award from the Settlement Fund
25 of: (a) attorneys' fees (the "Fee Award"); (b) service awards for Plaintiff and
26 Class Representatives (the "Service Awards"); and (c) reimbursement of
27 litigation costs and expenses (the "Expense Award"). Any Fee Award, Service

1 Award, or Expense Award will be paid solely from the Settlement Fund and is
2 subject to the Court's approval at the Final Approval Hearing.

3 2. **Defendants' Non-Opposition.** Defendants and their counsel
4 will take no position regarding the application for or an award of the Fee Award
5 and Expense Award provided that the application for the Fee Award does not
6 exceed one-third of the Cash Settlement Amount. Defendants and their counsel
7 will not take any position on a requested Service Award for the Class
8 Representatives so long as the Service Award does not exceed \$15,000 for
9 Plaintiff Clarkson and \$5,000 each for any of the other class representatives.

10 3. **Non-Materiality of Award of Attorneys' Fees and**
11 **Reimbursement of Expenses to Settlement.** In the event that this Court refuses
12 to award attorneys' fees or allow reimbursement of expenses/costs, in whole or in
13 part, or if any such award is rejected or modified on appeal, such rejection or
14 modification will not constitute a material modification of this Settlement
15 Agreement, will not void this Settlement Agreement, and will not provide a basis
16 for any Party to withdraw from this Settlement Agreement.

17 4. **Payment of Fees/Expenses to Class Counsel.** All amounts to
18 be paid pursuant to this Section will be paid into an account designated by Class
19 Counsel to be distributed and allocated among any Plaintiff's Counsel as directed
20 by Class Counsel. Defendants will not have any input as to the division of such
21 fees and expenses among Plaintiff's Counsel.

22 5. **Timing of Payment of Attorneys' Fees and Reimbursement**
23 **of Expenses.** In the event that there is no appeal of the Final Judgment of the
24 Settlement, but an appeal solely of a Fee Award or an Expense Award (or a
25 portion thereof), (a) Class Counsel will be entitled to a disbursement of such
26 expenses/costs as to which there is no appeal or the amount which is not contested
27 on appeal (b) such an appeal will not prevent the Class Settlement from becoming

1 Non-Appealable nor prevent or delay distribution of the Settlement Fund to Class
2 Members.

3 **6. Defendants' Attorneys' Fees & Expenses.** Defendants will
4 bear their own attorneys' fees, expenses, and costs. No amount of the attorneys'
5 fees, expenses, or costs of this Litigation incurred by Defendants will be paid by
6 the Settlement Fund or charged to any Class Member.

7 **X. NO ADMISSION OF WRONGDOING OR INFIRMITY OF CLAIMS**

8 **1. No Admission by Defendants.** This Settlement Agreement
9 embodies a compromise of disputed claims and nothing in the Settlement
10 Agreement will be interpreted or deemed to constitute any finding of wrongdoing
11 by Defendants or give rise to any inference of liability in this or any other
12 proceeding. This Settlement Agreement will not be offered or received against
13 Defendants as any admission by any such Party with respect to the truth of any
14 fact alleged by Plaintiff or the validity of any claim asserted in the Action or of
15 any liability, negligence, fault, or wrongdoing of any such Party.

16 **2. No Admission by Plaintiff or the Class.** This Settlement
17 Agreement is not, nor may it be deemed to be or used as an admission or evidence
18 of, any infirmity in the claims asserted by Plaintiff and Class Members.

19 **3. Use of Settlement Agreement.** This Settlement Agreement
20 may be used in such proceedings as may be necessary to consummate or enforce
21 this Settlement Agreement or the Final Approval Order, and any Party may file this
22 Settlement Agreement and/or the Final Approval Order in any action that may be
23 brought against it to support a claim, a defense, or a counterclaim based on
24 principles of res judicata, collateral estoppel, release, good faith settlement,
25 judgment bar, or reduction or any other theory of claim preclusion or issue
26 preclusion or similar defense or counterclaim, or in any action that may be brought
27 to enforce any claim assigned pursuant to this Settlement Agreement.

1 **XI. APPROVAL**

2 1. **Preliminary Approval Order.** Class Counsel, on behalf of the
3 Class, will move the Court to enter the Preliminary Approval Order (“Preliminary
4 Approval Motion”). The Preliminary Approval Motion will seek an Order in a
5 form agreed upon by the Settling Parties which will propose among other things:

6 (a) Appointment of Ryan Schwend, Scott Silvester, and
7 Matt Fisk as Class Representatives in addition to Plaintiff;

8 (b) Modification of the definition of the Class as previously
9 certified by the Court to the definition of the Class as set forth in this
10 Settlement Agreement;

11 (c) Only persons who were not sent a prior Class Notice will
12 be entitled to request exclusion from the Class;

13 (d) Preliminary Approval of the Settlement as set forth in
14 this Settlement Agreement, subject to further hearing and
15 determination under Fed. R. Civ. P. 23(e);

16 (e) Approval of the form of Class Notice, substantially in
17 the form agreed-upon by the Parties, and the manner of distribution
18 and publication which is consistent with this Agreement, Fed. R. Civ.
19 P. Rule 23, and the requirements of due process;

20 (f) Authorization of the payment of Settlement
21 Administration expenses out of the Settlement Fund;

22 (g) Preliminary Approval of the Plan of Allocation;

23 (h) Appointment of the Settlement Administrator;

24 (i) Deadlines by which all objections to the Settlement must
25 be made and a deadline for requests for exclusion to be filed (to the
26 extent that an additional exclusions are allowed);

27 (j) Provide that any objections or requests for exclusion that

1 are not filed with the Court will be submitted to the Court;

2 (k) A schedule for a hearing date for the Court to
3 determine whether the Settlement Agreement should be finally
4 approved as fair, reasonable, and adequate, and whether an Order
5 finally approving the Settlement Agreement should be entered
6 (“Final Approval Hearing”);

7 (l) That no objection to the Settlement Agreement will be
8 heard and no papers submitted in support of said objection will be
9 received and considered by the Court at the Final Approval Hearing
10 unless the objection and reasons therefore, along with copies of any
11 supporting papers, are filed with the Clerk of the Court and served
12 on the Parties within forty-five (45) days of the publication and/or
13 distribution of the Class Notice;

14 (m) Deadlines for filing a Final Approval Motion, Class
15 Counsel’s application for a Fee and Expense Award, and Plaintiff’s
16 application for a Service Award;

17 (n) That the Final Approval Hearing may be continued from
18 time to time by Order of the Court if necessary, and without further
19 notice to the Class;

20 (o) Requiring Defendants to produce the Class Data required
21 pursuant to this Agreement to the extent that such data is reasonably
22 available and within their possession, custody or control; and

23 (p) To the extent requested by Defendants, approval of the
24 form of notice by Defendants under the Class Action Fairness Act
25 of 2005 (“CAFA”).

26 2. **Final Approval of the Settlement.** If the Court preliminarily
27 approves this Settlement (and none of the conditions to terminate this Agreement

1 has been exercised), Class Counsel will file a Final Approval Motion, which will
2 seek entry of a proposed Final Approval Order in a form to be agreed upon by the
3 Settling Parties. Class Counsel shall provide Defendants with a draft proposed
4 Final Approval Motion prior to filing. To the extent that Defendants have any
5 concerns about the Final Approval Motion that are not resolved, Defendants will
6 be entitled to file a response to the Final Approval Motion. The proposed Final
7 Approval Order will, among other things, request that the Court order and/or find
8 as follows:

- 9 (a) Final Approval of the Settlement of the claims of the Class set
10 forth in this Settlement Agreement;
- 11 (b) The Settlement is fair, reasonable, and adequate to the Class
12 pursuant to Fed. R. Civ. P. 23(e);
- 13 (c) Final Approval of the Plan of Allocation;
- 14 (d) Dismissal of the Action against Defendants with prejudice;
- 15 (e) That Plaintiff and the Class will be deemed conclusively to
16 have released and waived any and all Settled Class Claims against
17 Defendants as provided in this Settlement Agreement;
- 18 (f) Defendants will have been deemed to released and waived any
19 Settled Claims against Plaintiff, Plaintiff's Counsel and the Class as
20 provided in this Agreement;
- 21 (g) The Parties and the Class are barred and permanently enjoined
22 from prosecuting any and all Settled Claims, as provided in this
23 Settlement Agreement, against any Party from whom they have
24 released claims;
- 25 (h) Determine Class Counsel's request(s) for a Fee Award,
26 Expense Award, and Service Award;
- 27 (i) Retain exclusive jurisdiction, without affecting the finality of the

1 Order entered, with regard to: (i) implementation of this Settlement
2 Agreement; (ii) disposition of the Settlement Fund and distributions
3 from the Settlement Fund; (iii) any disputes about the allocation of
4 Attorneys' Fees and Expenses among Plaintiff's Counsel; and (iv)
5 enforcement and administration of this Settlement Agreement,
6 including the non-monetary terms;

7 (j) To the extent that Defendants has timely complied with CAFA
8 and provided CAFA Notice consistent with this Agreement, that notice
9 to the appropriate state and federal officials has been provided as
10 required by CAFA and Defendants has satisfied their obligations
11 pursuant to 28 U.S.C. § 1715; and

12 (k) Make a finding that the prospective relief described by Section
13 IV provides military leave benefits that are commensurate with paid
14 leave offered by Defendants for the non-military leaves that Plaintiffs
15 alleged were comparable to military leave (e.g. jury duty, bereavement,
16 sick leave, and vacation).

17 **XII. CONDITIONS OF SETTLEMENT**

18 1. **Court Approval.** Each of the following is an express condition
19 of Settlement: (a) the Class definition is modified to substantially correspond to
20 one set forth in this Settlement Agreement; (b) the Class Data that Defendants
21 produced during this litigation is materially correct; (b) the Preliminary Approval
22 Order is entered substantially in the form required by this Agreement; (c) the Final
23 Approval Order, substantially in the form required by this Agreement; and (d) the
24 Final Approval Order becomes Non-Appealable.

25 2. **Effect of Modification of the Class Definition.** In the event
26 that the Court does not certify a Class substantially similar to the definition as set
27 forth in this Settlement Agreement, Class Counsel and Defendants will each have

1 the right to withdraw from and void this Settlement so long as the notice of the
2 exercise of such right is provided to the Court and the opposing Party within 14
3 days after the date on which the Court issues such order. In the event that either
4 Class Counsel or Defendants provides a Termination Notice pursuant to Section
5 XVI.1 based on the modification of the class definition and the Parties fail to reach
6 agreement as provided under Section XVI.2, any dispute concerning this provision
7 will be submitted to the Court, which (along with any appellate court) will have
8 sole authority to resolve that dispute.

9 **3. Material Correctness of Defendants' Information About**
10 **Class Members.** A condition of this Settlement is that the information and data
11 about the Class provided to Class Counsel in this litigation is materially correct. In
12 the event that Class Counsel provides a Termination Notice pursuant to Section
13 XVI.1 based on such information/data being not materially correct and the Parties
14 fail to reach agreement as provided under Section XVI.2, Defendants shall have an
15 opportunity to submit any dispute over the material correctness of such
16 information/data to the Court, which (along with any appellate court) will have sole
17 authority to resolve that dispute. In the event that the Class data produced by
18 Defendants to Class Counsel in this litigation is determined to be not materially
19 correct, Class Counsel will have the right (subject to the Termination provisions in
20 Section XVI and the dispute resolution provision in the previous sentence), prior to
21 the Final Approval Hearing, to withdraw from and void this Settlement so long as
22 the notice of the exercise of such right is provided to the opposing Party within 14
23 days after the date Class Counsel learns of the material incorrectness of the data. In
24 the event that Class Counsel only learns after the Final Approval Hearing that the
25 data about the Class provided to Class Counsel in this litigation was not materially
26 correct, this Agreement does not affect the rights or remedies which the Parties
27 may have under state or federal law beyond those provided in this Agreement.

1 4. **Effect of Opt-Outs.** In the event that the Court allows a
2 Second Opt-Out for Class Members who were previously sent notice and if the
3 number of Class Members identified in the data produced by Defendants who
4 timely and validly request exclusion as determined by the Court (the “opt-outs”)
5 exceeds 10% of the total number of Class Members identified in the data produced
6 by Defendants prior to the mediation, Defendants will have the right to withdraw
7 from and void this Settlement so long as the notice of the exercise of such right is
8 provided to the Court and Class Counsel within 14 days after the opt-out deadline
9 consistent with the and subject to the Termination provisions in Section XVI. In
10 the event that Defendants provides a Termination Notice pursuant to Section XVI.1
11 based on the number of opt-outs and the Parties fail to reach agreement as provided
12 under Section XVI.2, any dispute concerning the percentage of opt-outs or the
13 amount of the reduction will be submitted to the Court, which (along with any
14 appellate court) will have sole authority to resolve that dispute.

15 5. **Non-Conditional Matters.** None of the following are
16 conditions of the Settlement: (a) Court approval of any Service Award; (b) Court
17 approval of the Fee Award or Expense Award; (c) Court approval of the proposed
18 Plan of Allocation; or (d) allowing a second opt-out under Rule 23(b)(3). No action
19 by the Court or any courts of appeal related to as to any of the foregoing will
20 prevent the Final Approval Order allowing the approval of the Settlement from
21 becoming Non-Appealable.

22 **XIII. RESTRICTIONS ON DEFENDANTS’ CONTACT WITH CLASS** 23 **MEMBERS**

24 1. **Defendants’ Contact with Class Members.** Prior to the date
25 Final Approval has been entered, Defendants, Defense Counsel, or any person
26 acting on behalf of Defendants or Defendants’ Counsel will not communicate with
27 any Class Member about this Action or Settlement except (a) with the prior written

1 consent of Class Counsel (b) as provided in this Section or (c) as allowed by the
2 Court (including Court-approved communications).

3 2. **Communications Initiated by Class Members.** To the extent
4 that a Class Member initiates any communication with Defendants or Defense
5 Counsel about this Action or the Settlement prior to the date the Final Approval
6 Order has been entered, Defendants or Defense Counsel will respond by (a)
7 advising the Class Member to contact Class Counsel and (b) promptly advise Class
8 Counsel about the communication including the name and any contact information
9 of the Class Member.

10 **XIV. ISSUANCE CLASS ACTION FAIRNESS ACT NOTICE**

11 1. **CAFA Notice.** Pursuant to CAFA, Defendants, at its own
12 expense, will prepare and provide the CAFA Notice, including the notices to the
13 United States Department of Justice and to the Attorneys General of all states in
14 which the Class Members reside, as specified by 28 U.S.C. § 1715, within ten
15 (10) days after this Settlement Agreement is filed with the Court.

16 2. **CAFA Notice Provided to Class Counsel.** Defendants will
17 provide Class Counsel with a copy of the CAFA Notice and materials that
18 Defendants sends within three (3) business days after such notices have been sent.
19 The CAFA Notice and materials will be provided without further request by Class
20 Counsel.

21 **XV. RELEASES**

22 1. **Release of Defendants by Plaintiff & the Class.** Upon the Final
23 Approval Order becoming Non-Appealable, Plaintiff and the Class (including
24 their heirs, executors, administrators, successors, and assigns), will dismiss
25 Count IV and fully and finally release Defendants from Count IV in the
26 Complaint as to any short-term military leave taken at Alaska or Horizon by that
27 Class Member while employed at Alaska or Horizon through May 31, 2023 and

1 any and all claims, or causes of action, whether in law or in equity, whether
2 known or unknown, whether fixed or contingent, that existed on or prior to May
3 31, 2023 that the Class Members have based on or arising out of the same factual
4 predicate as Count IV, including any claim for damages for paid short-term
5 military leave taken at Alaska or Horizon by that Class Member while employed
6 at Alaska or Horizon under Section 4316(b) through May 31, 2023 and release
7 Defendants from all claims for prospective relief that arise of the same factual
8 predicate as Count IV, namely related to pay for short-term military leave taken
9 at Alaska or Horizon by that Class Member while employed at Alaska or
10 Horizon. The release of the Paid Leave Claim (Count IV) does not release other
11 USERRA claims based on a different factual predicate. For purposes of this
12 Section XV.1, Defendants shall mean Alaska Airlines, Inc., Horizon Air
13 Industries, Inc., and their predecessors, successors, affiliates, parents,
14 subsidiaries, related companies, employees, agents, shareholders, officers,
15 directors, attorneys, insurers, and any entity which could be jointly liable with
16 them, or any of them (“Defendants’ Releasees”); however, nothing in this
17 Release does or will be construed to release any claims or causes of action
18 related to short-term military leave taken by any Class Member at any entity
19 other than Alaska Airlines, Inc. or Horizon Air Industries, Inc.

20 **2. Release of Plaintiff and the Class by Defendants.** Defendants
21 and Defendants’ Releasees fully and finally release Plaintiff, the Class
22 Representatives, each Class Member, Plaintiff’s Counsel (and any of their
23 attorneys), and Class Counsel from any and all claims or causes of action, whether
24 in law or in equity, whether known or unknown, that Defendants has or has had
25 against Plaintiff, each Class Member, Plaintiff’s Counsel (and any attorneys of
26 those firms) or Class Counsel that relate to the filing, commencement, prosecution,
27 or settlement of this Action, including any claims for attorneys’ fees, costs,

1 expenses, or sanctions.

2 3. **Non-Released Claims.** Notwithstanding the foregoing or any
3 other language in this Settlement Agreement the Settling Parties are not releasing
4 Claims to enforce this Settlement Agreement.

5 **XVI. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION**

6 1. **Right to Terminate.** In the event that one of the Conditions of
7 Settlement in Section XII is not satisfied, either Class Counsel or Defendants shall
8 have the right to withdraw from and seek to void this Settlement under the
9 conditions set forth in this Agreement by providing written notice to counsel for
10 all other Parties to the Settlement within fourteen days (14) days after the event
11 prompting the right to terminate (“Termination Notice”). In the event that the Final
12 Approval Order has not become Non-Appealable, the Party providing such
13 Termination Notice will be entitled to withdraw so long as the specified condition
14 has not been satisfied and the Party satisfies the conditions in Section XVI.2 for
15 the effectiveness of Termination Notice.

16 2. **Effectiveness of Termination Notice.** The Termination Notice
17 will become effective to void the Settlement Agreement only if the Settling Parties
18 fail to reach a written agreement within thirty (30) days of the Termination Notice
19 to modify this Settlement Agreement to resolve the issue and have not agreed to
20 further extend the time to reach agreement to modify this Settlement Agreement.

21 3. **Effect of Withdrawal.** In the event that a Termination Notice
22 becomes effective before the Final Approval Order becomes Non-Appealable: (a)
23 the monies in the Escrow Account (including any interest or earnings accrued
24 while in Escrow, but less any amount paid or owing for taxes or other expenses
25 incurred in connection with administering the Settlement Agreement while in
26 Escrow, including any amounts necessary to prepare tax returns or monies paid or
27 owing to the Settlement Administrator) will be returned to Defendants upon

1 written request within ten (10) business days of such written request; (b) the
2 Settling Parties will not be released from the claims asserted in this Litigation; (c)
3 this Agreement will be void *ab initio*; and (d) the Parties' positions, rights, and
4 responsibilities will be deemed to have reverted to their respective status in this
5 Action as of October 11, 2023, and, except as may otherwise be expressly
6 provided herein, the Settling Parties will proceed in all respects as if this
7 Settlement Agreement never existed.

8 **XVII. MISCELLANEOUS PROVISIONS**

9 1. **Confidentiality.** The Parties shall keep the terms of this
10 Settlement Agreement confidential until it is filed with the Court (except as
11 otherwise agreed by the Parties).

12 2. **Return of Confidential Information.** For purposes of
13 Paragraph 10 of the Protective Order, Final Disposition of this Action will have
14 been deemed to have occurred when the distribution to Class Members of
15 proceeds from the Settlement Fund has been completed after the Final Approval
16 Order becomes Non-Appealable. In addition to the archival copies of documents
17 to which Counsel for any Party is entitled to retain pursuant to Paragraph 10 of
18 the Protective Order, Plaintiffs' Counsel and Class Counsel may maintain the
19 Class data used to provide Class Notice or to calculate Distributions of the
20 Settlement Fund to the Class for three years following Final Disposition, but such
21 materials will remain subject to the terms of the Protective Order. Additionally,
22 the Settlement Administrator may maintain the Class Data used to provide Class
23 Notice or to calculate distributions of the Settlement to the Class for one year
24 following Final Disposition, on the condition that the Settlement Administrator
25 agrees to and does maintain such materials subject to the terms of the Protective
26 Order.

27 3. **Tax Obligations and Tax Advice.** No opinion or advice

1 concerning the Tax consequences of the Settlement Agreement has been given or
2 will be given by counsel involved in the Action to the Class, nor is any
3 representation or warranty in this regard made by virtue of this Settlement
4 Agreement. The Tax obligations of the Class and the determination thereof are the
5 sole responsibility of each Class Member, and it is understood that the Tax
6 consequences may vary depending on the particular circumstances of each Class
7 Member. No charge or claim may be asserted against any Class Member, Class
8 Counsel, or the Settlement Fund for reimbursement of any Tax, including any
9 penalty or excise tax, imposed or sought to be imposed upon any Defendants in
10 relation to or as a consequence of this Agreement.

11 4. **Binding Effect.** This Settlement Agreement will be binding
12 upon, and inure to the benefit of, the successors, assigns, executors, administrators,
13 affiliates, heirs, spousal beneficiaries, and legal representatives of the Settling
14 Parties, as well as any other party identified as a Defendant for purposes of
15 Section XV.1 (subject to the limitations of that Section), provided, however, that
16 no assignment by any Settling Party will operate to relieve such Party of its
17 obligations hereunder.

18 5. **Good Faith.** The Settling Parties: (a) acknowledge that it is
19 their intent to consummate this Settlement; (b) agree to exercise their best efforts
20 and to act in good faith to cooperate to the extent necessary to effectuate and
21 implement all terms and conditions of this Settlement Agreement; and (c) agree to
22 exercise their best efforts and to act in good faith to cooperate to the extent
23 necessary to obtain the fullest possible participation of all Class Members in any
24 Settlement. The Settling Parties and their counsel agree to cooperate fully with one
25 another in seeking entry of the Preliminary Approval Order and final approval of
26 the Settlement. The Settling Parties also agree to promptly execute and/or provide
27 such documentation as may be reasonably required to obtain preliminary and final

1 approval of this Settlement.

2 6. **Modification.** This Settlement Agreement may be amended
3 or modified only by written instrument signed by Class Counsel on behalf of
4 Plaintiff and the Class and by Defense Counsel on behalf of Defendants or their
5 respective successors in interest and to the extent that such modifications are
6 made after approval by the Court and such modification is material, after the
7 Court has approved such modification. With respect to the benefits provided in
8 Section IV, no other agreement or instrument that reduces the paid short-term
9 military leave allotment below four (4) days per calendar year or reduces the pay
10 for a day of paid short-term military leave below the Minimum Daily Guarantee
11 at Alaska (as defined by the Alaska CBA) or the Minimum Daily Credit at
12 Horizon (as defined by the Horizon CBA), as applicable, will be effective unless
13 the terms of that agreement or instrument have been approved by this Court.

14 7. **Representations.** This Settlement Agreement constitutes the
15 entire agreement among the Settling Parties, and no representations, warranties,
16 or inducements have been made to any Party concerning this Settlement
17 Agreement other than the representations, warranties, and covenants contained
18 and memorialized in such documents.

19 8. **Authorization.** Each signatory to this Settlement Agreement
20 represents that he or she is authorized to enter into this Settlement Agreement on
21 behalf of the respective Parties he or she represents. Should any non-signing
22 Party ever contend that they did not authorize their counsel to sign this
23 Settlement Agreement on their behalf, counsel for that Party and their law firms
24 shall defend, indemnify, and hold harmless the other Parties with respect to any
25 and all claims, demands, actions, causes of action, or losses related to such
26 contention.

27 9. **Counterparts.** This Settlement Agreement may be executed

1 in one or more original, photocopied, or facsimile counterparts. All executed
2 counterparts and each of them will be deemed to be one and the same instrument.

3 10. **Governing Law.** All terms of this Settlement Agreement will
4 be governed by and interpreted according to the laws of the State of Washington
5 without regard to its rules of conflicts of law and in accordance with the laws of
6 the United States.

7 11. **Waiver.** The waiver by one Party of any breach of this
8 Settlement Agreement by any other Party will not be deemed a waiver of any other
9 breach of this Settlement Agreement. The provisions of this Settlement Agreement
10 may not be waived except by a writing signed by the affected Party, or counsel for
11 that Party, or orally on the record in court proceedings.

12 12. **Continuing Jurisdiction.** The Settling Parties agree to submit
13 to the jurisdiction of the Court and will be bound by the terms of this Settlement
14 Agreement, including, without limitation, disputes related to implementing and
15 enforcing the Settlement embodied in this Settlement Agreement. Any and all
16 disputes related to claims that are not satisfactorily resolved by the Settling Parties
17 will be submitted to the Court for final resolution. The Final Approval Order will
18 provide that the Court will have continuing jurisdiction over this Settlement.

19 13. **Enforcement of this Agreement.** In the event that any Party to
20 this Agreement believes that another Party to this Agreement has breached the
21 terms of this Agreement, that Party will notify the alleged breaching Party and
22 Counsel in writing setting forth the nature of the breach and the requested method
23 to cure the breach at least 14 days prior to filing any litigation to enforce the terms
24 of the Settlement Agreement (and if the allegedly breaching Party is a Class
25 Member, regardless of whether that Class Member has separate counsel,
26 Defendants must also notify Class Counsel in writing). In the event that the
27 allegedly breaching Party fails to cure the alleged breached as set forth in the

1 written notification after 14 days, the other Party may then file an action to enforce
2 the Settlement Agreement.

3 14. **Extensions.** The Settling Parties reserve the right, subject to
4 the Court's approval, to request any reasonable extensions of time that might be
5 necessary to carry out any of the provisions of this Settlement Agreement.

6 15. **Evidentiary Effect.** Neither this Settlement Agreement nor the
7 Settlement, nor any negotiation, nor act performed, nor document executed, nor
8 proceedings held pursuant to or in forbearance of this Settlement Agreement or
9 the Settlement, even if this Settlement Agreement is cancelled or terminated: (a)
10 is, or may be deemed to be, or may be used as an admission of, or evidence of the
11 validity of any Settled Claims, or of any wrongdoing, negligence,
12 misrepresentation, violation, or liability of any Settling Party; (b) is, or may be
13 deemed to be, or may be used as an admission of, or evidence of any infirmity in
14 the Complaint or claims asserted by Plaintiff and the Class; or (c) is, may be
15 deemed to be, or may be used as an admission of, or evidence of, any fault or
16 omission of any Settling Party in any civil, criminal, or administrative proceeding
17 in any court, administrative agency, or tribunal, including in this Action. This
18 Settlement Agreement may be used in such proceedings as may be necessary to
19 consummate or enforce this Settlement Agreement, the Settlement, or the Final
20 Approval Order; and any Settling Party may file this Settlement Agreement and/or
21 the Final Approval Order in any action to support a defense or counterclaim based
22 on principles of res judicata, collateral estoppel, release, good faith settlement,
23 judgment bar, or reduction or any other theory of claim preclusion or issue
24 preclusion or similar defense or counterclaim.

25 16. **Final and Complete Resolution.** The Settling Parties intend
26 this Settlement Agreement to be a final and complete resolution of all disputes
27 between them with respect to this Action. The Settlement compromises claims

1 which are contested and will not be deemed an admission by any Settling Party as
2 to the merits of any claim or defense. The Settling Parties agree that the amount
3 paid to the Settlement Fund and the other terms of the Settlement Agreement were
4 negotiated in good faith at arm's-length by the Settling Parties and reflect a
5 settlement that was reached voluntarily after consultation with competent legal
6 counsel.

7 **17. Duplicative Provisions.** In interpreting this Settlement
8 Agreement, duplicative and/or overlapping release provisions will not be
9 presumed or construed to be intended to release separate claims or have
10 different meanings.

11 The Parties hereto, intending to be legally bound hereby, have caused this
12 Settlement Agreement to be executed by their duly authorized counsel as of the
13 date stated in the introductory clause.

14 Dated: August 15, 2024

15 Agreed to by:

16 

17 _____
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