

**Exhibit A**

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

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<b>JAMES STEPHENS, et al.,</b>	)	
	)	
<i>Plaintiffs,</i>	)	<b>Case No. 07 1264 - RMC</b>
	)	
<i>v.</i>	)	<b>Judge Rosemary M. Collyer</b>
	)	
<b>US AIRWAYS GROUP, INC., et al.,</b>	)	
	)	
<i>Defendants.</i>	)	
	)	

**CLASS ACTION SETTLEMENT AGREEMENT**

This Settlement Agreement, dated as of November \_\_, 2014 (the “Effective Date”), is entered into by and between John Davis (the “Class Representative”) for himself and on behalf of the Class, and the Pension Benefit Guaranty Corporation (“PBGC,” and together with the Class Representative, the “Parties”).

**Recitals**

WHEREAS, in 2000, the prior Class Representatives filed the above captioned lawsuit against U.S. Airways, Inc. (“US Airways”), the former plan administrator of the now-terminated Retirement Income Plan for Pilots of US Air Inc. (the “Plan”), and the Plan seeking recovery for alleged delay in payment of their pension benefits under the Plan (the “Lawsuit”); and,

WHEREAS, on March 31, 2003, the Plan was terminated and PBGC was appointed statutory trustee of the terminated Plan; and,

WHEREAS, in 2007, the prior Class Representatives added PBGC as a defendant in the Lawsuit, to seek recovery from PBGC and the terminated Plan for the allegedly unreasonable delay by US Airways in paying lump sum benefits; and,

WHEREAS, the prior Class Representatives sought certification for a class of: “All participants and/or beneficiaries of the [Plan], who, from February 28, 1997, to March 31, 2003, elected to receive a lump-sum payment as a full or partial distribution of their retirement benefits, but who did not receive their lump sum payment on the first day of the month coinciding with or following their Normal Retirement Date (or alternatively for early retirees, the date on which they elected to begin receiving their retirement income)” (the “Class”); and,

WHEREAS, the Lawsuit is currently pending in the United States District Court for the District of Columbia (the “Court”); and,

WHEREAS, on October 17, 2014, the Court issued an order certifying the Class to facilitate settlement; and,

WHEREFORE, the Parties, without admitting any wrongdoing, liability, or failure to act, have agreed to resolve the disputes between the Class and PBGC, and accordingly agree as follows.

## **ARTICLE I. DEFINITIONS**

As used in this Settlement Agreement, capitalized terms and phrases not otherwise defined have the meanings and phrases identified below.

- 1.1 “Approval Order” has the meaning provided in Section 3.5.
- 1.2 “Bar Order” has the meaning provided in Section 3.5.
- 1.3 “Class” has the meaning provided in the fourth recital.
- 1.4 “Class Counsel” means Jacks C. Nickens of McGuireWoods LLP, who serves as lead counsel for the Class Representative.
- 1.5 “Class Notice” has the meaning provided in Section 3.1.
- 1.6 “Class Representative” means John Davis..

1.7 “Court” has the meaning provided in the fifth recital.

1.8 “Effective Date” means November     , 2014.

1.9 “Fairness Hearing” has the meaning provided in Section 3.4.

1.10 “Impasse Notice” has the meaning provided in Section 5.2.

1.11 “Lawsuit” has the meaning provided in the first recital.

1.12 “Net Settlement Proceeds” has the meaning provided in Section 3.1.

1.13 “Notice” has the meaning provided in Section 7.8

1.14 “Opt-Out” has the meaning provided in Section 3.1.

1.15 “PBGC” means the Pension Benefit Guaranty Corporation, a wholly owned United States government corporation and federal agency.

1.16 “Plan” has the meaning provided in the first recital.

1.17 “Plan of Allocation” has the meaning provided in Section 3.1.

1.18 “Preliminary Approval Order” has the meaning provided in Section 3.2.

1.19 “Preliminary Motion” has the meaning provided in Section 3.1

1.20 “Prior Class Representatives” mean James C. Stephens and Richard Mahoney.

1.21 “Released Claims” has the meaning provided in Section 6.1.

1.22 “Settlement” means the settlement to be effectuated pursuant to this Settlement Agreement and Pursuant to the Approval Order.

1.23 “Settlement Amount” has the meaning provided in Section 2.1.

1.24 “Settlement Agreement” means this Class Action Settlement Agreement.

1.25 “Settlement Fund” has the meaning provided in Section 2.2.

1.26 “US Airways” has the meaning provided in the first recital.

**ARTICLE II  
SETTLEMENT PAYMENT; EXPENSES**

2.1 The Class Representative, on behalf of the Class, agrees to settle and fully resolve the remaining claims asserted in the Lawsuit against PBGC in exchange for a one-time payment of Five Million Two Hundred Fifty Thousand Dollars and No Cents (\$5,250,000.00) (the “Settlement Amount”).

2.2 Prior to the Court’s entry of the Preliminary Approval Order (as defined below), Class Counsel will provide PBGC with wire transfer instructions for a fund established by Class Counsel (the “Settlement Fund”). Within ten days after the Court’s entry of the Preliminary Approval Order, PBGC shall deposit \$25,000 into the Settlement Fund. Within ten days after final approval of the Settlement, PBGC shall deposit the balance of the Settlement Amount into the Settlement Fund. Any expenses incurred in establishing the Settlement Fund will be reimbursed from the Settlement Amount. Any interest earned by the Settlement Fund will accrue for the benefit of the Class.

2.3 Class Counsel shall structure and manage the Settlement Fund to qualify as a “qualified settlement fund” pursuant to 26 U.S.C. § 468B and any regulations promulgated thereunder.

2.4 Class Counsel shall be responsible for filing all tax returns for the Settlement Fund and for paying any taxes owed with respect to the Settlement Fund. All taxes on the income of the Settlement Fund and all expenses incurred in connection with the taxation of the Settlement Fund (including any expenses of tax attorneys and accountants) will be paid from the Settlement Fund.

2.5 The Settlement Amount will be PBGC’s full and sole monetary payment to the Class in connection with the Settlement. All expenses incurred in administering the Settlement

will be paid from the Settlement Fund. Likewise, Class Counsel shall only seek the payment of attorney fees and expenses from the Settlement Fund.

**ARTICLE III  
SETTLEMENT APPROVAL**

3.1 On or before November 19, 2014, Class Counsel and the PBGC shall file a motion with the Court seeking preliminary approval of the Settlement (the “Preliminary Motion”). Among other things, the Preliminary Motion will contain:

(a) the proposed “Plan of Allocation” for distributing the Settlement Amount, plus interest earned, less all costs and expenses authorized and paid pursuant to this Settlement Agreement (the “Net Settlement Proceeds”) to the Class;

(b) the proposed legal fees and expenses that should be awarded to Class Counsel; and

(c) the proposed procedure for notifying the Class of the Settlement, and the form of notice that will be distributed to each member of the Class (the “Class Notice”). The Class Notice will describe the Settlement and the Plan of Allocation, and will describe the process for submitting any objections to the Settlement. The Class Notice will also describe the procedure for making an election to be excluded from participating in the Lawsuit and the Settlement (to “Opt-Out”). The Opt Out procedure will require that any elections to Opt Out must be received by the Parties at least 30 days before the Fairness Hearing (as defined below).

3.2 The Preliminary Motion will request that the Court enter an order providing preliminary approval of the Settlement, including the Plan of Allocation and the Class Notice (such order, along with any exhibits, the “Preliminary Approval Order”).

3.3 On the date and in the manner set forth in the Preliminary Approval Order, the Class Representatives shall cause the Class Notice to be transmitted to each member of the Class.

All costs associated with transmitting the Class Notice will be paid from the Settlement Fund. Class Counsel agrees to be responsible for arranging distribution of the Class Notice to the Class as required by the Preliminary Approval Order. PBGC shall act in good faith to provide Class Counsel with available address information for members of the Class, but PBGC will have no responsibility for providing the Class Notice.

3.3 On or before November 29, 2014, PBGC shall distribute any notice required by 28 U.S.C. § 1715.

3.4 Consistent with the requirements of 28 U.S.C. § 1715(d), and as soon as practicable after the issuance of the Class Notice, the Class Representative shall request that the Court hold a hearing to consider final approval of the Settlement (the “Fairness Hearing”).

3.5 At the Fairness Hearing, the Class Representative shall request that the Court enter an order (i) finally approving the Settlement and containing “Bar Order” language that satisfies the terms of Section 6.2; (ii) approving the Plan of Allocation; and (iii) fixing the amount of legal fees and expenses to be awarded to Class Counsel (such order, upon becoming final and no longer subject to any appeal, the “Approval Order”).

3.6 Attorney Fees. Upon entry of the Approval Order, Class Counsel will be entitled to withdraw any attorney fees and expenses approved by the Court from the Settlement Fund. PBGC shall take no position with respect to the amount of the attorney fees or expenses sought by Class Counsel in this matter, and will leave the amount to the sound discretion of the Court. The Court’s consideration of Class Counsel’s request for attorney fees and expenses is a matter separate and apart from the Settlement, and no decision by the Court concerning the Class Counsel’s attorney fees and expenses will affect the validity of the Settlement Agreement or finality of the Settlement in any manner.

**ARTICLE IV  
DISTRIBUTION TO THE CLASS**

4.1 After entry of the Approval Order, Class Counsel shall administer the allocation and distribution of the Net Settlement Proceeds in accordance with the Plan of Allocation. PBGC shall act in good faith to provide Class Counsel with available information about the Class for purposes of such administration, but PBGC will have no responsibility or liability with respect to the allocation and distribution of the Net Settlement Proceeds. Moreover, PBGC shall take no position with respect to the Plan of Allocation, which will be left to the sound discretion of the Court. The Plan of Allocation is a matter separate and apart from the Settlement between the Parties, and no decision by the Court concerning the Plan of Allocation will affect the validity of the Settlement Agreement or finality of the Settlement in any manner.

**ARTICLE V  
NON-APPROVAL OF SETTLEMENT; TERMINATION**

5.1 In the event the Court does not enter the Approval Order, the Parties shall negotiate in good faith to modify the terms of this Settlement Agreement in order to revive the Settlement.

5.2 If the Parties are unable to revive the Settlement pursuant to their good faith negotiations under Section 5.1, then either Party may send the other Party a written notice of impasse (an "Impasse Notice"). Upon the issuance of an Impasse Notice:

(a) the Settlement Amount, plus any interest, minus any amounts already reasonably applied toward costs and expenses, will be immediately returned to PBGC from the Settlement Fund; and

(b) the Settlement and this Settlement Agreement, including but not limited to the releases and orders provided herein, will become null and void and of no further force and

effect, the Parties will be deemed to have reverted to their respective status and positions as of the date immediately before the Effective Date, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed.

5.3 If more than 60 members of the Class validly elect to Opt-Out, then PBGC may terminate this Settlement Agreement. The provisions of Section 5.2(a) and (b) will apply if PBGC elects to terminate this Settlement Agreement under this Section.

## **ARTICLE VI RELEASE**

6.1 Upon the Court's entry of the Approval Order, the Class Representative, on behalf of the Class, shall RELEASE, ACQUIT, and FOREVER DISCHARGE PBGC from any and all claims and causes of action arising from, related to, or in connection with any of the events giving rise to the Lawsuit (the "Released Claims").

6.2 It is an essential element to PBGC's participation in the Settlement that PBGC obtains the fullest possible release from further liability to anyone relating to the Released Claims, and it is the intention of the Class Representative that the Settlement eliminate all further risk and liability of PBGC relating to the Released Claims. Accordingly, the Parties agree that the Court shall include in the Approval Order a Bar Order that meets all of the following requirements, or such lesser requirements as are acceptable to PBGC:

Except for any Class member who has validly and timely elected to Opt-Out, each member of the Class is barred and permanently enjoined from bringing, either derivatively or on behalf of themselves, or through any person purporting to act on their behalf or purporting to assert a claim under or through them, any Released Claims against PBGC in any forum, action, or proceeding of any kind.

6.3 Nothing in this Settlement Agreement will be deemed to create or acknowledge the existence or validity of any claim of any person or limit any defense by PBGC to any claim, whether arising from the events giving rise to the Lawsuit or otherwise.

**ARTICLE VII  
GENERAL PROVISIONS**

7.1 The Parties understand and agree that they are entering into this Settlement Agreement by way of a compromise of claims (i) without the admission by any of the Parties of any liability, any wrongdoing, or any failure to act, and (ii) without the admission by any of the Parties that the Settlement Amount is the correct amount of damages, or that there are any damages, for any claim alleged or disputed by any of the Parties. The Parties understand, agree, and intend that this Settlement Agreement and any communications between the Parties relating to it will not be deemed or construed to be an admission of or evidence as to any violation of any statute or law or of any liability or wrongdoing by any Plan administrator, US Airways, the Plan, or by PBGC, or as to the truth of any of the claims, allegations, or defenses asserted or alleged in the Lawsuit. This Settlement Agreement will not be used in any proceeding, except as necessary to enforce the terms hereof.

7.2 This Settlement Agreement, and each of the Parties' representations, warranties, and covenants herein, are binding upon the Parties and their respective successors, beneficiaries, assigns, heirs, and representatives (in their capacities as such), and will inure solely to the benefit of the Parties and each and all of their respective beneficiaries, successors, assigns, heirs, and representatives (in their capacities as such).

7.3 This Settlement Agreement may be executed in one or more counterparts and by different Parties on separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of an executed counterpart

of this Agreement by facsimile or emailed PDF file (to Class Counsel at [jnickens@mcguirewoods.com](mailto:jnickens@mcguirewoods.com) for the Class Representative; to [Albaugh.Colin@pbgc.gov](mailto:Albaugh.Colin@pbgc.gov) for PBGC) will be equally as effective as delivery of an original executed counterpart of this Agreement.

7.4 This Settlement Agreement constitutes the entire and final agreement between the Parties with respect to the matters provided for herein and no other agreement or understanding exists between the Parties with respect to such matters.

7.5 The Parties acknowledge, represent, and warrant that this Settlement Agreement is the result of arms-length negotiation, and that no representation or promise, oral or otherwise, express or implied (including without limitation, representations of fact or opinion), other than those expressly set forth in this Settlement Agreement, has been made by any of the Parties or any of their agents, employees, representatives, or attorneys. This Settlement Agreement was circulated to counsel for the Parties, and the Parties have had the opportunity to review, revise, and modify the Settlement Agreement. The Settlement Agreement has been accepted and approved as to final form by counsel for all of the Parties.

7.6 This Settlement Agreement may not be altered, amended, modified, or otherwise changed in any respect except by an instrument in writing executed by all of the Parties. No provision of this Settlement Agreement may be waived except in writing, signed by the Parties. Waiver by the Parties of any single provision in this Settlement Agreement will not be deemed to be a waiver of any other provision herein.

7.7 The Court will retain exclusive jurisdiction to resolve any disputes or challenges that may arise as to the performance of this Settlement Agreement or any challenges as to the

performance, validity, interpretation, administration, enforcement, or enforceability of the Class Notice, the Bar Order, or this Settlement Agreement.

7.8 All notices, demands, instructions, and other communications required or permitted under this Settlement Agreement to any Party (a “Notice”) must be in writing, will be effective upon receipt, and must be delivered by a nationally recognized pre-paid overnight delivery service. Unless otherwise specified in a Notice sent or delivered in accordance with the foregoing provisions of this Section, Notices must be sent to the Parties as indicated below:

To PBGC: Pension Benefit Guaranty Corporation  
Office of the Chief Counsel  
Attn: Colin B. Albaugh, Jean Marie Breen  
1200 K Street, N.W.  
Washington, D.C. 20005-4026  
Telephone: (202) 326-4020  
Facsimile: (202) 326-4112

To Class Representatives: Jacks C. Nickens  
McGuireWoods LLP  
600 Travis Street, Suite 7500  
Houston, Texas 77002  
Telephone: (713) 353-6668  
Facsimile: (713)571-9652

7.9. The language used in this Settlement Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against any Party. Nor will any rule of construction that favors a non-draftsman be applied. A reference to any statute will be deemed also to refer to all rules and regulations promulgated under the statute, unless the context requires otherwise. Unless specifically otherwise provided or the context otherwise requires, the singular includes the plural and the plural the singular; the word “or” is deemed to include “and/or”, the words “including”,

“includes”, and “include” are deemed to be followed by the words “without limitation”; and references to sections or exhibits are to those of this Settlement Agreement. Headings in this Settlement Agreement are included for convenience of reference only and do not constitute a part of this Agreement for any other purpose.

Agreed to this \_\_\_\_ day of \_\_\_\_\_, 2014, by the Class Representative, on behalf of the Class, and PBGC, as statutory trustee of the Plan, whose signatures are set forth below.

CLASS REPRESENTATIVE

\_\_\_\_\_  
John Davis

PENSION BENEFIT GUARANTY CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_