

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of the Treasury (collectively the “United States”), Delta Air Lines, Inc. (“Delta”), and H Remidez, LLC, and its owners, their heirs, and the successors, attorneys, agents, and assigns of any of them (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

- A. Delta is a global airline carrier headquartered in Atlanta, Georgia.
- B. On March 15, 2023, H Remidez, LLC filed a *qui tam* action in the United States District Court for the Northern District of Georgia captioned *United States ex rel. H Remidez, LLC v. Delta Air Lines, Inc.*, No. 1-23-cv-01116, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (“the Civil Action”).
- C. The United States contends that it has certain civil claims against Delta arising from the conduct described below in Paragraphs D and E. That conduct is referred to below as the Covered Conduct.
- D. On April 20, 2020, Delta entered into an agreement with the United States Department of the Treasury (“UST”) pursuant to the CARES Act and the Payroll Support Program (“PSP”). Under the PSP agreement, Delta assumed the obligation to meet certain conditions in exchange for accepting and retaining PSP funds from UST. Delta was required to use those funds to pay and retain employees on its payroll during the COVID-19 pandemic. Paragraphs 7 and 8 of that agreement also required that for employees and officers of Delta whose compensation for calendar year 2019 exceeded

\$425,000, total compensation for “any 12 consecutive month” period could not exceed certain specified levels during the next two years. On January 15, 2021 and April 23, 2021, Delta executed additional PSP agreements that extended the compensation limit period to April 1, 2023 and provided additional program funds to Delta. In total, Delta received approximately \$11.9 billion in funds through the PSP program, of which at least \$8.2 billion was provided in the form of grants that do not have to be repaid. The PSP agreements contained “Remedies” provisions, which provide the government the right to demand the return of funds it paid Delta in the event of a breach of the agreements. Delta is not alleged to have misused PSP funds or otherwise to have violated the no-layoff provisions of the PSP agreements.

E. The United States alleges that between March 2020 and April 2023, Delta incorrectly calculated compensation limits under the PSP agreements, and thus the compensation it awarded to some corporate officers and employees making over \$425,000 in calendar year 2019 exceeded the limits set by the PSP agreements. Delta then violated the False Claims Act by (a) inaccurately certifying compliance with PSP Paragraphs 7 and 8 in quarterly reports submitted to UST, and (b) not notifying UST of the breach, once it was discovered, which would have given the government the right to demand the return of funds.

F. This Settlement Agreement is neither an admission of liability by Delta nor a concession by the United States that its claims are not well founded. Delta denies the allegations in Paragraph E and the Relator’s allegations in the Civil Action.

G. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, plus attorneys' fees and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Delta shall pay to the United States \$8,100,000 plus interest accruing at a rate of 5 percent per annum from June 12, 2025 through the date of payment ("Settlement Amount"), by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice no later than ten days after the Effective Date of this Agreement. Of the Settlement Amount, \$4,050,000 constitutes restitution.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$850,500 to H Remidez, LLC by electronic funds transfer or by wire to H Remidez, LLC's counsel Hoyer Law Group, PLLC (Relator's Share).

3. Delta shall pay to H Remidez, LLC \$100,000 (Attorney's Fees Amount) pursuant to 31 U.S.C. § 3730(d) in one lump sum payment by electronic funds transfer or by wire to H Remidez, LLC's counsel Hoyer Law Group, PLLC, pursuant to written instructions to be provided by Hoyer Law Group, PLLC, no later than ten days after the Effective Date of this Agreement.

4. Subject to the exceptions in Paragraph 6 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases Delta, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Contract Disputes Act, 41 U.S.C. §§ 7101-7109; the Remedies provisions of the PSP agreements; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. Upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1 and upon Relator's receipt of the Attorney's Fees Amount under Paragraph 3, Relator releases Delta from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

6. Notwithstanding the releases given in Paragraph 4 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy,

including the suspension and debarment rights of any federal agency;

- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;
- h. Any liability for failure to deliver goods or services due;
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. Relator shall not object to this Agreement but instead shall agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the Relator's Share, Relator fully and finally releases, waives, and forever discharges the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

8. Upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1 and Relator's receipt of the Attorney's Fees Amount under Paragraph 3, Relator fully and finally releases, discharges and holds harmless Delta, together with its current or former direct or indirect parent and member corporations,

divisions, current or former owners, and current and former officers, directors, employees, and affiliates; and the successors and assigns of any of them, from any and all claims, known or unknown, asserted or unasserted, arising from the filing of the Civil Action, under 31 U.S.C. § 3730, at common law, in equity, or otherwise.

9. Delta waives and shall not assert any defenses Delta may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

10. Delta fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Delta has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

11. Delta fully and finally releases the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Delta has asserted, could have asserted, or may assert in the future against the Relator, related to the Civil Action and the Relator's investigation and prosecution thereof.

12. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Delta, and its

present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Delta's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) the payment Delta makes to the United States pursuant to this Agreement and any payments that Delta may make to Relator, including costs and attorneys' fees,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Delta, and Delta shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Delta shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Delta or any of its subsidiaries or affiliates from the United States. Delta agrees that the United States, at a minimum, shall

be entitled to recoup from Delta any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Delta's books and records and to disagree with any calculations submitted by Delta or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Delta, or the effect of any such Unallowable Costs on the amount of such payments.

13. Delta agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Delta shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Delta further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

14. This Agreement is intended to be for the benefit of the Parties only.

15. Upon receipt of the payments described in Paragraph 1 and 3, above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).

16. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

17. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

18. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Northern District of Georgia. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

19. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

20. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

21. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

22. This Agreement is binding on Delta's successors, transferees, heirs, and assigns.

23. This Agreement is binding on Relator's owners, and the successors, transferees, heirs, and assigns of Relator and its owners.

24. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

25. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[SIGNATURE PAGES FOLLOW]

THE UNITED STATES OF AMERICA

DATED:

7/1/25

BY:



Christopher Bilkerton
Acting General Counsel
United States Department of the Treasury

DATED: _____

BY: _____

Anthony DeCinque
Assistant United States Attorney
Northern District of Georgia

DATED: _____

BY: _____

James Nealon
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

THE UNITED STATES OF AMERICA

DATED: _____ BY: _____
Christopher Pilkerton
Acting General Counsel
United States Department of the Treasury

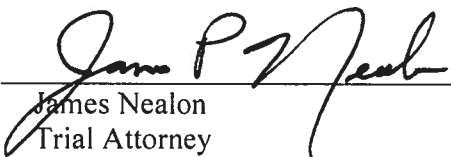
DATED: 7/11/2025 BY: _____
Anthony DeCinque
Assistant United States Attorney
Northern District of Georgia

DATED: _____ BY: _____
James Nealon
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice


THE UNITED STATES OF AMERICA


DATED: _____ BY: _____
Christopher Pilkerton
Acting General Counsel
United States Department of the Treasury


DATED: _____ BY: _____
Anthony DeCinque
Assistant United States Attorney
Northern District of Georgia

DATED: 6/26/2025 BY: 
James Nealon
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

RELATOR

DATED: 06 / 25 / 2025 BY: 
Dr. Herbert Remidez, Jr.

DATED: 06 / 25 / 2025 BY: 
H Remidez, LLC
By its President, Dr. Herbert Remidez, Jr.

DATED: 06 / 25 / 2025 BY: 
David Scher
Hoyer Law Group, PLLC
Counsel for Relator

DELTA AIR LINES, INC.

DATED: 7/11/25 BY: Marguerite H. Taylor
Marguerite H. Taylor
Deputy General Counsel & Chief Litigation Counsel
Delta Air Lines, Inc.

DATED: 7/11/25 BY: Jonathan L. Diesenhaus
Jonathan L. Diesenhaus
Peter H. Walsh
Hogan Lovells US, LLP
Counsel for Delta Air Lines, Inc.