

**SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS**

*Southern Airways Corp. v. Benjamin Ryan and Nathaniel Hilliard,*  
Case No. 50-2023-ca-014213-xxxx-mb,  
In the Circuit Court of the Fifteenth Judicial Circuit  
In and For Palm Beach County, Florida

**I. DEFINITIONS**

1. "Agreement" means this Settlement Agreement and Release of Claims.
2. "Class Counsel" means Jeffrey L. Newsome, II, of Varnell & Warwick, P.A., and Rachel Dempsey, of Towards Justice.
3. "Named Counter-Plaintiffs" means Benjamin Ryan and Nathaniel Hilliard.
4. "Approval Order" means an Order approving the terms of the Agreement, authorizing the distribution of individual payments to Named Counter-Plaintiffs and the Disgorgement Sub-Class Members, and dismissing the lawsuit.
5. "Defendant Class" means all of Southern's pilots subject to Southern's TRAP Agreement, as defined below, who have been sued by Southern to collect the TRAP debt in Palm Beach County.
6. "Defendant Disgorgement Sub-Class" means all members of the Defendant Class who made payment or partial payment to Southern pursuant to the TRAP Agreement.
7. "TRAP Agreement Class" means all of Southern's pilots subject to the TRAP Agreement who have not been sued to collect the TRAP debt in Palm Beach County, Florida.
8. "Class Members" means members of the Defendant Class and the TRAP Agreement Class.
9. "FLSA" means the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.*
10. "Plaintiff Released Claims" means the Class Members' claims under the FLSA, the Trafficking Victims Protection Act, 18 U.S.C. § 1589(a), and Florida Statutes 542.18, *et seq.*, including for monetary damages and injunctive and declaratory relief, asserted in the Lawsuit against Southern, and Southern's claims asserted in the Lawsuit against Defendant/Counter-Plaintiff Benjamin Ryan.
11. "Defendant Released Claims" means all claims that arise out of the Class Members employment with Southern.
12. "Settlement Administrator" means CAC Services Group LLC.
13. "Settlement Fund" means the common settlement fund described *infra*.
14. "Settlement Effective Date" means, for any discrete portion of this settlement, the first day after the last of the following occurrences: (i) the issuance of a Final Judgment, (ii) the date on which any objector's time to appeal the Final Approval

Order has expired with no appeal or other judicial review having been taken or sought, or (iii) if an appeal of the Final Approval Order has been timely filed, the date the Final Approval Order is finally affirmed in its entirety with no possibility of subsequent appeal or other judicial review, or the date the appeal(s) or other judicial review are finally dismissed with no possibility of subsequent appeal or other judicial review.

15. "TRAP Agreement" means promissory notes between Southern and the Class Members.
16. "Litigation" means the lawsuit styled *Southern Airways Corp. v. Benjamin Ryan and Nathaniel Hilliard*, Case No. 50-2023-ca-014213-xxxx-mb In the County Court of the Fifteenth Judicial Circuit Palm Beach County, Florida.

## II. RECITALS

WHEREAS, On August 4, 2023, Southern filed the Litigation against Defendant/Counter-Plaintiff Benjamin Ryan ("Ryan"), alleging that Ryan failed to pay an amount due to Southern pursuant to a TRAP Agreement between Southern and Ryan;

WHEREAS, On January 16, 2025, Named Counter-Plaintiffs filed their Class Counterclaim in the Litigation, alleging that Southern violated the FLSA, the Trafficking Victims Protection Act, 18 U.S.C. § 1589, *et seq.*, and Florida law by requiring them to reimburse Southern for certain training expenses incurred on their behalf;

WHEREAS, The Parties have engaged in significant discovery and motion practice during the prosecution of the Litigation;

WHEREAS, The Parties understand that their counsel have thoroughly investigated the facts relating to the claims alleged in the Litigation, including the events and transactions underlying the Litigation, through formal and informal discovery, and have made a thorough study of the legal principles applicable to the claims being asserted by and against Southern;

WHEREAS, The Parties engaged in a full-day mediation with Rodney Max concerning the settlement of the claims and causes of action asserted in the Litigation and thereafter engaged in direct negotiations between counsel;

WHEREAS, As a product of such negotiations, the Parties arrived at an agreement to settle the Litigation on the basis described herein, subject to Court approval;

WHEREAS, Southern denies all of the allegations in the Litigation and any and all liability and damages of any kind to anyone with respect to these alleged facts or causes of action asserted in the Litigation, but nonetheless, without admitting or conceding any

liability or damages whatsoever, has agreed to settle the Litigation on the terms and conditions set forth in this Agreement to avoid the burden, expense, and uncertainty of continuing the Litigation;

WHEREAS, The Parties recognize that the outcome of the Litigation is uncertain and that achieving a final result through the litigation process would require substantial additional risk, discovery, time, and expense;

WHEREAS, The Named Counter-Plaintiffs through Class Counsel have conducted an investigation and evaluation of the facts and law relating to the claims asserted in the Litigation to determine how best to serve the interest of all Class Members and believe, in view of the costs, risks, and delay of continued litigation balanced against the benefits of settlement, that the settlement as provided in this Agreement is in the best interests of the class and collective and that the settlement provided in this Agreement represents a fair, reasonable, and adequate resolution of the Litigation;

NOW THEREFORE, the Parties, intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set forth herein, do hereby agree as follows:

**III. EXHIBITS**

The following exhibits are attached to this Agreement.

1. Exhibit A: Class List
2. Exhibit B: Class Notice
3. Exhibit C: Proposed Order

**IV. SETTLEMENT TERMS**

**A. Settlement Fund.**

Defendant agrees that a common settlement fund in the amount of Three Hundred Fifty Thousand Dollars and No Cents (\$350,000.00) will be established by the Settlement Administrator to resolve the monetary claims of the Named Counter-Plaintiffs and the Defendant Disgorgement Sub-Class Members against Southern.

1. This Settlement Fund is inclusive of any and all alleged damages, liquidated damages, penalties, attorneys' fees, costs, expenses, including reasonable settlement administration costs, and any reasonable service award. The settlement is non-reversionary, meaning that no part of the Settlement Fund shall revert back to the

Southern. the Parties are to each pay their own fees, costs, and expenses, other than those approved by the Court to come from the Settlement Fund.

2. Named Counter-Plaintiffs intend to seek approval of the Court to divide this Settlement Fund as follows:

- a. Attorneys' fees in an amount not to exceed \$177,250 for Class Counsel.
- b. Costs in an amount not to exceed \$11,000.
- c. Administration costs of approximately \$3,000.
- d. Service award of \$2,500 for the Named Counter-Plaintiff Benjamin Ryan.
- e. Service award of \$2,500 for the Named Counter-Plaintiff Nathaniel Hilliard.
- f. The remainder of the Settlement Fund ("Net Settlement Fund"), in an amount no less than \$153,750 to be distributed to the Defendant Disgorgement Sub-Class Members pursuant to the allocation formulas described in Section IV.B, *infra*.

3. Amounts from attorneys' fees, service awards, settlement administration costs, and litigation costs that are not awarded (and/or, in the case of settlement administration costs, not spent) shall be reallocated to the Net Settlement Fund for allocation to the Defendant Disgorgement Sub-Class. The Parties agree and understand that the Court has ultimate authority to accept, reject, or modify the attorneys' fees, service awards, and award of costs, and the settlement is not contingent on the Court's approval of the amounts requested for those items.

4. Any funds left over after the distribution of the settlement funds, i.e., amounts from uncashed checks, shall be distributed on a *cy pres* basis to FoolProof Foundation.

**B. Allocation Formula.**

1. The settlement for the Defendant Disgorgement Sub-Class is allocated as follows:

- a. The Defendant Disgorgement Sub-Class Members paid Southern a total of \$285,838.78. Through the Net Settlement Fund of \$156,750, Southern shall return 54.84 per cent of the monies collected on a *pro rata* basis. The precise amount to be returned to each Defendant Disgorgement Sub-Class Member is set forth on Exhibit A.

**C. Notice Process.**

Notice and an opportunity to object to the settlement shall be afforded to all Class Members, and will be issued the notice attached as Exhibit B.

To the extent not already provided, Southern shall provide to Class Counsel and the Settlement Administrator the last known home address, email address, and phone number of the Class Members.

A settlement website shall be created using the URL <https://www.ryanemploymentsettlement.com>, or something similar, which will provide access to each version of the settlement notice, important Court documents, contact information for the settlement administrator and Class Counsel, a form to provide updated contact information, and a form to indicate preference for payment method (check, Venmo, PayPal, Zelle) and other information deemed necessary. The electronic notice packet shall include links to the website.

The Settlement Administrator shall send the notices by first-class mail to the last known address of all Class Members. The Settlement Administrator shall also issue a brief notice by text and email (to the extent that telephone numbers and email addresses are available) containing a link to the settlement website. For individuals for whom the mailed notice is undeliverable, the Settlement Administrator shall use all reasonable efforts to locate updated addresses and shall promptly mail the notice packets by first-class mail to the updated address.

**Objection process:** Any Class Member who intends to object to the fairness of the settlement must, no later than 45 days after the notice is sent, serve any such objection on the Settlement Administrator, who shall promptly forward the objection to Class Counsel and Southern's Counsel. Any objection to the settlement must include: (i) the objector's full name, address, email address, and telephone number; (ii) a written statement of all grounds for the objection; (iii) a statement whether the objector intends to appear at the Final Approval Hearing; and (iv) the objector's signature. If the objector intends to appear at the Final Approval Hearing through counsel, the objection must also state the identity of any attorneys representing the objector who will appear at the Final Approval Hearing.

**D. The Parties' Releases.**

1. **Named Counter-Plaintiff Benjamin Ryan's General Release:** Benjamin Ryan hereby releases Southern of and from all known and unknown claims.

2. **Named Counter-Plaintiff Nathaniel Hilliard's General Release:** Nathaniel Hilliard hereby released Southern of and from all known and unknown claims.

2. **Class Members' Release:** All Class Members hereby release Southern of and from all known and unknown claims for (1) an unlawful kickback and/or failure to pay wages free and clear under the Fair Labor Standards Act, (2) violation of the Trafficking Victims Protection Act, (3) any claim that the TRAP Agreement constitutes an unenforceable penalty, (4) any claim for abuse of the judicial process, and (5) and any other claims that were asserted or that could have been asserted under state or federal laws based on the facts alleged in the operative complaint.

3. **Southern's Release:** Southern Releases all Class Members from all claims arising out of the Class Members' employment with Southern.

**E. Non-monetary Terms and Southern's Releases.**

In addition to monetary relief, the Parties agree to the following non-monetary terms as part of the settlement:

1. **TRAP Agreements Declared Null and Void.**

- a. The parties hereby agree that the TRAP Agreements entered into with Southern by the Class Members are cancelled and hereby declared null and void, and that the parties to those agreements have no further obligations to each other, to the extent that those obligations may have been created by the agreements.
- b. Southern hereby releases entitlement to and shall not pursue (and/or shall discontinue) any collection efforts under the training repayment agreements against the Class Members for any amount, and shall instruct third-party collection agencies and any other entities that may have involvement in collection efforts for Defendant to do the same.
- c. The parties agree that Southern's release of claims against Class Members, described in this section, is not a discharge of debt but instead is an agreement to waive and to not to enforce certain contractual provisions. Moreover, Named Counter-Plaintiffs take the position that the monies being released are not valid debts and that efforts to collect the debts are unlawful.
- d. After final approval of the settlement, Southern will use its best efforts to ensure that notice is provided to the national credit reporting agencies (Experian, Equifax and TransUnion) of the current status of any accounts of the Class Members that may have been reported to said agency and to remove any negative reporting. In addition, Southern will ensure that the

Class Members' Pilot Record Database is free of negative reporting related to this lawsuit.

- e. Southern will not in the future use a promissory note that is substantially similar to the challenged aspects of the TRAP Agreement.

**F. Settlement Approval Process.**

The Parties agree to seek approval of the settlement with the Court in this matter as follows:

1. **Preliminary Approval:** Class Counsel will file a Motion for Preliminary Approval of Settlement. Class Counsel will simultaneously submit a Proposed Order Preliminarily Approving Settlement in substantially the same form as Exhibit C.

2. **Preliminary Petition for Attorneys' Fees and Costs:** Fourteen days before the objection deadline, Class Counsel shall file a preliminary petition for attorneys' fees and costs, which shall be made available on the settlement website.

3. **Final Approval.** Class Counsel will file a Motion for Final Approval of Settlement. On the date set forth in the Preliminary Approval Order, the Court will hold a final Fairness Hearing, at which time the Court will decide (either at the hearing or by subsequent order) (1) whether to finally approve the Settlement as fair, reasonable, and adequate, and (2) any petitions for attorneys' fees, costs, or service awards.

4. **Effect of No Approval:**

- a. If the Court does not preliminarily approve the settlement, including the settlement approval process, the Parties agree to confer and work cooperatively to take all reasonable steps to obtain preliminary and final settlement approval.
- b. If the settlement does not receive final approval from the Court, this Agreement is null and void. Nonetheless, the Parties agree to confer and to work cooperatively to take all reasonable steps to determine the best path to final approval of the settlement and attempt to address any concerns that the Court may have with the proposed settlement. However, if the settlement still is not approved, this Agreement will be null and void. Neither party shall be prejudiced by the delay caused by the settlement approval process, and neither party shall use the settlement approval process or any aspects of the parties' agreement as an admission in any proceeding.

**5. Settlement Administration.**

If the Court grants preliminary approval of this Agreement, the settlement will be administered by the Settlement Administrator, which shall have the following duties: (1) establishment and administration of the settlement websites and issuance of notices (with follow-up as necessary); (2) responding to Class Members' inquiries; (3) collection of updated contact information and objections; (4) providing updates to counsel on the results of the notice process on an at least biweekly basis; (5) issuing settlement payments; (6) issuing tax forms to class members; and (8) any other responsibilities reasonably necessary to facilitate the settlement approval and payment process. The Settlement Administrator shall also be responsible for establishing the Qualified Settlement Fund, as set forth in more detail in Section IV.H, *infra*.

**G. Qualified Settlement Fund.**

The Settlement Administrator shall be responsible for establishing a Qualified Settlement Fund. Southern shall deposit \$350,000 into the Qualified Settlement Fund established by the Settlement Administrator not later than 35 days after an order from the Court granting final approval of the settlement. Class Counsel or the Settlement Administrator shall provide banking instructions to Southern's counsel.

**H. Timeline for Notice.**

The parties agree to the following timeline for data production and the notice process:

1. No later than 10 days after this Agreement is fully executed, to the extent not already provided, Southern shall provide to Class Counsel a complete accounting of all amounts paid to Southern by members of the Defendant Disgorgement Sub-Class.

2. The Settlement Administrator shall create the settlement websites and prepare the notice packets for review by counsel no later than two weeks after the Court grants preliminary approval, and counsel for the Parties shall have one week to review the websites and notice packets (until no later than three weeks after the Court grants preliminary approval).

3. The notices shall be disseminated and the website shall go live no later than one week after the deadline for counsel to review the website and notice packets (no later than four weeks after the Court grants preliminary approval).

4. The Parties agree that if issues arise with respect to the deadlines to produce data or other information in this Agreement, they will work cooperatively to remedy any

issues so that the entire Agreement remains in force and without prejudice to the Parties' rights under the Agreement.

**I. Issuance of payments.**

The Settlement Administrator shall issue payments to (1) Named Counter-Plaintiffs, (2) Defendant Disgorgement Sub-class Members, (3) Class Counsel, and (4) **itself**, in Court-approved amounts, from the Qualified Settlement Fund within 30 days after the Settlement Effective Date. Payment shall be made based on preference (check, Venmo, PayPal, Zelle). If no preference is indicated, or if adequate information is not provided to implement that preference, payment shall be made by check, which shall expire within 120 days of issuance.

If any settlement checks are returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the person (including using the Social Security Number of that individual and any other identifying information and/or by contacting the person via email or telephone). Upon request, the Settlement Administrator will promptly reissue checks that were mailed but not cashed during the 90-day time period to deposit/cash checks from the settlement. Any settlement check that remains undeliverable or is not cashed after all checks have expired shall be cancelled and voided, and remaining monies (after any applicable cancellation or void fees) shall be distributed on a *cy pres* basis to FoolProof Foundation without further order of the Court.

**J. No Admission of Liability.**

By entering into this Agreement, Southern admits no liability of any kind, and Southern expressly denies any liability or wrongdoing. Accordingly, the Parties agree that none of them has prevailed, nor shall this Agreement be construed as evidence that any party has prevailed in this matter or that any alleged damages exist. This Agreement shall not be construed as a concession by Southern that any of its affirmative defenses are not valid and supported by the facts; to the contrary, Southern expressly asserts that all of its affirmative defenses are valid in law and fact, including without limitation or offset, which includes but is not limited to all damages suffered by Southern. This Agreement shall not be admissible in any court or other proceeding except as necessary in connection with a claim of breach of this Agreement or an effort to enforce this Agreement.

**K. Choice of Law.**

The enforcement of this Agreement shall be governed and interpreted by and under the laws of the State of Florida whether or not any party is or may hereafter be a resident of another state.

**L. Extension of Time.**

The Parties may agree upon a reasonable extension of time for deadlines and dates reflected in this Agreement, without further notice to the Court, subject to Court approval as to Court dates.

**M. No Waivers, Modifications, Amendments.**

This Agreement constitutes the entire agreement of the Parties concerning the subjects contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement. No waiver, modification, or amendment of the terms of this Agreement, whether purportedly made before or after the Court's approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all Parties and then only to the extent set forth in such written waiver, modification or amendment, subject to any required Court approval. Any failure by any party to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the other provisions of this Agreement, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

**N. Court Retains Jurisdiction To Enforce Agreement.**

The Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, shall retain jurisdiction with respect to the implementation and enforcement of the terms of the Agreement, to the extent permitted by law, and all Parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Agreement. Any questions regarding the scope of the release of the Agreement as it applies to any other litigation in any state or federal court in the United States shall be determined by the state or federal court where such other litigation is taking place.

**O. Agreement to Cooperate.**

The Parties acknowledge that it is their intent to consummate this settlement, and they agree to cooperate to the extent necessary to effectuate and implement all terms and conditions of this Agreement and to exercise their best efforts to accomplish the foregoing terms and conditions of this Agreement.

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**P. Notice.**

Whenever, under the terms of this Agreement, a person is required to provide service or written notice to Southern, Southern's Counsel, or any Class Member, or Class Counsel, such service or notice shall be directed to the individuals and addresses specified below:

*As to Class Counsel or any Class Member:*

Jeffrey L. Newsome, II  
Janet R. Varnell  
**VARNELL & WARWICK, P.A.**  
400 N. Ashley Drive, Suite 1900  
Tampa, Florida 33602  
jnewsome@vandwlaw.com  
jvarnell@vandwlaw.com

John F. Romano  
**ROMANO LAW GROUP**  
Palm Beach International Towers  
1601 Belvedere Road, Suite 500-S  
West Palm Beach, Florida 33406-1551  
john@romanolawgroup.com

Rachel Dempsey  
**TOWARDS JUSTICE**  
PO Box 371680, PMB 44465  
Denver, CO 80237-5680  
rachel@towardsjustice.org

*As to Southern and Southern's Counsel:*

John M. Barcus  
**OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C.**  
8117 Preston Road, Suite 500  
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 9130 S. Dadeland Blvd., Suite 1625  
 Miami, Florida 33156  
 steven.cula@ogletree.com

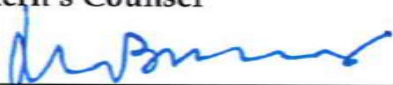
**Q. Counterparts.**

The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if the Named Counter-Plaintiffs and Southern had signed the same instrument. Any signature made electronically and/or transmitted by facsimile for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the signing party.

**R. Corporate Signatories.**

Each party executing this Agreement or any of its exhibits on behalf of any party hereto warrants that such person has the authority to do so. Any person executing this Agreement or any such related documents on behalf of a corporate signatory hereby warrants and promises for the benefit of all Parties hereto that such person is duly authorized by such corporation to execute this Agreement or any such related documents.

APPROVED AS TO FORM:

<p><b>Class Counsel</b>                  By: <u>Jeffrey Newsome</u>                  Name: <u>Jeffrey L. Newsome, II</u>                  Date: <u>06/03/2026</u></p>	<p><b>Southern's Counsel</b>                  By: <u></u>                  Name: <u>John Barcus</u>                  Date: <u>3/3/2026</u></p>
<p><b>Class Counsel</b>                  By: <u>Rachel Dempsey</u>  <small>Rachel Dempsey (Mar 6, 2026 10:17:10 MST)</small>                  Name: <u>Rachel Dempsey</u>                  Date: <u>06/03/2026</u></p>	<p><b>Class Counsel</b>                  By: <u>John Romano</u>  <small>John Romano (Mar 9, 2026 01:12:00 PT)</small>                  Name: <u>John Romano</u>                  Date: <u>03/09/2026</u></p>

<p><b>Named Counter-Plaintiff Benjamin Ryan, individually</b></p> <p>By: <u><i>Benjamin Ryan</i></u> <small>Benjamin Ryan (Mar 6, 2026 11:47:58 EST)</small></p> <p>Name: <u>Benjamin Ryan</u></p> <p>Date: <u>Mar 6, 2026</u></p>	<p><b>Plaintiff/Counter-Defendant Southern Airways</b></p> <p>DocuSigned by: <u><i>Deanna White</i></u> <small>04FD260F09DF45B...</small></p> <p>By: _____</p> <p>Name: <u>Deanna White</u></p> <p>Title: <u>CEO and COO</u></p> <p>Date: <u>02-Mar-2026</u></p>
<p><b>Named Counter-Plaintiff Benjamin Ryan, on behalf of the Class Members</b></p> <p>By: <u><i>Benjamin Ryan</i></u> <small>Benjamin Ryan (Mar 6, 2026 11:47:58 EST)</small></p> <p>Name: <u>Benjamin Ryan</u></p> <p>Title: <u>Class Representative</u></p> <p>Date: <u>Mar 6, 2026</u></p>	
<p><b>Named Counter-Plaintiff Nathaniel Hilliard, individually</b></p> <p>By: <u><i>Nathaniel R. Hilliard</i></u> <small>Nathaniel R. Hilliard (Mar 6, 2026 10:51:38 CST)</small></p> <p>Name: <u>Nathaniel Hilliard</u></p> <p>Date: <u>Mar 6, 2026</u></p>	

**Named Counter-Plaintiff Nathaniel Hilliard, on behalf of the Class Members**

**By:** *Nathaniel R. Hilliard*  
Nathaniel R. Hilliard (Mar 6, 2026 10:51:38 CST)

**Name:** Nathaniel Hilliard

**Title:** Class Representative

Mar 6, 2026

**Date:** \_\_\_\_\_