



Telephone No: (860) 244-8600

Fax No: (860) 240-4280

**CONCILIATION AGREEMENT
BETWEEN
THE U.S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS AND
SOUTHERN AIR, INC.
7310 TURFWAY ROAD, SUITE 400
FLORENCE, KY 41042**

OFCCP COMPLAINT NO. I00172946

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Southern Air, Inc., 7310 Turfway Road, Suite 400, Florence, KY 41042 (hereinafter SAI).
2. The reasonable cause determinations identified in this Agreement were found during a complaint investigation at SAI's Norwalk, Connecticut facility which began on March 9, 2012, and were specified in a Reasonable Cause Finding issued on June 28, 2014. OFCCP found reasonable cause to believe that SAI violated Executive Order 11246, as amended, and implementing regulations at 41 CFR Chapter 60 and Title VII of the Civil Rights Act of 1964 due to the specific action cited in Part II below.
3. This Agreement does not constitute an admission by SAI of any violation of the Executive Order 11246, as amended and implementing regulations, and SAI specifically denies that any such violations occurred.
4. SAI agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, interview witnesses, and examine and copy such documents as may be relevant to the matter under investigation and pertinent to SAI's compliance.
5. Nothing herein is intended to relieve SAI from the obligation to comply with the requirements of the Executive Order 11246, as amended, and/or Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.

6. SAI agrees that there will be no retaliation of any kind against any beneficiary of this Agreement, or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceedings under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212). In addition, this Agreement in no way limits the applicability of the revised regulations implementing Section 503 of the Rehabilitation Act of 1973, as amended (78 Fed. Reg. 58682) (Sep. 24, 2013, also online at <http://www.ecfr.gov>) and the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (78 Fed. Reg. 58614) (Sep. 24, 2013, also online at <http://www.ecfr.gov>), which became effective on March 24, 2014.
7. This Agreement will be deemed to have been accepted by the Government on the date of signature by the Regional Director for OFCCP, unless the Director, OFCCP indicates otherwise within 45 calendar days of the Regional Director's signature of this Agreement.
8. If at any time in the future, OFCCP believes that SAI has violated any portion of this Agreement during the term of this Agreement, SAI will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide SAI with 15 calendar days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuance of a Show Cause Notice.

Where OFCCP believes that SAI has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and will not be required to present proof of the underlying violations resolved by this Agreement.

Liability for violation of this Agreement may subject SAI to sanctions set forth in Section 209 of the Executive Order 11246 and/or other appropriate relief.

9. OFCCP agrees to withdraw promptly all claims by it or by the U.S. Department of Labor related to (b) (7) (c) filed in the United States Bankruptcy Court voluntary case under Chapter 11 of the Bankruptcy Code filed by debtors Southern Air Holdings, Inc., et al.

PART II - Specific Provisions

1. **ALLEGED VIOLATION**: OFCCP's analysis of SAI's compensation data submitted in response to OFCCP's request during the investigation of OFCCP Complaint #I00172946 has led it to conclude that there is reasonable cause to believe that SAI provided lower compensation to the three female complainants than to male employees within the same departments. Accordingly, OFCCP determines that there is reasonable cause to believe that SAI discriminated in

compensation by paying these individuals less than similarly situated counterparts in violation of 41 CFR 60-1.4 (a) (1).

REMEDY: SAI agrees to provide complainants (b) (7) (c) with make whole remedies for a total monetary value of \$121,500 in accordance with Exhibits A-1, A-2, and A-3 attached hereto. The payments will be subject to normal federal and state withholding taxes and will be paid in the form of checks payable to (b) (7) (c) and mailed to them at their most current home addresses to be provided by OFCCP to Southern Air upon receipt of the signed Exhibits A-1, A-2 and A-3 and within 30 days of passage of the 45-day period described in Paragraph 7 above. SAI has conducted a compensation analysis or pay equity study to ensure that there is no gender, race or ethnicity related compensation disparities. SAI will continue to conduct compensation analyses or pay equity studies, at least annually as long as it remains a federal contractor.

FUTURE CONDUCT: SAI will not repeat the above potential violation.

NO VIOLATION: OFCCP's analysis of the testimony and documents provided in response to OFCCP's requests during the investigation of OFCCP Complaint #I00172946 (including Complaints (b) (7) (c) dated February 2, 2012; by (b) (7) (c) dated April 20, 2012; and by (b) (7) (c) dated May 29, 2012) has led it to conclude that there is insufficient evidence to establish reasonable cause to believe that SAI engaged in the other alleged violations of Title VII alleged in the (b) (7) (c) complaints, copies of which are attached hereto as Exhibit B.

PART III - Reporting

In order for OFCCP to monitor SAI's progress toward fulfilling the provisions of this Agreement, SAI will submit a report due in the Hartford District Office 30 days after the expiration of the 45-day period described in Paragraph 7 above. The report will include documentation of the payments (backpay and interest) made to each of the complainants. The documentation must include, but not be limited to, a copy of a canceled check or other equivalent documentation verifying payment to each individual.

SAI shall send the report to:

U. S. Department of Labor
Office of Federal Contract Compliance Programs
Hartford District Office
135 High Street, Room 219
Hartford, CT 06103
Attn. Tracey Mills

SAI shall retain all records pertinent to the alleged violation resolved by this Conciliation Agreement and the reports submitted under it (including the underlying data/information upon which the reports are based) until the expiration date of this Conciliation Agreement or consistent with regulatory timeframes, whichever is later.

Southern Air, Inc.
Conciliation Agreement
(I00172946)

Termination Date:

The termination date of this Agreement will be sixty (60) days after receipt of the progress report or if compliance is not accomplished by that date, then this Agreement shall remain in full force and effect until compliance is achieved.

Southern Air, Inc.
Conciliation Agreement
(100172946)

PART IV: Signatures

The person signing this Conciliation Agreement on behalf of Southern Air Inc. personally warrants that he is fully authorized to do so, that Southern Air Inc. entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on Southern Air Inc. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Southern Air Inc.

(b) (7) (c)
[Redacted Signature]

JON OLIN
Chief Legal Officer
Southern Air Inc.

(b) (7) (e)
[Redacted Signature]

Compliance Officer
Hartford District Office
OFCCP – Northeast Region

DATE June 27, 2014

(b) (7) (c)
[Redacted Signature]

TRACEY MILLS
Assistant District Director
Hartford District Office
OFCCP – Northeast Region

DATE 6/30/14

DATE June 30, 2014

(b) (7) (c)
[Redacted Signature]

MARY ELLEN BENTIVOGLI
District Director
Buffalo & Hartford Offices
OFCCP – Northeast Region

DATE June 30, 2014

(b) (7) (c)
[Redacted Signature]

DIANA SEN
Regional Director
New York Regional Office
OFCCP – Northeast Region

DATE 6/30/14