

APPENDIX

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APPENDIX A
U.S. COURT OF APPEALS FOR THE THIRD
CIRCUIT

No. 25-1064

DANIEL GEORGE,
Appellant

v.

PIEDMONT AIRLINES, INC.

On Appeal from the U.S. District Court, E.D. Pa.
Chief Judge Mitchell S. Goldberg, No. 2:23-cv-03939

Before: SHWARTZ, BIBAS, and PHIPPS, *Circuit*
Judges

Submitted: Mar. 3, 2026; Filed: May 5, 2026

NONPRECEDENTIAL OPINION*

BIBAS, *Circuit Judge*. Some claims must be adjudicated out of court. Daniel George claims that his former employer, Piedmont Airlines, violated an anti-discrimination law. But because his claim depends on interpreting his collective-bargaining agreement, it must go to arbitration. So we will affirm the District Court's dismissal.

George was both a pilot for Piedmont Airlines and a Lieutenant Colonel in the U.S. Air Force Reserve. In the fall of 2019, he started a military leave of absence. Two years later, Piedmont and its pilots' union added a new bonus program to their collective-bargaining agreement. Under that program, if a pilot was hired by American Airlines (Piedmont's parent company) while still employed by Piedmont, he would get a \$70,000 bonus in his last paycheck.

While still on military leave, George interviewed with and got a job offer from American. He told his Piedmont supervisor that he had the offer from American and planned to leave Piedmont; at first, his supervisor responded that he should get the bonus automatically. So George told Piedmont that he would resign in three weeks to start the new job. But the next day, his supervisor called back to say that his resignation would become effective immediately. Soon after, another Piedmont employee said he would not get the bonus.

George and his union filed a grievance under the collective-bargaining agreement, challenging Piedmont's

* This is not an opinion of the full Court and, under 3d Cir. IOP 5.7, is not binding precedent.

denying him the bonus. Yet the arbitration panel rejected that grievance, reasoning that when American hired George, he was no longer a Piedmont employee.

Then George filed this lawsuit, alleging that Piedmont had violated the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) by denying him the bonus because of his military service. The District Court dismissed for lack of subject-matter jurisdiction, concluding that the Railway Labor Act required arbitrating his claim. *George v. Piedmont Airlines, Inc.*, 761 F. Supp. 3d 804, 807 (E.D. Pa. 2025). Reviewing de novo, we conclude that the Railway Labor Act does indeed prevent us from deciding the merits of George’s claim. *Stouffer v. Union R.R.*, 85 F.4th 139, 143 (3d Cir. 2023).

Under the Railway Labor Act, “minor disputes” between labor and management in railroads and airlines must go to arbitration. *Id.* at 144. Minor disputes are ones involving rights created or defined by the parties’ collective-bargaining agreement. When a claim “depends for its resolution on the interpretation of a CBA,” the Railway Labor Act precludes bringing suit on that claim. *Id.* (internal quotation marks omitted). A claim depends on interpreting the agreement when it “may be conclusively resolved by” that interpretation. *Id.* (internal quotation marks omitted). By contrast, “purely factual questions” about an employer’s or employee’s actions or motives do not require interpreting the agreement. *Id.* at 144–45 (internal quotation marks omitted). Claims raising such questions can normally be resolved in court. *See Hawaiian Airlines, Inc. v. Norris*, 512 U.S. 246, 261–62 (1994).

And under USERRA, employers may not discriminate against employees because of their military

service. 38 U.S.C. § 4311(a), (c). They must also treat anyone “absent from a position of employment by reason of service in the uniformed services” as “on furlough or leave of absence while performing such service.” § 4316(b)(1)(A). These employees are “entitled to” the same non-seniority employment benefits that “are generally provided” to similar “employees ... who are on furlough or leave of absence.” § 4316(b)(1)(B). Plus, military service members who are “reemployed” under USERRA are “entitled” to the seniority-based benefits that they “would have attained if [they] had remained continuously employed.” § 4316(a).

Though George tries to pit USERRA against the Railway Labor Act’s arbitration requirement, the two are compatible in this case. USERRA’s rights and benefits cannot be reduced by any state law or by contract. § 4302(b). But the Railway Labor Act set up a “comprehensive framework for resolving labor disputes.” *Stouffer*, 85 F.4th at 143 (internal quotation marks omitted). And nothing in USERRA requires enforcing its protections by courts alone. *See, e.g., Ziober v. BLB Res., Inc.*, 839 F.3d 814, 820 (9th Cir. 2016). Nor will we assume that arbitration cannot effectively vindicate federal rights. *See 14 Penn Plaza LLC v. Pyett*, 556 U.S. 247, 265–69 (2009). So USERRA does not carve out an exception to the Railway Labor Act’s arbitration requirement.

George claims that Piedmont violated USERRA by denying him the non-seniority-based bonus to which the collective-bargaining agreement entitled him. But USERRA does not define the bonus or its terms. Whether George was “employed” by Piedmont turns on how the agreement defined that term. App. 380. If George does not fall within its terms, then the collective-bargaining agreement does not entitle him to the bonus. USERRA might still require giving him the bonus anyway: If the

term covers similarly situated workers on long-term leave or furlough, then George must be given the bonus, too. But if no one on long-term leave or furlough is included, then neither is George. Whether they are included is also a question of interpreting the terms of the agreement. Because George's claim may be conclusively resolved by interpreting the contract, it is not independent of the agreement.

To be sure, whether someone was "employed" might sometimes be a purely factual question that does not turn on the agreement's meaning. For instance, the parties might dispute only the date of the employee's hiring or firing. In that case, the Railway Labor Act would not require the plaintiff to arbitrate the dispute because it would not require interpreting a term of the agreement. *Norris*, 512 U.S. at 261. Not so here. The agreement is not just "relevant" to the dispute, but dispositive; peeking at the merits shows that George's claim "depends" on the meaning of the agreement's term "employed." *Stouffer*, 85 F.4th at 144 (internal quotation marks omitted) (first two quotations); App. 380 (third one).

Resisting this conclusion, George cites a Ninth Circuit precedent, but it is inapt. In that case, all parties agreed that the pilot deserved *a* bonus, but *which* bonus he got turned on what his "crew status" was. *Huhmann v. Fed. Express Corp.*, 874 F.3d 1102, 1105 (9th Cir. 2017); *see also id.* at 1107. And the pilot's claim to a higher bonus was based not on any term in the agreement, but his "independent legal right under USERRA to be returned to the position and status at [the employer] [that] he would have enjoyed had he not left for military service." *Id.* at 1107. The court had to make only "factual determination[s]" about the employer's and employee's conduct and the nature of the bonus. *Id.* at 1109–11. So the employee did not have to arbitrate the dispute.

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Because George's claim depends on interpreting the collective-bargaining agreement, we will AFFIRM the District Court's dismissal.

APPENDIX B
IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF
PENNSYLVANIA

DANIEL GEORGE,	Civil Action
Plaintiff,	No. 23-cv-3939
v.	
PIEDMONT AIRLINES,	
INC.,	
Defendant.	

MEMORANDUM OPINION

Goldberg, J. January 3, 2025

Defendant Piedmont Airlines, Inc. moves for dismissal of the claim raised against it by its former employee Daniel George pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), 38 U.S.C. § 4301, *et. seq.* Because this matter is barred by operation of the Railway Labor Act, 45 U.S.C. § 151, *et. seq.*, this court lacks subject matter jurisdiction. As such, the motion to dismiss will be granted, and the complaint dismissed.

I. FACTUAL AND PROCEDURAL BACKGROUND

The facts taken from Plaintiff’s Complaint are as follows: Plaintiff George began working as a First Officer/Pilot for Defendant Piedmont on March 5, 2018, flying various routes lasting between two to five days at a time, beginning and ending in Charlotte, NC. (Compl., ¶

10). In addition to his employment with Piedmont, George was also a commissioned Lieutenant Colonel in the United States Air Force Reserve. In that capacity, he was a qualified employee and member of the uniformed services within the meaning of USERRA, 38 U.S.C. § 4303(3), (9), (16). (Id., ¶ 2).

In the Fall of 2019, Plaintiff received notice of long-term military orders to begin on October 1, 2019, and he promptly notified Piedmont of his upcoming deployment. (Id., ¶ 12). He remained on Piedmont's Pilots Seniority List while on military duty. (Id., 13). Some two years later, Piedmont offered a Pilot Retention Bonus Program which became available in September of 2021 and was intended to incentivize its Pilots to pursue positions at American Airlines, of which it was a wholly-owned subsidiary. (Id., ¶¶13-14). The program was memorialized in a "Letter of Agreement between Piedmont Airlines, Inc. and the Airline Pilots in Service of Piedmont Airlines, Inc., as represented by The Airline Pilots Association International," which was signed on October 1, 2021 ("LOA"), and made a part of the Collective Bargaining Agreement ("CBA") between the two parties. (Id., ¶ 13). Under the LOA, "[o]nly pilots who are on the Piedmont Airlines Pilots' Seniority List as of the Effective Date (September 1, 2021) and pilots hired by Piedmont and added to the Piedmont Airlines Pilots' Seniority List on or before December 31, 2022, shall be eligible to participate in the Program. . . ." (Id.). Because Plaintiff was on the Seniority List, he was eligible to participate. (Id.).

The program offered incentive payments/bonuses in the amount of \$70,000 to those "Pre-Flow" Piedmont

pilots¹ who within one year of the program's effective date (September 1, 2021) were hired by American while employed by Piedmont. (Id., ¶ 14). In November 2021, while still on military service, Plaintiff interviewed and was offered a pilot position with American Airlines, and was given a class date of December 29, 2021 to officially commence employment. (Id., ¶ 15).

On December 9, 2021, Plaintiff advised Piedmont's Regional Chief Pilot, Bradley Fields, of his receipt of a job offer from American and his intention to resign from Piedmont. (Id., ¶ 16). Plaintiff additionally stated that it was his understanding he was entitled to the \$70,000 bonus, and asked if there was anything he needed to do "to make that happen?" (Id.). Fields confirmed that Plaintiff was entitled to the bonus and told him "it should happen automatically." (Id., ¶ 17). As per Fields' directive, Plaintiff sent an email resigning from Piedmont, effective December 28, 2021 "in order to start employment at American Airlines." (Id., ¶ 17).

The following day, December 10, 2021, Fields called Plaintiff and told him that because he was on military leave of absence, his resignation from Piedmont was effective immediately, rather than his stated date of December 28. On December 20, 2021, after making several inquiries to Piedmont's Human Resources personnel about whether he could contribute the \$70,000 bonus to his 401k plan, Plaintiff was informed that he would not receive the bonus because he did not meet "qualifying hours." (Id., ¶¶ 19-20).

¹ "Pre-Flow" pilots were defined in the LOA as "current and future Piedmont pilots who are eligible to participate in the Program but have not yet been offered the opportunity to flow to American." (Compl., ¶ 14).

Plaintiff thereafter contacted Captain Ryan Miller, a representative for the Air Line Pilots Association (“ALPA”) and informed him of Piedmont’s refusal to pay the bonus. (*Id.*, ¶ 21). Miller responded on January 6, 2022, and told Plaintiff he would discuss the issue with Piedmont’s Director of Flight Operations, but if there was no resolution, a grievance would be filed. (*Id.*). Several weeks later, on January 24, 2022, Plaintiff sent an email to American Airlines Manager Timothy Cook, advising he was resigning his employment with American, “in part because of Piedmont’s refusal to pay [him] the ‘Direct Hire’ bonus. (*Id.*, ¶ 22).

On February 25, 2022, a grievance was filed on Plaintiff’s and ALPA’s behalf regarding Piedmont’s refusal to pay Plaintiff the \$70,000 bonus. (*Id.*, ¶ 23). On December 8, 2022, a hearing on the grievance was held before an arbitrator, Lawrence Holden. (*Id.*, ¶ 24). At the hearing, Piedmont stated that the reason for its refusal to pay Plaintiff the bonus was his failure to apply for re-employment after completing his military service. Thus, Plaintiff was not employed by Piedmont when he was hired by American. (*Id.*). In a written opinion issued on February 28, 2023, Arbitrator Holden agreed with Piedmont and found that because Plaintiff was not a Piedmont employee on the date American hired him, he was ineligible for the \$70,000 bonus under the terms of the LOA. (*Id.*, ¶ 25). On October 11, 2023, Plaintiff filed this action asserting Piedmont violated USERRA in denying him the bonus.

II. LEGAL STANDARDS

Defendant moves to dismiss Plaintiff’s complaint pursuant to Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6). First, Defendant asserts Plaintiff’s claim is barred by operation of the Railway Labor Act, 45 U.S.C.

§ 151, *et. seq.* insofar as it establishes that arbitration boards such as the one used to adjudicate Plaintiff's grievance have exclusive jurisdiction to resolve disputes involving interpretation and application of collective bargaining agreements in the airline industry. Consequently, this court lacks subject matter jurisdiction to entertain this action. Alternatively, Defendant submits the doctrine of *res judicata* operates as an independent bar to Plaintiff's suit. Should the court decline to dismiss on these grounds, Defendant further argues the complaint fails to state a claim to relief under USERRA because it fails to specifically allege the facts necessary to satisfy the pleading standards established under Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007) and Ashcroft v. Iqbal, 556 U.S. 662 (2009).

The basic difference among the various 12(b) motions is that 12(b)(6) alone necessitates a ruling on the merits of the claim, whereas the others deal with procedural defects. Mortensen v. First Fed. Sav. & Loan Ass'n, 549 F.2d 884, 891 (3d Cir. 1977). "Because 12(b)(6) results in a determination on the merits at an early stage of plaintiff's case, the plaintiff is afforded the safeguard of having all its allegations taken as true and all inferences favorable to plaintiff will be drawn." Id. Thus, the distinction between Rules 12(b)(1) and 12(b)(6) is important because the 12(b)(6) standard affords significantly more protections to a nonmovant. Hartig Drug Co. v. Senju Pharm. Co., 836 F.3d 261, 268 (3d Cir. 2016).

Under Fed. R. Civ. P. 12(b)(1), a court must grant a motion to dismiss if it lacks subject matter jurisdiction to hear a claim. In re Schering Plough Corp. Intron/Temodar Consumer Class Action, 678 F.3d 235, 243 (3d Cir. 2012). A rule 12(b)(1) motion may proceed in two ways: it may attack the complaint on its face, or on its

facts. Mortensen, 549 F.2d at 891. A facial attack “is an argument that considers a claim on its face and asserts that it is insufficient to invoke the subject matter jurisdiction of the court because, for example, it does not present a question of federal law, or because there is no indication of a diversity of citizenship among the parties, or because some other jurisdictional defect is present.” Constitution Party v. Aichele, 757 F.3d 347, 358 (3d Cir. 2014). A factual attack is an argument that there is no subject matter jurisdiction because the facts of the case do not support the asserted jurisdiction. Id. “In sum, a facial attack contests the sufficiency of the pleadings, whereas a factual attack concerns the actual failure of a plaintiff’s claims to comport factually with the jurisdictional prerequisites.” Id. (internal quotation marks and citations omitted). In resolving a facial attack, the court applies the same standard of review used in considering a Rule 12(b)(6) motion, that is, it views “the allegations of the complaint and documents referenced therein and attached thereto, in the light most favorable to the plaintiff.” Id. (quoting In re Schering Plough, 678 F.3d at 243). In contrast, “a court may weigh and consider evidence outside the pleadings” in evaluating a factual challenge. Id. (internal citation omitted).

On the other hand, to withstand a Rule 12(b)(6) motion to dismiss, a complaint “must contain sufficient factual matter, accepted as true, to state a claim that is plausible on its face.” Iqbal, 556 U.S. at 678. A complaint “does not need detailed factual allegations” but it must contain something “more than labels and conclusions,” Twombly, 550 U.S. at 555, and the plausibility standard requires a pleading to show “more than a sheer possibility that a defendant has acted unlawfully.” Connelly v. Lane Constr. Corp., 809 F.3d 780, 786 (3d Cir. 2016) (internal quotation marks and citation omitted). “A facially

plausible claim is one that permits a reasonable inference that the defendant is liable for the misconduct alleged.” Doe v. Univ. of the Scis., 961 F.3d 203, 208 (3d Cir. 2020) (citing Iqbal, 556 U.S. at 678).

III. DISCUSSION

In invoking the Railway Labor Act as the basis for its Rule 12(b)(1) motion to dismiss, Defendant is factually challenging this court’s subject matter jurisdiction. Thus, evidence outside the pleadings is properly considered, including the terms of the LOA and the collective bargaining agreement between Piedmont and ALPA.²

The Railway Labor Act (“RLA”) “is intended to ‘promote stability in labor-management relations by providing a comprehensive framework for resolving labor disputes.’” Stouffer v. Union R. R. Co., LLC, 85 F.4th 139, 143 (3d Cir. 2023) (quoting Hawaiian Airlines, Inc. v. Norris, 512 U.S. 246, 252 (1994)). The RLA has been extended to the airline industry and requires contractual controversies involving collective bargaining agreements to be submitted to an arbitration board. International Ass’n of Machinists v. Central Airlines, Inc., 372 U.S. 682, 685 (1963). “The arbitral board’s jurisdiction is exclusive and cannot be avoided by efforts to bring [a] dispute directly into court.” Air Line Pilot’s Ass’n, Int’l v.

² As recited in the Preamble to the *Agreement Between Piedmont Airlines, Inc. and the Air Line Pilots in the service of Piedmont Airlines, Inc. as represented by the Air Line Pilots Association, International* (effective April 1, 2013), that is, the CBA: THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between PIEDMONT AIRLINES, INC. (hereinafter referred to as the “Company”) and the air line pilots in the service of the Company, as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter known as the “Association”). (Def.’s Mot. to Dismiss, Ex. B, ECF No. 15-2).

Northwest Airlines, Inc., 627 F.2d 272, 275 (D.C. Cir. 1980) (citing, *inter alia*, Andrews v. Louisville & N. R. R., 406 U.S. 320, 325 (1972)). Thus, the RLA has established a “mandatory arbitral mechanism for the prompt and orderly settlement” of both “major” and “minor” disputes. Stouffer, 85 F. 4th at 143-144. “Major disputes relate to the formation of CBAs.” Id. at 144. “Minor disputes are those growing out of the interpretation or application of existing CBAs,” and “involve controversies over the meaning of an existing CBA in a particular fact situation” – they arise out of efforts to enforce contractual rights. Id. (internal citations omitted). “The ‘distinguishing feature’ of a minor dispute is that it ‘may be conclusively resolved by interpreting the existing agreement.’” Id. (quoting Consol. Rail Corp. v. Ry. Lab. Execs.’ Ass’n., 491 U.S. 299, 305 (1989)).

Under Section 20A of the CBA between Piedmont and its pilots, a two-step written grievance process is provided for disputes “between the parties growing out of an interpretation or application of any of the terms of this Agreement” which is available to “[a]ny pilot or group of pilots.” (Id., 20-1). Upon receipt of a timely and properly filed grievance, an initial hearing is held within fifteen days by the Vice President of Flight Operations or his designee, and a written decision is issued by the Company within ten days following completion of the hearing. (Id.). If the decision is not satisfactory to either the pilot(s) or the Association, the case may be appealed within thirty days to the System Board of Adjustment. (Id.). This is the process which was followed here and which culminated in the arbitration decision issued on February 28, 2023 in Piedmont’s favor. (Def.’s Mot. to Dismiss, Exs. A, E, F, G, H).

“Generally, the RLA will not bar a plaintiff from bringing a claim under an independent federal statute in

court, but a federal claim that depends for its resolution on the interpretation of a CBA lacks independence from the CBA and the RLA precludes it.” Stouffer, 85 F.3d at 144 (quoting Giles v. Nat’l R.R. Passenger Corp., 59 F.4th 696, 702-703 (4th Cir. 2023)). In assessing whether a federal claim depends on how the CBA is interpreted, it is appropriate to look first to the source of the asserted right, and whether the claim stems from the federal statute or from the CBA itself. Id. at 145. If the claim stems from the federal statute, it is not precluded by the RLA. Id.; Prolenski v. Transtar LLC, Civ. No. 21-545, 2024 U.S. Dist. LEXIS 80947 at *14 - *15 (W.D. Pa. May 3, 2024). However, if the meaning of a collective bargaining agreement must be ascertained in a particular fact situation generally involving only one employee, the RLA governs. See, e.g., Brotherhood of RR Trainmen v. Chicago River & Indiana RR Co., 353 U.S. 30, 33-34 (1957).

Turning to the federal statute on which Plaintiff bases his claim, I find there are multiple purposes behind USERRA. These are: (1) to encourage noncareer service in the uniformed services by eliminating or minimizing the disadvantages to civilian careers and employment which can result from such service; (2) to minimize the disruption to the lives of persons performing service in the uniformed service as well as to their employers by providing for the prompt reemployment of service members upon their completion of service; and (3) to prohibit discrimination against them because of their uniformed services. Gordon v. WaWa, Inc., 388 F.3d 78, 84-85 (3d Cir. 2004) (citing 38 U.S.C. § 4323(d) – (e), (h)). In keeping with these goals, USERRA’s remedial purposes are designed to prevent, and to compensate a service member for, employment discrimination based on military status. Id.

But the gravamen of Plaintiff's claim here does not originate from either the language or the underlying goals of USERRA. Instead, it emanates from a bonus provision created in LOA 44 and made a part of the parties' CBA on October 1, 2021. (Def.'s Mot. to Dismiss, Ex. C.). In establishing the Pilot Retention and Bonus Program pursuant to which Plaintiff seeks to be paid a \$70,000 bonus, LOA 44 provides the following in relevant part at subsection "A":

1. . . . The effective date of the Program shall be September 1, 2021 (the "Effective Date"). Only pilots who are on the Piedmont Airlines Pilots' Seniority List as of the Effective Date and pilots hired by Piedmont and added to the Piedmont Airlines Pilots' Seniority List on or before December 31, 2022, shall be eligible to participate in the program. . . .

2. The Program allows eligible pilots who satisfy the Program's requirements as set forth in this Agreement to receive up to a maximum of \$150,000. . . . *In order to be eligible to receive any payment under the terms of this Program, a Piedmont pilot must satisfy all requirements applicable to such payment and also be employed by Piedmont and on the Piedmont Airlines Pilots' Seniority List on the date such payment is made.* (emphasis added).

. . .

6. To be eligible to receive the payments set forth above . . . a Piedmont pilot must have completed sufficient work for the Company based on Qualifying Hours in the applicable 12-month period preceding payment. For purposes of the Program, and this Agreement, Qualifying Hours means 864 or more hours during the applicable 12-month period. In determining whether a pilot has satisfied this requirement, any absences under . . . Section 13

(Leave of Absence) will be credited for up to a combined total of 164 hours. . . .

Id.

In adjudicating the Plaintiff's grievance, the arbitrator considered Part 1002 of the Regulations under USERRA, 20 C.F.R. § 1002.115(c). That provision, which applied to periods of service that were more than 180 days in length, reads:

If the employee's period of service in the uniformed services was for more than 180 days, he or she must submit an application for reemployment (written or verbal) not more than 90 days after completing service.

The arbitrator went on to find:

The evidence in the George case demonstrated that First Officer George never applied for reemployment as required under the Regulation cited above. Thus, he was not a Piedmont employee at the time of hire by American Airlines in December 2021, and he, therefore, did not meet the requirement of being a Piedmont employee – a necessary qualification – at the time of hire by American.

Notwithstanding the arbitrator's use of a USERRA regulation to assist him in understanding the meaning of "employed at the time of hire" within the meaning of the collective bargaining agreement, this does not alter the fact that this dispute arises out of Plaintiff's efforts to enforce a right created by a contract – not a right conferred by the statute. It is therefore the meaning of the *agreement* which determines Plaintiff's entitlement to the relief he is seeking. Accordingly, I find this case involves a dispute "involv[ing] duties and rights created or defined by the CBA," Stouffer, 85 F.3d at 144, and as such, it is barred by the RLA.

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Defendant's motion to dismiss for insufficient subject matter jurisdiction pursuant to Rule 12(b)(1) must therefore be granted, and the case dismissed.

An appropriate Order follows.

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF
PENNSYLVANIA**

DANIEL GEORGE,	Civil Action
Plaintiff,	No. 23-cv-3939
v.	
PIEDMONT AIRLINES, INC.,	
Defendant.	

ORDER

AND NOW, this 3rd day of January, 2025, upon consideration of Defendant Piedmont Airlines, Inc.'s Motion to Dismiss Plaintiff's Complaint (ECF No. 25), and Plaintiff's Response in opposition thereto, it is hereby **ORDERED** that the Motion is **GRANTED** and this case is **DISMISSED** for lack of subject matter jurisdiction pursuant to Fed. R. Civ. P. 12(b)(1).

BY THE COURT:

/s/ *Mitchell S. Goldberg*

Mitchell S. Goldberg, J.

APPENDIX C
UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 25-1064

DANIEL GEORGE,
Appellant

v.

PIEDMONT AIRLINES, INC.

(E.D. Pa. No. 2:23-cv-03939)

SUR PETITION FOR REHEARING

Present: SHWARTZ, BIBAS, and PHIPPS, Circuit
Judges

The petition for panel rehearing filed by Appellant in the above-entitled case having been submitted to the judges who participated in the decision of this Court, it is hereby ORDERED that the petition for rehearing by the panel is denied.

To the extent Appellant seeks to strike the taxation of costs, the petition is also construed as a motion to amend the judgment. So construed, the motion is granted. The Clerk is directed to file the amended judgment contemporaneously with this order.

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By the Court,
s/ Stephanos Bibas
Circuit Judge

Dated: June 1, 2026

APPENDIX D

**UNITED STATES COURT OF APPEALS FOR THE
THIRD CIRCUIT**

No. 25-1064

George v. Piedmont Airlines

To: Clerk

- 1) Petition by Appellant Daniel George for En Banc Rehearing
- 2) Corrected Petition by Appellant Daniel George for En Banc Rehearing

No action will be taken on the foregoing petitions. It is noted that the Court's order dated June 1, 2026, denied Appellant's petition for panel rehearing. Pursuant to the Federal Rules of Appellate Procedure Rule 40, a party seeking both forms of rehearing must file the petition as a single document. Only one petition for rehearing may be filed.

For the Court,
s/ Patricia S. Dodszeit
Clerk

Dated: June 15, 2026

cc: Adam H. Garner, Esq. Bradford Kelley, Esq. Brian J. Lawler, Esq. Barbara R. Rigo, Esq. Kevin L. Wilson, Esq. James A. McGehee, Esq.

**U.S. COURT OF APPEALS FOR THE THIRD
CIRCUIT**

No. 25-1064

DANIEL GEORGE,
Appellant

v.

PIEDMONT AIRLINES, INC.

On Appeal from the U.S. District Court, E.D. Pa.
Chief Judge Mitchell S. Goldberg, No. 2:23-cv-03939

Before: SHWARTZ, BIBAS, and PHIPPS, *Circuit
Judges*

Submitted: Mar. 3, 2026; Decided May 5, 2026

JUDGMENT

This cause came to be considered on the record from the U.S. District Court for the Eastern District of Pennsylvania and was submitted under Third Circuit L.A.R. 34.1(a) on March 3, 2026.

On consideration whereof, it is now **ORDERED** and **ADJUDGED** that the District Court's order entered on January 3, 2025, is hereby **AFFIRMED**. Costs will not be taxed. All of the above in accordance with the Opinion of this Court.

24a

ATTEST:

s/ Patricia S. Dodszuweit

Clerk

Dated: June 1, 2026

APPENDIX E

STATUTORY PROVISIONS INVOLVED

38 U.S.C. § 4302(b) provides:

This chapter supersedes any State law (including any local law or ordinance), contract, agreement, policy, plan, practice, or other matter that reduces, limits, or eliminates in any manner any right or benefit provided by this chapter, including the establishment of additional prerequisites to the exercise of any such right or the receipt of any such benefit.

38 U.S.C. § 4303(2) provides:

The term “benefit”, “benefit of employment”, or “rights and benefits” means the terms, conditions, or privileges of employment, including any advantage, profit, privilege, gain, status, account, or interest (including wages or salary for work performed) that accrues by reason of an employment contract or agreement or an employer policy, plan, or practice and includes rights and benefits under a pension plan, a health plan, an employee stock ownership plan, insurance coverage and awards, bonuses, severance pay, supplemental unemployment benefits, vacations, and the opportunity to select work hours or location of employment.

38 U.S.C. § 4311(a) provides:

A person who is a member of, applies to be a member of, performs, has performed, applies to perform, or has an obligation to perform service in a uniformed service shall not be denied initial employment, reemployment, retention in employment, promotion, or any benefit of

employment by an employer on the basis of that membership, application for membership, performance of service, application for service, or obligation.

38 U.S.C. § 4311(c) provides:

An employer shall be considered to have engaged in actions prohibited—

- (1) under subsection (a), if the person's membership, application for membership, service, application for service, or obligation for service in the uniformed services is a motivating factor in the employer's action, unless the employer can prove that the action would have been taken in the absence of such membership, application for membership, service, application for service, or obligation for service; or
- (2) under subsection (b), if the person's (A) action to enforce a protection afforded any person under this chapter, (B) testimony or making of a statement in or in connection with any proceeding under this chapter, (C) assistance or other participation in an investigation under this chapter, or (D) exercise of a right provided for in this chapter, is a motivating factor in the employer's action, unless the employer can prove that the action would have been taken in the absence of such person's enforcement action, testimony, statement, assistance, participation, or exercise of a right.

38 U.S.C. § 4316(a) provides:

A person who is reemployed under this chapter is entitled to the seniority and other rights and benefits determined by seniority that the person had on the date of the commencement of service in the uniformed services plus the additional seniority and rights and benefits that such person would have attained if the person had remained continuously employed.

38 U.S.C. § 4316(b)(1) provides:

Subject to paragraphs (2) through (6), a person who is absent from a position of employment by reason of service in the uniformed services shall be—

(A) deemed to be on furlough or leave of absence while performing such service; and

(B) entitled to such other rights and benefits not determined by seniority as are generally provided by the employer of the person to employees having similar seniority, status, and pay who are on furlough or leave of absence under a contract, agreement, policy, practice, or plan in effect at the commencement of such service or established while such person performs such service.

APPENDIX F
UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF
PENNSYLVANIA

DANIEL GEORGE
4396 Windlake Drive
Niceville, FL 32578,
Plaintiff

No.

v.

PIEDMONT AIRLINES,
INC.
5443 Airport Terminal
Road
Salisbury, MD 21804
Defendant

COMPLAINT

Plaintiff Daniel George (“Plaintiff”), by and through his undersigned counsel, files this action to recover damages for violations of his rights under the Uniformed Services Employment and Reemployment Rights Act (“USERRA”) of 1994, 38 U.S.C. §§ 4301, *et seq.*

THE PARTIES

1. Plaintiff Daniel George is a citizen of the United States and a resident of the state of Florida.

2. Mr. George was at all pertinent times alleged herein employed by Defendant Piedmont, and also served

as a commissioned officer in the United States Air Force Reserve (“USAFR”) as a Lieutenant Colonel (O-5). Plaintiff is a qualified employee and member of the uniformed services for the purposes of 38 U.S.C. §4304(3), (9), and (16).

3. Plaintiff is informed, believes, and alleges that Defendant Piedmont Airlines, Inc. (“Piedmont”) is a foreign business corporation organized and existing under the laws of the State of Maryland, and maintains its principal place of business in Salisbury, Maryland.

4. At all relevant times, Defendant Piedmont was and is an “employer” for the purposes of 38 U.S.C. §4303(4)(A) and is subject to suit under 38 U.S.C. §4323(a).

5. Whenever and wherever reference is made to individuals who are not named as defendants in this action, but were employees/agents of defendant, or any of them herein, such individuals at all times acted on behalf of the defendants named in this action within the scope of their respective employments and agencies.

6. Whenever and wherever reference is made in this Complaint to any conduct of defendants, or any of them, such allegations or references shall also be deemed to mean the conduct of each defendant, acting individually, jointly and severally.

7. Plaintiff is informed and believes, and on the basis of that information and belief, alleges that all times mentioned in this Complaint, defendants were the agents and employees of their codefendants, and in doing the things alleged in this Complaint were acting within the course and scope of that agency and employment.

JURISDICTION AND VENUE

8. The Court has jurisdiction over the subject matter of this civil action founded upon federal question jurisdiction, 28 U.S.C. §1331, as conferred by actions arising under USERRA, 38 U.S.C. §4323(b)(1).

9. Venue is proper in this judicial district under 38 U.S.C. §4323(c)(2) because Defendant Piedmont maintains a place of business in this judicial district and is considered a “private employer” for the purposes of 38 U.S.C. §4303(4)(A).

FACTS COMMON TO ALL COUNTS

10. Plaintiff began his employment with Defendant Piedmont as a First Officer on March 5, 2018. In this capacity, he assisted in flying various routes for Piedmont beginning and ending in Charlotte, NC, which lasted anywhere from two to five days at a time.

11. Defendant Piedmont is a regional airline that is wholly owned by American Airlines Group, Inc. Piedmont operates three crew bases - one located in Charlotte, North Carolina – and two located in Harrisburg and Philadelphia, Pennsylvania, respectively. Piedmont advertises that it flies passengers to over “50 destinations, from regional markets throughout the east coast into American Airlines’ hubs and focus cities.”¹

12. In the fall of 2019, Mr. George received notice of long-term military orders that were expected to start on October 1, 2019. He provided timely notice to Defendant Piedmont of these military orders.

13. Approximately two years later, Defendant Piedmont offered a Pilot Retention Bonus Program

¹ <https://piedmont-airlines.com/about/our-company/>

available to its employees in September of 2021. The document describing the term of the bonus program, titled “Letter of Agreement 44 – Pilot Bonus and Enhance Flow” (“LOA 44”), stated that “[o]nly pilots who are on the Piedmont Airlines Pilots’ Seniority List as of the Effective Date (September 1, 2022) and pilots hired by Piedmont and added to the Piedmont Airlines Pilots’ Seniority List on or before December 31, 2022, shall be eligible to participate in the Program...” Mr. George, as a pilot on the Piedmont Airlines Pilots’ Seniority List, automatically met this requirement for eligibility.

14. LOA 44 additionally included an incentive payment to “Pre-Flow Piedmont Pilots,” defined as “current and future Piedmont pilots who are eligible to participate in the Program but have not yet been offered the opportunity to flow to American.” In particular, “Pre-Flow Piedmont Pilots” were eligible for a payment of \$70,000 in their final paycheck if, within one (1) year of the Effective Date, they were hired by American as a pilot while he or she is employed as a First Officer [at Piedmont] (whether through flow-up or as a direct hire by American). There were no other stipulations in LOA 44 for Mr. George to meet.

15. In November of 2021, prior to concluding his military service obligation, Mr. George interviewed with American Airlines for a pilot position. American Airlines offered the position to him on November 9, 2021. Subsequently, on December 6, 2021, American Airlines offered him a class date of December 29, 2021 to officially begin his employment.

16. On December 9, 2021, Mr. George emailed Defendant’s Regional Chief Pilot, Mr. Bradley Fields, advising that he received a job offer from American Airlines, and intended to resign from his position with

Piedmont. In that email, Mr. George additionally stated “I believe I’m entitled to the \$70k bonus.... [d]o I need to do anything to make that happen?”

17. Mr. Fields responded to Mr. George’s December 9th email stating “[y]es you are entitled to the 70k, it should happen automatically...” Mr. George then sent an email, according to Mr. Fields’ instructions, stating his resignation from Defendant Piedmont effective December 28, 2021 “in order to start employment at American Airline.”

18. On December 10, 2021, Mr. George received a telephone call from Mr. Fields advising that due to Plaintiff George being on military leave of absence, his resignation from Piedmont would occur immediately rather than his stated date of December 28, 2021.

19. Later that week, Mr. George reached out to Defendant Piedmont’s Human Resources personnel to determine whether the \$70,000 bonus payment could be contributed to his 401k. However, none of the personnel Mr. George spoke with were able to provide an answer that question nor when Mr. George could expect to be paid the \$70,000 bonus payment.

20. On December 16, 2021, Mr. George was referred to Defendant Piedmont’s employee Chris DeAugustine, who he emailed to inquire when he would receive the \$70,000 bonus. On December 20, 2021, Mr. DeAugustine informed Mr. George that because he did not meet “qualifying hours” that he would not receive the payment.

21. Mr. George then emailed Captain Ryan Miller, a representative for the Air Line Pilots Association (“ALPA”), advising him of the unpaid bonus. Captain Miller responded on January 6, 2022 that he planned on

discussing the issue with Defendant's Director of Flight Operations, Mr. Matthew Kernan, but if there was no resolution, then they would "more than likely be filing a grievance on it."

22. On January 24, 2022, Plaintiff George emailed American Airline Manager, Mr. Timothy Cook, advising that he was resigning from his employment with American Airlines, in part because of Defendant Piedmont's refusal to pay Mr. George the "Direct Hire" bonus.

23. On February 25, 2022, Captain Benjamin Swanson, a member of the MEC Grievance Committee, filed a grievance on behalf of the ALPA concerning Defendant Piedmont's failure to pay the \$70,000 bonus to Mr. George.

24. On December 8, 2022, a hearing concerning Mr. George's grievance was held before Arbitrator Lawrence T. Holden. During the hearing, Defendant Piedmont articulated that its reason for denying the \$70,000 bonus to Mr. George was due to him not applying for reemployment, and was therefore not considered an employee of Defendant Piedmont.

25. On February 28, 2023, Arbitrator Holden released a written opinion regarding Mr. George's grievance agreeing with Defendant Piedmont's position that because Mr. George never applied for reemployment to Piedmont, he was not a Piedmont employee at the time he was hired by American Airlines, and not eligible for the \$70,000 bonus pursuant to the terms of LOA 44.

COUNT I – VIOLATIONS OF 38 U.S.C. §4301 *et seq.*

26. Plaintiff hereby alleges and incorporates all paragraphs 1-25 above by reference herein.

27. 24. USERRA prohibits “discrimination against persons because of their service in the uniformed services.” 38 U.S.C. §4301(a)(3).

28. Section 4311 of USERRA protects persons who serve in the uniformed services from acts of discrimination and reprisal; for example, a person “who is a member of,...performs, has performed,...or has an obligation to perform service in a uniformed service shall not be denied...retention in employment or any benefit of employment by an employer on the basis of that membership,...performance of service, or obligation.”

29. A “benefit of employment” is defined as:

The term ‘benefit’, ‘benefit of employment’, or ‘rights and benefits’ means the terms, conditions, or privileges of employment, include any advantage, profit, privilege, gain, status, account, or interest (including wages or salary for work performed) that accrues by reason of an employment contract or agreement or an employer policy, plan, or practice and includes rights and benefits under a pension plan, a health plan, an employee stock ownership plan, insurance coverage and awards, bonuses, severance pay, supplemental unemployment benefits, vacations and the opportunity to select work hours or location of employment.

38 U.S.C. §4303(2)

30. More specifically, Section 4316 of USERRA provides that any period of absence from employment due to or necessitated by uniformed service is not considered a break in employment, so an employee absent due to military duty must be treated as though they were continuously employed.

31. “The employer must determine the seniority rights, status, and rate of pay as though the

employee had been continuously employed during the period of service.” 20 C.F.R. §1002.193.

32. Section 4311(c) further provides:

An employer shall be considered to have engaged in actions prohibited: (1) under subsection (a), if the person’s membership, application for membership, service, application for service, or obligation for service in the uniformed services is a motivating factor in the employer’s action, unless the employer can prove that the action would have been taken in the absence of such membership, application for membership, service, application for service, or obligation for service.

38 U.S.C. §4311(c).

33. The pilots and other labor groups at Defendant Piedmont are subject to collective bargaining agreements. This lawsuit addresses a specific violation of USERRA but does not contest the interpretation of any collective bargaining agreement. It only refers to items that may be covered under collective bargaining agreements that penalize employees for military service in violation of USERRA and to provide background and a general understanding of Plaintiff’s allegations.

34. Excluding Mr. George from eligibility for the direct-hire bonus payment contained in LOA 44 due to him not being considered an employee at the time of his military service constitutes a violation of USERRA with respect to Mr. George, who took military leave while employed with Piedmont.

35. Mr. George’s protected status as a USAF Reservist was a substantial motivating factor in Defendant’s denial of benefits, conditions, and privileges of Plaintiff’s employment without good cause.

36. Defendants, and each of them, knowingly and willfully violated USERRA by, among other ways, discriminating against Mr. George, and by denying him employment benefits “on the basis of” his “obligation to perform service in a uniformed service.”

37. As a direct and proximate result of the conduct of defendant as set forth in this count, Plaintiff has suffered injuries and damages including but not limited to, loss of past earnings and loss of past benefits, all to his damage in an amount to be proven at trial.

38. Mr. George alleges such violations of USERRA were willful and requests liquidated damages in an amount equal to the amount of his lost wages and other benefits pursuant to 38 U.S.C. §4323(d)(1)(C).

39. Pursuant to 38 U.S.C. § 4323(d)(3), Plaintiff requests an award of prejudgment interest.

40. Pursuant to 38 U.S.C. § 4323(h), Plaintiff further requests an award of reasonable attorney’s fees, expert witness fees, and other litigation expenses.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing, Plaintiff prays for the following relief against Defendant:

1. Declaration that Defendant Piedmont’s actions and practices complained of herein are unlawful and in violation of USERRA, 38 U.S.C. §4301, *et seq.*;

2. Require that Defendant Piedmont fully comply with the provisions of USERRA by providing Mr. George all employment benefits denied to him as a result of the unlawful acts and practices as complained herein.

3. Fees and expenses, including attorneys’ fees pursuant to 38 U.S.C. §4323(h)(2);

4. Award Mr. George prejudgment interest in the amount of lost wages and employment benefits found due;

5. Order that Defendant Piedmont pays compensatory and/or liquidated damages in an amount equal to the amount of lost compensation and other benefits suffered by reason of Defendant's willful violation of USERRA;

6. Grant an award for costs of suit incurred; and

7. Grant such other further relief as may be just and proper, and which Mr. George may be entitled to under all applicable laws.

DEMAND FOR JURY TRIAL

Plaintiff Daniel George demands a trial by jury for all issues triable as of right by a jury in this Complaint pursuant to Federal Rule of Civil Procedure 38(b).

38a

Respectfully submitted,
/s/ Adam H. Garner
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Attorneys for Plaintiff

Dated: October 11, 2023

APPENDIX G

In The Matter Of
The Arbitration Between:

**Airline Pilots Association, International
And
Piedmont Airlines, Inc.**

Direct Appointment by the Parties
Case No. PDT 2022-04 (Failure to Pay Bonuses)
Date of Opinion: February 28, 2023

Preliminary Statement

An arbitration hearing was held on December 8, 2022 in Salisbury, Maryland before a System Board of Adjustment comprising John Pursell, Company-designee, Ryan Miller, Association-designee, and the undersigned, impartial chairman. Representing the Association at such hearing was Carl S. Wosmek, Esq., and representing the Company was Ryan Borger, Esq.. A transcript of the hearing was made. Both parties filed post-hearing briefs which were received by the undersigned on January 20, 2023. An executive session of the System Board was conducted on February 22, 2023.

Issues

The parties did not agree upon the issues to be submitted for decision. In essence this case presents the question of whether the Company improperly denied both Captain Austin Tilton and First Officer Daniel George a \$70,000 bonus under Letter of Agreement #44. The Company also raises an issue concerning the timeliness of the grievance.

Background

On October 1, 2021 the Airline Pilots Association International (hereinafter ALPA) and Piedmont Airlines Inc. (hereinafter the Company) executed Letter of Agreement (LOA) #44 which addressed pilot retention and a pilot bonus program. Secs. A.5.c. & f. of LOA #44 provide a \$70,000 bonus to Piedmont first officers and to Piedmont captains who satisfy the conditions contained in the aforementioned provisions of LOA #44 when Piedmont pilots flow-up or become a direct hire by American Airlines. This case concerns a Piedmont captain, Austin Tilton, and a Piedmont first officer, Daniel George, both of whom became direct hires of American Airlines.

The circumstances surrounding the Tilton case were as follows. On October 14, 2021 Captain Tilton received an invitation to interview for a pilot job at American Airlines. On October 16, 2021 Captain Tilton gave Piedmont notice of his resignation. The notice stated in pertinent part: "Please accept this letter as formal notification of my resignation from the position of Airline Captain with Piedmont Airlines." At the time Captain Tilton tendered his resignation both he and Piedmont thought he was going to Spirit Airlines. However, on October 20, 2021 Captain Tilton interviewed at American Airlines based on the October 14th invitation he had received, and Captain Tilton received on October 20th a conditional job offer (CJO) from American which he accepted the same day. Captain Tilton began work at American on November 10, 2021.

During the first two weeks of October 2021 Captain Tilton was on vacation from Piedmont. When Piedmont received Captain Tilton's notice of resignation on October 16, 2021, it pursuant to Sec. 2.8, Par. 1 of its Employee

Handbook elected to make Captain Tilton's resignation retroactive to an effective date of October 1, 2021. Accordingly, Piedmont asserts that Captain Tilton was not a Piedmont employee when he accepted the CJO from American Airlines and is, therefore, not entitled to the \$70,000 bonus. Piedmont says that it is not uncommon for it to make pilot resignations retroactive pursuant to Sec. 2.8, Par. 1 of its Employee Handbook mentioned above.

First Officer George began a long-term military leave from Piedmont on October 1, 2019. First Officer George remained on the Piedmont pilot seniority list during his military leave. While on military leave First Officer George interviewed with American Airlines and received a CJO from American on November 9, 2021. On December 8, 2021 First Officer George emailed Piedmont stating that he was resigning effective December 29, 2021. First Officer George became an American Airlines employee on approximately December 28, 2021 and served as an employee of American Airlines for one month before resigning and taking a pilot job at Delta Airlines which began on January 25, 2022. First Officer George's interview with Delta Airlines occurred during the one month period that he worked for American Airlines.

In denying First Officer George's application for the \$70,000 bonus, Piedmont relied on Sec. 3.5 of its Employee Handbook which states that military leave and reemployment rights are governed by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The Company cited Sec. 1002.115(c) of the USERRA Regulations in support of its denial of the bonus payment to First Officer George. Sec. 1002.115(c) states that in the case of military service of more than 180 days which was the circumstance in First Officer George's case:

“If the employee’s period of service in the uniformed services was for more than 180 days, he or she must submit an application for reemployment (written or verbal) not later than 90 days after completing service.”

First Officer George did not submit an application for reemployment with Piedmont following his military leave, and, as a consequence Piedmont denied his request for a \$70,000 bonus on grounds that First Officer George was not a Piedmont employee when he accepted a job at American Airlines.

An issue has been raised in this proceeding concerning the timeliness of the grievance filed by the Association. The record concerning timeliness indicated that on December 16, 2021 Captain Benjamin Swanson of the MEC Grievance Committee raised with Matthew Kernan, Director of Flight Operations, the Company’s failure to pay the \$70,000 bonus to Captain Tilton. Captain Swanson testified that there were approximately 300 disputes between ALPA and Piedmont in ALPA’s tracking system, and that in the late summer of 2021 ALPA stopped requesting extensions regarding grievances once the Company said that it would not raise timeliness as an issue. Manager Kernan testified that he did not recall such a conversation with ALPA, and that he would typically reduce such an understanding to writing if it existed. Captain Swanson testified that after his discussion with Manager Kernan on December 16, 2021 he decided more research was required on his part with regard to the Tilton case. Captain Swanson testified that after December 16, 2021 the George case arose as well. Captain Swanson testified that he next spoke to Manager Kernan about both the Tilton and George cases on February 16, 2022 and concluded at that time that the parties were at impasse. On February 25, 2022 Captain

Swanson on behalf of ALPA filed the written grievance with Piedmont concerning Piedmont's failure to pay the \$70,000 bonuses to Captain Tilton and First Officer George. The cases progressed through the parties' dispute resolution procedure, and inasmuch as the grievance involving both Tilton and George have remained unresolved, the matter is now before this System Board of Adjustment for resolution.

Position of the Parties

Position of the Association

The Association contends that the grievance covering pilots Tilton and George is arbitrable. Specifically, the Association says that while Sec. 20.A.2 of the collective bargaining agreement sets forth a 60 day filing requirement for non-disciplinary grievances, such 60 day filing requirement does not apply to pay errors. The Association says that what is at issue in this case is a pay matter regarding a \$70,000 bonus, and that such matter is not subject to the 60 filing requirement. The Association says that there exists no basis for differentiating a retention bonus from any other pay benefit in terms of the exception to the 60 day filing requirement. The Association asks that the plain language of Sec. 20.A.2 be enforced in this case.

The Association further contends that given the few subject matter experts with respect to the pay issue under review here, it is understandable that extra time was needed for the MEC Grievance Committee to investigate all the facts necessary to the administration of this grievance.

The Association also says that it was the practice of the parties to discuss grievances informally before filing a formal grievance, and that is what occurred in this case.

The Association says that such practice was encouraged by Company representatives. The Association says that the Company was not prejudiced in any way by the timing of the filing of this grievance.

Also, the Association argues that the timeliness issue does not pertain to the grievance of First Officer George inasmuch as the Company did not even raise timeliness as an issue during the processing of First Officer George's grievance. The Association says that no claim was made that Officer George's grievance was untimely prior to the grievance being heard at the System Board level.

The Association asks that the grievance concerning both Captain Tilton and First Officer George be found arbitrable.

The Association argues that the Company improperly denied Captain Tilton under Letter of Agreement (LOA) #44 a \$70,000 bonus to which Captain Tilton was entitled. Specifically, the Association argues that Captain Tilton accepted a CJO with American Airlines before the effective date of his resignation on October 30, 2021 and that the Company had no right to backdate Captain Tilton's resignation to October 1, 2021.

The Association says the fact that Captain Tilton provided Piedmont with his resignation prior to accepting the CJO from American Airlines is immaterial. The Association says LOA #44 requires a pilot to be employed by Piedmont at the time s/he accepts a CJO with American Airlines, and that Captain Tilton met this requirement.

The Association also says that the Company cannot rely on the management rights clause to deny a pilot bonus pay earned pursuant to the plain language of the bonus provision contained in LOA #44.

The Association says that the Company cannot backdate a pilot's resignation to deny him/her vacation pay, and that similarly it cannot backdate a pilot's resignation to deny him/her a bonus. The Association notes that the Company paid Captain Tilton his vacation pay while Captain Tilton was on vacation during October 2021 even though the Company had backdated Captain Tilton's resignation to October 1, 2021.

The Association says that converting a voluntary resignation as of a prescribed date to an involuntary termination at an earlier date is a constructive termination which violates the due process/just cause provision of the collective bargaining agreement.

The Association contends that First Officer George was employed by the Company when First Officer George accepted a CJO with American Airlines. The Association says that Piedmont's Employee Manual states that a pilot on temporary military leave, as was the case with First Officer George, remains an employee until and unless such pilot fails to return to Piedmont in a timely manner. The Piedmont Employee Manual in the preface to Ch. 3 states: "Should you fail to return to work when your leave expires, you will be considered as having voluntarily resigned your employment." The Association says that Manager Kernan admitted that while First Officer George was on military leave, he was still a Piedmont employee but not an active and fully qualified employee. The Association says that it is not necessary for an employee to be active and fully qualified to receive the \$70,000 bonus; it is only necessary under LOA #44 to be an employee which was the circumstance with respect to First Officer George.

The Association says that the USERRA does not prevent First Officer George from being classified as an

employee while on temporary military leave nor prevent him from being eligible for a bonus while on temporary military leave. The Association says that while the USERRA may prevent a pilot returning from military leave from being considered an active and qualified pilot, First Officer George was not seeking to flow up to American Airlines as an active and qualified pilot; First Officer George was simply seeking to be a direct hire at American Airlines from his status as an employee of Piedmont.

The Association argues the fact that First Officer George resigned his employment at American Airlines after being employed by American for one month and then went to Delta Airlines as a new hire is of no consequence to the issues under consideration here. The Association says that nothing in LOA #44 requires an American direct hire from Piedmont to remain employed by American for any specified period of time.

In sum, the Association asks that the grievance involving pilots Tilton and George be found arbitrable, and that Piedmont pay to each grievant the \$70,000 bonus together with interest and other appropriate relief.

Position of the Company

The Company contends that the grievance is not arbitrable as it was not timely filed within 60 days of the time the grievants became aware of the alleged violation of the collective bargaining agreement. The Company says that Captain Tilton was notified on October 22, 2021 and First Officer George was notified on December 20, 2021 that they did not qualify for the \$70,000 bonus, and that in neither case did either pilot file a grievance within the 60 day period cited in the contract. The Company says

that this grievance was not filed until February 25, 2022 which was outside the 60 day window for each grievant.

The Company says that while Grievance Chairman Ben Swanson believed that the 60 day clock began once he saw no way to resolve the problem other than through filing a grievance, the Company points out that the contractual language states that the 60 day clock commences when “the affected pilot becomes aware of the alleged violation of the agreement”. The Company says that in this case more than 60 days elapsed after the initial discussion between Grievance Chairman Swanson and Company representative Kernan. The Company argues that there was a blatant disregard of time limits here and asks that the grievance be found to have been untimely filed.

The Company says that Captain Tilton did not qualify for the \$70,000 bonus because he was not employed by the Company at the time he was hired by American. The Company says that a fundamental eligibility requirement for the bonus is that a pilot must be employed by Piedmont at the time s/he is hired by American Airlines. The Company says that Captain Tilton submitted his resignation from the Company on October 16, 2021 while he was on vacation, and that his resignation was backdated to October 1, 2021 just as had been done in the case of other pilots who submitted their resignations while on vacation. The Company says that when American Airlines offered Captain Tilton a job on October 20, 2021, Captain Tilton was no longer a Piedmont employee and, thus, was ineligible for the bonus. The Company says that the latest possible October date that might have made Captain Tilton eligible for the bonus was October 16, 2021, and that Captain Tilton had not been employed by American Airlines as of that date.

The Company says that the sequence of events in Captain Tilton's case was that he received a job offer from Spirit Airlines; submitted his resignation from Piedmont intending to join Spirit Airlines and ended his employment with Piedmont; then interviewed with American Airlines and received a job offer from American; and then inquired of Piedmont about a bonus. The Company says that Captain Tilton under the above scenario was not a Piedmont employee when he received a job offer from American and was, therefore, not entitled to a \$70,000 bonus.

The Company says that First Officer George did not qualify for the \$70,000 bonus because he was not employed by Piedmont at the time he was hired by American. The Company says that First Officer George went out on long term military leave on October 1, 2019 and remained on such leave until he submitted his resignation effective December 29, 2021.

The Company says that pursuant to its Employee Handbook employees are required to comply with the provisions of USERRA, and that per USERRA an individual on military leave lasting more than 180 days is required to submit an application for re-employment no later than 90 days following the completion of military service. The Company says that First Officer George never notified the Company that his military service had ended and never submitted an application for re-employment after being out on military leave for more than 180 days.

The Company points out that First Officer George's employment with American Airlines lasted a little more than one month and that he resigned from American to take a job with Delta Airlines at which he interviewed after accepting the job at American. The Company argues

that granting First Officer George a \$70,000 direct hire bonus would defeat the basic purpose of the \$70,000 bonus which is to develop pilots at Piedmont who ultimately become pilots at American Airlines.

In sum, the Company asks that neither Captain Tilton nor First Officer George be awarded a \$70,000 bonus.

Analysis

Arbitrability

The Company contends that the grievance pertaining to Captain Tilton and First Officer George is not arbitrable because it was not timely filed. The Company says that pursuant to Sec. 20.A.2 of the collective bargaining agreement a grievance must be filed within 60 days “of the date the affected pilot became aware of the alleged violation of the agreement”. The Company contends that the grievance at issue here was not filed within the 60 day time limit.

The Association argues that the 60 day filing requirement does not apply in the case of pay errors and cites contractual language found in Sec. 20.A.2 of the collective bargaining agreement. Sec. 20.A.2 provides:

“Grievances must be filed with the Vice-President of Flight Operations or his designee, within sixty (60) days of the time the affected pilot(s) became aware of the alleged violation of the Agreement. It is not intended that this limitation precludes claims arising out of bookkeeping or pay errors. The grievance must set forth a statement of facts giving rise to the grievance and the relief or remedy requested.”

One could argue, as the Association has, that the failure to pay a bonus to a pilot constitutes a “pay error”

in the broad sense of the term. Whether the language “pay error” is to be defined broadly or narrowly is an open question and not well-defined by any evidence in this case. I think the better part of prudence given the large volume of disputes the parties were addressing during the time period in question is not to place too narrow a construction on “pay errors”.¹

Accordingly, I find that the pay grievance pertaining to Captain Tilton and First Officer George is procedurally arbitrable as it falls within the “pay error” exception to the 60 day time limit.

Also, in the case of First Officer George I note that the issue of timeliness was not ever raised with respect to him during the processing of this grievance; it was first raised with respect to him at the System Board level. It must, therefore, be found that the Company’s failure to raise the timeliness issue with regard to First Officer George during the grievance procedure constitutes a waiver with regard to timeliness in First Officer George’s case.

For all the reasons recited above I find that the grievance at issue here is not barred on grounds of timeliness.

¹ Captain Swanson, who became the Association’s Grievance Chair for the MEC at Piedmont testified that due to the large number (300 or so) of disputes between ALPA and Piedmont in the late summer of 2021, Manager Kernan on behalf of the Company agreed with Jared Ziobro, the Association’s Interim Chair of the Grievance Committee, not to raise timeliness with respect to these disputes. Manager Kernan testified that he recalled no such agreement, and that if there had been an agreement of this character, he typically reduces such agreements to writing. Going forward, the parties need to clarify whether or not such agreement exists.

Merits**Tilton**

The material facts in Captain Tilton's case are as follows. On October 14, 2021 Captain Tilton received an invitation to interview for a pilot job at American Airlines. On October 16, 2021 Captain Tilton gave Piedmont notice of his resignation. At the time Captain Tilton tendered his resignation both he and Piedmont thought he was going to Spirit Airlines. However, on October 20, 2021 Captain Tilton interviewed at American Airlines based on the October 14th invitation he had received from American, and Captain Tilton received on October 20th a conditional job offer (CJO) from American which he accepted the same day. Captain Tilton began work at American on November 10, 2021.

What was the effective date of Captain Tilton's resignation from Piedmont? Captain Tilton's October 16th letter of resignation from Piedmont simply stated that he was resigning from Piedmont but did not specify an effective date. The letter stated in pertinent part: "Please accept this letter as formal notification of my resignation from the position of Airline Captain with Piedmont Airlines." Captain Tilton testified that he believed through his letter he was giving the Company the customary two weeks' notice of resignation. That such was Captain Tilton's intent was confirmed by Chris DeAugustine, the Company's Regional Chief Pilot for Philadelphia and a Company witness, who testified that during the October 16th phone call preceding Captain Tilton's resignation that same day, Captain Tilton told him (DeAugustine) that he ((Tilton) was giving the Company two weeks' notice of his resignation. (Tr. p. 137).

In addition to the fact that Captain Tilton believed he was giving the Company two weeks' notice of his resignation, Sec. 2.8 of the Company's Employee Handbook states that the Company expects employees to provide two weeks' written notice of resignation. "The Company expects employees resigning employment to provide at least two weeks written notice." (Sec. 2.8) Captain Tilton's expressed intent in his conversation with Regional Chief Pilot DeAugustine together with the statement in Sec. 2.8 of the Company's Employee Handbook provides strong evidence that Captain Tilton's resignation was to have an effective date of 14 days from October 16th, namely, an effective date of October 30, 2021.

What was the Company's response to Captain Tilton's letter of resignation? The Company did not confer with Captain Tilton about the effective date of his resignation; rather, the Company's first action was to backdate Captain Tilton's resignation to October 1, 2021 pursuant to what it says are its rights under Sec. 2.8.1 of its Employee Handbook. Thereafter, the Company asserted that Captain Tilton was not a Piedmont employee when he accepted American's offer of employment on October 20, 2021. Piedmont says that it customarily backdates resignations under the authority of its Employee Handbook.

While Piedmont may have the practice of backdating employee resignations under a provision found in its Employee Handbook, it may not use such practice to defeat a contractual benefit it has agreed with ALPA to grant its pilots in LOA #44.A.5. The parties' agreement in LOA #44.A.5 supersedes any contrary provision/practice arising under the Company's unilaterally issued Employee Manual.

If Piedmont's backdating of Captain Tilton's resignation to the date of October 1, 2021 were to be accepted for the purpose of denying Captain Tilton a \$70,000 bonus, such acceptance would also give rise to the bizarre result that Captain Tilton's resignation would have become effective October 15, 2021 (14 days after October 1) which was even before Captain Tilton ever submitted an actual letter of resignation to Piedmont (his letter of resignation was dated October 16, 2021).

Further, I point out that Captain Tilton was on vacation receiving vacation pay during the month of October 2021, and that if backdating a resignation were to serve to defeat one contractual benefit, bonus pay, it could arguably be used to attempt to defeat other contractual benefits such as vacation pay for a pilot on vacation at the time a resignation is backdated by the Company. As stated above, backdating under the Employee Manual may not be used to defeat jointly negotiated and agreed-upon contractual benefits. Whatever administrative purpose is served by backdating a resignation (and such purpose is not entirely clear from the record made in this case), such purpose should not be enlarged to defeat substantive contractual rights.

While it is true that Captain Tilton was considering various job options during the relevant time period in October 2021, what governs is not what various, intermediate thoughts and options he was entertaining but what final decision he ultimately made while still a Piedmont employee. That final decision was to accept employment from American while still a Piedmont employee. He remains at American to this day. That decision entitled him to the \$70,000 bonus provided for in the parties' LOA #44.A.5.

George

I now turn to the case of First Officer George. The material facts in First Officer George's case are as follows. First Officer George began a long-term military leave from Piedmont on October 1, 2019. First Officer George remained on the Piedmont pilot seniority list during his military leave. While on military leave First Officer George interviewed with American Airlines and received a CJO from American on November 9, 2021 – a little more than two years after he began his long-term military leave from Piedmont. On December 8, 2021 First Officer George emailed Piedmont stating that he was resigning effective December 29, 2021. Captain George was an employee of American Airlines for one month before resigning and taking a pilot job at Delta Airlines which began on January 25, 2022.

First Officer George's case is governed by Part 1002 of the Regulations under the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, Subpart C, §1002.115 (c) which provides:

“Period of service more than 180 days. If the employee's period of service in the uniformed services was for more than 180 days, he or she must submit an application for reemployment (written or verbal) not later than 90 days after completing service.”

The evidence in the George case demonstrated that First Officer George never applied for re-employment as required under the Regulation cited above. Thus, he was not a Piedmont employee at the time of hire by American Airlines in December 2021, and he, therefore, did not meet

the requirement of being a Piedmont employee – a necessary qualification - at the time of hire by American.²

Also, it is interesting to note that First Officer George remained in American's employment for only one month prior to his departure to Delta Airlines as a pilot. This raises the question of whether he sought employment with American Airlines only for the purpose of receiving his Piedmont bonus with no intention of remaining an American pilot. If that were the case, that would raise the question of whether his actions complied with the intent and purpose behind the bonus, but this question need not be answered since First Officer George's claim for the bonus fails on grounds that he was not a Piedmont employee when hired by American Airlines.³

Given the foregoing analysis, First Officer George's claim for the \$70,000 bonus is denied.

Therefore, after having considered the evidence and arguments of the parties, the System Board finds that the grievance **is arbitrable**; that Captain Tilton is entitled to a \$70,000 bonus under LOA #44; and that First Officer George **is not entitled to** a \$70,000 bonus under LOA #44.

² The Association relies on a provision of the Employee Manual on behalf of its argument that First Officer George was a Piedmont employee at the time of hire by American Airlines. Assuming without finding that the Employee Manual provision in question means what the Association claims it means, I find that a federal regulation applicable to Piedmont, namely, Subpart C, §1002.115(c) of the USERRA overrides any contrary provision in the Employee Manual.

³ The fact that he may have had residual seniority rights as a Piedmont pilot does not alter his status as a non-Piedmont employee in December 2021. Any residual seniority rights would likely only come up for consideration if he were recalled to or re-employed by Piedmont, and that is not the fact pattern applicable here.

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[Signature]

Lawrence T. Holden, Jr.
Impartial Chairman

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In The Matter Of
The Arbitration Between:

**Airline Pilots Association, International
And
Piedmont Airlines, Inc.**

Direct Appointment by the Parties
Case No. PDT 2022-04 (Failure to Pay Bonuses)
Date of Award: February 28, 2023

Award

After having considered the evidence and arguments of the parties, the System Board of Adjustment awards as follows:

The grievance is arbitrable. Captain Tilton is entitled to a \$70,000 bonus under LOA #44. First Officer George is not entitled to a \$70,000 bonus under LOA #44.

[Signature]
Ryan Miller
Association-Designee
Concur/Dissent
["Concur" highlighted]

John Pursell
Company-Designee
Concur/Dissent
[Signature]
Lawrence T. Holden, Jr.
Impartial Chairman

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In The Matter Of
The Arbitration Between:

**Airline Pilots Association, International
And
Piedmont Airlines, Inc.**

Direct Appointment by the Parties
Case No. PDT 2022-04 (Failure to Pay Bonuses)
Date of Award: February 28, 2023

Award

After having considered the evidence and arguments of the parties, the System Board of Adjustment awards as follows:

The grievance is arbitrable. Captain Tilton is entitled to a \$70,000 bonus under LOA #44. First Officer George is not entitled to a \$70,000 bonus under LOA #44.

Ryan Miller
Association-Designee
Concur/Dissent

[Signature]

John Pursell
Company-Designee
Concur/Dissent
Dissents in part - See attached
opinion

Lawrence T. Holden, Jr.
Impartial Chairman

The Company fully concurs with the award and rationale as it pertains to Mr. George. However, the Company dissents as follows.

First, the Company disagrees with the classification that failure to pay a bonus due to a question of eligibility for that bonus constitutes a “pay error” and the grievance is untimely as it relates to Mr. Tilton. The Contract makes clear, a grievance must be filed within 60 days “of the date the affected pilot becomes aware of the violation.” Tilton was notified on October 22 that he did not qualify for the bonus payment. Thus, by filing the grievance February 25, 2022, ALPA filed untimely.

Next, the Company disagrees Tilton was an employee of Piedmont at the time he was hired by American. The rationale used to determine that Tilton in fact employed at the time he was hired by AA seems to interpret the Company’s policies and procedures manual, not the contract or LOA 44. The Company believes such interpretation is improper, and therefore dissents on that basis.

APPENDIX H
LETTER OF AGREEMENT
between
PIEDMONT AIRLINES, INC.
and the
AIRLINE PILOTS
in the service of
PIEDMONT AIRLINES, INC.,
as represented by
THE AIR LINE PILOTS ASSOCIATION
INTERNATIONAL

Letter of Agreement 44 – Pilot Bonus and Enhanced Flow

THIS LETTER OF AGREEMENT (this “Agreement”) is made and entered into in accordance with the provisions of the Railway Labor Act, by and between PIEDMONT AIRLINES INC. (the “Company” or “Piedmont”) and the Air Line Pilots in the service of PIEDMONT AIRLINES INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (the “Association”), with the Company and Association jointly referred to in this Agreement as the “Parties.”

The Parties agree as follows:

A. Pilot Retention and Bonus Program:

1. The Company will establish the Piedmont Pilot Retention and Bonus Program (the “Program”). The effective date of the Program shall be September 1, 2021 (the “Effective Date”). Only pilots who are on the Piedmont Airlines Pilots’ Seniority List as of the Effective Date and pilots hired by Piedmont and

added to the Piedmont Airlines Pilots' Seniority List on or before December 31, 2022, shall be eligible to participate in the Program. Pilots who are added to the Piedmont Airlines Pilots' Seniority List after December 31, 2022 (i.e., on January 1, 2023 or later), are not eligible to participate in the Program. Piedmont, however, may extend the deadline for participation in the Program at its sole discretion.

2. The Program allows eligible pilots who satisfy the Program's requirements as set forth in this Agreement to receive up to a maximum of \$150,000. Under no circumstance shall any Piedmont pilot be eligible to receive a total sum greater than \$150,000 under the terms of the Program. In order to be eligible to receive any payment under the terms of this Program, a Piedmont pilot must satisfy all requirements applicable to such payment and also be employed by Piedmont and on the Piedmont Airlines Pilots' Seniority List on the date such payment is made.
3. Current Piedmont Captains Who Have Previously Delayed or Declined Flow-Up to American. Current Piedmont Captains on the Piedmont Airlines Pilots' Seniority List on the Effective Date who have previously been offered a flow-up opportunity to American Airlines Inc. ("American"), pursuant to LOA 19 and declined or who were eligible and senior enough to bid the opportunity but have not bid accordingly shall, after six (6) months has elapsed from the first flow-up opportunity, be eligible to receive the following payments:
 - a. Captain Bonus Payment of \$30,000 included in the Captain's first paycheck following November 1, 2021;

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- b. \$40,000 payment on the first pay period following November 1, 2022, if the Piedmont Captain has the required Qualifying Hours (as defined below) in the preceding 12-month period (i.e., November 1, 2021 to October 31, 2022);
- c. \$40,000 payment on the first pay period following November 1, 2023, if the Piedmont Captain has the required Qualifying Hours in the preceding 12-month period (i.e., November 1, 2022 to October 31, 2023); and
- d. \$40,000 payment on the first pay period following November 1, 2024, if the Piedmont Captain has the required Qualifying Hours in the preceding 12-month period (i.e., November 1, 2023 to October 31, 2024).
- e. Piedmont Captains who do not receive one or more of the \$40,000 payments in Paragraphs 3.b.-d. because they do not have the required Qualifying Hours shall be eligible to receive up to two missed \$40,000 payments by satisfying the Qualifying Hours requirements in the 12-month period of November 1, 2024 to October 31, 2025, and/or the 12-month period from November 1, 2025 to October 31, 2026, such that that maximum remains \$150,000.
- f. A Piedmont Captain who receives one or more payments pursuant to this Paragraph 3., who later accepts a flow-up opportunity to American or a direct hire offer by American is eligible to receive the payments set forth in Paragraphs 5.f. below, but any such payments must be offset by any payments received pursuant this Paragraphs 3, such that the maximum remains \$150,000.

4. Current Piedmont First Officers Who Have Previously Delayed or Declined Flow-Up to American. All Current Piedmont First Officers on the Piedmont Airlines Pilots' Seniority List on the Effective Date who have previously been offered and declined a flow-up opportunity from Piedmont to American pursuant to LOA 19 (along with an accompanying upgrade to Piedmont Captain) or who were eligible and senior enough to bid the opportunity but have not bid accordingly, shall, after six (6) months has elapsed from the first flow-up opportunity, be eligible to receive payments as follows:
- a. Captain Bonus Payment of \$30,000 payable within 30 days after the date such pilot upgrades to Piedmont Captain and successfully completes required training (including Supervised Operational Experience (SOE)), provided that the pilot must upgrade to Piedmont Captain no later than two (2) years from the Effective Date.
 - b. \$40,000 payment within 30 days of their 1-year anniversary as a Piedmont Captain, if the pilot has the required Qualifying Hours in the preceding 12-month period;
 - c. \$40,000 payment within 30 days of their 2-year anniversary as a Piedmont Captain, if the pilot has the required Qualifying Hours in the preceding 12-month period; and
 - d. \$40,000 payment within 30 days of their 3-year anniversary as a Piedmont Captain, if the pilot has the required Qualifying Hours in the preceding 12-month period.

- e. Piedmont pilots who do not receive one or more of the \$40,000 payments in Paragraphs 4.b.-d. because they do not have the required Qualifying Hours shall be eligible to receive up to two missed \$40,000 payment(s) by satisfying the Qualifying Hours requirements in the 12-month period preceding their 4-year anniversary as a Piedmont Captain and/or the 12-month period preceding their 5-year anniversary as a Piedmont Captain, such that the maximum remains \$150,000.
 - f. A Piedmont pilot who receives one or more payments pursuant to this Paragraph 4 who later accepts a flow-up opportunity to American or a direct hire offer by American is eligible to receive the payments set forth in Paragraphs 5.c. and d. below, but any such payments must be offset by any payments received pursuant to this Paragraph 4, such that the maximum remains \$150,000.
5. Pre-Flow Piedmont Pilots. All current and future Piedmont pilots who are eligible to participate in the Program but have not yet been offered the opportunity to flow to American pursuant to LOA 19 shall be considered “Pre-Flow Piedmont Pilots.” Pre-Flow Piedmont Pilots shall be eligible to receive payments under the Program as follows:
- a. Current Pre-Flow Piedmont Pilots who hold the position of Piedmont Captain and are on the Piedmont Airlines Pilots’ Seniority List on the Effective Date shall receive a Captain Bonus Payment of \$30,000 included in the Captain’s first paycheck following November 1, 2021.

- b. Pre-Flow Piedmont Pilots who upgrade to Captain after the Effective Date shall receive a payment of \$30,000 within 30 days of upgrading to Piedmont Captain and successfully completing required training (including SOE), provided that Pre-Flow Piedmont Pilots who are First Officers on the Piedmont Airlines Pilots' Seniority List on the Effective Date must upgrade to Piedmont Captain no later than four (4) years from the Effective Date, and Pre-Flow Piedmont Pilots hired as First Officers after the Effective Date must upgrade to Piedmont Captain no later than four (4) years from the pilot's date of hire with Piedmont, seniority permitting.
- c. A Pre-Flow Piedmont First Officer who, within one (1) year from the Effective Date, is hired by American as a pilot while he or she is employed as a First Officer (whether through flow-up or as a direct hire by American) shall receive a payment of \$70,000 to be included in their final paycheck as a Piedmont employee.
- d. A Pre-Flow Piedmont First Officer who is hired by American (as a direct hire) as a pilot while he or she is employed as a First Officer more than one (1) year from the Effective Date shall receive a payment of \$70,000 to be included in their final paycheck as a Piedmont employee.
- e. A Pre-Flow Piedmont First Officer who is hired by American (as a flow-up) as a pilot while he or she is employed as a First Officer more than one (1) year from the Effective Date shall not be entitled to the \$70,000 bonus payment provided for in this Paragraph 5.

- f. Pre-Flow Piedmont Captains who are subsequently hired by American as a pilot while they are employed by Piedmont (whether through flow-up or as a direct hire by American) shall receive a payment of \$70,000 to be included in their final paycheck as a Piedmont employee.
 - i. Any Pre-Flow Piedmont Pilot who delays or is offered and declines a flow-up opportunity from Piedmont to American pursuant to LOA 19 shall, after six (6) months has elapsed from the first flow-up opportunity, then become eligible to receive payments under Paragraphs 3.b.-e. of this Agreement subject to the requirements in Paragraphs 3.b.-e. of this Agreement. Any Pre-Flow Piedmont Pilot who delays or who is offered and declines a flow-up opportunity from Piedmont to American pursuant to LOA 19, is no longer eligible to receive a payment under paragraph 5.g. below.
- g. Beginning on the Effective Date, Pre-Flow Piedmont Pilots shall also be eligible to accrue \$25,000 for each year of service in which they have Qualifying Hours in the preceding calendar year, up to a maximum of two years and \$50,000.
 - i. Pilots will be paid for any such amounts accrued under this Paragraph 5.g. (up to a total of \$50,000) if they are hired by American as a pilot while they are employed by Piedmont (whether through flow-up or as a direct hire by American), and the pilot shall receive any such payment in their final paycheck as a Piedmont employee.

- ii. A pilot must remain employed at Piedmont for at least twenty-four (24) months after the Effective Date and accrue Qualifying Hours in each applicable 12-month period to obtain the maximum amount of \$50,000. A Piedmont pilot who is hired by American (whether through flow-up or direct hire) in less than twenty-four (24) months after the Effective Date, however, is eligible to receive a pro-rata amount if the pilot has the required Qualifying Hours on a pro rata basis (See Attachment "A"). For example, a pilot who flows up to American six months after the Effective Date shall be eligible to obtain a maximum payment under this Paragraph 5g. of \$12,500 if the pilot has 432 or more Qualifying Hours during that six-month period.
6. To be eligible to receive the payments set forth above in paragraphs 3.b.-3.e., 4.b.-4.e., and 5.g. of this Agreement, a Piedmont pilot must have completed sufficient work for the Company based on Qualifying Hours in the applicable 12-month period preceding payment. For purposes of the Program, and this Agreement, Qualifying Hours means 864 or more hours during the applicable 12-month period. In determining whether a pilot has satisfied this requirement, any absences under Section 7 (Vacation), Section 14 (Sick Leave), or Section 13 (Leave of Absence) will be credited for up to a combined total of 164 hours. For purposes of satisfying the Qualifying Hours for this Agreement, pilots with time credited as ALPA will receive credit for such hours toward his or her requirement.

7. The \$30,000 payments described above in Paragraphs 3.a., 4.a., and 5.a.-b. of this Agreement (the “Captain Bonus Payments”) are intended as a retention bonus, payable in conjunction with the Effective Date and/or upgrade to Captain, to encourage Piedmont pilots to continue working at the Company. Accordingly, any Piedmont pilot who receives a Captain Bonus Payment, but who then leaves Piedmont within 36 months of the payment date for any reason other than employment at American as a pilot or to retire at the mandatory retirement age for pilots shall be obligated, within 30 days of leaving the Company, to repay the Company in full for this \$30,000 payment. In accordance with this requirement, in order for any pilot to receive the Captain Bonus Payment, each pilot must first enter into an individual agreement with Piedmont (in a form to be determined by the Company) confirming the pilot’s repayment obligations.
 - a. Pilots who are eligible to receive a Captain Bonus Payment on the date of signing of this Agreement must, to actually receive such payment, submit a signed individual repayment agreement by October 1, 2021.
 - b. Pilots who become eligible to receive a Captain Bonus Payment after the date of signing of this Agreement must, to actually receive such payment, submit a signed individual repayment agreement within thirty (30) days of his or her eligibility.
 - c. An eligible pilot, who forfeits his or her right to receive a Captain Bonus Payment, will not be obligated to sign an individual repayment agreement, will not receive a Captain Bonus

Payment, and will not have any repayment obligation. A decision to forfeit a Captain Bonus Payment cannot be rescinded.

8. Piedmont pilots who receive one or more payments under this Agreement but who retires on November 1, 2024 or earlier due to reaching the mandatory retirement age for pilots prior to receiving payments totaling \$150,000 under the Program, shall be eligible to receive a differential payment that brings the pilot's total payments received under this Program to \$150,000. In order to receive the difference between payments received and \$150,000, the pilot must satisfy the Qualifying Hours requirement for the time period from the Effective Date until his or her mandatory retirement date on a pro rata basis.
9. No payment made pursuant to this Section A of this Agreement shall be eligible for deferral or Company match in the Company's 401K program, nor shall it be included in the earnings calculated for the American Airlines Group Inc. Profit Sharing Plan.
10. All payments described under the Program are subject to all legally-required withholdings, including for Association dues and taxes.

B. Enhanced Flow.

1. Beginning on the Effective Date, the monthly flow of Piedmont pilots to American (currently set forth in Letter of Agreement 19 (Jet Aircraft: Appendix C – Career Opportunities) shall be increased in any month in which attrition for any reason other than flow-up to American or direct hire by American is less than the threshold levels set forth below,

provided that the number of new hires exceeds total attrition for such month:

- Tier 1: Non-AA attrition below 7, increase by 1
 - Tier 2: Non-AA attrition below 3, increase by 3
2. On any occasion where these threshold levels are triggered, Piedmont shall have a period of four months from the month which either tier is achieved to complete the additional pilot flow-ups.
 3. The Company will provide the Association a report showing total monthly attrition and hiring within five days of the end of each month.

C. Amendment to LOA 19.

Letter of Agreement 19 – Jet Aircraft: Appendix C – Career Opportunities, paragraph 2.a.iii., shall be amended as follows:

- iii. For pilots hired by Piedmont prior to September 1, 2021, is an active and fully qualified pilot on the Piedmont Pilot Seniority List at the time he/she is notified of his/her selection to a New Pilot Position and the date he/she is released to his/her new hire class at AA. For pilots hired by Piedmont after September 1, 2021, is an active and fully qualified Captain on the Piedmont Pilot Seniority List at the time he/she is notified of his/her selection to a New Pilot Position and the date he/she is released to his/her new hire class at AA.

D. New Pay Scale

1. Effective November 1, 2021, LOA 19 – Jet Aircraft, paragraph B.1., LOA 19 - Appendices “A” and “B”,

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and LOA 30 (Pay Rate Improvements), paragraphs A.-D., shall be considered null and void.

2. Effective November 1, 2021, pay rates for Piedmont pilots will be in accordance with the scale below:

a. Captains – 0 to 76 Seat Aircraft

Year	11/1/2021	4/1/2022	4/1/2023
1	\$85.50	\$86.13	\$87.00
2	\$87.50	\$88.23	\$89.11
3	\$89.50	\$90.50	\$91.24
4	\$91.52	\$92.50	\$93.50
5	\$93.61	\$94.54	\$95.50
6	\$95.68	\$96.64	\$97.61
7	\$98.00	\$98.74	\$99.72
8	\$100.00	\$101.00	\$102.00
9	\$102.00	\$103.00	\$104.00
10	\$104.00	\$105.04	\$106.09
11	\$106.08	\$107.15	\$108.22
12	\$108.16	\$109.24	\$110.50

b. 0 to 76 Seat Aircraft Captain Rates for Captains who completed twelve (12) years of service as of July 9, 2019 shall be compensated in accordance with below table.

\$123.66	\$125.00	\$126.14
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c. First Officers - All Aircraft

Year	11/1/2021	4/1/2022	4/1/2023
1	\$51.01	\$51.52	\$52.03

Year	11/1/2021	4/1/2022	4/1/2023
2	\$52.64	\$53.16	\$53.70
3	\$54.66	\$55.20	\$55.76
4	\$57.50	\$58.00	\$58.50

E. Dispute Resolution - System Board of Adjustment.

If any dispute arises regarding the interpretation or application of this Agreement, or any rights or benefits arising out of this Agreement, the resolution of that dispute shall be for the exclusive jurisdiction of a System Board of Adjustment, established pursuant to the Collective Bargaining Agreement between the Company and the Association, in accordance with the Railway Labor Act, effective April 1, 2013; provided, however, that the Company's right to enforce repayment obligations regarding Captain Bonus Payments as set forth in paragraph A. 7 of this Agreement may be enforced in any state or federal court with jurisdiction.

This Agreement shall become effective upon signing and shall run concurrent with Section 31 of the basic Agreement, as amended.

IN WITNESS WHEREOF, the parties have signed this Agreement this 1st day of October, 2021.

[In the executed original, "1st" is handwritten in the blank, and the printed month "September" is struck through and replaced in handwriting with "October."]

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FOR THE
AIR LINE PILOTS
ASSOCIATION

[Signature]

Captain Joe DePete
President

[Signature]

Captain Brandon Lighty
PDT MEC Chairman

FOR THE COMPANY

[Signature]

Eric Morgan
President - Piedmont Airlines
Inc.

[Signature]

Stephen B. Keefer
Vice President Flight
Operations

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Attachment “A”

**Proposed Bonus Amounts for Each Flow Class
(Assuming All Hours Are Met)**

Flow	Month	CA Bonus	Flow/ Direct Hire Bonus	Y1 25K Earned	Y2 25K Earned	Total
1	Sep-21	\$30,000	\$70,000	\$0	\$0	\$100,000
2	Oct-21	\$30,000	\$70,000	\$2,083	\$0	\$102,083
3	Nov-21	\$30,000	\$70,000	\$4,167	\$0	\$104,167
4	Dec-21	\$30,000	\$70,000	\$6,250	\$0	\$106,250
5	Jan-22	\$30,000	\$70,000	\$8,333	\$0	\$108,333
6	Feb-22	\$30,000	\$70,000	\$10,417	\$0	\$110,417
7	Mar-22	\$30,000	\$70,000	\$12,500	\$0	\$112,500
8	Apr-22	\$30,000	\$70,000	\$14,583	\$0	\$114,583
9	May-22	\$30,000	\$70,000	\$16,667	\$0	\$116,667
10	Jun-22	\$30,000	\$70,000	\$18,750	\$0	\$118,750
11	Jul-22	\$30,000	\$70,000	\$20,833	\$0	\$120,833
12	Aug-22	\$30,000	\$70,000	\$22,917	\$0	\$122,917
13	Sep-22	\$30,000	\$70,000	\$25,000	\$0	\$125,000
14	Oct-22	\$30,000	\$70,000	\$25,000	\$2,083	\$127,083
15	Nov-22	\$30,000	\$70,000	\$25,000	\$4,167	\$129,167
16	Dec-22	\$30,000	\$70,000	\$25,000	\$6,250	\$131,250
17	Jan-23	\$30,000	\$70,000	\$25,000	\$8,333	\$133,333
18	Feb-23	\$30,000	\$70,000	\$25,000	\$10,417	\$135,417

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Flow	Month	CA Bonus	Flow/ Direct Hire Bonus	Y1 25K Earned	Y2 25K Earned	Total
19	Mar-23	\$30,000	\$70,000	\$25,000	\$12,500	\$137,500
20	Apr-23	\$30,000	\$70,000	\$25,000	\$14,583	\$139,583
21	May-23	\$30,000	\$70,000	\$25,000	\$16,667	\$141,667
22	Jun-23	\$30,000	\$70,000	\$25,000	\$18,750	\$143,750
23	Jul-23	\$30,000	\$70,000	\$25,000	\$20,833	\$145,833
24	Aug-23	\$30,000	\$70,000	\$25,000	\$22,917	\$147,917
25+	Sep-23	\$30,000	\$70,000	\$25,000	\$25,000	\$150,000