

MEMORANDUM

TO: Russ Mortenson  
FROM: Rick Salwen  
DATE: December 10, 1979  
RE: Omni

Enclosed with this memorandum are all of the handwritten notes which Tom Marquez has in his files with regard to the aircraft we chartered for the Middle-East rescue. In conjunction with these notes, Tom gave me the following account of the events leading to the aircraft charter:

On February 11, 1979, EDS received word that Bill Gaylord and Paul Chiapparone had managed to escape from the prison in Tehran where they were being held hostage. Ross Perot, Tom Walter, and Tom Marquez decided that it would be necessary to obtain an aircraft and get to Bill and Paul as quickly as possible. They contacted several operators, including Jet Fleet, EA Fleet, and Private Jet Services in Europe, but were unable to obtain an aircraft. Ross Perot then called Tom Marquez to contact Saul Rogers, who, Ross knew, had been the owner of a large aircraft. When contacted by Tom Marquez, Rogers said he had sold his aircraft, but suggested that Marquez call Ray Henderson at Omni.

Marquez called Henderson, and told him that EDS needed to charter a flight to the Middle-East, including aircraft, crew and all services. Henderson replied that Omni was not a charter service per se, and Tom answered that we knew nothing about airplanes and need the entire package of services. To this, Henderson replied, in effect, "We can do that".

Henderson asked Marquez to call Ward International, in Fort Worth, and speak to Ray Beck, who could give Tom the details of the aircraft available. Upon calling Beck, Marquez was told that he could have a BAC 1-11 for \$4,500 per hour, or a Boeing 707 for \$6,000 per hour. Marquez confirmed with Ross Perot and Tom Walter, and they decided that the BAC 1-11 did not have enough range. Marquez called Beck again and asked what the cost would be if the aircraft was only required to go to Washington, D.C. and return. Beck said the price for this round trip was \$20,000. Beck also told Marquez the aircraft was in super shape, and that the last previous flight had been approximately a month before. Beck said the aircraft was equipped with two HF radios, two VHF radios and two inertial navigation systems (INS). As discussed in my previous memo, we later discovered that one INS was inoperative.

With Beck's permission, Jeff Heller of EDS met a friend of Tom Walter's, Sid Carter, an American Airlines captain, at Fort Worth, and Mr. Beck showed them the aircraft. On inspection, Heller and Carter found nothing specific wrong with the airplane, but were concerned that it had not flown in over a month.

Russ Mortenson  
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In the evening of February 11, Ross Perot, Tom Marquez and Tom Walter decided that they should go ahead and charter the aircraft, despite Jeff Heller's reservations about its mechanical condition.

Early in the morning of February 12, Marquez called Ray Henderson to announce that we had decided to charter the airplane. Tom remembers that he got Henderson out of the shower for the telephone conversation. Henderson stated that it would be necessary to have someone come to Maryland to sign lease papers for the airplane. Initially, Marquez intended to go himself, but then decided to have Gary Fernandes work out the details. He asked Henderson for the names of people to contact at Omni and Henderson gave Marquez the names of John Macklin and John Benedict. Marquez passed that information on to Gary Fernandes, and Gary went on with the details of the lease. His discussions are summarized elsewhere.

Later on February 12, Marquez was informed that the crew would arrive at Dallas/Fort Worth Airport that afternoon, and arrangements were made for EDS to provide transportation for the crew from D/FW to Meacham Field in Fort Worth, where the aircraft was located. When the crew arrived, they inspected the aircraft and found some items needed correction. These corrections were not complete until late on the evening of the 12th and the aircraft, with EDS personnel aboard as passengers, finally departed Fort Worth at approximately 12:30 a.m. on February 13.

Marquez also explained to me some of the cryptic notations on the attached sheets, including arrangements for various supplies and materials to be carried on the trip. To describe all of these in this memorandum would probably take too long, but if you have questions please do not hesitate to contact me and I can probably explain most, if not all, of the items included in the notes.

RS:kf

Enclosure

1 will have to be done in person -- served in person to  
2 the Defendant or to the addressee, whoever it is, and  
3 to furnish a copy of such a service or refusal of the  
4 addressee to receive the service of process to the  
5 court. Or in certain circumstances, of course, which  
6 is not applicable to the Government or government  
7 agencies, service of process by publication in the  
8 newspapers also being provided under Iranian law.

9 Q With respect to an entity such as the  
10 Social Security Organization, does Iranian law provide  
11 for service by mail?

12 A No, sir.

13 MR. CASE: All right. That's all of the  
14 offer of proof, Your Honor.

15 THE COURT: All right. You may proceed,  
16 Mr. Case.

17 Q (By Mr. Case) I'll ask you, with respect  
18 to Iranian law, in the event that a contract is  
19 procured by fraud or bribery of a person acting as an  
20 intermediary, but not a government official, does  
21 Iranian law provide anything concerning the validity  
22 of the contract?

23 MR. BRYANT: Your Honor, I would object at  
24 this time, in that I think the record is clear that  
25 there is no proof of bribery, fraud or other

1 impropriety, and, therefore, the opinion is irrelevant

2 THE COURT: Well, I think that's the case.

3 I do not recall any evidence in this record that would

4 raise an issue of bribery or -- I'll sustain the

5 objection, and if you want to pursue it, you can

6 briefly make a 103 offer.

7 MR. CASE: All right. I can do it by the

8 witness orally at this time, Your Honor, or we can

9 do it in writing later, as though done now, and furnish

10 the Court --

11 THE COURT: Well, in view of the time

12 situation, that might be preferable, Mr. Case. I

13 don't want to limit you in what you can do orally.

14 I don't want to unduly limit you, I want to duly

15 limit you.

16 MR. CASE: Uh-huh. I think that to do it

17 I would have to ask a hypothetical question.

18 THE COURT: Of this witness?

19 MR. CASE: Of this witness, yes.

20 THE COURT: All right. Well, you may

21 proceed orally, if you can do it with a hypothetical

22 question and an answer, and then we can go on.

23 MR. CASE: All right.

24 Q (By Mr. Case) Mr. Nassiri, I will ask you

25 to assume these facts: One, that the Plaintiff intend

MEMORANDUM

TO: Russ Mortenson  
FROM: Rick Salwen  
DATE: December 3, 1979  
RE: Omni Litigation: Airworthiness of Aircraft

Enclosed with this memorandum are two copies of a letter dated February 21, 1979 from Ken Lenz, flight engineer for VR-CAN during the trip to the Middle-East and back, to Omni International. Please note that Mr. Lenz thanks Omni for the opportunity to serve them as flight engineer on the "charter" for Ross Perot. This is significant, since a charter operation differs significantly from a simple aircraft lease, and requires substantially higher levels of care, and equipment reliability.

Also, please note the twenty-four item list which Mr. Lenz states it would be "desirable to correct" before further operation of the aircraft. In my conversation with Mr. Lenz in California, I asked him to evaluate the seriousness of each item listed. His comments, item by item, were as follows:

1. This was smelly, and annoying, but did not affect the airworthiness of the aircraft.
2. Same comment as No. 1.
3. This is a nit-picky item.
4. This could result in inability to operate the water system, which would be annoying and uncomfortable but not affect the safety of flight; or, if there really is no circuit breaker protection, could create a danger to anyone touching metal in the vicinity in the event of a short circuit.
5. This is not an airworthiness item either, but simply makes it inconvenient to open and close the door.
6. This item requires a crew member to stand outside to start the No. 1 engine. It presents some danger to the crew member who must perform the starting operation; however, this was not a pre-existing defect Omni should have known about, but rather malfunctioned during the course of this trip.

7. This item is more serious. The ADF is a required navigational instrument for operation in instrument flight; large aircraft such as the Boeing 707 are required to have two of these. The margin of safety in flight is derogated if either one fails to operate.
8. This is the primary enroute navigational instrument for use in flight. It is a required piece of equipment. The aircraft could not legally operate in U.S. airspace in instrument weather conditions with this instrument inoperative. The appearance of the "flag" noted by Mr. Lenz is a malfunction indicator for the instrument.
9. This malfunction makes it difficult or impossible to operate the aircraft on autopilot during climb and descent operations. It has an impact on safety, since climb out and descent are the busiest times for the crew, and the ability to operate the aircraft on autopilot during those operations is important.
10. This item relates to the inertial navigation system (INS), and the inoperative system restricts the ability of the aircraft to operate in transatlantic flight. Under current air traffic control rules, the most advantageous high density flight corridors cannot be used with this instrument inoperative. As a result, the aircraft must operate close to its maximum fuel-range limits for a transatlantic flight, reducing the margin of safety. This defect rendered the aircraft unfit for its intended purpose; and Omni's representatives were well aware that we intended the aircraft for a transatlantic flight. Incidentally, Lenz noted in conversation that the INS instrument installed in the aircraft was not the same as the one for which the operating manuals in the aircraft had been produced. While it was the same series, the serial number for the operating manual was different from the serial number of the instrument installed.
11. A transponder is a required instrument for flight in U.S. airspace as well as operation in most European countries. This particular malfunction created serious problems, since the air traffic control facilities were unable to receive the transponder signal of the aircraft, making radar identification for air traffic control purpose much more difficult.
- 12, 13,  
and 14. These items, combined, made it virtually impossible to monitor accurately the use of fuel in flight. Because fuel flow varies significantly depending upon atmospheric conditions, altitude, and other aspects of the flight regime, accurate fuel flow information is critically important on large jet aircraft. Three of the four fuel flow meters must be in proper working order for legal operation in U.S. airspace.
15. This is a required item of equipment for operation in IFR weather conditions. During this trip, its malfunction created a problem in the approach to Heathrow Airport in England, under emergency conditions, making that approach, in bad weather, much more difficult.
16. This compass was on the captain's position at the beginning of the flight, and the autopilot directional control used this compass for directional guidance information. If this compass had remained in the No. 1 position,

it would have made use of the autopilot totally impossible. Even after the crew switched it to the copilot position, it derogated safety because of the margin-of-safety impact.

17. The severe weakness in the VOR receivers was the direct cause, Lenz believes, of the malfunctions covered above under Items 8 and 15.
18. Accurate air speed indication is critical to proper flight operation, and, at low speeds, this inaccuracy, if not known to and compensated for by the crew, could have caused the aircraft to stall and crash.
19. This gauge is a required item -- however, its proper functioning is not critical to safety of flight.
- 20, 21 These items were annoying, but not critical.
22. These lighting malfunctions made night flight extremely difficult, since a flash light had to be used to read the instruments. Note that the malfunction was more serious than just burned out bulbs.
23. Proper oxygen supplies are critical to passenger safety in the event of failure of the pressurization system in the aircraft. As a matter of fact, the pressure did partially fail during this flight, necessitating rapid descent since not enough passenger oxygen was on board.
24. This problem made it difficult to operate the aircraft at any airport which was not fully equipped with services for a large jet aircraft. Luckily, the airplane did not have to operate from such vehicles.

In addition, Mr. Lenz and I discussed the malfunction of the pressurization system, which was a result of a piece of insulation being caught in the "bleed air" valves, holding those valves open so that the compressors were unable to maintain cabin altitude when the aircraft reached high flight operating altitudes. This problem, of course, was not one which could have been foreseen. However, once it occurred, the other, pre-existing problems aggravated an otherwise inconvenient situation, turning it into a critical safety hazard requiring emergency action and unscheduled termination of the flight at Heathrow Airport.

I also discussed the malfunctions listed in Mr. Lenz's letter with **John Carlen**, the captain of the aircraft, and he stated that, basically, three factors had resulted in his decision to take emergency action terminating the flight, as follows:

1. Because the compass, flight director, and INS were inoperative (as discussed above) it was impossible to fly the aircraft using autopilot, which would have necessitated several hours of transatlantic flying by hand, leading to severe fatigue on the part of the crew.
2. The failure of the pressurization system required the aircraft to operate at low altitude, creating an ability on the part of air traffic control to follow the flight properly and give proper clearances, as well as a fuel consumption problem (since the aircraft uses more fuel at low altitudes) aggravated by the lack of accurate fuel flow information discussed above.

3. Finally, the lack of oxygen availability to the passengers over this long flight with the possibility that the pressurization system would fail entirely, made continuation of the flight unreasonably hazardous.

Carlen also noted several incidental matters with regard to the flight that are not reflected elsewhere in the file as follows:

- a. Omni's contact in London, who made all parking and other arrangements for the aircraft after landing at Heathrow, was named Jeff Fordham;
- b. After landing in London, the aircraft was held over, together with the crew, by direction of Omni, for several days, for the purpose of flying a trip to Rio de Janeiro after the aircraft had been repaired. When the prospective customer cancelled, the crew was sent home.
- c. Also, after the Rio trip cancelled, Omni talked about having the crew bring the aircraft back to the U.S. after repair, but decided not to do so because (Omni told Carlen) it would be easier to sell the plane in London.

The above items should, with the documents and information previously sent you, give you access to all the information I currently have with regard to this case. As you already know, I am available to assist in any way you deem appropriate with further preparation for trial.

RS:kf

02-21-79

Omni International  
Gentlemen:

Thank you for the opportunity to serve you as Flight Engineer on the Boeing 707 VR-CAN H. Ross Perot charter.

The following amounts of monies are due me for services rendered and expenses paid by me.

|  |           |
|--|-----------|
| Pay at \$160 per day for 9 days <sup>2/12 THRU</sup> <sub>2/20</sub> | \$1440 -  |
| Airline fare to Dallas   | 127 -     |
| Hotel, food and phone 2/18-21.22 x 2.16                              | 45.84     |
| Hotel food and phone 2/19-L 36.73 x 2.16                             | 79.34     |
| Cab fare at Satalul  | 5.00      |
|  | <hr/>     |
|  | \$1697.18 |

If you desire to offer me work in the future please let me hear from you. I will be available approximately 15 days each month and have previous F.E. experience on the DC 8, Convair 880, L-188 as well as First Officer experience on B707 & B727.

Before further demonstration of VR-CAN it would seem desirable to correct at least the following items:

1. Both front and aft toilets flushing lines keep plugging up.
2. Middle toilet does not have an external vent or dump connection.
3. Coffee makers in both galleys do not heat water hot enough.
4. No circuit breaker protection for water system pumps or at least its not identified or readily available.
5. Door handle securing cable for fwd galley door is too short.

6. #1 engine start valve must be hand operated
7. #2 ADF is weak in all functions - unusable.
8. Captains HSF (VOR-LOC) flag will not show, always in view
9. Auto pilot <sup>Autopilot pitch trim inoperative</sup> pitch trim is inoperative
10. No 2 Inertia Nav. Sys is removed because inop.
11. No. 1 transponder has no installation rack and connection
12. No. 2 fuel flowmeter underreads approx 800 lbs/hr.
13. No 4 fuel flowmeter inoperative, no amplifier is missing.
14. Fuel flows inoperative in normal position.
15. #1 Slight Deviator is unreliable in VOR/LOC & glide slope.
16. #2 compass erratic and wanders continuously left or right of heading up to 15° and hang up in ~~30°~~ <sup>position</sup> bank (was swapped ~~with #2~~ <sup>with #1</sup> ~~but would not #2~~.)
17. #1 VOR reception very weak.
18. Discrepancy between Cpts & F.O., airspeed and mach meters indications 10 knots and .03 mach at 30,000 feet.
19. Utility hydraulic gauge indications erratic from low of 150 # to high of 4000 #
20. F. E. 2 table light inoperative
21. F.O.s mag light froze in red position
22. Many ~~to~~ F.O.s instrument edge lights out replacing bulbs no help.
23. Passenger Oxygen only 750 lbs
24. A.P.U. random trip usually due to overheat, will not carry both airplane electric & engine start air.

If I can be of further help please let me know

Regards

Kan Long

Paul Chiapparone

What date did you go to Tehran? Please spell Ann-Marie and Hamstead.  
 What is your title now? Ruthie's maiden name and date of birth.  
 Dates of birth of the children. Name of the suburb of Dallas where  
 you now live.

Bill Gaylord

Name of the suburb of Dallas where you now live. What date did you  
 go to Tehran? Why the Chattanooga Room?

Jay Coburn

Number of EDS employees, (a) American and (b) Iranian, in Iran  
 immediately before the evacuation of December 7-8.

John Howell

Dadgar was seeking four EDS executives: Paul, Bill, Paul Bucha  
 and - ?

Please spell Dr Houman and Mr Randoni. What is Houman's first name?

Reza Salahi

Fara

Majid

Abolhasan

Rashid

Please spell [REDACTED], [REDACTED], [REDACTED], [REDACTED],  
 and chella kebab.

Ross Perot

Was your father called Gabriel or Ross? How did you know Helms?  
 Is your favourite sculptor Frederick Remington? Dates of birth of  
 the children.

Margot Perot

Please spell Galisher College. What was your father's name?

Glenn Jackson

Glen or Glenn? Where were you on 1-2 January 79 when Coburn or Sculley called you?

Tom Walter

Is it true you graduated top of every class you ever attended?

Merv Stauffer

Please spell Frito Lay, Claude Chappellear, Malloy Jones. Did the team practise at the 'Laurel' Shooting Range in Garland? Would it be fair to say that part of Mitch Hart's usefulness lay in the fact that there are not too many Democrats around EDS?

Anybody

Bucharest Avenue or Street? Who carried the gooseshot? Did the Shah (or anyone else other than EDS and Mahvi) hold shares in PDS? Who found out the names on the stop list, and how?

ATTORNEY WORK PRODUCT PREPARED IN CONTEMPLATION  
OF LITIGATION -- NOT SUBJECT TO DISCOVERY

MEMORANDUM

TO: File  
FROM: Richard Salwen *RS*  
DATE: May 10, 1979  
RE: Interview with Paul Chiapparone

On May 9, 1979 I interviewed Paul Chiapparone, who was in the cockpit of the Boeing 707 leased from Omni during the entire flight leg from Frankfurt until the emergency landing at London. Paul also was in the cockpit intermittently from the time the aircraft was on the ground Istanbul until they landed at Frankfurt. Paul recounts several problems which occurred during the time he was on the aircraft.

First, before they left Istanbul, the crew had trouble keeping the Auxiliary Power Unit (APU) operating properly. Other than that, Paul says, the trip from Istanbul to Frankfurt was uneventful.

However, at Frankfurt, several things started to go wrong. First, the crew was unable to start the number 4 engine when they initially tried to start the aircraft to leave Frankfurt. The flight engineer left the cockpit and checked the engine. When he returned, they tried again, and managed to get number 4 started. But a fire in that engine ensued, and they were forced to shut down again. A maintenance crew from the airport worked on the engine, and then the flight crew in the airplane managed to start all four engines and they took off.

Following takeoff, the first 20 or 30 minutes of the flight were uneventful. Then, as they attained higher altitudes, they started having problems with the pressurization system. These problems persisted for approximately 1 hour, during which time Paul was in the cockpit and observed the crew working constantly to try to solve the problem. During this period, the navigational equipment on the captain's flight position was apparently malfunctioning, although Paul is unable to give details of precisely what was wrong.

After spending about an hour trying to repair the pressurization system, the crew consulted with EDS personnel and it was decided to abort the planned transatlantic flight, and return to London. On the way to London, the pressurization system quit entirely, and because there was insufficient oxygen aboard for the passengers, it was necessary for the crew to descend swiftly to altitudes below 10,000 feet.

Thereafter, as the aircraft approached England, it was necessary to dump fuel because a landing would be difficult and dangerous with the heavy load of fuel

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which had been taken aboard for the transatlantic flight. However, in dumping the fuel, there was a malfunction in the fuel dump system and two problems resulted. First, for a time, it seemed that they would be unable to close the fuel dump valves, with the result that all the fuel would have drained out of the tanks, leaving insufficient fuel for the landing. They did manage to avert this problem and get the valves closed.

Second, apparently, fuel dump pipes which extrude from the valves would not retract. As a result, it would have been impossible to extend the flaps fully for landing, making the landing difficult and dangerous. However, the crew managed to solve this problem as well.

There still remained the problem of attempting to make a landing in instrument weather (300 foot ceiling) with malfunctioning navigational instruments. However, according to Paul, the crew performed admirably and the landing was accomplished without mishap.

Paul points out that the crew was quite worried throughout the ordeal; and that the captain, who had not smoked in several years, borrowed three or four cigarettes from Paul. Additionally, Paul says that the captain told him this was the worst 707 he (the captain) had ever flown.

Paul also suggested we contact Jeff Heller of EDS who is a pilot and who, Paul reports, inspected the aircraft logs and discovered that they were not maintained properly.

RS:kf

cc: Steve Cunningham

Draft 28 February 1979

TO: Mike Sandler (Telecopy)  
Gary Fernandes (Telecopy)Tom Walter  
Pat Sculley

Attn: [REDACTED]

RE: Lease Agreement Dated 12 February 1979 for a Boeing Aircraft  
707 - 138B, U.S.A. Registration No. VR-CAN, Serial No. 18-067

Dear Sirs:

On February 12, 1979, Petrus Operating Company, Inc. leased the above referenced Boeing 707 for the specific purpose of flying from Dallas to Istanbul, Turkey, picking up EDS employees and returning them to Dallas. The lease of the aircraft was negotiated in your Rockville, Maryland offices on very short notice at a time when we urgently needed the aircraft. The sum of \$250,000 was wire transferred that afternoon to your Baltimore bank to be used to pay the \$6,000 per hour rental fees with the understanding that once the actual hours of flight time were calculated, any net excess would be promptly returned.

We have verified from industry and FAA sources that the normal rental fee for such an aircraft is \$2,000 per hour and we understand that the last time this particular aircraft was leased, it was at a rate of \$1,700 per hour. Nevertheless, had the plane been able to make the trip, we would not have raised objections about the triple rate demanded in this critical situation.

From the very onset, the aircraft experienced a series of mechanical failures. It is our belief that the entire electrical system of the aircraft was and may remain defective. Enroute from Dallas, Texas to Washington, D.C., the transponder and inertial navigation system did not function properly, and the number one engine lost oil at twice the normal rate. The loss of oil presented continuing problems throughout the use of the aircraft. Additionally, it was discovered shortly after take-off from Dallas that the aircraft had insufficient oxygen on board for cabin use and no spare tires. The water tank valves were frozen, making it impossible to take on additional fresh water which created serious problems later on in the flight.

The most dangerous problems were experienced in the return flight from Frankfurt, Germany to Dallas, Texas when all navigational electronic devices failed and cabin pressure was lost. After dumping fuel for an emergency landing, difficulty was experienced in closing the fuel drain valves. The situation shortly after leaving Frankfurt was so critical that the crew and passengers were convinced for a period of time that it would be absolutely necessary to make an emergency landing in the ocean. Only with great difficulty was the craft able to land at London airport. Thus, while in flight over open ocean, all cockpit instruments and navigational aides ceased functioning, pressure gauges went out and a most dangerous situation existed.

Upon landing at London Heathrow Airport, the Flight Engineer of the crew advised our representatives on board that the aircraft was in unsafe flying condition. Accordingly, we were forced to make alternate arrangements for the return of our 17 passengers to Dallas from London.

Thus, the plane's unsafe condition and its inability to perform its function of delivering the people back to Dallas resulted in early termination of the lease of the aircraft at Heathrow Airport in London on Sunday, 18 February 1979. The telex to your attention on 20 February 1979 (copy attached as Exhibit 1) confirmed our return of possession of the aircraft to the Lessor in London on 18 February 1979.

What is now required is an accounting and the return of the net balance due to us from the initial \$250,000 payment made upon execution of the Lease. We understand that you are claiming 20 hours of flight before the emergency landing in London at \$6,000 per hour, or \$120,000. We note that at normal lease rates that sum should give us an additional 40 hours of flight time.

You also claim an additional 12 hours of flight time to relocate the aircraft from London to Dallas/Fort Worth at \$6,000 per hour, plus fuel and crew costs, for a total of approximately \$89,745. The purpose of this letter is to make perfectly clear that we do not feel it is proper for you to ask us to pay any of the London to Dallas relocation costs.

Furthermore, we have expended approximately \$13,000 for commercial flight fares from London to Dallas and an additional \$5,000 for fuel which had to be dumped due to the unsafe condition of the aircraft. As you also know, there are also emergency landing fees at London and overnight hotel charges yet unpaid which were all occasioned by the unsafe condition of the aircraft.

I understand that your proposed charges (including the estimated \$89,745 to return the aircraft from London to Dallas) amount to approximately \$210,000 which would result in a proposed refund of \$40,000 from the initial \$250,000 deposited upon leasing the aircraft.

For the reasons previously mentioned, this is an absolutely unacceptable proposal. The proper net sum to be returned to us is \$151,316. This would mean that we would agree to pay for the 20 hours of flight time, i.e. \$120,000 less a return to us for our offsetting costs returning from London to Dallas incurred due to the unsafe condition of the aircraft in the amount of approximately \$21,316. In the interests of speedily resolving this matter, we would, nevertheless, be willing to agree to the minimum rental fee of \$150,000 resulting in a return to us of an even \$100,000.

In view of the fact that you currently have possession of the aircraft and our \$250,000 lease payment, we expect a response from you within the next ten (10) days so that, if necessary, we can promptly commence appropriate litigation.

Very truly yours,

Claude K. Chappellear

CKC/pd

cc: Gary Fernandes