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31 January 1955

Ref. WD-55-70

Thomas G. Corcoran, Esq.
1016 Investment Building
1511 K Street, N W
Washington, D. C.

Dear Mr. Corcoran:

Thank you for your note of December 28, 1954, in which, as attorney for Messrs. Whiting Willauer and James J. Brennan, you acknowledge receipt by them of our identical letters to each of them dated November 16, informing them of the prospective transfer of substantially all of the assets of CAT Incorporated to a new wholly-owned Chinese corporate subsidiary.

Since the dispatch of those letters, the plans for the organization of the new company have been altered in part, and we wish to bring these changes to your attention on behalf of Messrs. Willauer and Brennan. It is now proposed that CAT Incorporated will acquire the stock of the new Chinese corporation but that this acquisition will not be in exchange for the transfer of CAT assets. Instead, substantially all of the CAT assets will be transferred to the new corporation in return for promissory notes of the new corporation secured by mortgages on such of those assets as can be made subject to mortgage under the law of China.

Further, for your information, the franchise under which CAT has been operating the airline expired as of March 31, 1954 and the operation since then has been conducted under the authority of a series of interim permits pending accomplishment of the reorganization described above.

Sincerely yours,

CAT Incorporated

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George A. Doole, Jr.
Vice Chairman of the Board

APPROVED FOR
RELEASE DATE:
23-Sep-2009

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