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E-SYS GNVL

AIRAM WSH B

TELEX

TLX

TO: MR. JAMES W. CROWLEY
VICE PRESIDENT AND GENERAL COUNSEL
E-SYSTEMS, INC.

CC: K.M. SMITH

RE: (A) CONTRACT FOR SALE OF SHARES DATED AUGUST 21, 1974

(B) CLOSING AUDIT AS OF JANUARY 31, 1975

YOUR TELEX, DATED APRIL 23, 1975 REFERENCED AS ABOVE, RECEIVED HERE LATE APRIL 24, 1975, REFERS. WITHOUT TAKING PRECISE EXCEPTION TO STATEMENTS AS FACT, BY IMPLICATION, OR INNUENDO, CONTAINED IN YOUR MESSAGE, THIS WILL NEVERTHELESS CONFIRM THAT AIR AMERICA OFFICIALS ARE PREPARED TO CONFER WITH APPROPRIATE OFFICIALS OF E-SYSTEMS WITH REGARD TO THE COMPLIANCE WITH THE TERMS OF THE AGREEMENT FOR SALE OF SHARES, AS SUPPLEMENTED BY IMPLEMENTATION DOCUMENTS SUBSCRIBED AND DISCUSSED BETWEEN THE PARTIES, TO WHICH END WE HAVE HERETOFORE REQUESTED THAT A PRECISE TABULATION OF POINTS DESIRED TO BE DISCUSSED BE PREPARED AND FORWARDED TO US TO ENABLE OUR APPROPRIATE CONSIDERATION AND, IF NECESSARY, THE AGREEMENT OF AN INTELLIGENT AGENDA FOR SUCH DISCUSSIONS. THAT REQUEST IS HEREWITH REITERATED.

WE CONFIRM THAT MR. VELTE IS IN SOUTHEAST ASIA ON URGENT AND VITAL CORPORATE BUSINESS AND IN ALL PROBABILITY WILL NOT BE BACK IN THE UNITED STATES BY MAY 1, 1975. MR. VELTE HAS REQUESTED THAT I CONTACT E-SYSTEMS AND INQUIRE AS TO WHAT ITEMS E-SYSTEMS VIEWS ARE OUTSTANDING AND NEED TO BE DISCUSSED, TO DETERMINE WHETHER SUCH ITEMS MAY BE RESOLVED PRIOR TO HIS RETURN AND IF SO TO RESOLVE THEM. IT OCCURS TO US THAT ANY SUCH POINTS, WHICH RELATE TO THE SENSE AND IMPLEMENTATION TO THE AGREEMENT FOR SALE OF SHARES, AND THE MEMORANDA AGREEMENTS OF OCTOBER 4, 1974 NOVEMBER 15, 1974, AND JANUARY 24, 1975, MAY VERY WELL BE SUBJECT TO RESOLUTION WITHOUT THE PERSONAL PARTICIPATION OF MR. VELTE. IN ANY EVENT, WE NOTE THAT THE PREMISE STATED IN THE THIRD PARAGRAPH OF YOUR TELEX NOTED ABOVE UPON THE BASIS OF WHICH YOU ADVISE THE INTENT OF E-SYSTEMS TO MAKE CLAIM AGAINST THE ESCROW ACCOUNT IS NOT, IN OUR OPINION, A VALID BASIS FOR ANY SUCH CLAIM AND DOES NOT ACCORD WITH EITHER THE TEXT OR THE INTENT OF THE LETTER--AGREEMENT DATED JANUARY 17, 1975 BETWEEN MESSRS. GEORGE A. DOOLE REPRESENTING AIR AMERICA AND H.L. THURMON REPRESENTING E-SYSTEMS WHICH IS THE PREMISING DOCUMENT FOR THE ESCROW AGREEMENT.

YOURS TRULY,

CLYDE S. CARTER
SENIOR VICE PRESIDENT
AIR AMERICA, INC.

4/26/75*
E-SYS GNVL

APPROVED FOR
RELEASE DATE:
20-Oct-2009

AIRAM WSH B

SENT WAS APR 26 1975

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1735L
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TELEX

AIRAM WSH
E-SYS DAL

REC'D WAS APR 24 1975

TO: HENRY P BEVANS
VICE PRESIDENT - LAW
ICA, INC.

CC: K M SMITH

RE: (A) CONTRACT FOR SALE OF SHARES DATED AUGUST 21, 1974
(B) CLOSING AUDIT AS OF JANUARY 31, 1975

WE HAVE RECEIVED THE AUDIT REPORT SUBMITTED BY COOPERS AND LYBRAND TO THE BOARD OF DIRECTORS OF AIR AMERICA WHICH YOU TRANSMITTED TO ME BY YOUR LETTER DATED APRIL 14, 1975. E-SYSTEMS PERSONNEL HAVE REVIEWED THE AUDIT REPORT AND DISAGREE WITH ITS CONTENT. PRIMARILY, WE FIND THAT IT CONTAINS ADJUSTMENTS MADE BY AIR AMERICA PERSONNEL AND THEREFORE THE AUDIT REPORT DOES NOT REFLECT A STATEMENT PREPARED BY AIR ASIA, AS SPECIFIED IN THE REFERENCED CONTRACT.

E-SYSTEMS DESIRES TO DISCUSS, AMONG OTHER ITEMS, THE AUDIT REPORT WITH AIR AMERICA AND TO DETERMINE THE COLLECTABILITY OF ACCOUNTS RECEIVABLES LEFT WITH AIR ASIA. IN THIS CONNECTION, VARIOUS PERSONNEL OF E-SYSTEMS HAVE RECENTLY BEEN IN CONTACT WITH MR HUGH GRUNDY OF YOUR OFFICE, INQUIRING AS TO WHEN MR PAUL VELTE WOULD BE AVAILABLE FOR A MEETING. FROM THESE CONVERSATIONS, WE UNDERSTAND THAT MR VELTE IS OUT OF THE COUNTRY AND THAT THE TIME OF HIS RETURN IS UNCERTAIN AT THIS POINT. UPON HIS RETURN TO THE UNITED STATES, PLEASE HAVE HIM CONTACT K M SMITH AT OUR GREENVILLE DIVISION SO THAT A TIME FOR A MEETING BETWEEN MR SMITH AND MR VELTE CAN BE ARRANGED TO DISCUSS THE REPORT.

HOPEFULLY, MR VELTE WILL RETURN AND BE AVAILABLE FOR A MEETING ON OR BEFORE MAY 1, 1975. IF HE CANNOT BE AVAILABLE UNTIL A LATER TIME, PLEASE BE ADVISED THAT E-SYSTEMS WILL HAVE TO ADVISE THE ESCROW AGENT THAT WE ARE MAKING CLAIM AGAINST THE ESCROW ACCOUNT AND DIRECT THE ESCROW AGENT, IN ACCORDANCE WITH THE ESCROW AGREEMENT, TO HOLD THE ESCROWED FUNDS UNTIL IT IS NOTIFIED OTHERWISE. SHOULD YOU HAVE ANY QUESTIONS IN THE INTERIM, PLEASE CONTACT THE UNDERSIGNED OR MR BOLDING. WRITTEN NOTICE OF THIS TELEGRAPH MESSAGE FOLLOWS.

VERY TRULY YOURS,

JAMES W CROWLEY
VICE PRESIDENT AND
GENERAL COUNSEL

APRIL 23, 1975 //

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TO CEO P/T SGN
INFO. CEO VP-T EA/CEO WAS MAAL HKG
SUBJ MESSAGE TO E-SYSTEMS
RER (1) CEO SGN D75 251101Z
(2) MAAL HKG D75 250705Z
(3) SVP-OCA WAS D75 252110Z

FOLLOWING TLX REPLY WAS SENT TO E-SYSTEMS. RE MY SVP-OCA WAS D75 252110Z:

QUOTE

TO: MR. JAMES W. CROWLEY
VICE PRESIDENT AND GENERAL COUNSEL
E-SYSTEMS, INC.

CC: K.M. SMITH

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(B) CLOSING AUDIT AS OF JANUARY 31, 1975

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YOURS TRULY,

CLYDE S. CARTER
SENIOR VICE PRESIDENT
AIR AMERICA, INC.

UNQUOTE

SENT WAS APR 26 1975
SVP-OCA WAS D75 261500Z

SUBJECT FILE COPY

QU SGNXTFA HKGXTFA
•WASAYFA 252110Z

TO CEO P/T SGN
INFO CEO VP-T EA/CEO WAS MAAL HKG
SUBJ MESSAGE FROM E-SYSTEMS
REF (1) CEO SGN D75 251101Z
(2) MAAL HKG D75 250705Z

1. THE FOLLOWING QUOTED MESSAGE WAS RECEIVED FROM E-SYSTEMS VIA DOMESTIC TELEX LATE AFTERNOON OUR APRIL 24 (NOTE: IT WAS DATED APRIL 23D). IT WAS ADDRESSED TO MR. BEVANS FROM MR. CROWLEY, WHICH IS THE FORMAL NOTICE TRANSMITTAL PROCEDURE PRESCRIBED IN THE SALE AGREEMENT:

QUOTE

TO AIR AMERICA INC.
WASHINGTON, D.C.
TO: HENRY P BEVANS
VICE PRESIDENT - LAW
AIR AMERICA, INC.

CC: K M SMITH

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(PART ONE OF TWO OF SVP-OCA WAS D75 252110Z)

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SENT WAS APR 25 1975

SUBJECT FILE COPY

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OU SGNXTFA HKGXTFA
.WASAYFA 252110Z

TO CEO P/T SGN
INFO CEO VP-T EA/CEO WAS MAAL HKG
SUBJ MESSAGE FROM E-SYSTEMS
REF (1) CEO SGN D75 251101Z
(2) MAAL HKG D75 250705Z

(CONTINUED PART TWO OF TWO)

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VERY TRULY YOURS,

JAMES W CROWLEY
VICE PRESIDENT AND
GENERAL COUNSEL

APRIL 23, 1975

UNQUOTE

2. COPIES OF THE ESY TELEX WERE GIVEN TO EXCOM MEMBERS FOR THEIR REACTION TO ME PRIOR TO MY CONTACT WITH ESY. NO INPUT FROM EXCOM YET BUT I PLAN TO RESPOND TO MR. CROWLEY VIA TELEX CITING THE ERROR OF HIS PREMISE, AND WILL ALSO CONTACT ESY BY TELEPHONE PER YOUR MESSAGE, REFERENCE (1) ABOVE.

3. WILL ADVISE MORE LATER.

(PART TWO OF TWO OF SVP-OCA WAS D75 252110Z)

SENT WAS APR 25 1975

SUBJECT FILE COPY

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TO: MR. JAMES W. CROWLEY
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SENT WAS APR 26 1975

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