

MINUTES OF MEETING  
OF  
EXECUTIVE COMMITTEES  
OF  
AIR AMERICA, INC. AND AIR ASIA COMPANY LIMITED  
21 January 1975

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Meetings of the Executive Committees of Air America, Inc. and Air Asia Company Limited were held on January 21, 1975 and the following matters were considered:

1 - Approval of Minutes:

(a) Meetings of Air America, Inc. and Air Asia Company Limited Executive Committees of December 10, 1974: The minutes of the meetings of Air America, Inc. and Air Asia Company Limited Executive Committees of December 10, 1974 were approved.

(b) Meeting of Air America, Inc. Board of Directors of December 10, 1974: The draft minutes of the meeting of Air America, Inc. Board of Directors of December 10, 1974 were approved for submission to the Board.

(c) Meeting of Air Asia Company Limited Board of Directors of December 10, 1974: The draft minutes of the meeting of Air Asia Company Limited Board of Directors of December 10, 1974 were approved for submission to the Board.

2 - Reports: The Chief Executive Officer reported that the Preliminary Intercompany Contract Operating Reports provided the following information for the months of November and December 1974:

(a) Financial

	<u>NOVEMBER</u>	<u>8 Months Ended 11/30/74</u>	<u>8 Months Ended 11/30/73</u>
Operating Revenues:			
Contract Revenue	\$ 867,658	\$11,013,179	\$28,370,028
Customer Maintenance	1,177,553	8,920,608	6,240,262
All Other	22,183	80,778	69,658
Total	<u>\$2,067,394</u>	<u>\$20,014,565</u>	<u>\$34,679,948</u>
Operating Expenses	1,998,122	18,562,085	34,245,884
Operating Income	69,272	1,452,480	434,064
Non-Operating Income	7,573	832,085	373,729
Income before Income Taxes	76,845	2,284,565	807,793

(b) Operating Statistics

Total Hours Flown	3,140	36,595	89,371
DSLH TNN			
Customer	225,094	1,808,076	1,504,621
Company	23,796	226,400	430,577
Indirect	101,185	1 781,997	325,690
Total	<u>350,075</u>	<u>2,816,473</u>	<u>2,760,888</u>
DSLH OKO			
Customer	-	-	83
Company	-	-	15,492
Indirect	-	-	5,813
Total			<u>21,388</u>
DSLH BKK			
Customer	-	-	257
Company	-	-	6,158
Indirect	-	-	5,631
Total			<u>12,046</u>
DSLH UTH			
Customer	-	185,552	865,369
Company	-	27,814	154,650
Indirect	-	13,684	101,559
Total		<u>227,050</u>	<u>1,121,578</u>
DSLH LAOS			
Customer	-	10,587	146,283
Company	-	956	138,902
Indirect	-	6,693	140,582
Total		<u>18,236</u>	<u>425,767</u>

	<u>NOVEMBER</u>	<u>8 Months Ended 11/30/74</u>	<u>8 Months Ended 11/30/73</u>
DSLH SVN			
Customer	408	6,662	12,342
Company	27,322	230,537	263,442
Indirect	24,425	197,158	180,314
Total	<u>52,155</u>	<u>434,357</u>	<u>456,098</u>

	<u>DECEMBER</u>	<u>9 Months Ended 12/31/74</u>	<u>9 Months Ended 12/31/73</u>
Operating Revenues:			
Contract Revenue	\$ 987,085	\$12,000,264	\$31,146,959
Customer Maintenance	1,323,523	10,244,131	7,091,701
All Other	18,993	99,771	76,487
Total	<u>\$2,329,601</u>	<u>\$22,344,166</u>	<u>\$38,315,147</u>
Operating Expenses	1,713,197	20,275,282	37,809,591
Operating Income	616,440	2,068,884	505,556
Non-Operating Income	29,337	861,422	452,517
Income before Income Taxes	645,741	2,930,306	958,073

In discussing the December figures, the Chief Executive Officer noted that the operating profit included an approximate \$300,000 adjustment for accruals that had been established earlier in the year but did not occur.

(b) Operating Statistics

Total Hours Flown	3,007	39,602	96,831
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In addition, the Chief Executive Officer mentioned that flying for the first twenty days of January averaged 108 hours per day.

DSLH TNN			
Customer	243,681	2,051,757	1,695,971
Company	16,991	243,391	477,500
Indirect	105,804	887,801	915,803
Total	<u>366,476</u>	<u>3,182,949</u>	<u>3,089,274</u>

DSLH OKO			
Customer	-	-	83
Company	-	-	17,503
Indirect	-	-	6,505
Total			<u>24,091</u>

DSLH BKK			
Customer	-	-	257
Company	-	-	7,186
Indirect	-	-	6,196
Total			<u>13,639</u>

DSLH UTH			
Customer	-	185,552	964,875
Company	-	27,814	170,087
Indirect	-	13,684	108,881
Total		<u>227,050</u>	<u>1,243,843</u>
DSLH LAOS			
Customer	-	10,587	157,854
Company	-	956	143,177
Indirect	-	6,693	150,781
Total		<u>18,236</u>	<u>451,812</u>
DSLH SVN			
Customer	555	7,217	14,177
Company	23,997	254,534	294,259
Indirect	20,359	217,517	203,717
Total	<u>44,911</u>	<u>479,268</u>	<u>512,153</u>

(c) Personnel Statistics - 31 December 1974:

AIR ASIA COMPANY LIMITED	-	2985
AIR AMERICA, INC.	-	1123
AIR AMERICA LIMITED	-	60
AIR AMERICA-WASHINGTON	-	26
CIVIL AIR TRANSPORT	-	18
TOTAL		<u>4,212</u>

3 - Reports from Members of the Executive Committee:

(a) -0002 Contract Negotiations - The Chief Executive Officer reported that -0002 negotiations for fourth quarter operations and Phase-In Phase-Out (PIPO) services are currently underway in Bangkok. To date the government negotiators have offered a three million dollar settlement for the Company's 3.8 million dollar claim but this has been turned down and it is hoped that a final agreement can be reached that will be somewhere between 3.1 and 3.2 million dollars.

(b) South Vietnam - The Chief Executive Officer reported that the pilots in South Vietnam are becoming very uneasy over the continually deteriorating operating conditions and stated that the Company will probably be faced with having to increase hazard pay again in the very near future.

(c) Hong Kong Phase Out - The Chief Executive Officer

mentioned that a broad plan has been developed to phase out Air America Limited in Hong Kong approximately sixty days after active operations in Southeast Asia cease.

(d) AIR ASIA COMPANY LIMITED - The Chief Executive Officer reported that mismanagement in several areas, including AACL's commercial collections and accounts receivable, had gotten to the point where he felt direct intervention on his part was required and thus he and Mr. Grundy had recently gone to Tainan to better appraise the overall situation. The Chief Executive Officer stated that his review disclosed many instances of incompetent management which among other things included the release of completed work to customers before proper payments had been received. As a result, AACL had built up commercial accounts receivable in excess of two million dollars much of which was way overdue.

Based on his findings the Chief Executive Officer appointed Mr. Grundy as Acting Chief Executive Officer of AACL and installed him at Tainan to ensure that the situation disclosed above is brought under control and that the overall best interests of the owners are protected until the sale of AACL is finalized.

4 - Banking Facilities: The Executive Committee approved the following banking actions:

Change of Signature

- (a) AAM New York AID/ea Contract 105  
Fund (US\$200,000) Account Number  
910-1-335140 at The Chase Manhattan  
Bank
- (b) AAM New York Procurement Fund Account  
Number 910-1-427228 at Chase Manhattan  
Bank

- (c) AACL Los Angeles Procurement Fund  
Account Number 149-904740 at  
United California Bank
- (d) AAM Riel Working Fund Account Number  
40-5250 (US\$200.00) at Banque Inadana  
Jati

Decrease amount of Fund/Change spelling of name

Thai Pacific Services Company Limited  
Bangkok Working Fund Account Number  
04-0367 Baht 100,000.00 @20.25=\$4,938.27  
at The Chase Manhattan Bank, N. A.

There being no further business to come before the  
Meeting, on motion duly made and seconded, it was adjourned.

Respectfully submitted,

Mark L. Peterson  
Secretary for the Meeting

Note: (a), (b), (c) approved at Special Executive Committee  
Meeting 7 January 1975.