

165461



**L.A. IRIZARRY & ASSOCIATES**

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DEPT. OF TRANSPORTATION  
DOCKETS  
02 APR 30 PM 2:35

April 25, 2002

OST-02-11658-3

Janet Davis  
Senior Transportation Analyst  
Air Carrier Fitness Division  
400 Seventh Street, S.W.  
Washington, D.C. 20590

Dear Janet:

We are providing you with information requested in your letter dated March 26, 2002. If you need additional information and clarification do not hesitate to contact us.

Sincerely,



Luis A. Irizarry  
Aviation Consultant  
for LAP, Inc.

C LAP, Inc.  
Docket Section  
FAA - Caribbean FSDO-21  
File

Janet Davis  
Senior Transportation Analyst  
Air Carrier Fitness Division  
400 Seventh Street, S.W.  
Washington, D.C. 20590

DEPT. OF TRANSPORTATION  
DOCKETS

02 APR 30 PM 2:36

Dear Janet:

This is in response to your letter requesting information for LAP, dated March 26, 2002 and given an extension up to April 29, 2002 to respond.

Page 3 of the application has been corrected to show, Interstate Charter Air Transportation, Scheduled has been deleted.

### GENERAL INFORMATION

Item: 1            Exhibit **15** and **16** translation:

Exhibit 15 and 16 has been translated and are included.

Item 2            FAA Air Carrier Certificate A6PA539W is the certificate for Apel Air Corporation. Apel Air is a corporation registered under the Laws of the Commonwealth of Puerto Rico. After review this matter, we found that it was a mistake when the FAA Caribbean FSDO-21 issued the certificate. The certificate has been corrected by the Caribbean FSDO -21, and copy of the DOT economic authority are included.

Item 3            See item 2. The only connection between LAP and Apel Air is that **Mr.** Luis A. Perez is stock holder in both companies and key personnel. Mr. Irizarry's business is a consulting firm, provide these type of services to several carriers. Mr. Irizarry is the agent for service and consultant for LAP **as** well as others. Mr. Irizarry do not hold any interest in LAP.

Item 4            Apel Air did not hold any certificate number LPZA187G. This certificate was held by a corporation by the name LAPSA. A corporation registered under the Laws of the Commonwealth of Puerto Rico. The LAPSA certificate was not revoked, in fact the certificate was surrender to the Caribbean FSDO-21. See letter provided by the Caribbean FSDO-21.

Item 5            I recommend that you look again into the docket established for such filings (Docket 96-1960) docket number **OST-96-1960-344**. **As** previously indicated the Plan was submitted to both, the Docket section and the NTSB. We also include a copy of the plan for your records.

## MANAGEMENT AND KEY TECHNICAL PERSONNEL

- Item 1 (a) Mr. Luis A. Perez, stockholder of **LAP**, is stockholder in **Apel Air** also. He is owner of 100% of the stocks in Apel Air.
- (b) Mr. **Luis A.** Perez, stockholder of LAP, was stockholder in LAPSA. He was owner of 100% of the stocks in LAPSA.
- (c) ATP Certificate number 583100975.
- (d) **Apel Air, Inc.** is in the process of being sold to another company. Mr. Luis A. Perez, will not be holding any position nor any stocks as soon as the transaction is completed. **He** will spend all his time with LAP.
- Item 2 Mr. Ulpiano L. Amy ATP certificate number is 2200144. He was employed by PRINAIR (Puerto Rico International Airlines) between 1977 and 1985 as a Pilot.
- Item 3 Mr. Jose A. Rivera is not the holder of any FAA- issued certificates. Mr. Rivera employment between 1972 and 1984 was with the Puerto Rico Ports Authority as Security Supervisor. Mr. Rivera **was** employed by LAP before the corporation was incorporated. He worked in the process of incorporation and organization of the company, and after incorporated, he continued his employment with LAP under professional service contract.
- Item 4 Mr. Rafael Delgado's mechanic certificate number is 1515139. Mr. Delgado was employed by LAP before the corporation was incorporated. He **worked** in the process of development the maintenance manual and the maintenance organization of the company, and after incorporated, he **continued his employment with LAP, under professional service contract.**
- Item 5 Mr. Humfredo Lopez's certificate number is 583062692. Mr. Lopez was employed by LAP before the corporation was incorporated. He worked in the process of development the Inspection Program and the Inspection Organization of the company, and after incorporated, he continued his employment with LAP, under professional service contract.
- Item 6 The Caribbean FSDO-21, is in charge to oversee those contracts. Mr. Rafael Gilestra, Principal Maintenance Inspector and Certification Project Manager will oversee the Maintenance Contract. Mr. **Ismael Ortiz**, Principal Operations Inspector will oversee the Training Contract.
- Item 7 Mr. Luis A. Perez- President and Director of Operations meets the qualifications for the position of Director of Operations as set forth in section 119.65 and 119.67 of the Federal Aviation Regulations (14 CFR 119.65 and 119.67).
- Mr. Ulpiano L. Amy, meets the qualifications for the position of Chief Pilot as set forth in section 119.65 and 119.67 of the Federal Aviation Regulations (14 CFR 119.65 and 119.67).
- Mr. Jose A. Rivera, meets the qualifications for the position of Director of Safety as set forth in section 119.65 and 119.67 of the Federal Aviation Regulations (14 CFR 119.65 and 119.67).

Mr. Rafael Delgado, meets the qualifications for the position of Director of Maintenance as set forth in section 119.65 and 119.67 of the Federal Aviation Regulations(14 CFR 119.65 and 119.67).

Mr. Humfredo Lopez, meets the qualifications for the position of Chief Inspector as set forth in section 119.65 and 119.67 of the Federal Aviation Regulations(14 CFR 119.65 and 119.67).

## FINANCIAL POSITION AND OPERATING PLANS

Item 1. See letter attached from CPA.

Item 2. See letter attached.

**Item 3.** As you know from the Carolina City Mayor's letter(exhibit 15) which has been translated for you, and from the Municipality Development Bank's(BADEM) letter(included herein), the Puerto Rico Government is seriously committed to this project. The loans developed by the government are labor intensive and time consuming. We are submitting herein a Letter of Intent from BADEM showing their approval for a 1.5 millions dollar line of credit. This letter specifies hoe these funds are *to be used. We don't have a date yet for receiving these funds, because certain conditions must be met before these moneys will be advanced.* The primary condition is receiving **FAA** Certification.

Item 4. Please note that the aircraft to be operated **is** a 727-200, not a 737 as mentioned in your letter.

As you can see from **Exhibit 7**, we are not going to offer scheduled service. Three (3) or four (**4**) flights a week, conducted on a charter basis, will be sufficiently profitable because most of our flights will be paid according to total occupancy. (If you look at the daily utilization of Carriers like Express One, Falcon Air and others, you will see that they only operate 1 or 2 flights a day and they have been successful.

Our Miami Flights have been used **as** an example of weekly and monthly utilization, due to the fact that our charters are on demand. (and it is impossible to predict our destinations). For our hypothetical example we used Bonilla Travel, an agency who anticipate using our services at least three (3) times a week. (see *commitment letter*).

**I'd** accept your invitation to **come** up with a business plan that demands greater utilization of equipment and personnel - if I believed that this utilization would increase earnings in the long run. In **my** experience, other business's that have utilized these methods have eventually lost operational control, and ultimately fail. It is reasonable to me that a low utilization rate can be maintained over a sustained period. (See Revised Exhibit **9**)

For example: Pan Am Airways, Eastern Airlines and even American Airlines are struggling, in part, because of their using this strategy (high utilization), particularly in view of the challenges currently facing the airline industry. However, companies such as American Trans Air, Delta Airlines and some smaller operator's have overcome the hardships..

Item 5. We have reviewed our Insurance Expenses Forecast to comply with Part 205 of the Department Rules. Up until now, we haven't gotten a response from our broker (but the amount of the insurance expenses won't increase). Please, letter included from the broker (Manolo Iglesias) which shows our intention to make the corrections. We will let you know as soon as we get it.

Item 6. An important factor for you to consider is that our airline will be based on the island of Puerto Rico. Even though our forecast expenses may appear to be unrealistic, our *local* labor force is more than the **50%** cheaper than in the Continental United States. The second assumption that you should understand is that the unemployment rate in Puerto Rico exceeds 20%. Most of our personnel will be more than happy to get the minimum wage or to accept a Part Time Job, rather than be in an *unemployment line*. *For this reason, our project is fully supported by the Autonomic Municipality of Carolina and also by the Government of Puerto Rico.* (See letter of agreement)

**On** the other hand, a low utilization rate means a lower cost of operations. The cost varies proportionally with the level of our operations. The only factors (items) that remain the same if you increase or decrease the level of operation are:

- Insurance
- Hangar and Office Rent
- The Aircraft Lease
- Counter, Ramp and other Fixed Operations

**As** you may see from Exhibit 9, these values are kept weekly, monthly and yearly on a fixed basis, not on a per block hour basis. What we did in this Exhibit was demonstrate that by adopting a lower aircraft utilization rate, we would be able to meet our financial obligations.

We know that if we increase our operations, these mentioned costs will vary proportionally and inversely with profits, making them more of an exponential factor. We don't want to **do** that, nor **do** we want to see beautiful numbers – we'll realistically face the costs associated with a new company.

In conclusion, we don't intend to exceed our operations beyond our resources. Our small company has been operating successfully for about nine (9) years.

Here is how we determine the Captain and Copilot salaries:

The minimum guaranteed flight pay for a Captain is \$31,680 per year. (A Captain in Puerto Rico who works for any company earns between \$30,000 to \$45,000).

Considering that we are providing the necessary training for type ratings, a one-year contract will be required, guaranteeing us that one of our Captains who currently works a maximum of 4 days a week for \$400.00 (\$100 per day) will increase his salary to \$660 a week for two days. So, if the captain works four (4) days a week, he will earn \$63,340 a year, (this is more than an ATR-72 Captain from American Eagle in Puerto Rico who flies from six (6) to seven (7) hours a day on a five (5) days week shift).

If for any reason, we equal the amount of days worked by an American Eagle Pilot, the salary of our pilot will be increased to \$1,320 a week, (this being more than triple the salary that they are making now). We don't pretend to hire any other crew, except those that already belong to our small company. They agree that they will be more than happy for the first year and they have expressed it in their commitment.

In the case of the Copilots, they are paid \$50.00 a day, which equals \$200 a week for four days. Their salary will be increased with us to an additional \$440.00 a week for only **two** days of work. So, if the same pilots work four (**4**) days at \$220.00 per day, their salary will be \$880.00 a week. This represents \$45,760 a year.

Item 7. In this matter, you are right when you said that it is unclear where we have included the salaries of our senior management and key personnel. Initially, we tried to reflect these salaries on the General and Administrative Expenses, but we understand that we must be more specific regarding this item. So, we are going to include the salaries for the President, Vice-president, Executive Secretary, Chief Pilot, Director of Operations, Director of Maintenance, Chief Inspector, Director of Security and Chief Flight Attendance in Exhibit 9. These salaries for the mentioned personnel will total \$6,000 a week, which represents \$24,000 a month for this concept. (See Revised Exhibit 9)

*Item 8. You are right concerning this point. We didn't include it in our forecast our costs for Contract Training. This omission was because these training costs are going to be paid (or fully absorbed) by the Workforce Investment Act (WIA –Federal Funds) in combination with the Municipal Agency Employment Opportunities (AMOE), supported by the Municipality of Carolina and especially by its Mayor, Hon. Jose Aponte de la Torre. (See letters included from WIA y letter from Marrero). In this sense, most of our personnel will be newly hired from the general public based on the WIA program. Also, we are going to provide a public service by employing the disadvantaged and those in need of training.*

Please understand that many assorted governmental agencies are contributing to the realization of this Project. (See Exhibit 15).

On the other hand, the Cost of Maintenance has been figured in Exhibit 9 (See Exhibit 9) as a whole part. It includes Jet Tires (\$9,216), Jet Parts (\$42,240), Jet Engines (\$190,080), Jet Oil & Fluids (\$9,216) for a yearly total of \$250,752. Even though the Lesser guarantees the various checks that have to be done to this aircraft for a year (it is a responsibility of the lesser to provide them), we have separated this quantity of \$250,752, because we believe it is more than enough for an airplane that has to be utilized less than 250 hours. It is a good assumption \$1,000.00 per hour of Maintenance.

Regarding the Maintenance Facilities and Personnel, we don't figure the First Part, so we are going to include the fixed monthly cost of \$2,750.00 for the Hangar Rent (See Revised Exhibit 9 and letter from Mr. Anthony Tirri, Caribbean Aircraft Facilities). The total maintenance personnel are composed by the A & P Mechanics (\$12,288.00), Ramp Agents (\$13,248.00), Janitorial Service (\$32,256) and Pullers or Mechanic Assistants (\$33,600) for a total yearly cost of \$91,392.00.

Item 9. We are submitting the explanations for every item in Schedule 1 of Exhibit 8 (See Revised Exhibit 9)

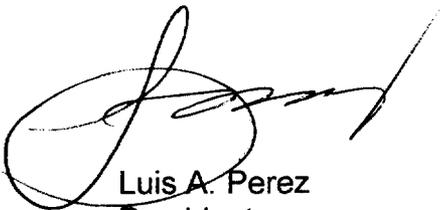
Item 10. We are submitting the explanations for every item in the Pre-Operating Expenses Forecast (See Revised Exhibit 9)

## **CERTIFICATION**

The contents of this application and the attached exhibits are true and correct to the best of my knowledge and belief. I, **Luis A. Perez**, individually and on behalf of applicant, certifies that, pursuant to Title 18 United States Code Section 1001, he has not in any manner knowingly and willfully falsified, concealed, or covered up by trick, scheme, or device any **material** fact, or made any false, fictitious or fraudulent statements or representations, or made or used any writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry in connection with the preparation, filing and prosecution of this application. I further acknowledge and understand that whoever violates the provisions of 18 U.S.C. 1001 shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

WHEREFORE, Linea Aerea PuertorriqueAa, Inc. respectfully requests that the Department grant this application, and any such other relief as it may find to be in the public interest.

Respectfully submitted, this 26<sup>th</sup> day of April, 2002.



Luis A. Perez  
President

## CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing response and documents for a certificate of public convenience and necessity authorizing Interstate Charter Air Transportation of persons, property and mail by first class mail, postage prepaid, upon the persons shown in the following service list.

A handwritten signature in black ink, appearing to read 'Luis A. Irizarry', is written over the printed name and title.

Luis A. Irizarry  
Aviation Consultant  
L.A. Irizarry & Associates, Inc.  
PO Box 37217 Airport Station  
San Juan, P.R. 00937-0217  
(787) 752-7621

April 26, 2002

## SERVICE LIST

Department of Transportation  
Office of the Secretary  
400 Seventh Street, N.W.  
Washington, D.C. 20590

Department of State  
Office of Aviation  
2201 C Street, N.W.  
Washington, D.C. 20520

Federal Aviation Administration  
800 Independence Ave. S.W.  
Washington, D.C. 20591

American Airlines  
C/O Government Rep.  
1101 Seventeenth Street, N.W. Room 600  
Washington, D.C. 20036

Hon. Jose Aponte  
Mayor, Carolina City  
City Hall  
Carolina, Puerto Rico 00985

Mr. Jose Baquero  
Executive Director  
Puerto Rico Ports Authority  
GPO Box 362829  
San Juan, P.R. 00936-2829

Hon. Sila M. Calderon  
Governor of Puerto Rico  
Fortaleza, San Juan, P.R. 00936

11. The applicant was founded as a Puerto Rico Corporation in April 3, 2001, for the purpose of providing Air Transportation Service between United States and various destinations in the United States, Territories and Possessions. Since the Applicant is in the process of certification, no operations have been conducted.  
Exhibit 1

At the present time, LAP is in the process of certification with the **FAA**, Caribbean FSDO-21 with a pre-certification number **LQ0A977P**. Upon filing this application with the Department, all **required** materials for **Interstate Charter Air Transportation** service will be submitted to the **FAA**. The applicable FSDO office is located at La Torre de Plaza Las Americas, 525 F.D.Roosevelt Ave. Suite 901, San Juan, P.R.00918-1198. The manager name is Mr. Nelson Soto and the Certificate Project Manager is **Mr. Rafael Gilestra, Telephone number (787)764-2538.**

[14 C.F.R. 204.3(s)]

Exhibit 7

12. LAP's Financial Statements, Pro Forma Balance Sheets and Income Statements ~~for~~ the first year of scheduled service operations are contained in the exhibits.  
[14 C.F.R. 204.3(t)]

Information in support of the applicant's fitness to conduct the proposed air transportation operation is contained in Exhibits 8 through 9



COMMONWEALTH OF PUERTO RICO  
MUNICIPAL GOVERNMENT OF CAROLINA  
OFFICE OF THE MAYOR

February 18, 2002

Capt. Luis A. Perez  
President  
Linea Aerea Puertorriqueña, Inc.  
P.O. Box 810298  
Carolina, Puerto Rico 00981-0298

Dear **Mr.** Perez:

I reiterate our disposition to assist you in the establishment of your Company, Linea Aerea Puertorriqueña, in the Municipality of Carolina. According to your presentation recently, this Company would be base at the area **of** the Luis Muñoz Marín Airport and it would include shops for repair and maintenance of airplanes. The employments to create will be highly specialized and well remunerated and preference would be given to Carolina's residents.

The Agency for the Economic Development (CADEM), and the Bank of Municipal Economic Development (BADEM), would consider offering the technical support, financing administration, revenue incentives and personnel training ~~or~~ the establishment of your Company.

It is necessary that you submits us the whole financial information of the project, including but without limitations, to the business plan, financial statements, certificates, financial projections, determination of you economic validity and related information for carrying out the evaluation of your project. If the analysis of economic and financial feasibility is positive, we will proceed with the processes for the provide incentives, technical support and financing administration with the biggest urgency.

Waiting that the aforementioned documentation be submitted a the possible brevity,

Cordially,

Jose E. Aponte De La Torre  
Mayor

<b>LONG FORM</b>		<input type="checkbox"/> RETURN WITH CHECK (PLEASE ATTACH CHECK HERE)		Serial Number																			
Liquidator		Reviewer																					
		<b>1998</b>	GOVERNMENT OF PUERTO RICO DEPARTMENT OF THE TREASURY	<b>1998</b>																			
		<b>INDIVIDUAL INCOME TAX RETURN</b>																					
		FOR CALENDAR YEAR 1999 OR TAXABLE YEAR BEGINNING ON _____ AND ENDING ON _____																					
R	M	V1	V2	P1	P2	N	D	E	A	<input type="checkbox"/> AMENDED RETURN <input type="checkbox"/> DECEASED DURING THE YEAR													
First Name				Initial		Last Name				Second Last Name		Social Security Number											
Luis A.						Perez Gonzalez						583-10-0975											
Postal Address												Date of Birth		Sex									
Calle Lilas #1677												06/06/50		<input checked="" type="checkbox"/> M <input type="checkbox"/> F									
Urb. San Francisco												Day		Month		Year							
Rio Piedras PR												5		84		9		03		8		47	
"Place Label here"												Spouse's Social Security Number		Spouse's Date of Birth		Day		Month		Year			
Spouse's first name and initial												5		29/07/56		Day		Month		Year			
Last Name												Telephone (Home):		Telephone (Office):		Change of address: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Second Last Name																							
Maria M. Pietri Rodriguez																							
Home address (Town or Urbanization, Number, Street)																							
Calle Lilas #1677 Urb. San Francisco																							
Rio Piedras PR																							
Zip Code																							
00927																							



**FOR COLLECTOR'S USE ONLY**  
Receipt Control Number  
No. \_\_\_\_\_  
Amount: \_\_\_\_\_

Yes No		<b>FILING STATUS AT THE END OF THE TAXABLE YEAR:</b>	
A.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	United States Citizen?
B.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resident of Puerto Rico at the end of the year?
C.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Tax exempt income from Lottery of Puerto Rico?
D.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Income from racetrack winnings in Puerto Rico?
E.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other exempt income? (Submit Schedule)
F.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Obligation to make payments to ASUME?
1)	<input type="checkbox"/>	<input type="checkbox"/>	Married living with spouse and filing jointly
2)	<input type="checkbox"/>	<input type="checkbox"/>	Married not living with spouse (Not head of household) (Indicate spouse's name and social security number)
3)	<input type="checkbox"/>	<input type="checkbox"/>	Head of household
4)	<input type="checkbox"/>	<input type="checkbox"/>	Single
5)	<input type="checkbox"/>	<input type="checkbox"/>	Married filing separately (Indicate spouse's name and social security number)

<b>HIGHEST SOURCE OF INCOME:</b>			<b>Government Contract:</b>		
G.	<input type="checkbox"/>	Government, Municipalities and Public Corporations Employee	J.	<input type="checkbox"/>	Retired/Pensioner
H.	<input type="checkbox"/>	Federal Government Employee	K.	<input checked="" type="checkbox"/>	Self-Employed (Indicate principal industry or business)
I.	<input type="checkbox"/>	Private Business Employee	Taxpayer Spouse <input type="checkbox"/>		
Your occupation <u>N/A</u>			Spouse's occupation <u>Doctor</u>		
			<b>2000 RETURN</b>		
			SPANISH <input type="checkbox"/> ENGLISH <input type="checkbox"/>		

1. Wages, Commissions, Allowances and Tips		A-Income Tax Withheld		B-Wages, Commissions, Allowances and Tips	
ATTACH ALL YOUR WITHHOLDING STATEMENTS (FORMS 499R-2/W-2PR, 499R-2c/W-2cPR or W-2), AS APPLICABLE.		00		00	
		00		00	
		00		00	
		00		00	
Total (Number of withholding statements with this return) <input type="checkbox"/>		00		00	
C-Federal Government Wages (See instructions).....		(01) 00		(02) 00	
2. Other Income (or Losses):		Income Tax Withheld		Federal Wages	
A) Interest income (Schedule F Individual, Part I, line 9) .....		(03) 00		(03) 00	
B) Distributable share on special partnerships profits (Submit Schedule F Individual and Schedule R) .....		(04) 00		(04) 00	
C) Distributable share on special partnerships losses (Submit Schedule R) .....		(05) 00		(05) 00	
D) Dividends from corporations and distributions from partnerships subject to withholding (Schedule F Individual, part II, line 1A) ..		(06) 00		(06) 00	
E) Dividends from corporations and distributions from partnerships not subject to withholding (Schedule F Individual, Part II, line 1B) ..		(07) 00		(07) 00	
F) Distributable share on profits from Subchapter S corporations of individuals (Submit Schedule F Individual) .....		(08) 00		(08) 00	
G) Miscellaneous income (Submit Schedule F Individual) .....		(09) 00		(09) 00	
H) Dividends from Capital Investment or Tourism Fund (Submit Schedule Q1) .....		(10) 00		(10) 00	
I) Income from annuities and pensions (Schedule H Individual, Part II, line 12) .....		(11) 00		(11) 00	
J) Alimony received (Payer's social security No. _____) (12) .....		(12) 00		(12) 00	
K) Gain (or loss) from industry or business (Submit Schedule K Individual) .....		(13) 00		(13) 00	
L) Gain (or loss) from farming (Submit Schedule L Individual) .....		(14) 00		(14) 00	
M) Gain (or loss) from professions and commissions (Submit Schedule M Individual) .....		(15) 00		(15) 00	
N) Gain (or loss) from rental business (Submit Schedule N Individual) .....		(16) 8,135		(16) 00	
O) Gain (or loss) from sale or exchange of capital assets (Submit Schedule D Individual) .....		(17) 00		(17) 00	
P) Net long-term capital gain on Investment Funds (Submit Schedule Q1) .....		(18) 00		(18) 00	
3. Total Gross Income (Add lines 1B, 1C and 2A through 2P) .....		(19) 00		(19) 00	
4. Alimony Paid (Recipient's social security No. _____) (21) .....		(20) 8,135		(20) 00	
5. Adjusted Gross Income (Subtract line 4 from line 3) .....		(21) 00		(21) 00	
		(22) 8,135		(22) 00	
		(23) 00		(23) 00	
		(24) 8,135		(24) 00	
		(25) 00		(25) 00	
		(26) 8,135		(26) 00	
		(27) 00		(27) 00	
		(28) 8,135		(28) 00	
		(29) 00		(29) 00	
		(30) 8,135		(30) 00	

5. Adjusted Gross Income (From line 5, page 1).....	02.....	(01)	8,135	00
6. STANDARD DEDUCTION: If you checked Box 1 in Part 1 enter \$3,000, Box 2 enter \$2,000, Box 3 enter \$2,600, Box 4 enter \$2,000. If you checked Box 5 and your spouse claimed itemized deductions enter zero. If your spouse did not itemize enter \$1,500 .... (02)				
7. Total itemized deductions (schedule A Individual, Part I, line 16)..... (03)				
				3,801 00
8. Standard or itemized deductions (Enter the larger of line 6 or 7)..... (04)				
				3,801 00
9. Total additional deductions (Schedule A Individual, Part II, line 8)..... (05)				
				3,000 00
10. Total deductions (Add lines 8 and 9)..... (06)				
				6,801 00
11. PERSONAL EXEMPTION: If you checked Box 1 enter \$3,000, Box 2 enter \$1,300, Box 3 enter \$3,000, Box 4 enter \$1,300, Box 5 enter \$1,500 .. (07)				
				1,500 00
12. EXEMPTION FOR DEPENDENTS (See instructions)				
A) Non university: Category (N)..... (10) _____ x \$1,300 ..... (11)				
B) University student: Category (U)..... (14) _____ x \$1,600 ..... (15)				
C) Disabled, blind or age 65 or older: Category (I)..... (1a) _____ x \$1,300 ..... (19)				
D) Total Exemption for Dependents (Add lines 12A, 12B and 12C)..... (20)				
				00
13. Total Deductions and Exemptions (Add lines 10, 11 and 12D)..... (21)				
				8,301 00
14. NET TAXABLE INCOME (Subtract line 13 from line 5. If line 13 is larger than line 5, enter zero)..... (30)				
				00
15. TAX AS PER: (01) <input checked="" type="checkbox"/> 1 Tax Table <input type="checkbox"/> 2 Special tax on capital gains <input type="checkbox"/> 3 Nonresident alien..... (02)				
16. Gradual Adjustment Amount (Schedule P Individual, line 7)..... (03)				
				00
17. Excess of Alternate Basic Tax over Regular Tax (Schedule O Individual, line 6)..... (04)				
				00
18. Tax on eligible interest and interest from financial institutions subject to withholding (Schedule F Individual, Part I, line 5A and 5B)..... (05)				
				00
19. Special tax on corporate dividends and partnerships distributions subject to withholding (schedule F Individual, Part II, line 2A)..... (06)				
				00
20. Tax on dividends from Capital Investment or Tourism Fund (Submit Schedule Q1)..... (07)				
				00
21. Total tax determined (Add lines 15 through 20)..... (08)				
				00
22. Recapture of investment credit claimed in excess (Schedule B Individual, Part I, line 3)..... (09)				
				00
23. Tax credits (Schedule B Individual, Part II, line 11)..... (10)				
				00
24. TAX LIABILITY (Add lines 21 and 22 and subtract line 23, if it is less than zero, enter zero)..... (11)				
				00
25. TAX WITHHELD OR PAID:				
A) Tax withheld on wages (Add lines 1A and 1C of Part 2)..... (12)				
				00
B) Tax withheld on annuities and pensions (schedule H Individual, Part II, line 13)..... (13)				
				00
C) Other payments and withholdings (Schedule E Individual, Part III, line 12)..... (14)				
				00
D) Total Tax Withheld or Paid (Add lines 25A through 25C)..... (15)				
				00
26. AMOUNT OF TAX DUE (If line 24 is larger than line 25D, enter the difference here, otherwise, enter on line 31)..... (16)				
				00
27. Less: Amount paid with automatic extension of time..... (17)				
				00
28. BALANCE OF TAX DUE (if line 26 is larger than line 27, enter the difference here, otherwise, enter on line 31)..... (18)				
				00
29. Less: Amount paid				
(a) With Return..... (19)				
				00
(b) Through Electronic Transfer (Transaction No. _____)..... (20)				
				00
(c) Interest..... (21)				
				00
(d) Surcharges..... (22)				
				00
30. BALANCE OF TAX DUE (Subtract lines 29(a) and 29(b) from line 28)..... (23)				
				00
31. Amount overpaid (Subtract lines 25D and 27 from line 24. Indicated distribution on line A or B)..... (24)				
				00
A) To be credited to estimated tax for 2000..... (25)				
				00
B) TO BE REFUNDED..... (40)				
				00

Head of Household	(01)	First Name, Initial	Last Name	Second Last Name	Date of Birth	Relationship	Category	Social Security Number
		First Name, Initial	Last Name	Second Last Name	Date of Birth Day / Month / Year	Relationship	Category (N) (U) (I) See instructions	Social Security Number
(02)								
(03)								
(04)								
(05)								
(06)								
(07)								
(08)								
(09)								

I hereby declare under penalty of perjury that this return (including the statements, schedules and other documents attached) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. I also declare that I have provided more than 50% of the support for all dependents claimed. The declaration of the person who prepares this return (except the taxpayer) is with respect to the information available to him/her, and this information has been verified.

<b>Note to taxpayer:</b> If you paid a Specialist to prepare your return, he (she) must sign and write his/her registration number in the space provided.		Date	Taxpayer's signature
		Date	Spouse's signature
Specialist's signature	Registration No.	Date	Self-employed <input checked="" type="checkbox"/> (Check here)
C.P.A. Ramon J. Velez Garcia	2119	04/99	Specialist's Social Security Number 5 8 3 5 8 6 9 6 3
Specialist's name (Print)	Business or Firm's name	Employer's Identification Number 6 6 0 4 9 0 3 3 5	

**Schedule A Individual**

Rev 0599



**ITEMIZED AND ADDITIONAL DEDUCTIONS**

**19<sup>98</sup>**

Taxable year beginning on \_\_\_\_\_ and ending on \_\_\_\_\_

Taxpayer's name

Luis A. Perez Gonzalez

Social Security Number

583-10-0975

**Part I**

**Itemized Deductions**

(You must submit evidence to claim these deductions. See instructions)

**1. Home mortgage interest:**

10

Name of entity to whom payment was made	Mortgage	Loan Number	Amount	
Principal residence:				
Sucesion de Eloisa Mendia	First	66-6021369	3,801	00 (01)
	Second			00 (02)
Second residence:				
	First			00 (03)
	Second			00 (04)
Loan origination fees (See instructions)				00 (05)
Loan discounts (See instructions)				00 (06)

**Total home mortgage interest paid** ..... (07) **3,801** **0**

**2. License plates for automobiles used for personal purposes (See instructions)**

Plate Number	Date of Payment	Amount \$
_____	_____	_____
_____	_____	_____

**Total automobile license plates paid** ..... (08) **00**

**3. Child care expenses (See instructions. \$600 for one child; \$1,200 for two or more children)** ..... (09) **00**

**4. Rent paid (Landlord's social security No. \_\_\_\_\_) (10)** ..... (11) **00**

**5. Property tax on principal residence** ..... (12) **00**

**6. Casualty loss on your principal residence (See instructions)** ..... (13) **00**

**7. Medical expenses (Schedule J Individual, line 4)** ..... (14) **00**

**8. Charitable contributions (Schedule J Individual, line 8)** ..... (15) **00**

**9. Loss of personal property as a result of certain casualties (See instructions)** ..... (16) **00**

**10. Windmills expenses** ..... (17) **00**

**11. Orthopedic equipment expenses for handicapped persons:**  
 Check:  (18) Taxpayer  (19) Wife  (20) others ..... (21) **00**

**12. Dependent's education expenses** ..... (22) **00**

**13. Solar equipment expenses** ..... (23) **00**

**14. Interest paid on students loans at university level (See instructions)** ..... (24) **00**

**15. Contributions to the Fund for Services Against Remediable Catastrophic Diseases (See instructions)** ..... (25) **00**

**16. Total itemized deductions (Add lines 1 through 15 and transfer to Part 3, line 7 of the return)** ..... (30) **3,801** **00**

**Part II**

**Additional Deductions**

(You must submit evidence to claim these deductions. See instructions)

**1. Contributions to governmental pension or retirement systems** ..... (31) **00**

**2. Contributions to an individual Retirement Account (Do not exceed from \$3,000 or \$6,000 if married)** (32) **3,000** **00**

**3. Deduction when both spouses work** ..... (33) **00**

**4. Deduction for Veterans** ..... (34) **00**

**5. Ordinary and necessary expenses (Schedule I Individual, line 8)** ..... (35) **00**

**6. Automobile loan interest (Do not exceed from \$1,200):**  
 Bank \_\_\_\_\_ Loan Number \_\_\_\_\_ ..... (36) **00**

**7. Young people who work (See instructions)** ..... (37) **00**

**8. Total additional deductions (Add lines 1 through 7 and transfer to Part 3, line 9 of the return)** ..... (40) **3,000** **00**

**Schedule M Individual**

Rev. 05.98



**PROFESSIONS AND COMMISSIONS INCOME**

**19** 98

Taxable year beginning on \_\_\_\_\_ 19 \_\_\_\_ and ending on \_\_\_\_\_ 19 \_\_\_\_

Taxpayer's name  
Luis A. Perez Gonzalez

Social Security Number  
583-10-0975

**Part I** (You should fill out one schedule for each source of income)

Income from (check one):  1 Taxpayer  2 Spouse Check one:  3 Professions  4 Commissions

Industrial Code	Nature of profession (i.e. lawyer, accountant, commission agent, etc.)	Day ____ Month ____ Year ____
		Number of employees 0

**Part II Determination of Profit or Loss**

1. Income .....	(01)	11,000	00
2. Less: Operating expenses and other costs (Detail in Part III) .....	(10)	2,865	00
3. Net income .....	(11)	8,135	00
4. Less: Net operating loss from previous years (Submit schedule, see instructions) .....	(12)		00
5. Profit (or loss) (If it is a profit, transfer to page 1, Part 2, line 2M of the return. If it is a loss, see instructions) .....	(20)	8,135	00

**Part III Operating Expenses and Other Costs**

1. Salaries, commissions and allowances to employees .....	(01)		00
2. Commission to other businesses .....	(02)		00
3. Payroll expenses .....	(03)		00
4. Contributions to pension plans .....	(04)		00
5. Contributions to deferred income plans .....	(05)		00
6. Medical or hospitalization insurance .....	(06)		00
7. Interest on business debts .....	(07)		00
8. Rent paid .....	(08)		00
9. Property taxes .....	(09)		00
10. Other taxes, patents and licenses .....	(10)		00
11. Repairs .....	(11)	420	00
12. Motor vehicles expenses .....	(12)	1,255	00
13. " " .....	(13)		00
14. Insurance .....	(14)		00
15. Advertising .....	(15)		00
16. Travel expenses .....	(16)	890	00
17. Meals and entertainment expenses (Total expenses) \$- _____ (See instructions) .....	(17)		00
18. Professional services .....	(18)	300	00
19. Materials and supplies .....	(19)		00
20. Depreciation and amortization (Submit Schedule E Individual) .....	(20)		00
21. Bad debts .....	(21)		00
22. Other expenses (Submit detailed schedule) .....	(22)		00
23. Total (Transfer to Part II, line 2 of this Schedule) .....	(30)	2,865	00



5. Adjusted Gross Income (From line 5, page 1) ..... (01) 14,915 00

6. STANDARD DEDUCTION: If you checked Box 1 in Part 1 enter \$3,000, Box 2 enter \$2,000, Box 3 enter \$2,600, Box 4 enter \$2,000. If you checked Box 5 and your spouse claimed itemized deductions enter zero. If your spouse did not itemize enter \$1,500 .... (02) 00

7. Total itemized deductions (Schedule A Individual, Part I, line 16)..... (03) 4,167 00

8. Standard or itemized deductions (Enter the larger of line 6 or 7)..... (04) 4,167 00

9. Total additional deductions (Schedule A Individual, Part II, line 8) ..... (05) 4,200 00

10. Total deductions (Add lines 8 and 9)..... (06) 8,367 00

11. PERSONAL EXEMPTION: If you checked Box 1 enter \$3,000, Box 2 enter \$1,300, Box 3 enter \$3,000, Box 4 enter \$1,300, Box 5 enter \$1,500 .. (07) 1,500 00

12. EXEMPTION FOR DEPENDENTS (See instructions)

A) Non university: Category (N) ..... (10) x \$1,300 ..... (11) 00

B) University student: Category (U) ..... (14) x \$1,600 ..... (15) 00

C) Disabled, blind or age 65 or older: Category (I) ..... (18) x \$1,300 ..... (19) 00

D) Total Exemption for Dependents (Add lines 12A, 12B and 12C)..... (20) 00

13. Total Deductions and Exemptions (Add lines 10, 11 and 120)..... (21) 9,867 00

14. NET TAXABLE INCOME (Subtract line 13 from line 5. If line 13 is larger than line 5, enter zero)..... (30) 5,048 00

15. TAX AS PER: (01)  1 Tax Table  2 Special tax on capital gains  3 Nonresident alien..... (02) 565 00

16. Gradual Adjustment Amount (Schedule P Individual, line 7)..... (03) 00

17. Excess of Alternate Basic Tax over Regular Tax (Schedule O Individual, line 6)..... (04) 00

18. Tax on eligible interest and interest from financial institutions subject to withholding (Schedule F Individual, Part I, line 5A and 5B).. (05) 00

19. Special tax on corporate dividends and partnerships distributions subject to withholding (Schedule F Individual, Part II, line 2A)..... (06) 00

20. Tax on dividends from Capital Investment or Tourism Fund (Submit schedule Q1)..... (07) 00

21. Total tax determined (Add lines 15 through 20)..... (08) 565 00

22. Recapture of investment credit claimed in excess (Schedule B Individual, Part I, line 3)..... (09) 00

23. Tax credits (Schedule B Individual, Part II, line 11)..... (10) 00

24. TAX LIABILITY (Add lines 21 and 22 and subtract line 23. If it is less than zero, enter zero)..... (11) 565 00

25. TAX WITHHELD OR PAID

A) Tax withheld on wages (Add lines 1A and 1C of Part 2)..... (12) 00

B) Tax withheld on annuities and pensions (Schedule H Individual, Part II, line 13) ..... (13) 00

C) Other payments and withholdings (Schedule B Individual, Part III, line 12)..... (14) 00

D) Total Tax Withheld or Paid (Add lines 25A through 25C)..... (15) 00

26. AMOUNT OF TAX DUE (If line 24 is larger than line 25D, enter the difference here, otherwise, enter on line 31)..... (16) 565 00

27. Less: Amount paid with automatic extension of time..... (17) 00

28. BALANCE OF TAX DUE (If line 26 is larger than line 27, enter the difference here, otherwise, enter on line 31)..... (18) 565 00

29. Less: Amount paid

(a) With Return..... (19) 565 00

(b) Through Electronic Transfer (Transaction No. ....) ..... (20) 00

(c) Interest ..... (21) 00

(d) Surcharges ..... (22) 00

30. BALANCE OF TAX DUE (Subtract lines 29(a) and 29(b) from line 28)..... (23) 00

31. Amount overpaid (Subtract lines 25D and 27 from line 24. Indicate distribution on line A or B) ..... (24) 00

A) To be credited to estimated tax for 2000 ..... (25) 00

B) TO BE REFUNDED..... (40) 00

Head of Household (01)	First Name, Initial	Last Name	Second Last Name	Date of Birth	Category J	Social Security Number
(02)	Luis A.	Perez Pietri		16/10/93	Hijo	597-54-2055
(03)						
(04)						
(05)						
(06)						
(07)						
(08)						
(09)						

I hereby declare under penalty of perjury that this return (including the statements, schedules and other documents attached) has been examined by me and to the best of my knowledge and belief is a true, correct and complete return. I also declare that I have provided more than 50% of the support for all dependents claimed. The declaration of the person who prepares this return (except the taxpayer) is with respect to the information available to him/her, and this information has been verified.

**Note to taxpayer:**  
If you paid a Specialist to prepare your return, he (she) must sign and write his(her) registration number in the space provided.

Specialist's signature: C.P.A. Ramon J. Velez Garcia  
Registration No.: 13,016  
Date: 04/00

Taxpayer's signature: C.P.A. Ramon J. Velez Garcia  
Date: 04/00

Spouse's signature: C.P.A. Ramon J. Velez Garcia  
Date: 04/00

Self-employed (Check here)

Specialist's Social Security Number: 5183 | 51869163  
Employer's Identification Number: 6604 | 9013315

**Schedule A Individual**

Rev. 05.99



**ITEMIZED AND ADDITIONAL DEDUCTIONS**

**19** 99

Taxable year beginning on \_\_\_\_\_ and ending on \_\_\_\_\_

Taxpayer's name

Luis A. Perez Gonzalez

Social Security Number

583-10-0975

**Part I**

**Itemized Deductions**

(You must submit evidence to claim these deductions. See instructions)

1. Home mortgage interest:

10

Name of entity to whom payment was made	Mortgage	Loan Number	Amount
Principal residence: Sucesion de Eloisa Mendia	First	66-6021369	4,167 00 (01)
	Second		00 (02)
Second residence:	First		00 (03)
	Second		00 (04)
Loan origination fees (See instructions)			00 (05)
Loan discounts (See instructions)			00 (06)

**Total home mortgage interest paid** ..... (07) **4,167 0**

2. License plates for automobiles used for personal purposes (See instructions)

_____	_____	_____	
_____	_____	_____	
_____	_____	_____	

**Total automobile license plates paid** ..... (08) **00**

- 3. Child care expenses (See instructions. \$600 for one child; \$1,200 for two or more children) ..... (09) 00
- 4. Rent paid (Landlord's social security No. .... (11) 00
- 5. Property tax on principal residence ..... (12) 00
- 6. Casualty loss on your principal residence (See instructions) ..... (13) 00
- 7. Medical expenses (Schedule J Individual, line 4) ..... (14) 00
- 8. Charitable contributions (Schedule J individual, line 8) ..... (15) 00
- 9. Loss of personal property as a result of certain casualties (See instructions) ..... (16) 00
- 10. Windmills expenses ..... (17) 00
- 11. Orthopedic equipment expenses for handicapped persons:  
 Check: (18) Taxpayer  (19) Wife  (20) others ..... (20) 00
- 12. Dependent's education expenses ..... (22) 00
- 13. Solar equipment expenses ..... (23) 00
- 14. Interest paid on students loans at university level (See instructions) ..... (24) 00
- 15. Contributions to the Fund for Services Against Remediable Catastrophic Diseases  
 (See instructions) ..... (25) 00
- 16. **Total itemized deductions** (Add lines 1 through 15 and transfer to Part 3, line 7 of the return) ..... (30) **4,167 00**

**Part II**

**Additional Deductions**

(You must submit evidence to claim these deductions. See instructions)

- 1. Contributions to governmental pension or retirement systems ..... (31) 00
- 2. Contributions to an individual Retirement Account (Do not exceed from \$3,000 or \$6,000 if married) ..... (32) **3,000 00**
- 3. Deduction when both spouses work ..... (33) 00
- 4. Deduction for Veterans ..... (34) 00
- 5. Ordinary and necessary expenses (Schedule I Individual, line 8) ..... (35) 00
- 6. Automobile loan interest (Do not exceed from \$1,200):  
 Bank First Bank Loan Number 0073-86-70309905 ..... (36) **1,200 00**
- 7. Young people who work (See instructions) ..... (37) 00
- 8. **Total additional deductions** (Add lines 1 through 7 and transfer to Part 3, line 9 of the return) ..... (40) **4,200 00**

**Schedule M Individual**  
Rev. 05.98



**PROFESSIONS AND COMMISSIONS  
INCOME**

**19** 99

Taxable year beginning on \_\_\_\_\_ 19\_\_ and ending on \_\_\_\_\_ 19\_\_

Taxpayer's name  
**Luis A. Perez Gonzalez**

Social Security Number  
**583-10-0975**

**Part I** 67 (You should fill out one schedule for each source of income)

Income from (check one):  **1** Taxpayer  **2** Spouse      Check one:  **3** Professions  **4** Commissions

Employer's Identification Number	Location of Principal Office - Number, Street and City	Date operations began: Day____ Month____ Year____
Industrial Code	Nature of profession (i.e. lawyer, accountant, commission agent, etc.)	Number of employees <b>0</b>

**Part II** **Determination of Profit or Loss** 75

1. Income.....	(01)	18,000	00
2. Less: Operating expenses and other costs (Detail in Part III) .....	(10)	3,085	00
3. Net income.....	(11)	14,915	00
4. <b>Less:</b> Net operating loss from previous years (Submit schedule, see instructions) .....	(12)		00
5. Profit ( <del>or loss</del> ) (If it is a profit, transfer to page 1, Part 2, line 2M of the return. If it is a loss, see instructions) .....	(20)	14,915	00

**Part III** **Operating Expenses and Other Costs** 85

1. Salaries, commissions and allowances to employees .....	(01)		00
2. Commission to other businesses.....	(02)		00
3. Payroll expenses.....	(03)		00
4. Contribution to pension plans.....	(04)		00
5. Contribution to deferred income plans.....	(05)		00
6. Medical or hospitalization insurance.....	(06)		00
7. Interest on business debts.....	(07)		00
8. Rent paid.....	(08)		00
9. Property taxes.....	(09)		00
10. Other taxes, patents and licenses.....	(10)		00
11. Repairs.....	(11)	810	00
12. Motor vehicles expenses.....	(12)	1,250	00
13. Utilities.....	(13)		00
14. Insurance.....	(14)		00
15. Advertising.....	(15)		00
16. Travel expenses.....	(16)		00
17. Meals and entertainment expenses (Total expenses) \$ <u>1,430</u> (See instructions) .....	(17)	715	00
18. Professional services.....	(18)		00
19. Materials and supplies.....	(19)	310	00
20. Depreciation and amortization (Submit Schedule E Individual) .....	(20)		00
21. Bad debts.....	(21)		00
22. Other expenses (Submit detailed schedule) .....	(22)		00
23. Total (Transfer to Part II, line 2 of this Schedule) .....	(30)	3,085	00

<b>LONG FORM</b>		<input type="checkbox"/> RETURN WITH CHECK (PLEASE ATTACH CHECK HERE)		Serial Number
Liquidator	Reviewer	<b>2000</b>	GOVERNMENT OF PUERTO RICO DEPARTMENT OF THE TREASURY	<b>2000</b>
<b>INDIVIDUAL INCOME TAX RETURN</b>		FOR CALENDAR YEAR 2000 OR TAXABLE YEAR BEGINNING ON 01/01, 00 AND ENDING ON 12/31, 00		
First Name Initial Last Name Second Last Name Luis A. Perez Gon		Social Security Number		
Postal Address Calle Lilas #1677 Urb. San Francisco Rio Piedras PR Zip Code 00927		Date of Birth Sex 06/06/50 <input checked="" type="checkbox"/> M <input type="checkbox"/> F		
Spouse's First Name and Initial Last Name Second Last Name Maria M. Pietri Rodriguez		Spouse's Social Security Number 584-130-3847		
Home Address (Town or Urbanization, Number, Street) Calle Lilas #1677, Urb. San Francisco Rio Piedras PR Zip Code 00927		Spouse's Date of Birth 29/07/56		
"Place Label here".		Home Telephone Office Telephone		
		CHANGE OF ADDRESS <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		Receipt Number: _____ Amount: _____		

<b>Part 1</b>	YES NO A. <input checked="" type="checkbox"/> <input type="checkbox"/> United States Citizen? B. <input checked="" type="checkbox"/> <input type="checkbox"/> Resident of Puerto Rico at the end of the year? C. <input type="checkbox"/> <input checked="" type="checkbox"/> Tax exempt income from Lottery of Puerto Rico? D. <input type="checkbox"/> <input checked="" type="checkbox"/> Income from racetrack winnings in Puerto Rico? E. <input type="checkbox"/> <input checked="" type="checkbox"/> Other exempt income? (Submit Schedule) F. <input type="checkbox"/> <input checked="" type="checkbox"/> Obligation to make payments to ASUME?	<b>FILING STATUS AT THE END OF THE TAXABLE YEAR:</b> 1) <input type="checkbox"/> Married living with spouse and filing jointly 2) <input type="checkbox"/> Married not living with spouse (Not head of household) (Indicate spouse's name and social security number) 3) <input type="checkbox"/> Head of household 4) <input type="checkbox"/> Single 5) <input type="checkbox"/> Married filing separately (Indicate spouse's name and social security number)
	<b>HIGHEST SOURCE OF INCOME:</b> G. <input type="checkbox"/> Government, Municipalities and Public Corporations Employee H. <input type="checkbox"/> Federal Government Employee I. <input type="checkbox"/> Private Business Employee J. <input type="checkbox"/> Retired/Pensioner K. <input checked="" type="checkbox"/> Self-Employed (Indicate principal industry or business)	<b>GOVERNMENT CONTRACT</b> <input type="checkbox"/> TAXPAYER <input type="checkbox"/> SPOUSE <b>2001 RETURN</b> <input type="checkbox"/> SPANISH <input type="checkbox"/> ENGLISH
Your occupation N/A Spouse's occupation Doctor		

<b>Part 2</b>	<b>1. Wages, Commissions, Allowances and Tips</b> (00) ATTACH ALL YOUR WITHHOLDING STATEMENTS (FORMS 499R-2/W-2PR, 499R-2C/W-2CPR or W-2), AS APPLICABLE. (01) Total (Number of withholding statements with this return)	<b>A-Income Tax Withheld</b> <table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width: 80%;"></td><td style="width: 20%; text-align: right;">00</td></tr> <tr><td></td><td style="text-align: right;">00</td></tr> </table> Income Tax Withheld (01) 00		00		00		00		00		00		00	<b>B-Wages, Commissions, Allowances and Tips</b> <table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width: 80%;"></td><td style="width: 20%; text-align: right;">00</td></tr> <tr><td></td><td style="text-align: right;">00</td></tr> </table> Federal Wages (02) 00		00		00		00		00		00		00
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<b>2. Other Income (or Losses):</b> A) interest income (Schedule F Individual, Part I, line 9) B) Distributable share on special partnerships profits (Submit Schedule F Individual and Schedule R) C) Distributable share on special partnerships losses (Submit Schedule R) D) Dividends from corporations and distributions from partnerships subject to withholding (Schedule F Individual, Part II, line 1A) E) Dividends from corporations and distributions from partnerships not subject to withholding (Schedule F Individual, Part II, line 1B) F) Distributable share on profits from Subchapter N corporations of individuals (Submit Schedule F Individual) G) Miscellaneous income (Submit schedule F Individual) H) Dividends from Capital Investment or Tourism Fund (Submit Schedule Q1) I) Income from annuities and pensions (Schedule H Individual, Part II, line 12) J) Alimony received (Payer's social security No. ) (12) K) Gain (or loss) from industry or business (Submit Schedule K Individual) L) Gain (or loss) from farming (Submit Schedule L Individual) M) Gain (or loss) from professions and commissions (Submit Schedule M Individual) N) Gain (or loss) from rental business (Submit Schedule N Individual) O) Gain (or loss) from sale or exchange of capital assets (Submit Schedule D Individual) P) Net long-term capital gain on Investment Funds (Submit schedule Q1)	(03) 00 (04) 00 (05) 00 (06) 00 (07) 00 (08) 00 (09) 00 (10) 00 (11) 00 (13) 00 (14) 00 (15) 00 (16) 14,270 00 (17) 00 (18) 00 (19) 00 (20) 14,270 00																										



**Schedule A Individual**  
rev. 05.00



**ITEMIZED AND ADDITIONAL DEDUCTIONS**

**200**0

Taxable year beginning on 01/01 00 and ending on 12/31 00

taxpayer's name

Luis A. Perez Gonzalez

Social Security Number

583-10-0975

**Part I**

**Itemized Deductions**

(You must submit evidence to claim these deductions. See instructions)

**1. Home mortgage interest:**

**10**

Name of entity to whom payment was made	Mortgage	Loan Number	Amount	
Principal residence: <u>Sucesion de Eloisa Mendia</u>	<u>First</u>	<u>66-6021369</u>	<u>2,813</u>	<u>00</u> (01)
	<u>Second</u>			<u>00</u> (02)
<b>Second</b> residence:	<u>First</u>			<u>00</u> (03)
	<u>Second</u>			<u>00</u> (04)
Loan <b>Origination Fees</b> (Points) Paid Directly by Borrower (See instructions)				<u>00</u> (05)
Loan <b>Discounts</b> (Points) Paid Directly by Borrower (See instructions)				<u>00</u> (06)

**Total home mortgage interest paid** ..... (07) 2,813 00

**2. License plates for automobiles used for personal purposes (See instructions)**

Plate Number	Date of Payment	Amount \$
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Total automobile license plates paid** ..... (08) \_\_\_\_\_ 00

- 3. Childcare expenses (See instructions. \$800 for one child; \$1,600 for two or more children) ..... (09) \_\_\_\_\_ 00
- 4. Rent paid (Landlord's social security No. \_\_\_\_\_) (10) ..... (11) \_\_\_\_\_ 00
- 5. Property tax on principal residence ..... (12) \_\_\_\_\_ 00
- 6. Casualty loss on your principal residence (See instructions) ..... (13) \_\_\_\_\_ 00
- 7. Medical expenses (Schedule J Individual, line 4) ..... (14) \_\_\_\_\_ 00
- 8. Charitable contributions (Schedule J Individual, line 8) ..... (15) \_\_\_\_\_ 00
- 9. Loss of personal property as a result of certain casualties (See instructions) ..... (16) \_\_\_\_\_ 00
- 10. Windmill expenses ..... (17) \_\_\_\_\_ 00
- 11. Orthopedic equipment expenses for handicapped persons:  
Check: (18)  1 Taxpayer  2 Wife  3 others ..... (19) \_\_\_\_\_ 00
- 12. Dependent's education expenses ..... (20) \_\_\_\_\_ M
- 13. Solar equipment expenses ..... (21) \_\_\_\_\_ 00
- 14. Interest paid on students loans at university level (See instructions) ..... (22) \_\_\_\_\_ 00
- 15. Contributions to the Fund for Services Against Remediable Catastrophic Diseases (See instructions) ..... (23) \_\_\_\_\_ 00

**Part II**

- 1. Contributions to governmental pension or retirement systems ..... (31) \_\_\_\_\_ a
- 2. Contributions to an Individual Retirement Account (Do not exceed from \$3,000 or \$6,000 if married) ..... (32) \_\_\_\_\_ a
- 3. Deduction when both spouses work ..... (33) \_\_\_\_\_ a
- 4. Deduction for Veterans ..... (34) \_\_\_\_\_ 00
- 5. Ordinary and necessary expenses (Schedule I Individual, line 8) ..... (35) \_\_\_\_\_ 00
- 6. Automobile loan interest (Do not exceed from \$1,200):  
Bank First Bank Loan Number 0073-86-70309905 ..... (36) 1,200 00
- 7. Young people who work (See instructions) ..... (37) \_\_\_\_\_ 00
- 8. **Total additional deductions** (Add lines 1 through 7 and transfer to Part 3, line 9 of the return) ..... (40) 1,200 00

<b>Schedule M Individual</b> <small>Rev. 05.00</small> 	<h2 style="margin:0;">PROFESSIONS AND COMMISSIONS INCOME</h2>	<h1 style="margin:0;">200<sub>0</sub></h1>
Taxable year beginning on <u>01/01, 00</u> and ending on <u>12/31, 00</u>		

Taxpayer's name Luis A. Perez Gonzalez	Social Security Number 583-10-0975
---	---------------------------------------

**Part I Questionnaire** (You must fill out one schedule for each source of income) 67

Income from (check one): Taxpayer <input checked="" type="checkbox"/> 1 Spouse <input type="checkbox"/> 2	Check one: Professions <input type="checkbox"/> 3 Commissions <input type="checkbox"/> 4
---	--

Employer's Identification Number	Location of Principal Office - Number, Street and City	Date operations began: Day___ / Month___ / Year___
Industrial Code	Code	Nature of profession (i.e. lawyer, accountant, commission agent, etc.)
		Number of employees  0

**Part II Determination of Gain or Loss** 75

1. Income.....	(01)	18,000	00
2. Less: Operating expenses and other costs (Detail in Part III) .....	(10)	3,730	00
3. Net income .....	(11)	14,270	00
4. Less: Net operating loss from previous years (Submit schedule, see instructions) .....	(12)		00
5. Gain (or loss) (If is a gain, transfer to page 1, Part 2, line 2M of the return. If is a loss, see instructions) .....	(20)	14,270	00

**Part III Operating Expenses and Other Costs** 85

1. Salaries, commissions and allowances to employees .....	(01)		00
2. Commissions to businesses .....	(02)		00
3. Payroll expenses .....	(03)		00
4. Contributions to pension plans .....	(04)		00
5. Contributions to deferred income plans .....	(05)		00
6. Medical or hospitalization insurance .....	(06)		00
7. Interest on business debts .....	(07)		00
8. Rent paid .....	(08)		00
9. Property taxes .....	(09)		00
10. Other taxes, patents and licenses .....	(10)		00
11. Repairs .....	(11)	760	00
12. Motor vehicles expenses .....	(12)	1,890	00
13. Utilities .....	(13)		00
14. Insurance .....	(14)		00
15. Advertising .....	(15)		00
16. Travel expenses .....	(16)		00
17. Meal and entertainment expenses (Total expenses \$ <u>1,520</u> ) (See instructions) .....	(17)	760	00
18. Professional services .....	(18)		00
19. Materials and supplies .....	(19)	320	00
20. Depreciation and amortization (Submit Schedule E) .....	(20)		00
21. Bad debts .....	(21)		00
22. Other expenses (Submit detailed schedule) .....	(22)		00
23. Total (Transfer to Part II, line 2 of this Schedule) .....	(30)	3,730	00

**Schedule A 1 Individual**

Rev. 05.00



**DEPENDENTS**

**200**0

Taxable year beginning on 01/01, 00 and ending on 12/31, 00

Name of taxpayer

Luis A. Perez Gonzalez

Social Security Number

583-10-0975

**Part I**

**Dependents Information (See instructions)**

55

	Head of Household (01)			Date of Birth	Relationship	Category	Social Security Number
	First Name, Initial	Last Name	Second Name				
	First Name, Initial	Last Name	Second Name	Date of Birth Day / Month / Year	Relationship	Category (N) (U) (I) See instructions	Social Security Number
(02)		Juanita Gonzalez	Rivera	17/04/24	Madre	I	584-20-1678
(03)							
(04)							
(05)							
(06)							
(07)							
(08)							
(09)							
(10)							

**IMPORTANT INFORMATION**

- Do not include the spouse in this schedule. A married individual who lives with his spouse is not a head of household for tax purposes, therefore, you should not include the wife's name on the box for head of household (line 01).
- If a dependent entitles you the head of household filing status, do not claim him/her as a dependent.
- In order to consider the exemption for dependents you must include this schedule with your return.



US Department  
of Transportation  
**Federal Aviation  
Administration**



# Air Carrier Certificate

This certifies that

**APEL AIR. CORPORATION  
FERNANDO RIBAS DOMINICCI AIRPORT- ISLA GRANDE  
SAN JUAN, PUERTO RICO**

has met the requirements of the Federal Aviation Act of 1958, as amended, and the rules, regulations, and standards prescribed thereunder for the issuance of this certificate and is hereby authorized to operate as an air carrier and conduct common carriage operations in accordance with said Act and the rules, regulations, and standards prescribed thereunder and the terms, conditions, and limitations contained in the approved operations specifications.

This certificate is not transferable and, unless sooner surrendered, suspended, or revoked, shall continue in effect indefinitely.

By Direction of the Administrator

Certificate number: **A6PA539W**

Effective date: **JULY 20, 2001**

Issued at: **SO-FSDO-21**  
**RE-ISSUED: APRIL 11, 2002**

  
**NELSON SOTO**  
(Signature)

**MANAGER, CARIBBEAN FSDO-21**  
(Title)

**SOUTHERN REGION / FSDO-21**  
(Region/ Office)

Check only if service is of at least five (5) round trips per week on at least one route between two or more points and is operated pursuant to published flight schedules which specify the times, days of the week, and places between which such flights are performed. If the registrant has not previously been found "fit, willing and able" to perform scheduled passenger service as a commuter, this registration should be accompanied by the evidence required by 14 CFR 204.8 or 204.7, as applicable.

For example, if the carrier performs other services such as fire lighting operations for the U.S. Forest Service, it should be indicated here.

- Scheduled passenger
- On-demand passenger
- Scheduled cargo
- On-demand cargo
- Mail under a U.S. Postal Service contract
- Other (Please specify) \_\_\_\_\_
- Seasonal
- Air ambulance

5. Check type or types of service the carrier intends to perform upon commencement of operations, or, for amendments, service the carrier is currently performing:

Initial Registration  Amendment to reflect changes since previous filing (Complete Item 9)

If initial registration, give proposed date of commencement of operations: \_\_\_\_\_

4. This filing is the carrier's:

2b. Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

2c. Address of principal place of business (if different from above):  
 Appel Air  
 P.O. Box 3780 Airport Station  
 San Juan, P.R. 00937-7780

1b. Telephone No. (809) 751-8264 Fax No. (809) 751-8264

3c. FAA Telephone No.: \_\_\_\_\_  
 Caribbean FSDO-21  
 5000 Carr Sec Central  
 Carolina, P.R. 00979

3d. FAA Principal Operations Inspector: \_\_\_\_\_  
 (809) 253-4690

3a. Federal Aviation Administration certificate number: \_\_\_\_\_

3b. Address of local FAA office: \_\_\_\_\_

1a. Name (and DBA, if applicable) and Mailing Address of the Registering Carrier:  
 Appel Air  
 P.O. Box 3780 Airport Station  
 San Juan, P.R. 00937-7780

1b. Telephone No. (809) 751-8264 Fax No. (809) 751-8264

3c. FAA Telephone No.: \_\_\_\_\_  
 Caribbean FSDO-21  
 5000 Carr Sec Central  
 Carolina, P.R. 00979

3d. FAA Principal Operations Inspector: \_\_\_\_\_  
 (809) 253-4690

3a. Federal Aviation Administration certificate number: \_\_\_\_\_

3b. Address of local FAA office: \_\_\_\_\_

Effective date of registration/amendments: OCT 24 1997

Fee: The fee for the initial registration of an air taxi is \$5. The fee for an initial registration of a commuter is \$870. Checks, drafts, or postal money orders should be payable to DOT. There is no filing fee for amendments to forms previously filed.

Air taxi: Submit this form in duplicate to Department of Transportation, Regulatory Analysis Division, P-57, Office of Aviation Analysis, 400 7th Street, S.W., Washington, D.C. 20590.

Commuter: Submit this form in duplicate to Department of Transportation, Air Carrier Fitness Division, P-56, Office of Aviation Analysis, 400 7th Street, S.W., Washington, D.C. 20590.

U.S. Department of Transportation  
 Office of the Secretary  
 THE DEPARTMENT OF TRANSPORTATION

AIR TAXI OPERATOR AND COMMUTER AIR CARRIER  
 REGISTRATION AND AMENDMENTS UNDER  
 PART 298 OF THE REGULATIONS OF  
 THE DEPARTMENT OF TRANSPORTATION

FOR USE BY DOT ONLY

U.S. DOT/OST/ASPIA  
 Office of Aviation Analysis  
 400 7th Street, SW  
 Washington, DC 20590

Office of Management and Budget  
 Office of Information and Regulatory Affairs  
 Attention: OMB Desk Officer for OST, RM 3208  
 Washington, DC 20503

The public reporting burden for this collection of information is estimated to average 30 minutes per response, if you wish to comment on the accuracy of the estimate or make suggestions for reducing this burden, please direct your comments to Office of Management and Budget and the Department of Transportation at the following addresses:

AGENCY DISPLAY OF ESTIMATED BURDEN

Approved by OMB  
 OMB No. 2106-0031  
 Expires 6-30-92

04/18/2002 15:34 2022675229 FAA AIR TRANS DIV PAGE 01

6 Aircraft which the carrier proposes to operate in air taxi or commuter service or, for amendments, aircraft currently operated

	Aircraft Make and Model	FAA Registration Number	Passenger Seats Installed*
1	BN-2A-Mark III	N650LP	16
2			
3			
4			
5			

(Add additional sheets if necessary)

\* This does not include seats occupied by the pilot or co-pilot unless the latter is available for passenger use.

7 Is the registering carrier a U.S. citizen?

YES  NO

NOTE: An air taxi or commuter registered under Part 298 must be a citizen of the United States. The Federal Aviation Act defines a citizen as (a) an individual who is a U.S. citizen; (b) a partnership of which each member is a U.S. citizen; or (c) a corporation of which the President and two-thirds or more of the Officers and Directors are U.S. citizens and at least 75 percent of the voting interest is owned or controlled by U.S. citizens.

8 If this is an amendment, state whether the carrier has carried passengers in foreign air transportation, that is, between any point in the United States and any point outside thereof, during the past 12 months:

YES  NO

9 REPORT CHANGES OR AMENDMENTS TO INFORMATION PREVIOUSLY FILED WITHIN 30 DAYS OF THE EFFECTIVE DATE:

a. Change in Carrier's Name and/or Address (Please specify):

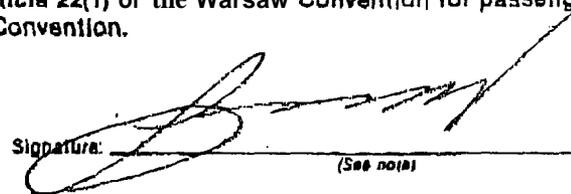
Former Name and Address: \_\_\_\_\_ Current Name and Address: \_\_\_\_\_

b. Description of Any Other Changes or Amendments (including additions or deletions of aircraft, change in type of operations, registration numbers, etc.):

To add 16 passengers configuration to aircraft.

10. Certification

I certify that the information contained in this application is complete and accurate to the best of my knowledge. If operating as a commuter air carrier or in foreign air transportation or participating in an interline agreement, the carrier subscribes to Agreement 18900 (see OST Form 4523), and in accordance with that Agreement agrees that a liability limit of not less than \$75,000 shall apply under Article 22(1) of the Warsaw Convention for passenger injury or death in international transportation as defined in the Convention.

Signature:  \_\_\_\_\_ (See note)

Date: \_\_\_\_\_ Name: Luis A. Perez \_\_\_\_\_ (Please type)

Place: San Juan, P.R. \_\_\_\_\_ Title: President \_\_\_\_\_ (City and State)

NOTE: This registration must be signed by a responsible officer, such as the President, Vice President, Secretary or Treasurer or partner or owner of the carrier.

TO INSURE PROPER PROCESSING OF THIS REGISTRATION, PLEASE COMPLETE THIS FORM IN ITS ENTIRETY.



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

*Fax Message*

Flight Standards District Office  
525 F.D. Roosevelt Avenue, Suite 901  
La Torre de Plaza las Americas  
San Juan, Puerto Rico 00918

**To:** Luis A. Irizarry  
**Phone:**  
**Fax:** 787-276-3846

**From:** Roberto Echevarria  
Supervisor, OPS Unit  
**Phone;** 787-764-2538  
**Fax:** 787-764-2641

**Date:** April 9, 2002

**Pages:** 2 ( including cover sheet )

---

**See attached letter.**



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Flight Standards District Office

525 F.D. Roosevelt Avenue, Suite 901  
La Torre de Plaza las Americas  
San Juan, Puerto Rico 00918  
787-764-2538. Fax: 787-784-2641

April 9, 2002

L.A. Irizarry & Associates  
Attn: Mr. Luis A. Irizarry, Aviation Consultant  
P.O. Box 37217 LMM Int'l Airport  
San Juan, P.R. 00937-0217

Dear Mr. Irizarry:

This is in reference to the FAA final action on LAPSA, Inc. Air Carrier Certificate No. LPZA187G.

On June 18, 1993, Randy Ellen Hyman, our attorney at ASO-7, Atlanta, GA, notified you that they were closing the revocation EIR against LAPSA, Inc. Reason being that in the informal hearing both parties agreed for the surrendering of the Air Carrier Certificate.

I hope this will help you to clarify the outcome of the referenced violation.

Sincerely,

A handwritten signature in black ink, appearing to read "Roberto Echevarria".

Roberto Echevarria  
Supervisor, OPS Unit




U.S. Department of Transportation 400 7th St. S.W. PL-401 Washington, D.C. 20590 1-800-64

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Document OST-1996-1960-344			
<b>Docket Information</b>			
Category Other		Docket Status Pending	
Subcat Miscellaneous		Old Docket Num	
Docket Title Industry Letter Re: Aviation Disaster Family Assistance Act of 1996			
Data Entry Date 18-NOV-96	RIN #	Action Office C-70	Action Sought
Docket Parties		Stat. Deadline	Comment Close
		Last Update 06-MAR-02	Close Date
Statutory Citation			
Statutory Judicial Requirement		-- CFR Citation --	
Docket Attributes			
<b>Document Information</b>			
Document Type Correspondence			Data Entry Date 17-JUL-01

Document Title Family Assistance Plan				Next Due Date
Document Date 16-JUL-01	Filing Date 16-JUL-01	Answer Date	Reply Date	Next Due Item
Federal Reg Citation				F R. Pub. Date
Submitter Linea Aerea Puertorriquena, Inc. Luis Munoz Marin		Submitters Representative		Service Date
				Effective Date
Assigned Document Numbers		Related Reply to Doc #s		Pages <b>14</b>
Document Abstract Correspondence of Linea Aerea Puertorriquena, Inc. submitting is's Family Assistance Plan.				
To download a document, click on a one of the following document format choices:				
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INTERNATIONAL AIRPORT

U.S. AIR FORCE

LINEA AÉREA PUERTORRIQUEÑA, INC.  
LUIS MUÑOZ MARIN INTERNATIONAL AIRPORT  
SAN JUAN, PUERTO RICO

FAMILY ASSISTANCE PLAN

## I. INTRODUCTION

- A. The Linea Aerea Puertorriquefia, Inc. Family Assistance Plan is written in accordance with the Aviation Disaster Family Assistance Act of 1996(49 U.S.C. 1136 and 41 113).
- B. This document is part of the large effort, which includes the National Transportation Safety Board and other governmental entities, to assist survivors, survivor families in the vent of an aviation disaster.
- C. The purpose of the Linea Aerea Puertorriquefia, Inc. Family Assistance Plan is:
  - 1. To act in the best interests of survivors, survivor families and/or victim families.
  - 2. To respond to survivors, survivor families and victim families with sensitivity, dignity and respect.
  - 3. To respect and be sensitive to the cultural and religious backgrounds of survivor, survivor families and victim families.
  - 4. To meet the needs of survivor, survivor families and victim families for such issues as timely information regarding the status of the passenger, transportation to and from the location of the accident, lodging and meals while at the accident location, timely information regarding the survivor progress, immediate clothing and personal hygiene necessities, medical needs, mental health counseling, assistant with transportation of remains, identification and return of personal effects and pastoral support and memorial services. Linea Aerea Puertorriquefia, Inc. will also provide similar services to immediate family members who do not travel to the accident location.
  - 5. To provide the same level of assistance listed above for crew members and their families as well as employees traveling on non-revenue basis and their families.
  - 6. To support Linea Aerea Puertorriquefia, Inc. Employees who are acting as Family Assistance Representatives as they deal with survivor, survivor families and victim families.

## II. PRE - RESPONSE PLANNING

A. Though a structured planning process, and through its own experience, Linea Aerea Puertorriqueña, Inc. has identified sufficient resources to respond to the likely needs of survivors, survivor families and the victim families. Linea Aérea Puertorriqueña, Inc. has developed detailed internal policies and procedures both for corporate operations as well as the operations of remote stations, that ensure the following resources:

1. **An** 800 line that will be immediately activated for use by the families to obtain information about the accident and the status of their loved one.
2. Dedicated reservations who will make immediate arrangements for families to travel to the location of the crash.
3. All families traveling to the location of the crash will be met and escorted through airports by Linea Aerea Puertorriqueña, Inc. personnel.
4. Upon arrival at the location of the crash, families will be escorted to the designated hotel.
5. Trained Linea Aerea Puertorriqueña, Inc. Family Assistant personnel will report to the crash site to be available to survivors, survivor families and victim families.
6. Family Assistant counselor will also be available at other locations for families who do not wish to travel to the crash scene.
7. Each passenger and crew family will be assigned at the least one Linea Aerea Puertorriqueña, Inc. Family Assistant Representative.
8. All Linea Aerea Puertorriqueña, Inc. Family Assistant Representatives have been trained in the skills necessary to effectively and sensitively interact with survivors, survivor families and victim families.
9. Lodging and meals will be provided.
10. As necessary, transportation, including rental cars will also be provided.
11. Regular briefing on the status of survivor and/or victims will be held for families.
12. Funds will be available for the purchase of necessary clothing and articles of personal hygiene as requested by families.

13. Linea Aerea Puertorriqueia, Inc. will coordinate with local hospitals through the American Red Cross for purposes of information sharing, visitations. and progress reports.
  14. Linea Aerea Puertorriqueña, Inc. will arrange for central, private meeting space for families where they can be protected form intensive media and unwelcome solicitors.
  15. Linea Aerea Puertorriquefia, Inc. will arrange for mental heath professionals to be available to provide counseling through the American Red Cross and designated third party crisis management/mental health organization.
  16. Linea Aerea Puertorriqueña, Inc. will arrange for appropriate pastoral support suitable to diverse religious and ethnic backgrounds.
  17. Through the American Red Cross, Linea Aérea Puertorriqueia, Inc. will arrange for appropriate and acceptable child care.
  18. Linea Aerea Puertorriqueia, Inc. will arrange suitable transportation home for survivors and their families.
  19. Linea Aerea Puertorriqueia, Inc. will arrange suitable transportation for victim remains.
  20. In cooperation with federal agencies, Linea Aerea Puertorriqueia, Inc. will provide for memorial services in the location of the accident.
  21. Linea Aerea Puertorriqueia, Inc. will assist in the return and/or storage of personal effects.
  22. Linea Aerea Puertorriquefia, Inc. will establish a Family Assistant Center at its headquarters and will be prepared to meet other needs as deemed appropriate and necessary for families for an extended period of time.
- B. Linea Aerea Puertorriqueia, Inc. has organized and trained personnel to assist survivors. survivor families and victim families in the event of an aviation disaster.
1. Using a structured selection process, Linea Aerea Puertorriqueia, Inc. has identified personnel who are best suite to provide assistance to survivors, survivor families and victim families.
  2. Linea Aerea Puertorriqueia, Inc. has contracted with a professional private crisismanagement/mental health firm who will provide training to personnel as well as ongoing support during a crisis.

3. Personnel who are functioning as Family Assistant Representatives will have gone through an intensive training program that includes such areas as:
    - ▶ The nature, impact and implications of airline accidents-review of available research.
    - ▶ Overview and understanding of trauma and post-traumatic stress disorders.
    - ▶ On-site crisis intervention skills development.
    - ▶ Crisis communications with survivor, families and victim families skills development.
    - ▶ Appropriate use of professional trauma counselors.
    - ▶ Critical incident debriefings.
    - ▶ Relationship with media.
    - ▶ Self-care for Family Assistance Representatives.
  4. Personnel who are in public contact positions will be trained as to the appropriate response to inquiries from the media. Linea Aerea Puertorriqueña, Inc. has designated a limited number of individuals who are authorized to deal with the media .
  5. Families who seek assistance from Linea Aerea Puertorriqueña, Inc. at airports are neither the origin nor the destination of the flight will be helped by trained Family Assistance Representatives will be available to these families. These Family Assistance Representatives will provide assistance at the same level as those reporting to the location of the accident.
  6. Linea Aerea Puertorriqueña, Inc. will utilize the services of the designated independent, not for-profit organization to provide grief counseling and other mental health services, as well as support in meeting family needs, as necessary.
  7. Linea Aerea Puertorriqueña, Inc. has directed its contracted private third party crisis management/mental health ~~firm~~ to work cooperatively with the designated not-for-profit organization.
- C. Linea Aerea Puertorriqueña, Inc. will hold simulations to test its plan at least twice annually.

- D. Linea Aerea Puertorriquefia, Inc. recognizes and respects the National Transportation Safety Board as having justification over the accident site and the subsequent investigation. Linea Aerea Puertorriquefia, Inc. will cooperate fully with the NTSB as well as other federal, state and local authorities that have emergency responsibilities.
- E. In the event of an aviation accident, Linea Aerea Puertorriquefia, Inc. will activate a reliable, toll-free telephone number and will provide staff to handle calls from families **of** the passengers. Periodically, the telephone number will be tested to ensure reliability. Personnel designated to answer these line will be trained on an annual basis in such areas as crisis communication skills, crisis intervention, and post-traumatic stress disorder.
- F. Linea Aerea Puertorriquefia, Inc. has establish an internal policy prohibiting the unauthorized release of manifest information. That policy is as fallows, “In the event of an airline accident, no employee will release information about the accident, associated crew, or passengers to any individual outside of Linea Aerea Puertorriquefia, Inc. All information regarding passengers and crew is strictly confidential and release **of** such information will result in immediate termination. Only the President of Linea Aerea Puertorriquefia, Inc. has the authority to authorize release of any information to the public through a designated spokesperson.”

### III. Passenger Manifest, Ticket Reconciliation and Notification

- A. Immediately follow an accident, Linea Aerea Puertorriquefia, Inc. will begin the process of determining which passengers actually boarded the flight. This will include identifying:
1. Passengers with reservations.
  2. Standby passengers
  3. Non-revenue passengers
  4. Rerouted passengers
  5. Crew
- B. Immediately following an accident, the specific flight manifest will be locked out of the reservation system to avoid unauthorized access as well as to secure manifest **data**.
- C. Linea Aerea Puertorriquefia, Inc. will establish a command center at its headquarters in Rafael Hernandez International Airport, Aguadilla, Puerto Rico.
- Immediately following an accident, all manifest **data** will be forwarded to this command center. In addition, actual ticket coupons will be forwarded to the command center. (if the flight originates in a city other than Linea Aerea Puertorriquefia, Inc. copies of flight coupons will be faxed to the command center with actual coupons sent to the command center via the fastest possible means).
- D. Reconciliation will involve reviewing flight reservations, the final manifest, as well as ticket coupons. This task will begin immediately. However; the process may be delayed by the persons traveling under different names.
- E. Upon request by the NTSB Family Support Services Director, Linea Aerea Puertorriquefia, Inc. will provide a passenger list that reflects the best available information at the time of the request. This list will contain the names of passengers and crew aboard the aircraft whether or not such names have been fully verified.
1. Any passenger list released to the NTSB or other designated agencies will be considered highly confidential and sensitive. Such lists will be marked "confidential" and will only be sent via secure facsimile or other secure means of delivery. This list will only be delivered to the NTSB Family Support Services Director or his/her designated.

2. Until fully verified, all passenger list will be marked “preliminary and unconfirmed.”
3. As passengers and crew are verified, the list will be updated and forwarded to all authorized individuals.

F. Notification Procedure

1. Linea Aerea Puertorriqueña, Inc. will notify families of passengers as soon as information becomes available. Linea Aerea Puertorriqueña, Inc. will not wait for all the names of passengers to be verified—rather, as individuals are verified, their families will be notified regarding their status.
2. All notification will be conducted by a personnel who have been trained in crisis communication. These individuals will be sensitive to the impact of the notification and will have the support of professional mental health personnel. In addition, these trained personnel will have a sample notification script available in order to ensure the most appropriate, sensitive words utilized. Also, professional mental health staff will be available to provide support to the Linea Aerea Puertorriqueña, Inc. personnel while they are making the notification calls. Whenever possible, notification will be made in person.
3. Linea Aerea Puertorriqueña, Inc. will provide the public with continuous updates on the progress of notification through its authorized spokesperson.

G. Linea Aerea Puertorriqueña, Inc. will provide the U.S. Department of State with information on foreign passengers.

H. Throughout the above process, Linea Aerea Puertorriqueña, Inc. will repeat, both in writing and verbally, its policy prohibiting the unauthorized release of manifest information to all Linea Aerea Puertorriqueña, Inc. employees.

#### **IV. Passenger Identification**

##### A. Medical Examiner/Coroner

1. Linea Aerea Puertorriquefia, Inc. recognizes the role of the medical examiner, or coroner, as responsible for the positive identification of facilities. Linea Aerea Puertorriquefia, Inc. Linea Aerea Puertorriquefia, Inc. will take all necessary steps to aid in this process.
2. Linea Aerea Puertorriquefia, Inc. recognizes that **if** the passenger has died, the medical examiner will coordinate with the disaster mortuary team-commander to provide official notification of death directly to the family. Linea Aérea Puertorriquefia, Inc. will take all necessary steps to aid in this process.
3. For injured passengers, the hospital is responsible for status updates and either the hospital or Linea Aerea Puertorriquefia, Inc. will advise the families. Linea Aerea Puertorriquefia, Inc. will work with the designated non-profit organization and a **third party** crisis management/mental health professional organization to provide liaison with the hospital and the families *so* that the latest information is shared with families. In all cases of injured passengers, their privacy and confidentiality will be maintained and protected by Linea Aerea Puertorriquefia, Inc. and other appropriate agencies.

## V. Family Access to Accident Site

- A. Linea Aerea Puertorriqueña, Inc. recognizes and respects that the National Transportation Safety Board has completed jurisdiction over accident site. Linea Aérea Puertorriqueña, Inc. will take all necessary steps to support the NTSB in this role including provisions for a joint family support operation with space: communication and logical assistance for the federal staff
- B. Linea Aerea Puertorriqueña, Inc. will provide all necessary assistance to the family of passenger in traveling to the location of the accident. In addition, Linea Aerea Puertorriqueña, Inc. will provide for physical care of the family while the family is staying at such location.

Specific service will include:

1. A dedicated **800** toll-free line for family assistant.
  2. Linea Aerea Puertorriqueña, Inc. professionally trained Family Assistance Representatives assigned to each family who will provide logistical support.
  3. Travel to the location of the accident via the most convenient and expedient means.
  4. Local transportation, which may include rental cars.
  5. Lodging and meals at a suitable hotel at the location accident.
  6. Emergency medical attention for family members, if necessary.
  7. Assistance with purchase of necessary clothing and articles of personnel hygiene.
  8. Assistance with other special needs of the family such as child care, special dietary needs, counseling [including pastoral and/or mental health), etc.
- C. Within the limitations set by the National Transportation Safety Board and other federal; state and local authorities, Linea Aerea Puertorriqueña, Inc. will respond to family request for access to the accident scene. Every precaution will be taken to ensure families are not exposed to bio-hazard contamination or other physical harm. In addition, Linea Aerea Puertorriqueña, Inc. will aid in establish a viewing area that is appropriately and sensitively situated. Linea Aerea Puertorriqueña, Inc. will provide for private transportation of families and to from the accident scene and will assist in the protecting families from the media and other unauthorized individuals while at the accident site.

## VI. Human Remains and Personal Effects

- A. Linea Aérea Puertorriquefia, Inc. recognizes that the medical examiner is responsible **for** the disposition **of** identifiable and unidentifiable human remains. Linea Aerea Puertorriquefia, Inc. will take all necessary steps to aid in this process.
- B. Linea Aerea Puertorriquefia, Inc. supports that authorities return identifiable personal effects. Linea Aerea Puertorriquefia, Inc. also recognizes that appropriate authorities will determine the disposition of unidentifiable personal effects.
- C. If personal effects come into Linea Aerea Puertorriquefia, Inc. control, the airline has contracted with a third party organization to be responsible for these items. Linea Aerea Puertorriquefia, Inc. will:
  - 1. Consult with each family about the disposition of personal effects in the airline's control. Linea Aerea Puertorriquefia, Inc. Family Assistance Representatives, who are trained to deal with victim families, will maintain contact with the family regarding personal effects.
  - 2. If requested by the family passenger, Linea Aerea Puertorriquefia, Inc. will return all personal effects in its control (regardless of condition). However, personal effects may be retained if they are needed for accident investigation or any criminal investigation.
  - 3. Any unclaimed possession of passenger within the control of Linea Aerea Puertorriquefia, Inc. will be retained by Linea Aerea Puertorriquefia, Inc. for at least **18** months, through its third party consultant.
  - 4. Linea Aerea Puertorriquefia, Inc. will consult with the family of each passenger about memorial services and the construction by Linea Aerea Puertorriquefia, Inc. of any monument to the passengers including any inscription on the monument. Memorial service will be arranged through the designated non-profit organization. All consultation with families will be handled by Linea Aerea Puertorriquefia, Inc. Family Assistance Representatives.
- D. Linea Aerea Puertorriquefia, Inc. recognizes that administrative/support staff may be necessary to support the victim identification process. Linea Aerea Puertorriquefia, Inc. is willing to provide the necessary personnel; however, these personnel will be from third party consultant organizations, rather than Air Sunshine, Inc. employees.
- E. To the greatest extent possible, Linea Aerea Puertorriquefia, Inc. will limit employee access to the accident scene while victim recovery is being conducted. If support

staff are necessary for the process of the recovery of remains, Linea Aerea Puertorriquefia, Inc. will utilize a third **party** consultant organization that has experience and skill in this area.

- F. In the event the disaster mortuary services is not available or the National Transportation Safety Board determines that the disaster mortuary service is not necessary, Linea Aerea Puertorriquefia, Inc. will utilize the services of a third **party** organization to conduct victim recovery/identification.

## **VII. Relationship with Designated Independent Organization**

- A. Linea Aerea Puertorriquefia, Inc. will work with organization designated under Section 1136 (a) (2) of the Aviation Disaster Family Assistant Act on an ongoing basis to ensure that the families of passengers receive an appropriate level of services and assistance following each accident.
- B. Linea Aerea Puertorriquefia, Inc. will also utilize the services of a private third party organization to provide additional mental health **support** both to survivors; survivor families and the victim families as well **as** to the Linea Aerea Puertorriquefia, Inc. Family Assistant Representatives and other Linea Aerea Puertorriquefia, Inc. employees. Services of the private third party consultant will include critical incident debriefing, post-traumatic stress counseling, crisis intervention, grief counseling, referral to community-based mental health services, support to family members who do not travel to the accident location, and general mental health support to the Linea Aerea Puertorriquefia, Inc. command center. In all situations, the private third party organization will work cooperatively with the designated not-for-profit organization.
- C. Linea Aerea Puertorriquefia, Inc. will develop a procedure to pay reasonable compensation to the NTSB designated independent non-profit organization. **The** procedure will include a request for a description of the specific services provided as well **as** receipts for accident-related expenses. Linea Aerea Puertorriquefia, Inc. will meet with the designated independent non-profit organization in advance to develop a plan for the services provided and a structure for reasonable compensation.

## VIII. Filing Airline Plan

- A. This plan will be on file with the U.S. Department of Transportation and the National Transportation Safety Board as requested by the Aviation Disaster Family Assistance Act. of **1996**.
- B. To support this plan, Linea Aerea Puertorriquefia, Inc. has taken the following steps:
1. Linea Aerea Puertorriquefia, Inc. has contracted with a private third party crisis management/mental health **firm** from who will provide training/consultation and ongoing support of the Family Assistance Plan.
  2. On at least an annual basis, Linea Aérea Puertorriquefia, Inc. will provide Family Assistance training. The training will include such areas as:
    - ▶ The nature, impact and implication of airline accidents--review of available research.
    - ▶ Overview of trauma post-traumatic stress disorders.
    - ▶ On-site crisis intervention.
    - ▶ Crisis communications with survivor families and victim families.
    - ▶ Appropriate use **of** trauma counselors.
    - ▶ Critical incident debriefings.
    - ▶ Relationship with the media.
    - ▶ Self-care for Family Assistance Representatives.
  3. All training and consultation provided to Linea Aerea PuertorriqueAa, Inc. by the private third party consultant will be delivered by trained professionals who have experience with aviation disasters as well as experience and skill in crisis communication, dealing with post-traumatic stress disorders, trauma counseling, grief counseling and other related mental health expertise.
  4. At least twice annually, Linea Aerea Puertorriquefia, Inc. will conduct simulations testing its Family Assistance and emergency Response Plans.
  5. Linea Aerea Puertorriquefia, Inc. may be contacted through its flight **operations center 24 hours a day, 7 days a week at 1-787-253-3365**.



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

**PREAPPLICATION STATEMENT OF INTENT**

Blumberg No. 5136

**PETITIONER'S  
EXHIBIT  
7**

<p><b>1. Name and mailing address of company</b></p> <p>Linea Aérea Puertorriqueña, Inc. PO Box 810298</p>	<p><b>2. Address of principal base where operations will be conducted (do not use post office box)</b></p> <p>Luis Muñoz Marín Airport San Juan, P.R.</p>
<p><b>3. Requested three-letter company identifier in order of preference</b></p> <p>June 2003</p> <p>1. <b>LAP</b>                      2. <b>LAI</b>                      3. <b>LPI</b></p>	

Name (Last, first, middle)	Title	Telephone (including area code)
Perez, Luis A.	President	(787) 253-3365
Perez, Luis A.	Director of Operations	(787) 253-3365
Amy, Ulpiano L.	Chief Pilot	(787) 253-3365
Delgado, Rafael	Director of Maintenance	(787) 253-3365
Lopez, Humfredo	Chief Inspector	(787) 253-3365
Rivera, Enrique	Director of Safety	(787) 253-3365

**Operators**

**Section 1D. To Be Completed By Air Operators**

<p><b>8. Aircraft Data</b></p> <table style="width: 100%;"> <tr> <td style="width: 50%;"> <p>Numbers and types of aircraft by <i>make, model, and series</i></p> <p>(1) <b>Boeing 727-200</b></p> </td> <td style="width: 50%;"> <p>Number of passenger seats or cargo payload capacity</p> <p><b>167 pax</b></p> </td> </tr> </table>	<p>Numbers and types of aircraft by <i>make, model, and series</i></p> <p>(1) <b>Boeing 727-200</b></p>	<p>Number of passenger seats or cargo payload capacity</p> <p><b>167 pax</b></p>	<p><b>9. Geographic area of intended operations</b></p> <p>48 Contiguous United States and the District of Columbia, and the Caribbean.</p> <p style="text-align: right;">DOT/FAA Caribbean FSDO-21</p> <p style="text-align: right;">APR 10 2003</p> <p style="text-align: right;">Time: <u>1:00-PM</u></p> <p style="text-align: right;">INT: <u>L. P. J.</u></p>
<p>Numbers and types of aircraft by <i>make, model, and series</i></p> <p>(1) <b>Boeing 727-200</b></p>	<p>Number of passenger seats or cargo payload capacity</p> <p><b>167 pax</b></p>		

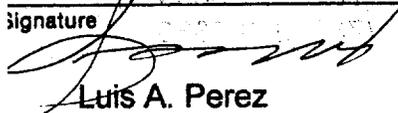
**Section 1E. To Be Completed By All Applicants**

**0. Additional information that provides a better understanding of the proposed operation or business (attach additional sheets, if necessary)**

Linea Aerea Puertorriqueña, Inc. will operate a Boeing 727-200 aircraft in its Air Carrier Certificate in accordance with the requirements of Part 119/121 operations.

The company will operate the aircraft as indicated in section 9 of this application. Training will be conducted under contract with Pan Am Flight Academy Facilities at Miami, Florida. The aircraft will be maintained by contract with Arrow Air at Miami, Florida for inspections and LineaAerea Puertorriqueña will provide routine maintenance in San Juan, Puerto Rico. The Company maintains a principal base of operations at San Juan Airport, CASI Building, San Juan P.R.. The primary routes for charter operations will be between San Juan, Puerto Rico and Miami.

**1. The statements and information contained on this form denote an intent to apply for FAA certification.**

Signature  Luis A. Perez	Date 09 Aug 2002	Name and Title Luis A. Perez President
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**Section 2. To Be Completed By FAA District Office**

Received by (district office):	Date forwarded to Region:
Date:	For: <input type="checkbox"/> Action <input type="checkbox"/> Information only

Remarks:

**Section 3. To Be Completed By Regional Office**

Received by:	Precertification Number:
Date:	Date coordinated with AVN-120:
District office assigned responsibility:	Date forwarded to district office:

Remarks:



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

*Fax Message*

Flight Standards District Office  
La Torre De Plaza Las Americas  
525 FD Roosevelt Ave., Suite 901  
San Juan, Puerto Rico 00918

**To:** Luis Irizarry  
Phone:  
Fax: 787-276-3846

**From:** Rafael E. Gilestra  
Aviation Safety Inspector  
Phone: (787) 764-2538  
Fax: (787) 764-2641

**Date:** April 25, 2002

**Pages:** 1

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**Luis: Enclosed please find copy of ammended FAA PASI Form 8400-6. Please forward copy to DOT to update their file.**



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June 2003      1. LAP      2. LAI      3. LPI

Name (Last, first middle)	Title	Telephone (including area code)
Perez, Luis A.	President	(787) 253-3365
Perez, Luis A.	Director of Operations	(787) 253-3365
Amy, Ulpiano L.	Chief Pilot	(787) 253-3365
Delgado, Rafael	Director of Maintenance	(787) 253-3365
Lopez, Humfredo	Chief Inspector	(787) 253-3365
Rivera, Enrique	Director of Safety	(787) 253-3365

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8. Aircraft Data		9. Geographic area of Intended operations
<p>Numbers and types of aircraft (by make, model, and series)</p> <p style="text-align: center;"><b>(1) Boeing 727-200</b></p>	<p>Number of passenger seats or cargo payload capacity</p> <p style="text-align: center;"><b>167 pax</b></p>	<p><b>48 Contiguous United States and the District of Columbia, and the Caribbean.</b></p>

**Section 1E. To Be Completed By All Applicants**

**10. Additional information that provides a better understanding of the proposed operation or business (attach additional sheets, if necessary)**

Linea Aérea PuertorriqueAa, Inc. will operate a Boeing 727-200 aircraft in its Air Carrier Certificate in accordance with *the* requirements of Part 119/121 operations.

The company will operate the aircraft as indicated in section 9 of this application. Training will be conducted under contract with Pan Am Flight Academy Facilities at Miami, Florida. The aircraft will be maintained by contract with Arrow Air at Miami, Florida for inspections and Linea Aerea PuertorriqueAa will provide routine maintenance in San Juan, Puerto Rico. The Company maintains a principal base of operations at San Juan Airport, CAS 1 Building, San Juan P.R.. The primary routes for charter operations will be between San Juan, Puerto Rica and Miami.

**11. The statements and information contained on this form denote an intent to apply for FAA certification.**

Signature  Luis A. Perez	Date  09 Apr 2002	Name and Title  Luis A. Perez President
---	-------------------------	--

**Section 2. To Be Completed By FAA District Office**

Received by (district office): CARIBBEAN FSDO SO 21	Date forwarded to Region: April 25, 2002
Date: April 25, 2002	For: <input type="checkbox"/> Action <input checked="" type="checkbox"/> Informallon only

Remarks:

NOTE: Copy of amended PASI form received by CPM on April 20, 2002

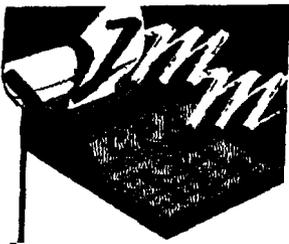
FSDO Certification Team:

ASI Rafael E. Gilestra	CPM, PMI
ASI Ismael Ortiz	POI
ASI Jose Torres	PAI

**Section 3. To Be Completed By Regional Office**

Received by:	Precertification Number: LQOA977P
Date:	Date coordinated with AVN-120:
District office assigned responsibility:	Date forwarded to district office:

Remarks:



*Jaime Matias Medina*  
Certified Public Accountant  
Lic. 1848

April 26, 2002

Mr. Luis A. Perez  
Linea Aerea Puertoniquefia, Inc.  
CAS Building 1  
LMM Int'l Airport  
Carolina, P.R. 00979

Dear Mr. Perez:

Please be advise that we need additional time to complete your Current Balance Sheet. This will be done in accordance with the information provided be the letter of Mrs. Janet Davis of the Dot.

We appreciate your attention to this matter and would appreciate if the reasonable time is give.

Sincerely,

Madeline Ríos Caro, Accountant  
Jaime Matias Medina, CPA





**L.A.P. Inc.**  
**First Twelve Months (12) Projected Traffic, Revenue**  
**Operating Expense from Scheduled Service**



**SUMMARY**

<b><u>Svstem</u></b>	<b><u>Amount</u></b>
Flights	192.00
Block Hours	446.40
ASM's	30,412,800.00
cost	2,627,937.52
Cost/Block Hour	5,886.96
Cost/Flights	13,687.17
<b><u>Variable</u></b>	
Pilots	69,696.00
In-Flight	42,240.00
Maintenance	295,296.00
Insurance-Liability	216,000.00
Fuel	582,105.60
Variable Cost-Total	1,205,337.60
Variable Cost/Block hr.	2,729.48
Variable Cost/Flight	6,277.80
<b><u>Stations</u></b>	
Ground Handling	61,056.00
Pax Handling	39,168.00
Catering	97,536.00
Landing Fees	51,840.00
Airport Fees	4,800.00
Security	32,512.00
Advertising	0.00
<b><u>Fixed</u></b>	
Gen. & Administrative	41,088.00
Aircraft Rent/Lease	960,000.00
Insurance-Hull	124,999.92
Reservation System	9,600.00
Fixed & Station Costs-Total	1,422,599.92
Fixed & Station Costs/Block hr.	3,186.83
Fixed & Staion Costs/Flight	7,409.37
Cost/ASM	0.07
Projected Load Factor	0.51
Projected RPM's	0.23
Projected Pax	16,256.00

<b>Estimated Ticket Price</b>	<b>225.00</b>
<b>Estimated Revenue</b>	<b>3,657,600.00</b>
<b>Estimated Revenue/Flight</b>	<b>6,516.39</b>
<b>RASM's</b>	<b>0.16</b>
<b>Profit/Loss</b>	<b>\$1,029,662.48</b>

A:D9: Unknown 01/16/02 03:45:25 PM  
2 flights/week = 4 legs.  
4 legs/week = 16 legs a month  
16 legs/month = 192 flights a year (16 x 12)

A:D10: Unknown 01/16/02 03:46:50 PM  
2.3 hours per flight SJU-MIA

$2.3 \times 192 \text{ flights} = 446.40$

A:D11: Unknown 01/16/02 03:48:29 PM  
(# of Seats)(# of Miles)(# of Flights)= **ASM's**

$(165 \text{ max})(960 \text{ kt})(192) = \$30,412,800.00$

A:D12: Unknown 01/16/02 03:50:52 PM  
Total Cost, from the table:

Total Variable Cost + Total Fixed & Station Cost  
 $\$1,205,337.60 + \$1,308,807.92 = \$2,514,145.52$

A:D13: Unknown 01/16/02 03:53:50 PM  
Cost/Block Hour = Total Cost/192 flights/2.3

$\$ 5,693.27 = \$2,514,145.52/192/2.3$

A:D14: Unknown 01/16/02 03:56:29 PM  
Cost/Flights = Total Cost/ 192 flights

$13,094.51 = 2,514,145.52 / 192$

A:D20:  
Unknown 01/16/02 04:00:36 PM  
Taken from the table (Flight Assistant)

A:D21: Unknown 01/16/02 04:08:56 PM  
Taken from the table:

Jet Engine	\$190,080.00
Jet Parts	42,240.00
Jet Oil & Fluid	9,216.00
Jet Tires	9,216.00
A & P Mechan.	12,288.00
Janitorial Service	32,256.00

Total Maintenance: \$295,296.00

A:D22: Unknown 01/16/02 04:09:54 PM  
Taken from the table

A:D23: Unknown 01/16/02 04:11:11 PM  
Taken from the table

A:D24: Unknown 01/16/02 04:15:22 PM

Total Variable Cost:

Pilots \$69,696.00

In Flight 42,240.00

Maint. 295,296.00

Insuran. 216,000.00

Fuel 582,105.60

Total: 1,205,337.60

A:D25: Unknown 01/16/02 04:17:56 PM

Variable Cost/Block Hour:

Total Variable Cost/192 Flights/2.3 bh

$\$1,205,337.60 / 192 / 2.3 = \$2,729.48$

A:D26: Unknown 01/16/02 04:19:43 PM

Variable Cost/Flight

Total Variable Cost/192 Flights

$\$1,205,337.60 / 192 = \$6,277.80$

A:D32: Unknown 01/16/02 04:32:10 PM

The Passenger Handling includes:

Station Supervisor \$12,288.00

Counter Agent 16,128.00

Gate Agent 10,752.00

Total PAX Handling: \$39,168.00

A:D33: Unknown 01/16/02 04:33:31 PM

Taken from the table

A:D34: Unknown 01/16/02 04:34:07 PM

Taken from the table

A:D35: Unknown 01/16/02 04:35:25 PM

Taken from the table:

It includes Counter Operations = \$4,800.00

A:D36: Unknown 01/16/02 04:37:24 PM

Taken from the table:

Security Check Point = \$4,064.00

A:D37: Unknown 01/16/02 04:38:30 PM

Due to the fact it is a Charter Operation, there will be no advertisement, we will be dealing directly with the Travel Agencies and other entities.

A:D42: Unknown 01/16/02 04:42:27 PM  
General & Administrative Costs are:

Gen & Adm.:	\$14,400.00
Sales & Res. Man.	6,144.00
Assistant Manager	6,144.00
Chief of Operations	7,200.00
Station Manager	7,200.00

Total Gen. & Adm. = \$41,088.00

A:D43: Unknown 01/16/02 04:43:53 PM  
Taken from the table = \$80,000 per month with International Air Lease.

$\$80,000 \times 12 \text{ months} = \$960,000.00$

A:D45: Unknown 01/16/02 04:49:49 PM  
Reservation System includes:

Taken from the table  
Reservation Agents: \$9,600

A:D46: Unknown 01/16/02 05:00:37 PM  
Total Fixed & Station Costs:

Ground Handling:	\$61,056.00
Pax Handling:	39,168.00
Catering	97,536
Landing Fees:	51,840.00
Airport Fees:	4,800.00
Security	32,512.00
Gen. & Adm.	41,088.00
Aircraft Rent/Lease	960,000.00
Insurance/Hull	124,999.92
Reservation System	9,600.00

Total Fixed & Station Costs \$1,422,599.92

A:D47: Unknown 01/16/02 05:02:43 PM  
Fixed & Station Costs/Block Hr:

Total Fixed & Station Costs/192 flights/2.3 bh  
 $\$1,308,807.92/192/2.3 = \$2,963.79$

A:D48: Unknown 01/16/02 05:05:23 PM  
Fixed & Station Costs/Flight:

Total Fixed & Station Costs/192 flights

$\$1,308,807.92/192 = \$6,816.71$

A:D51: Unknown 01/16/02 05:10:07 PM  
Cost/ASM:

ASM's/Total Cost/Number of Seats  
 $\$30,412,800.00/\$2,627,9337.52/165 \text{ seats} = 0.0701$

A:D52: Unknown 01/16/02 05:25:18 PM

Projected Load Factor:

Number of Flights x Number of Seats

192 flights x 165 seats = 31,680 (Total Pass 100%)

Number of Carried Passengers/ Total Passengers

16,256 / 31,680 = 0.513 (Load Factor)

A:D53: Unknown 01/16/02 05:29:33 PM

Revenue Passenger per Mile:

Estimated Rev. per flight/Carried Pass/One Flight Miles

**\$3,657,600.00/16,256.00/960 miles=0.23**

A:D54: Unknown 01/16/02 05:31:33 PM

Projected Passenger flown during the year

(Taken from the table)

A:D60: Unknown 01/16/02 05:39:10 PM

Revenue Airplane Seats per Mile:

Projected RPM-Cost ASM

0.23 - 0.07 = 0.16

A:D62: Unknown 01/16/02 05:44:54 PM

Estimated Revenues-Cost

**\$3,657,600.00 - \$2,514,145.52 = \$1,029,662.48**

10

**LINEA AEREA PUERTORRIQUEÑA, INC.**  
**Projected Pre-Operating Expenses**



<b>Item</b>	<b>Amount</b>
New Station Expense	\$15,000
Advertising & Promotion	15,000
Reservation System Expense	10,000
DOT/FAA Certification Expense	265,000
Jet 727 Pre Contract Agreement	\$350,000
<b>Total</b>	<b><u>\$655,000</u></b>
<b>Paid by WIA</b>	<b>(95,800)</b>
Assets held for disposition	(85,500)
Paid by PRALCO	(421,700)
Total Assets held <b>by</b> LAP	<b><u>(\$603,000)</u></b>
Net Pre Operating Expenses Need	\$52,000
3 months Fitness Deposit	624,472
Amount need for DOT qualification	<b><u>\$676,472</u></b>

A:F6: Unknown 01/30/02 04:49:50 PM  
The New Station Expenses are taken from:

"Financial Needs Statement", FAA, Gate 1, under the item: Funding for Pre-Start Up.

A:F7: Unknown 01/30/02 04:51:26 PM  
Unknown 01/30/02 04:49:53 PM

The Advertising Costs will be paid by WIA (Government), this value is taken from the Financial Needs Statement, FAA Gate 1.

A:F8: Unknown 01/30/02 04:52:26 PM

The Reservation Expenses are taken from the Financial Needs Statement under the item: Flight Reservation Systems.

A:F9: Unknown 01/30/02 05:27:03 PM

The DOT/FAA Certification Expenses are taken from the Financial Needs Statement, and are equal to:

Total Statements of Need (Excluding Deposit for 3 months)	\$655,000
-New Station	15,000
-Adv. and Prom.	15,000
-Reservat. Syst.	10,000
PrecontractAgre	350,000
Total:	265,000

A:F10: Unknown 01/30/02 05:27:28 PM

For Deposit to International Aircraft Leases (Tony Tim)

A:F12: Unknown 01/30/02 05:29:24 PM

This value is the sum of all items described above:

New Station Expense	\$15,000
Advertising & Promotion	15,000
Reservation System Exp.	10,000
DOT/FAA Certification Exp.	265,000
Pre-ContractAgreem	350,000
Total	\$655,000

A:F14: Unknown 01/30/02 05:31:20 PM

This total value for WIA is taken from the Financial Needs Statement and it includes:

The sum of items #13, 14, 15, 36, 37, 38, 39, 40, 48  
Total: \$95,800

A:F16: Unknown 01/30/02 05:35:18 PM

This value are taken from the table: Financial Needs Statement and it is equal to:

The sum of Items# 8, 10, 11, 12, 16, 17, 18, 19, 22, 23,  
24, 25, 26, 29, 33, 34 = \$85,500

A:F18: Unknown 01/30/02 05:37:06 PM

This value represents the items already deposited by Pralco, and it include:

Item 1, 3, 5, 6 = \$421,700

A:F20: Unknown 01/30/02 05:44:20 PM

This value is equal to the sum of all values before:

Paid by WIA	\$95,800
Assets held	85,500
Paid by Pralco	421,700
Total:	\$603,000

A:F22: Unknown 01/30/02 05:44:57 PM

This value of \$52,000 is equal to:

\$655,000 - \$603,000

A:F24: Unknown 01/30/02 05:45:41 PM

This value is the deposit required by the FAA/DOT for begin operations (3 months of operation)

A:F26: Unknown 01/30/02 05:47:02 PM

This value is equal to the sum of:

Net Pre-Oper Expense + 3 months Fitness Deposit

$\$52,000 + \$624,472 = \$676,472$

**Proyecto: LAP727****Agenda Check List -Proyeccion de NECESIDADES FINANCIERA**

Categoría: FASE I (Financials StartUP1-Development &amp; Operation initial financial requirements)

Encargado: TF y LP

File: Lotus/FinanNeeds Gates**STATEMENT OF NEED**

<b>Item</b>	<b>Descripcion</b>	<b>Amount</b>	<b>Pre-Start Costs</b>
1	Costs for Jet727 precontract agreement advance	350,000	350,000
2	Cost Jet 727-Num. 1 monthly lease payment		
3	Cost Jet 727-Num.1: Certifications per L.A.I.	45,000	45,000
4	Cost Jet 727-Num.1: Proving runs	25,000	25,000
5	Cost Jet 727-Num.1: Manuals	25,000	20,000
6	Regulatory Deposits (Fines)	1,700	1,700
7			
8	Flight Reservations system	10,000	10,000
9			
10	Headquarters facilities improvements	5,000	<b>5,000</b>
11	Personnel Expenses-Administrative		
12	Personnel Expense-Operations & Marketing	5,000	5,000
13	Cost of Initial Onetime Advertising and Promotion (12 mo	15,000	15,000
14	Training Expenses-Flight staff	36,000	36,000
15	Training Expenses-Ground staff	5,000	5,000
16	Equipment Purchase-Ground operations	10,000	10,000
17	Vehicles Purchase	10,000	10,000
18	Facilities Rental-Administrative & Operations (12 months)	2,500	2,500
19	Maintenance-Tooling & Equipment	5,000	5,000
20	Funding for Pre-Startup Airline - Other	15,000	15,000
21	Contingency and Reserve funding (1 year)	10,000	10,000
22	Guagua- Ford Van .....2 guaguas	10,000	10,000
23	Guagua Panadera - Ford Van .....1 guaguas	5,000	5,000
24	Computer Equipment ..... 10 pcs	10,000	10,000
25	Tractores .....2	5,000	5,000
26	Vagones de maletas .. 4	2,000	2,000
27	Escaleras plegables ....3 ...35pies max	1,000	1,000
28	Herramientas especiales	1,000	1,000
29	Equipos de Diagnóstico- Borescope	2,000	2,000
30	Rayos X - Magna Flux	0	0
31	Ultra Sonido	0	0
32	Prensas Hidraulicas ....3	0	0
33	Barras de remolque de Avion ...2	3,000	3,000
34	Compresor ... 1	1,000	1,000
35	Simulador de Vuelo	0	0
36	CPT - Cockpit Training	4,000	4,000
37	CPT - Training Ingeniero de Vuelo		
38	CPT - Training Asistente de Vuelo	10,000	10,000
39	Uniformes	2,000	2,000
40	Avion I -Pintura y Rotulacion etc.	12,500	12,500
41			
42			
43			
44			
45			
46			
47			
48	Hotel, Travel expenses- Training de personal..... 1 mes	11,300	11,300
49	Fitness Advance Deposit- 3 meses de operacion	624,472.38	624,472.38
	<b>TOTALS</b>	<b>1,279,472</b>	<b>1,279,472</b>

A:C17: Unknown 01/30/02 03:21:15 PM  
Deposit made to International Aircraft Leases for the precontract Agreement. (350,000.00)

A:C19: Unknown 01/30/02 03:22:42 PM  
We are in the course to meet that requirement The payment for the Certification Process

A:C20: Unknown 01/30/02 03:23:15 PM  
We need to get the Proving Runs

A:C21: Unknown 01/30/02 03:39:32 PM  
Unknown 01/30/02 03:24:04 PM  
We need to complete the payment for the 727 Manuals in the amount of \$25,000. We are in the course to meet that requirement

A:C22: Unknown 01/30/02 03:43:32 PM  
Unknown 01/30/02 03:25:08 PM  
The Regulatory Deposits are required by the FAA/DOT for the Certification Process. They have already been PAID. (\$1,700)

A:C24: Unknown 01/30/02 03:27:25 PM  
We are working on this item, we are incurring in some expenses concerning this item

A:C26: Unknown 01/30/02 03:28:43 PM  
We are working on this item and have incurred in some expenses related to the required facilities.

A:C28: Unknown 01/30/02 03:30:03 PM  
We are incurring in some expenses related to the Operations Personnel, and we have the qualified personnel to meet that labor.

A:C29: Unknown 01/30/02 03:30:56 PM  
These costs of advertising and promotion will be paid by WIA (Government)

A:C30: Unknown 01/30/02 03:44:30 PM  
The training costs will be absorbed by WIA (Government)

A:C31: Unknown 01/30/02 03:45:00 PM  
The training costs will be absorbed by WIA (Government)

A:C32: Unknown 01/30/02 03:46:55 PM  
LAP has its own equipment that can contribute to its Ground Operation, also it has already incurred in the purchase of other equipment.

A:C33: Unknown 01/30/02 03:47:51 PM  
LAP has its own vehicles for carry its operation.

A:C34: Unknown 01/30/02 03:48:55 PM  
At the present time, LAP has his own office space and other facilities to performance its operation.

A:C35: Unknown 01/30/02 03:53:39 PM  
Also, LAP has its own maintenance equipment and tooling.

A:C36: Unknown 01/30/02 03:55:36 PM  
We need to get the necessary funds for the New Station, we are working on it.

A:C37: Unknown 01/30/02 03:57:08 PM  
This is a Reserve Account for one year, in case of any emergency. We need to get this required amount for Operations.

A:C38: Unknown 01/30/02 03:58:35 PM  
We have already get the 2 bus for transportation inside and outside the airport.

A:C39: Unknown 01/30/02 03:59:44 PM  
We also have another bus for transportation for a value of \$5,000

A:C40: Unknown 01/30/02 04:00:24 PM  
LAP has its own Office Equipment for the performance of its functions.

A:C41: Unknown 01/30/02 04:00:58 PM  
LAP also have his own tractors for its operation

A:C42: Unknown 01/30/02 04:01:54 PM  
LAP has its own wagons for the transport of its cargo.

A:C43: Unknown 01/30/02 04:03:26 PM  
We need to buy this kind of "escaleras" for the operation of cargo.

A:C44: Unknown 01/30/02 04:03:57 PM  
Also, we need to buy Specials Tools for this kind of airplane.

A:C45: Unknown 01/30/02 04:06:06 PM  
LAP has its own specialized equipment.

A:C46: Unknown 01/30/02 04:08:18 PM

LAP has to **buy** this equipment, but when be needed, not now.

A:C47: Unknown 01/30/02 04:09:07 PM

Also, LAP has to acquire the Ultra Sonido Equipment, later when be needed.

A:C48: Unknown 01/30/02 04:10:41 PM

Unknown 01/30/02 04:09:47 PM

LAP has these specialized equipments (Prensas Hidraulicas) for the performance of its operations.

A:C49: Unknown 01/30/02 04:12:01 PM

LAP has its Barras de Remolque for the performance of its operations

A:C50: Unknown 01/30/02 04:11:38 PM

LAP has **its** own compressor

A:C51: Unknown 01/30/02 04:12:28 PM

The Flight Simulator is not important at this precisetime.

A:C52: Unknown 01/30/02 04:12:49 PM

The training costs will be paid by WIA (government)

A:C53: Unknown 01/30/02 04:13:32 PM

The training cost will be paid by WIA (government)

A:C54: Unknown 01/30/02 04:14:19 PM

The Training Costs will be paid by WIA (government)

A:C55: Unknown 01/30/02 04:14:44 PM

These costs will be paid by **WIA** (Government)

A:C56: Unknown 01/30/02 04:15:16 PM

These maintenance costs will be paid by WIA (Government)

A:C64: Unknown 01/30/02 04:16:15 PM

The travel expenses **will** be paid by WIA (Government)

A:C65: Unknown 01/30/02 04:18:07 PM

The **Fitness** Advance Deposit is taken from the table:

Gate 1 FAA-Expanded 1 year-

It means the operations costs for 3 months.

A:C67: Unknown 01/30/02 04:20:02 PM

This value is the total of Financial Needs for the FAA Gate 1, the sum of all the table's values.



**Manolo Iglesias IIA  
Business, Home; Owner  
Bonds Malpractice; &  
Errors Omissions  
Aviation Insurance; Boats &  
Manufacturers Ins.  
P.O. Box 70250  
Suite; 230  
San Juan, PR 00936  
Tel: 787-642-5779**

April 23, 2002

Mr. Luis A. Perez  
Linea Aérea Puertorriqueia  
CAS Building I  
LMM Int'l Airport  
Carolina, PR 00979

Dear Mr. Perez

This is to inform you that at the present time I'm actively involved in the attempt of obtaining an aviation quote for the Boeing 727-200 with an Insurance Coverage of ~~Part~~ 205 of FAA Rules that it will include 165 passengers with a minimum limit of \$300,000 per person and \$20.00 million per occurrence, plus passenger bodily injury coverage at minimum \$300,000 per person times 75% of the total of passengers seats, in the local facilities as well in the excess and surplus market.

I will keep you posted of the outcome of my quotes requests.

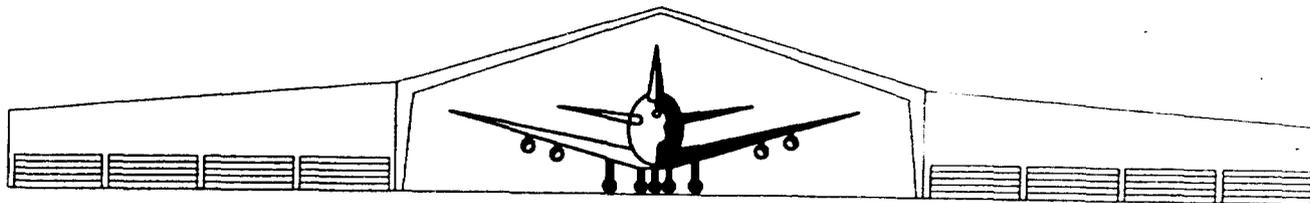
Thanks for the opportunity to serve your appreciate account.

Sincerely yours,



Manolo Iglesias

Insurance Agent



## ***CARIBBEAN AIRPORT FACILITIES, INC.***

April 24, 2002

Mr. Luis A Perez  
President  
Linea Aerea Puertorriquena  
PO Box 810298  
San Juan, PR 00981

Dear Mr. Perez:

Caribbean Airport Facilities, Inc, agrees to provide hangar maintenance facilities on an **as** available, non-exclusive basis to Linea Aerea Puertorriquena effective immediately. The monthly charge will be \$2,750.00 This is in addition to the offices currently lease by Linea Aerea Puertorriquena at our facilities.

It is a pleasure to be of assistance to you and if there is any way we can be of further assistance, please do not hesitate to call us.

Sincerely,

Anthony C. Tirri  
President



*Oficina del Director Ejecutivo*

April 25, 2002

Luis A. Perez  
Linea Aerea Puertorriquefia  
P.O. Box 810298  
San Juan, PR 00981-0298

Dear Mr. Perez:

After a review of your proposal, we express our commitment with your company to increase the job force in the Municipality of Carolina and Puerto Rico.

We are on the evaluation process of all paperwork related to Panamerican Flight Academy, Caribbean Flight Academy for the training of your company Flight Crew, Ramp and administrative personnel.

Once all the required documents of the performance of the Work Investment Act and accreditations of those companies will be complied, our agency will be on a better position to assume the Expenses of Training, Travel and part of the Salaries, as long as you maintain your commitment with this people job.

For additional information, don't hesitate to contact me at your convenience.

Cordially,

**REY F. MARRERO CANDELARIO**  
Executive Director.



## BANCO DESARROLLO MUNICIPAL

24 de abril de 2002

Mr. Luis A. Perez  
President  
Airline Puertorriquefia Lnc.  
PO Box 810298  
Carolina, Puerto Rico 00981-0298

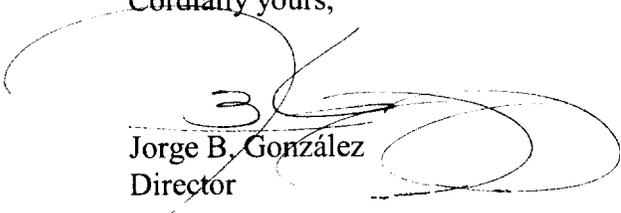
Dear Mr. Perez:

It is a great pleasure to greet you again. We would like to reiterate our disposition in processing your credit application for one million five hundred thousand dollars (\$1,500,000), for a five (5) years term so you can finance the rental of 727 airplanes and cover operation cost.

It is necessary that you submit all the financial documents, requirements and permits to operate the airline and the disposition of your guarantee (collateral) required. After we receive **all** the documents, we will submit your credit application for evaluation and the final decision of your business loan.

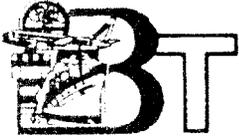
Thank you for the prompt attention to this matter.

Cordially yours,

  
Jorge B. González  
Director

zar

Gobierno Municipal Autónomo de Carolina  
Apartado 8  
Carolina, PR 00986-0008  
Tel. (787) 757-2626 Ext. 311



# Bonilla Travel Agency

Ave. Apolo No. C-31, Urb. Apolo, Guaynabo, P.R. 00969 - Tel. 720-5011

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To: Luis A. Pérez  
Linea Aerea Puertorriqueña  
P.O. **Box 810298**  
San Juan, PR **00981-0298**

Dear Mr. Pérez:

After reading the announcement on the News that your company is in the process of becoming Linea Aerea Puertorriqueña, we felt very happy, especially for choosing the 727-200 aircraft. Our experience with companies like Falcon Air, Panagra, Copa Airlines among others, has exceeded our expectations with this kind of equipment. It was about time for Puerto Rico to have its own charter operations.

We are pleased to notify you that our company is in the better disposition to make the commitment with Linea Aerea Puertorriqueña for several charters, once your Certification Process will be completed.

At the present time, we can offer you several charter groups that will be available and may be scheduled at our convenience. For example, we have groups from San Juan to Santo Domingo, Punta Cana, Orlando and Miami. These groups consist of approximately 160 to 200 passengers per flight, 2 or 3 times a week, on a round trip basis. As you know, we have been in business as charter operators for more than 20 years with an excellent reputation in the Puertorrican Market.

I want also invite you to take in consideration another routes like Venezuela, Costa Rica and Mexico.

We hope to do business together in a near future.

Cordially,

Rafael Bonilla  
President

To: Janet A. Davis  
 Senior Transportation Analyst  
 Air Carrier Fitness Division

**LITTER OF AGREEMENT**

We, the personnel of Linea Aerea Puertomquefia, after an exhausted analysis of the Exhibit 9 which has previously submitted to you, Project 727 LAP, agree to work for the company under the salary that have been assigned to us. For all of us, this is a promotion. In addition we have fringe benefits that include:

- A lower cost of living in Puerto Rico than stateside.
- We are at home at the end of the day.
- Christmas bonus profit sharing.
- Annual Vacations
- The obtention of a higher qualified **training**
- The opportunity to serve our country, working for our people and for our own company.
- The opportunity to become part of our company by obtaining profit sharing.

Name	Position	Certificate #(if applicable)	Signature
Captain JOSE M. ROSARIO		ATP-534205050	[Signature]
Captain LUIS A. DAVILA		ATP-583100975	[Signature]
JEFF M. STUMP	CAPT	ATP 573173489	[Signature]
Geron Beltran	Mechanic	A.P 115875050	[Signature]
Santiago Pons	Mechanic	- 4624MA	[Signature]
Capt Victor febes	Pilot	-	[Signature]
Capt VICTOR RODRIGUEZ	Pilot	-	[Signature]
Capt Ruben Maldonado	Pilot	582-01-0060	[Signature]
Capt Luis Dupiano	Army Pilot	ATP-220014	[Signature]
Umberto Lopez	Mechanic	ATP-58620023	[Signature]
Rafael Pelgado	Mechanic		[Signature]
Jose Rivera Verdejo	Security		[Signature]
Isabel Sanchez del Campo	Exec. Secretary		[Signature]
Capt Diego Lopez		ATP 1771074	[Signature]
Capt Juan Pujeros		582-12 5990	[Signature]

**Luis A. Pérez**  
 President

PURCHASE -SALE AGREEMENT

On this day, January 1 2002, **Mr. Luis A. Perez**, of legal age and resident in San Juan, Puerto Rico, president of PRALCO, hereinafter named the "SELLER" and,

Ricardo S. Guidini, of legal age and resident of San Juan, Puerto Rico, in representation of GAS Services Inc., hereinafter called the "BUYER",

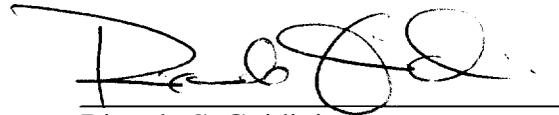
Have agreed on the sale and purchase of certain assets property of the SELLER by the BUYER on the following terms;

1. The SELLER sells all his rights on the following assets;  
One aircraft type Britten Norman Trilandar, model BN-2A MKIII, register N650LP; .....  
One aircraft type Bitten Norman Islander, model BN-2A-21, register N7049T; .....  
The assets of the operating agent for the aircrafts of which the SELLER is the sole owner, and the transfer of all business contracts in which the aircrafts are operating; -----  
-----
2. This agreement shall have a period of six month unless extended by agreement of both parties; the SELLER agrees to provide all paperwork required by the BUYER to facilitate the completion of this agreement. -----  
-----
3. The price for all the assets herein included has been set in the amount of \$650,000.00. The BUYER has deposited \$5,000.00, which has been maintained in an escrow account under the legal power of the SELLER. The balance, \$ 645,000.00 shall be payable at the closing of the agreement in US funds on or before June 30,2002. The deposit shall be applied to the principal amount at the closing of this agreement; the SELLER will have the right to retain the deposit if BUYER due to negligence does not fulfill his part of the agreement, and the BUYER shall be liable in court for damages arising as a result of his negligence. -----
4. The assets herein agreed to be sold are free of any debt, liability or legal liens and the SELLER is the sole owner of all the assets described. ....
5. The SELLER shall pay any debt or liability related to the operation of both aircrafts, which at the period of the closing may exist, in its totality. ---
6. The SELLER agrees to maintain the Air Carrier Certificate under which both aircrafts are actually operating commercially active and free of any liens. -----
7. The SELLER agrees that any liability that may arise as a result of the operation of the aircrafts during the period prior to the closing of the purchase shall be his solely responsibility. -----  
-----
8. The parties agree to contract the services of LA Irizarry & Associates for all legal matter related to the transfer of the assets and any matter that may arise from the transaction to be resolved before the Federal Aviation Administration, the Department of Transportation of the US and the Ports Authority of Puerto Rico. The BUYER agrees to pay any fee related to the services of Luis Irizarry & Associates Inc. .-----  
-----  
-----  
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The parties agree to all the terms herein included and in testimony of their intend to fulfill this agreement in its entirety sign this document today January 1, 2002, in San Juan, Puerto Rico.



Luis A. Perez  
President - PRALCO Inc.  
LIC.504003



Ricardo S. Guidini  
G.A.S. Inc. - President  
LIC. 1341938



PO Box 362708  
San Juan, Puerto Rico 00936 2708  
Teléfonos (787) 765-9800, 751 9800

April 29, 2002

LUIS A PEREZ  
PRESIDENT  
LINEA AEREA PUERTORRIQUEÑA (LAP) INC.  
PO BOX 810298  
CAROLINA PR 00981-0298

Dear Mr. Perez:

As per your request we hereby confirm that Linea Aerea Puertorriqueña (LAP) Inc. maintains the account 011-347716 at **San** Juan branch. It shows a balance of \$10,092.56.

For more information, please contact us at (787) 725-2636.

Cordially,

A handwritten signature in black ink, appearing to read 'Carlos Méndez', written over a horizontal line.

Carlos Méndez  
Manager  
San Juan Branch