



January 24, 1985

Dear Builders and Friends:

I'm writing this newsletter in order to update everyone on the status of Quickie Aircraft Corp. As you know we lost a lawsuit in Denver Colorado and suffered a judgement of about \$212,000. We made a number of motions for a new trial which were denied as we expected them to be. For some reason the judge required two months to make her ruling. Normally these matters only require a few days to resolve. This left us in a position of not knowing what to do in the meantime.

I decided that the safest path was to temporarily close Quickie, layoff my employee's, and move out of the large expensive hangar into smaller quarters still on the Mojave Airport. This way Quickie's assets were preserved. As soon as it was clear that an appeal was our only long term hope we took several steps. First we filed for relief under Chapter 11 of the Bankruptcy code. This was necessary because even if we appeal the opposition can still enforce the judgement. Chapter 11 allows us to attempt to reorganize while protecting us from creditors and most importantly from lawsuits. Next, we filed our appeal. Thanks to your support we raised enough funds to file. The battle has just begun though more help is needed. The cost for the official transcript is over \$3000.00 not to mention some pay for our attorney. Our chances of winning the appeal we feel are very good. The judge made several reversible errors and was unwilling to set precedence (most trial judges don't). Had the jury been made up of pilots or other homebuilders I have no doubt the case would have been laughed out of court.

Please send your contributions directly to our attorneys:

Ayscough Marar & Parke
22330 Hawthorne Blvd Suite 217
Torrance, CA 90505

I believe it is in everyone's interest to assist in reversing this verdict. As I write this I note that Piper is closing down its Lakeland Florida plant. All of general aviation is down on the mat. If small companies are inhibited from the market place, sport aviation will wither away and die.



I am now ready to reopen Quickie. We have moved to the west end of the Mojave Airport in Hangars 37 & 38. Our overhead has been drastically cut. I will increase our staff as business allows. Obviously filing Chapter 11 will have an adverse effect on our sales but we felt we had no choice if we were to attempt to continue to do business and help our customers. Telephone service will be restored shortly unfortunately we will not have a separate builder hotline at first.

Some of you builders have backorders or undelivered orders coming. We have quite a lot of inventory which was preserved in our hectic moves over the last couple of months. In other cases we have paid for merchandise for our customers. Due to the nature of Chapter 11 proceedings we may have to have court permission to ship some orders. Rest assured I will do everything possible in this regard. In the meantime again I need your help. If you are missing anything please write to us at once describing the items, when purchased, invoice number, etc. Please write backorder on the envelope. I know many of you have been notifying us since our last letter but please do it again as it has been impossible to answer correspondence and some has almost certainly been lost in the move. So help me help you.

Please on all other letters that require a reply such as builder construction questions send a stamped self addressed envelope.

Any of you who need replacement parts, options, etc. again please write us for availability.

Best Regards,
QUICKIE AIRCRAFT CORP



Gene Sheehan
President