

Check date of filing maintenance contract with Hacienda repair station.

412 - Filed no agreements - Defense of maintenance is that Hacienda repair station is not an air carrier ^{in any} description and reports were filed with the repair station and FAA (check out dates).

408 - Did Hacienda, per se, ever pass a resolution to purchase or ^{guarantee} the DC-6B? Defense - Hacienda, in a memorandum signed by Bayley and attached to the contract guaranteed payment to Guiles Co., however, no resolution of Hacienda, Inc. was ever passed. It is believed that Boards information comes from a memorandum dated June 2 and August 16, 1961. (check copies)

403 - Standard did not file joint tariffs with Hacienda because Hacienda is not an air carrier and has no tariff.

Agents representing both Hacienda and Standard in the New York, Chicago area and Honolulu have published Hacienda's tour in combination with Standard air fare and in the case of New York, Standard furnished brochures to the Travel Agent, Las Vegas Hacienda, Inc., a New York Corporation, showing our joint package in combination with Hacienda's joint package.

Possible 408 - 412 - Pooling - true Standard borrowed from Casino Operations, Inc. \$128,000.00 (check with Virginia the \$605.57).

Joint use of pilots - Standard hired Doug Hoffman as Chief Pilot for its Honolulu run wherein Hacienda had no knowlege or interest. At a later date, in order to accomplish the paper work and checking of pilots necessary, Hacienda inquired of Standard if they could use Hoffman as their check pilot or Chief pilot. It has been customary in this area over a period of years for several companies to use a check pilot or chief pilot such as Vic Russell, wherein each company would pay him a retainer. This was cleared both by attorney Klak and with the FAA and no objections were found. Pilots in this area have long been available to more than one company due to the very nature of supplemental airline peaks and valleys.

Insurance Policies - Check with Bill Koosman on Insurance Policies. It is my belief that the DC-6 does not show Hacienda, or if so, on hull only. The DC-4 would show Hacienda principally because -----it was sitting on Hacienda property maintained under contract with Hacienda on time and material basis and they wanted to be named as additional assured.

NOTE: Was investigation properly conducted under investigation procedures?

no record of Oct 20 case awarded or cancelled -

Hospital Insurance - Bill Koosman advised the employees of Standard that they could buy insurance at a cheaper rate by joining a group in the Hacienda combination. Standard contributes nothing and is happy their employees are able to buy such hospital insurance not available at reasonable rates through any other agent.

MAINTENANCE AGREEMENTS - maintenance agreements are with an FAA approved repair station and normal procedure through the years has not required Board approval but rather filing with FAA.

JOINT FUEL ARRANGEMENTS - Hacienda Hotel, a non air carrier, used Standard Oil Company credit cards at various points not covered by contract with Standard Airways. Used on occasion pending Standard Airways fuel arrangements. Standard Airways used Hacienda credit card to arrive at contractual prices pending Standard's own negotiations and paid the fuel supplier directly for such purchases. Payments to my knowledge, were not made to Hacienda, but directly to Standard Oil Co. in order to receive the contractual price afforded Hacienda.

Joint use of New York, Chicago, Dallas offices - the New York office is known as Las Vegas Hacienda, Inc., a New York Corporation and is a licensed agent and Standard Airways contract agreement is filed. Also, the New York office has United Airlines poster on the wall.

Chicago office - agency agreement filed with Leo Sharp, an individual agency selling tours to Mexico, Hawaii and Las Vegas.

TELETYPE - (check with Virginia on whether we have ever been billed for the teletype) Standard takes the position that joint use of teletype is for the convenience of guests of the Hotel, a non air carrier, when they have passengers scheduled to be boarded at either the Burbank or San Francisco terminals. Standard considers this a convenience to the hotel and is not prohibited from using same for other messages between Burbank and San Francisco offices.

Another position Standard could take is that they pay their share for these two drops, Burbank - San Francisco and find it no different and no more collusion than using an FAA drop which many carriers share.

COORDINATION OF FLIGHT AND SCHEDULES - Standard's position is that we have maintained since inception, a Tuesday and Friday flight with Wednesday and Sunday return. Minor variations and hours due to convenience of arrival times for passengers are the only deviations. Standard has no control over Hacienda flight schedules. On Tuesday, Hacienda has a 9:45 arrival from Las Vegas for connection, within reason to our 10 p.m. departure. Other times, Hacienda may, under their program, deliver the passengers to San Francisco from seven hours before Standard's normal departure time. Standard's arrival times on Thursday vary as much as four hours whether the flight is via San Francisco or direct and this might be 8 or 10 hours before a Hacienda departure to Las Vegas allowing time for such passengers to avail themselves of that portion of the tour in and around Burbank and Hollywood. It is Standard's contention that the passengers must fit the schedule rather than the schedule adopted to fit the passengers.

JOINT PROMOTIONS - possible - see nothing illegal.

In March Hacienda paid bills - this came under the \$128,000.00 loan from Casino Operations, Inc. and might have been used as a shortcut.

PERFORMANCE RECORD - Standard entered the Trans Atlantic case but withdrew. No charter trips were requested which is at Standard's option and would not be subject to a criticism by investigation team.

HACIENDA CHARTERS - Standard chartered to Hacienda under the belief that such charters were legal and were being conducted by other air carriers (TWA Document) showing charter available until letter was received from Jim Anton. Standard contends that they were individually ticketed in accordance with the regulations and although Hacienda collected the money, individually tickets were made and Hacienda was later invoiced. The purpose of individually ticketed is twofold - 1., the BOE insisted that the groups are not chartable even though TWA and others charter and 2, Standard would be limited in the number of flights. Standard feels they have met the regulations on the transportation involved.

DALLAS - HACIENDA RECRUIT - See memo.

242.2 - Investigate following items:

Check TIA load August 19, 1961

Check TIA load July '61

Check September 1 - schedule F and Sept. 25 schedule F against passenger manifest, form, etc.

Letter to Klak regarding how he arrived at 25¢ rate from our tariff.

Check with Bert Oct 20 flight to Chicago where CAM was cancelled to protect Hacienda.

Check Flying Tigers wherein they might have acted as agents.

Check date from May 61 on how Roberta was billed and how they learned that a special code and invoice to Standard was used.