

## Kelly J. Flood

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**From:** Marty Harper  
**Sent:** Monday, July 13, 2015 10:42 AM  
**To:** 'BRIAN ODWYER'; 'Gary Silverman'; 'John Gresham'  
**Cc:** 'Jeff Freund'; Kelly J. Flood  
**Subject:** In our call

Last Friday, Gary and John confirmed that to date USAPA/USAPA Merger Committee has not sought reimbursement from APA for any merger expenses that USAPA and its Merger Committee have incurred to date. This fact has also been confirmed from other sources.

Under the MOU the Carrier agreed to reimburse the various Merger Committees up to \$ 4 million to cover their merger expenses. Earlier this year, APA setup a procedure whereby it would advance funds to the merger committees to cover ongoing merger expenses of each of the three merger committees up to a total of @ \$1.3 million each. On behalf of the West Pilot Class, we demand that the National Offices and BPR members take immediate steps to seek reimbursement from APA to cover the merger expenses that have been paid to date out of the USAPA Treasury.

The monies available from APA are needed to replenish the USAPA treasury since those monies belong to the members. About @ 35% of those funds belong to the West Pilot Class. Under the USAPA Constitution, the officers of USAPA are the agents of the members and are responsible for collecting and disposing on all USAPA assets. The funds available through APA are an asset of USAPA. The West Pilots Class are among the principals to whom the officers of USAPA owe their fiduciary duties as agents. The officers and directors of USAPA owe fiduciary duties to all members of USAPA under both the USAPA constitution and bylaws, and the LMRDA. In furtherance of those duties, the officers and directors must submit all invoices for all SLI-related expenses incurred to APA for reimbursement, to avoid the further depletion of USAPA's treasury.

Further, as fiduciaries of the members of USAPA, the officers and directors cannot refuse to act in this regard, which refusal would have the potential effect of leaving \$1.3 million available to the new East Merger Committee that APA appoints. If the officers and directors of USAPA fail to act to seek reimbursement from APA for SLI-related expenses, leaving the money for the new East Merger Committee, this would be in violation of the Ninth Circuit's ruling enjoining USAPA from continuing its breach of the DFR to the West Class.

Please pass this demand onto all of you clients, including those who persist in avoiding service. You may consider passing this demand onto those who are considering running for positions on the BPR. Joining the BPR now could turn out to be financially risky.

**Marty Harper** | President & CEO

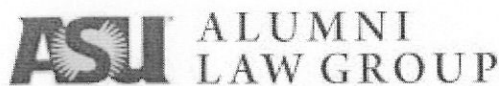
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