

Brian Little

From: Brian Little [brian@fortfield.com]
Sent: 08 May 2009 17:43
To: 'Don.A.Linsdell@ca.ey.com'; 'john.f.tracey@uk.pwc.com'
Cc: 'bhadfield@UK.EY.COM'; 'sgate1@uk.ey.com'; 'ian.powell@uk.pwc.com'
Subject: RE: Documents

Gents - I note for the record that I have not received any response to my invitation to comment in my email below. Given my and Magellan counsel recent remarks during my re-examination on 9 and 0 March 2009 I have asked the Respondents legal team in a letter today (Copy tribunal) whether they will now in fact present either or both of you as witnesses for the Respondents in the UK legal case.

Regards

Brian Little

From: Brian Little [mailto:brian@fortfield.com]
Sent: 05 May 2009 19:24
To: 'Don.A.Linsdell@ca.ey.com'; 'john.f.tracey@uk.pwc.com'
Cc: 'bhadfield@UK.EY.COM'; 'sgate1@uk.ey.com'; 'ian.powell@uk.pwc.com'
Subject: FW: Documents

Gents - As you know we are literally completing the final elements of "our Magellan whistleblowing report".

In light of this and in view of the comments from Magellan's solicitors in their email below can you explain why both Ernst and Young were comfortable with the manner in which Magellan justified the quantity of units expected to be delivered. This seems completely at odds with both the information that was disclosed to you (based on what was provided following the Court Order to you both by MAC – see my December emails) and crucially the information that was provided by me and in my dossiers and my commentary in late January 2007 to PwC (transcript in bundle at 2812/2813) .

Can I have any comments/input by return please .

Kind regards

Brian Little

John - please find attached copy of the PwC tape and also the Teal report for April 2007 which I suggested you obtain in Jan 2007. I also attach a copy of a substantive piece of work carried out by Mr Mark Bobbi – whose reference is included – at bundle 3890 – A340 . Also Teal 2009 and FI 2009

Don / Barbara – I still await any input to my email from last Friday and in view of the Mayday holiday will leave it to COB tomorrow.

From: Brian Little [mailto:brian@fortfield.com]
Sent: 05 May 2009 18:35
To: 'RAE Charles'
Subject: RE: Documents

Charles - as I am sure you understood from the schedule I had previously sent – Doc1831A attached – it was not very difficult to work though the various numbers etc - simply the balancing - I attach now my updated schedule verifying same . This simply underpins my evidence regarding what Mr Neill and Mr Dekker provided to the EY auditors - both from myself and Magellan which easily pointed to gross inconsistencies in what was carried out in the EY audit .

I have not received any Read receipts from my recent emails . Have you seen them yet

Kind regards Brian

From: RAE Charles [mailto:Charles.Rae@pinsentmasons.com]
Sent: 05 May 2009 18:07
To: Brian Little
Subject: Documents

Brian

I am coming back to you, as promised, concerning your Document request "1B". My clients have been carrying out a search for the document that you have asked for. The document does exist, therefore we are disclosing it to you - it is attached at page 1.

As you know, both Ernst & Young and PricewaterhouseCoopers were comfortable with the manner in which the Respondent justified the quantity of units expected to be delivered. For the sake of clarity, we also attach (at page 2) a document that our client has recently prepared, which shows at a glance the assessment that would be carried out by the Auditors in order to satisfy themselves that the accounting on this matter was appropriate. We trust it is of assistance.

We are, of course, disclosing these documents to you in connection with this litigation, therefore the implied undertaking as to the use of disclosed documents (i.e. only in connection with these tribunal proceedings) applies.

Regards
Charles Rae
Senior Associate
Pinsent Masons LLP

DDI +44 (0) 121 623 8693
Mobile +44 (0) 7776 205 793
Internal Ext - 838693

Pinsent Masons LLP is part of PMLG - An international group of law firms

<<Scanned_.pdf>>

This email is sent on behalf of Pinsent Masons LLP, a limited liability partnership registered in England & Wales (registered number: OC333653) and regulated by the Solicitors Regulation Authority. The word 'partner', used in relation to the LLP, refers to a member of the LLP or an employee or consultant of the LLP or any affiliated firm who has equivalent standing and qualifications. A list of the members of the LLP, and of those non-members who are designated as partners, is displayed at the LLP's registered office: CityPoint, One Ropemaker Street, London EC2Y 9AH, United Kingdom. The contents of this e-mail and any attachments are confidential to the intended recipient. If you are not the intended recipient please do not use or publish its contents, contact Pinsent Masons LLP immediately on +44 (0)20 7418 7000 then delete it. Contracts cannot be concluded with us nor service effected by email. Emails are not secure and may contain viruses. Pinsent Masons LLP may monitor traffic data. Further information about us is available at www.pinsentmasons.com.

Aeronca, Inc.
 A340 Summary of Best Information Available
 at December 31, 2006

year	# of units justification		initial cost to complete basis		
	production	spares/repairs	units	unit price	total revenue
2008	69	7	156	201,396	31,417,776
2009	53	7	162	210,828	34,154,136
2010	127	8	162	221,170	35,829,540
2011	117	9	162	232,501	37,665,162
2012	103	11	151	244,970	36,990,470
2013	85	12			
2014	63	14			
2015	37	14			
2016	7	14			
2017		14			
2018		14			
2019		14			
2020		14			
2021		14			
	661	166			176,057,084

Aeronca A340

4 FOR THE SAKE OF CLARITY, WE ALSO ATTACH (at page 2) a DOCUMENT THAT OUR CLIENT HAS RECENTLY PREPARED, WHICH SHOWS AT A GLANCE THE ASSESSMENT THAT WOULD HAVE BEEN CARRIED OUT BY THE AUDITORS IN ORDER TO SATISFY THEMSELVES THAT THE ACCOUNTING ON THIS MATTER WAS APPROPRIATE. WE TRUST THIS IS OF ASSISTANCE. 4

UPDATED SCHEDULE NUMBERS FOR PRODUCTION
 SENT TO ESY/PWG BY MAG ON
 1 MARCH 2007 = 3605 B/D + 3605 E/G.

Aeronca, Inc.
 A340 Summary of Best Information Available
 at December 31, 2006

↓ (000 3000)

AIRBUS/
 AIRCELUS
 PLAN
 40
 36

year	# of units justification				initial cost to complete basis		
	production	units		total	units	unit price	total revenue
		spare	repairs				
2008	69	72	7	70	156	201,396	31,417,776
2009	53	104	7	60	162	210,628	34,164,136
2010	127	116	6	135	162	221,170	35,829,540
2011	117	108	9	126	162	232,501	37,665,162
2012	103	96	11	114	151	244,970	36,990,470
2013	85	80	12	97			
2014	63	64	14	77			
2015	37	32	14	51			
2016	7	6	14	21			
2017			14	14			
2018			14	14			
2019			14	14			
2020			14	14			
2021			14	14			
	661	678	106	845	283		176,057,064

2007 40 40 0

FOR THE SAKE OF CLARITY, WE ALSO WISH TO
 (at page 2) A DOCUMENT THAT OUR CLIENT HAS
 RESEARCH PREPARED, WHICH SHOWS AT A GLANCE
 THE ASSESSMENT THAT WOULD HAVE BEEN
 CARRIED OUT BY THE AUDITORS IN ORDER TO
 SATISFY THEMSELVES THAT THE ACCOUNTING ON
 THIS MATTER WAS APPROPRIATE. WE TRUST THIS IS OF
 ASSISTANCE.

1831A