

## **Hemmeter B727-35 N727HC**

In 1988 with Hawaii projects nearing completion, Chris Hemmeter was looking to expand his business beyond Hawaii. There was an interest in St. Martin in the Caribbean and the Canary Islands off the coast of northwestern Africa. If these projects came on-line, Hemmeter would need an aircraft that had long range capabilities with enough room to bring his key personnel and work en route. The choice was a Boeing 727, if the right aircraft could be found.

Roger Hardesty from Tulsa, Oklahoma was ready to relinquish his N727HC. The aircraft was maintained by American Airlines at their Tulsa maintenance facility from date of manufacturing and first flight in 1967, 13 years flying American routes and throughout Hardesty's ownership. The aircraft had been converted to executive interior with additional long-range fuel tanks in the belly cargo hold. This was to be the perfect aircraft.

I first arrived at Hemmeter Aviation as a consultant to develop a FAA Part 135 operating certificate for his current inter-island aircraft. After taking on full employment with Hemmeter, I was asked to expand the Pt. 135 certificate to include the two new Rockwell Turbo Commander 690B. Now, I was asked to obtain an FAA Part 125 certificate to operate the new B727. Currently, I was the Vice President, managing the neighbor island operations and living on Maui. I returned to Honolulu to receive the crates of records and history of the B727 as well as be close to the FAA Flight Standards District Office (FSDO). Unfortunately, the aircraft was not in Honolulu but on a ramp in Phoenix. I was to complete the certification without access to the aircraft. I would have preferred to thoroughly inspect the aircraft for compliance to ensure my request to the FAA was true and accurate.

I was certainly pressured to obtain the certificate as soon as possible. In fact, Chris Hemmeter demanded the aircraft be ready for his college reunion at Cornell University which was about 30 days away.

I was working with a FSDO that never did a Part 125, so it was slow going at the beginning. If it wasn't for my close relationship with the FSDO as well as being recognized for my expertise it would have taken much longer. Once we completed our work with the local FAA it was to go to the Western Region in Los Angeles and then onto Washington D.C. for final approval from the Associate Administrator. I was concerned about the timely review of our documents, so I hired an aviation attorney in Los Angeles to be in their office until passed on to D.C. Once I got word that it was on the move, I contacted Hawaii's Senator "Sparky" Matsunaga's office in Washington, D.C. When I spoke to the Senator, I asked him to assist by calling the Associated Administrator and ask for a timely review for approval. I was not asking to circumvent any policies or procedures but a review sooner than later.

Chris and Patsy Hemmeter continued to prepare for the reunion and planned their arrival in Phoenix to board the B727 for an on-time departure. The final certification documentation arrived at the aircraft 30 minutes before the door closed.

Chris called me from the aircraft and express his appreciation. He said he never doubted that I would meet the goal.

I sat back with a grand sigh of relief. Time to get back to Maui and continue to work on FBO operations, airline fueling and other less stressful duties.

The aircraft was utilized in the weeks and months to follow but not in the way it was originally intended. The project in St. Martin and the Canary Islands did not come on-line and when the aircraft was dispatched it usually had few people on board.

On one occasion, Chris called and asked to get the aircraft ready for departure for that evening, destination Europe. The crew consisting of Pilot, Co-Pilot, Flight Engineer and Steward and were on board awaiting Chris's arrival. Chris was always interested in his aircraft and crew; he had his private pilot's license, so it wasn't unusual for him to sit in the cockpit to observe. So, here is the Boeing 727 headed out on a long trip with no one really in the cabin of the aircraft. No doubt Chris didn't stay in the cockpit for much of the trip, but it still was not the utilization you would want.

Chris also had a Gulfstream II in the fleet but even that aircraft didn't make all the trips he wanted based on winds. Over the years, Hemmeter operated a BAC 1-11-300, IAI Westwind and a Lockheed Jetstar as his long-range aircraft but all had range issues due to being based in Hawaii and the headwinds on return. I remember the Jetstar sat on the ramp on the west coast with the crew in a hotel waiting on favorable winds while Chris made multiple trips on United Airlines.

By 1989, Chris recognized that the cost of his aircraft were a financial burden and we were maneuvering to put him in a better position. The Gulfstream II lease was looking to be reassigned to Phil Knight at Nike and putting the Boeing up for sale. To ensure he could meet his travel demands we entered an agreement to co-lease a new G-IV. We would manage all aspects of the aircraft and charge back to co-lessee and reduce Hemmeter's overall cost of operations. In 1990, Hemmeter decided to close his operations in Hawaii and we discontinued all discussions for new aircraft.

### **Putting the Boeing up for sale**

When Chris acquired the Boeing from Hardesty, he paid approx. 7 million and with various interior and exterior modification had about 8 million into it to date. It no doubt was indeed a great aircraft, but the market was changing, and number of issues would affect the sale if not done soon. It was a lot of airplane for the money, but it was getting old and the cost of operating it was becoming more problematic.

I was not in charge of the sale until I took on the role as Executive Vice President. Before that appointment, I made recommendations regarding the aircraft's location and current maintenance issues, but they were not accepted.

After dropping Chris off in Honolulu on the aircraft's last flight, the plane was relocated to Tucson, Arizona. Upon the arrival in Tucson, the crew walked away from the aircraft and closed the doors. There were open discrepancies in the logbook with inspections coming due. The aircraft was not cleaned after its last flight including the galley with food still in the oven.

A few appointments were taken to show the aircraft and a couple requested test flights. One test was from Tucson to LA, where the intended buyer and several friends walked away from the aircraft once they arrived in LA. That was the last free air charter. The aircraft was relocated back to Tucson to await another buyer.

Once I had the authority to oversee the sale, I relocated the aircraft to Paine Field in Everett, Washington. Certainly, the hot dry air is good for reducing corrosive conditions but for executive aircraft and their interiors it is detrimental to the special wood laminates and upholstery. The interior walls were delaminating and warped.

Upon arrival in Everett, we contracted Goodrich ATS (Tramco) to bring the maintenance and required inspections up to date. The interior repairs were made. During an inspection of the long-range fuel system it was found to have been leaking for some time. When all maintenance, repairs and modifications were made we had put another \$100,000 into the aircraft. Chris was undoubtedly concerned about the additional dollars being spent but understood that we needed a truly airworthy, clean, attractive aircraft to promote a sale as soon as possible.

The aircraft started receiving several offers. Many wanted a test run from point A to point B. We were clear that we could accommodate their request with a nonrefundable deposit that could be recognized towards the final sale of 8 million. The transport seekers went away.

One potential buyer was the country of Bolivia. They requested that we fly to La Paz to meet with a duly appointed minister of this or that. They were looking for a new Presidential aircraft. I requested that we set up an escrow account for the full sale price of \$8 million. They made numerous attempts to maneuver alternative methods. I was clear, to leave the country we needed to be paid in full. They were not coming north, and we were not going south.

It was not difficult to follow their country's politics... ***Paz Zamora Presidency (1989-1993)***

*1986-1989: The cocaine industry increases corruption at all levels of public institutions. The cocaine business also fuels a new kind of crime among coca-paste addicts. Increasingly militant and powerful unions of coca growers hamper Bolivia's attempts, with U.S. support, to implement a program of cocaine interdiction and coca eradication. Cocaine-related acts of terrorism increase. 1990-1993: President Paz Zamora orders an attack on terrorists and breaks*

*up several drug-trafficking networks, but he allows lenient sentences to the biggest narcotics kingpins. Paz Zamora is later suspected of having ties to some accused traffickers, as are the head of the anti-narcotics police and the interior minister. Mass arrests follow social protests and demonstrations.*

Months following the dialog with Bolivia, Clay Lacy had a Learjet charter flight to La Paz where the local customs authority impounded the aircraft and arrested the crew on suspicion of drug movements. After a few days or so they let the crew go but kept the aircraft. It was believed to now be part of the Presidential fleet.

Another potential buyer was from China. We negotiated through the principal's representative. He was a bonafede buyer. He was interested and had the capital to complete the sale. The principal was going to spend some time in Las Vegas and asked that we meet him there to close the deal. I asked Charles Kitchens, Director of Operations to go to Las Vegas to first meet with ----- and I would follow. Once Charles arrived the representative asked Charles to stay in his room until he was called upon. Three days went by and Charles continued to ask what was going on, it was a waiting game. They were staying at the Mirage Hotel. Steve Wynn was a friend of Chris Hemmeter and I thought I would call him to request assistance with this potential buyer staying at his hotel. The buyer was playing baccarat for days on end. Charles remained in his room waiting for the call. When the buyer was up millions of dollars his representative would call Charles with optimistic dialogue but stay put until final hand of baccarat... whenever that may be. He was up millions but then that turned and three days later he was down by over 5 million and continued a downward spiral. I should have known better than call Steve Wynn, the only way he could help was to stop the potential buyer from losing. That was not happening. He knew he would have his money eventually and he did... millions. While the potential buyer was still playing his card game, I asked Charles to return to Honolulu.

I knew things were going to get better when I got a call from Clay Lacy. Clay represented Jerry Perenchio and already managed his DC-9 executive aircraft at his Clay Lacy Aviation in Van Nuys, CA. Jerry Perenchio was an American billionaire businessman and philanthropist. He was at one time the chairman and chief executive officer of Univision. So, we now have a real buyer with Clay assisting on closing a deal.

The time it took to get this point was not helping with the way the market was going. More executive aircraft were on the market and larger, older, heavier aircraft prices were going down quickly. After some back and forth, the offer on the table was \$5 million. Chris Hemmeter paid \$7 million a couple of years earlier and put money into the plane. Chris was not happy with the price. I told him I understood, but the way the market is going the only place we may sell this aircraft was for cargo which we will be talking \$4 million. Each month we did not sell the

aircraft we would be incurring expenses in the thousands of dollars. I advised that he should accept the offer... he did.

The aircraft was relocated to Van Nuys while we continued preparations for final sale. The day came where I was to fly from Honolulu to LA and drive up to Beverly Hills to pick up documents and proceed on to Van Nuys. I remember that morning feeling absolutely elated knowing I would be completing the sale of this aircraft and getting back to other business priorities.

I arrived at Clay Lacy Aviation in Van Nuys about 9:30 am and turned into the entrance off Valjean Avenue. As I pulled into drive, I could see the aircraft tail beyond the gate to the ramp and the horizontal stabilizer was at about a 15° angle. My heart sank. The earlier elated feeling disappeared in an instant. I could not immediately see the rest of the aircraft due to the gate being solid, but I knew if the tail looked like that where was that lower wing? As I exited the facility to the ramp, I saw about fifty people along with the blue, yellow and red lights upon the many vehicles surrounding the aircraft. To keep the right wing from hitting the ground a hole was dug so the wing had a place to go.

Clay Lacy was standing watching the controlled fiasco. I walked up to his side and stood silently for a moment before asking "So, how's your morning going?". He turned and with a sigh and stated, "I was hoping to have the aircraft back on the ramp before you got here". The evening before, Clay took the aircraft for a final runup before my arrival the following day. The plan was we would board the aircraft and fly out of California to finalize the sale of the aircraft. As he taxied back to the ramp, he made the turn a little early and put the right main gear off the pavement and on the dirt. With all the rain in previous days the gear continued to sink into the soil. The aircraft looked ominous sitting there with the right wing in the large hole and the nose gear about two feet off the pavement.

Clay was very upset with himself. Clay does not do things like this. When it happened, he took every effort to protect the aircraft and extract it from its unfortunate position. Clay certainly knows people, so he made calls that needed to be made. The TWA aircraft recovery team along with many others that were part of the cavalry. Even though the aircraft was not sitting on the ramp as it should, my own aviation expertise told me the aircraft was not damaged. Continuing to dig under the right wing was the key to ensure the aircraft would not be harmed. Even though there didn't seem to be any damage at this point, I still was concerned about how this day was going... certainly not as planned. I told Clay that I needed to take pictures of the aircraft in its present position but didn't have a camera. He said there was one on his desk in his office. I got his 135mm SLR and started to take pictures. Clay wasn't happy about a photo documentation of this event but understood my position. I needed to document this incident if claims, or litigation was required in the future. I told Clay that we both believed that very soon the aircraft will be sold to Jerry Perenchio and at that point the film in the camera was all his.

The recovery team not only protected the aircraft but prepared to get it back on the ramp. Ramps were cut into the ramp pavement and three tow tractors with lines were positioned on each main and nose gear. Just before they started to pull the 727, Mr. Perenchio pulls up on the ramp in his Bentley and yells out "Oh my God, my aircraft". I liked that he is saying "his" aircraft, even though it is not at this juncture. I tell him that the aircraft is fine, and it should be on the ramp soon. He said it cannot be fine, "Look the nose gear is in the air, that can't be good". I reaffirmed that the gear is in the air on every takeoff and landing. He said "Okay, your right"

I felt from the time I arrived that morning that it would be only a matter of time before this picture would look much better. I decided that I would not call Chris Hemmeter and Diane Plotts to report the negative when shortly we would be back on track. The news of this event in Van Nuys traveled to LA within hours and a friend of Chris Hemmeter seeing it on the tv news called Chris to say "I'm watching your airplane on tv. Not sure what kind of accident it was in, but it didn't look good". My beeper went off and the office came out to say I have a phone call. I ensured Chis all is well.

The aircraft was back on solid ground and level by noon or so. Clay gives direction to his staff to prepare the aircraft for departure and that we would be leaving within the hour. I asked to if I could speak with Clay in his office. As we both entered his office, I went over to his decanter and poured two drinks. He stated that he could not drink because we were leaving shortly, and he was piloting the flight. I said exactly, now "To your health". Clay you have been up all night and it has been a bit stressful on all. Let's catch our breath and plan on doing this tomorrow. He agreed.

I went next door to the Airtel Hotel, made calls to give updates that all is well.

The following day, we boarded the aircraft and flew to Medford, Oregon where we finalized the sale. The line service technician that assisted with parking was asked to come on board to be a witness.

Clay had his camera and took pictures of the group at the long table in the rear of this incredible aircraft. A photo of those that got this deal done. Clay said he would send me a copy of the photo. I knew that the photo was part of the roll that included the plane in the hole. I do not believe this roll ever made to print.

I put the \$5 million check in my briefcase, said my thank you's and Aloha's and left the aircraft to jump on a United flight to SFO and on to Honolulu.

It was my last day with N727HC... bittersweet.

*Posting as a draft... coming back to insert a few names or clarifications*