

LAW OFFICE OF JOHN MIETUS, LLC

12505 PARK POTOMAC AVE., FLOOR 6
POTOMAC, MD 20854

JOHN R. MIETUS, JR.
(202) 747-5212
john@mietuslaw.com

March 31, 2020

BY ELECTRONIC MAIL

Mr. Jerish Varghese
Air Carrier Fitness Division
Office of International Aviation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Elevate Jet, LLC, Dockets OST-2019-0154/55

Dear Mr. Varghese:

By letter dated March 5, 2020 you requested certain information relating to the above-captioned applications. The responses of Elevate Jet, LLC follow:

OPERATIONS AND FINANCIAL POSITION

1. We require additional detail on Elevate Jet's current air taxi operations. Please state the number of flight hours operated in calendar year 2018 and identify the major markets in which Elevate Jet conducts air taxi operations, including a summary of the average number of flights per month in each market.

Elevate Jet, which was certificated during 2018, logged a total of 254.9 block hours that year, of which 47.7 were operated under Part 135 and 207.2 were operated under Part 91. Air taxi operations with the single Falcon 7x aircraft were conducted in North America on an *ad hoc* basis.

2. We need additional information regarding Elevate Jet's proposed interstate and foreign charter air transportation operations. In this regard, please provide:
 - a. The proposed geographic areas Elevate Jet intends to serve.
 - b. Copy of ACMI agreements.
 - c. Copy of charter agreements, if any.
 - d. Copy of the Aircraft Lease agreements.
 - e. Copy of all shared services agreements referred in your submissions.

Elevate Jet intends primarily to serve points in the United States and Canada as requested by its charter customers. The applicant has no ACMI or charter agreements in place. Confidential Exhibit D is the lease agreement for its first aircraft, N804RR (Airbus A320-231 MSN 113), and is being submitted under seal with a motion for confidential treatment. The second aircraft N330GR (Airbus A320-231 MSN 447) has also been acquired and is being prepared for service; it will be leased on similar terms. The aircraft will be leased from Firedancer Asset Holding I LLC and Firedancer Asset Holding II LLC, respectively; both companies are owned by Elevate Holdings.

Information on the managed aircraft follows.

Confidential Exhibit E is the shared services agreement referred to in the Application.

3. Based on Elevate Jet's estimate of approximately \$23.03 million in first year operating expenses, \$5.34 million in pre-operating expenses and a negative working capital of \$513,000, the Department estimates Elevate Jet will require approximately \$11.61 million to meet the Department's financial fitness requirements. Please explain how Elevate Jet has estimated \$5.22 million to meet our financial fitness test and provide copy of the agreements that support the adjustments made.

As explained in Exhibit 8, the \$23.03 million in total first-year operating expenses for three aircraft includes expenses for a managed aircraft and for all fuel, including that expected to be purchased by ACMI charterers. However, the managed aircraft will be placed with Elevate Jet under a lease and management agreement that requires the customer to cover the aircraft expenses with advance deposits. The Department does not include expenses so covered in calculating financial reserve requirements.¹ Adjusting downward for customers' coverage of the managed aircraft and of ACMI fuel obligations, Elevate Jet forecasts only \$18.84 million in expenses for which it, and not customers, will be directly responsible.

The form of management agreement, negotiated by a former Elevate Holdings affiliate with the customer, is attached as Confidential Exhibit F. A routine dry lease comparable in form to that in Confidential Exhibit D will document the customer's lease of an aircraft to Elevate Jet. Elevate Jet and the customer intend to execute both documents once the applicant is certificated.

Elevate Jet has been funding its pre-operating costs on an ongoing basis with investment from Holdings or its affiliates; indeed, roughly \$2.2 million was paid in

1 See *Universal Jet Aviation, Inc.*, Order 2012-1-11 at 4-5 & n.10; cases cited in Application, Exhibit 1, at 7 n.2.

2019. By the time its certificate is made effective, it expects little or no pre-operating costs would remain to be paid, as was the case in *Eastern Air Lines Group, Inc.*, Order 2015-4-16 at 5-6 & n.6. Thus, the original application excluded pre-operating costs from the amount needed to satisfy the financial fitness test as of certification, leading to a calculation of $(\$18.84 \text{ million} / 4) + \513k in working capital = \$5.22 million.

To expedite the certification process, though, Elevate Holdings and two affiliates have issued new commitment letters, with third-party verification of funds available, in the amount of \$12 million.

4. In its applications, Elevate Jet states that it is relying on its Elevate Holdings, Inc. ("Elevate Holdings") and its affiliates to make the funding available to support the startup costs and operating expenses. In this regard, please provide:
 - a. Third-party verification of all cash deposits available with Elevate Holdings and its affiliates to support Elevate Jet's proposed commuter operations.
 - b. Third-party verification of all lines-of-credit available to support Elevate Jet's proposed operations....
 - c. A letter from Elevate Holdings and its affiliates stating that Elevate Jet has access to the funds required for its start-up and operating expenses.

The original Application referred to \$7.5 million in liquid assets committed by an Elevate Jet affiliate. Those liquid assets since have been reorganized into accounts held by two new, affiliated companies, Raiff Risk Management, Inc. and Ruby Investment Management Inc., both Delaware corporations. These companies are U.S. citizens, as they are owned by the shareholder-trusts described in the application and managed by the U.S. citizen Trustee. A new commitment letter from the Trustee who ultimately controls these companies and their funds, and third-party documentation of committed funds, are attached as Exhibit 11.

A new commitment letter from Elevate Holdings and third-party bank documentation of funds available to Holdings to support the letter are attached as Exhibit 12. Together, Exhibits 11 and 12 evidence the \$12 million commitment discussed above.

MANAGEMENT

5. For each of the officers, management and key personnel of Elevate Holdings and Elevate Jet noted in the applications, please provide compliance history information as required by sections 204.3(1), (m), (o), and (p) of our rules.

As explained in Exhibit 1 to the original Application, none of the officers, managers, and key personnel of Holdings or Jet noted in the Application had any compliance history information to report under sections 204.3(1), (m), (o), and (p) of the Department's Economic Rules.

Jacob Abraham, who has more than 40 years' aircraft maintenance experience, is Elevate Jet's new Chief Inspector. After graduating from Spartan College of Aeronautics and Technology in Tulsa, OK, he joined Iraqi Airways, where he held maintenance and inspector positions (including Director of Maintenance) from 1977 through 2010. For the next ten years, before joining Elevate Jet, he inspected and supervised maintenance activities at Timco, Swissport, and F&E Aircraft Maintenance. He has no information to report under sections 204.3(1), (m), (o), and (p), and his resume is attached as Exhibit 4a.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "John R. Mietus, Jr.", with a stylized, cursive script.

John R. Mietus, Jr.
Counsel for Elevate Jet, LLC

Exhibits (numbering continued from original application):

- 4a: Resume of Jacob Abraham
- 11: Updated affiliate commitment letter and third-party verification
- 12: Updated Holdings commitment letter and third-party verification
- 13: Certification

Confidential Exhibits (filed under seal with a motion for confidential treatment):

- A1: restated list of FAA certificate numbers
- D: First aircraft lease
- E: Shared services agreement
- F: Form of Management Agreement

JACOB ABRAHAM

5 Batchelder Rd
Seabrook, NH 03874

Elevate Jet
Exhibit 4a
(2 pages)

Objective: Chief Inspector, Elevate Jet, LLC

Meets all qualification requirements of FAR 119.67(d) to serve as Chief Inspector:

(d) To serve as Chief Inspector under § 119.65(a) a person must -

(1) Hold a mechanic certificate with both airframe and powerplant ratings, and have held these ratings for at least 3 years;

a) Holder of airframe and powerplant rating since 1977.

(2) Have at least 3 years of maintenance experience on different types of large airplanes with 10 or more passenger seats with an air carrier or certificated repair station, 1 year of which must have been as maintenance inspector;

- b) **1 month Maintenance experience at** Elevate Jet Manager of Maintenance (Part 135) EMB 135, Falcon 7X, A320: Jan 2020 to Present 2020
- c) **3 years Manager of Maintenance Experience at** F&E Aviation (Part 145 Repair Station) A321N, Boeing 737-700: 2017 to 2019
- d) **3 years Maintenance Supervisor Experience at** Swissport (Part 145 Repair Station) Boeing 737, A330/A340: 2014 to 2017.
- e) **4 years Inspector & Team Leader Experience at** TIMCO (Part 145 Repair Station) Boeing 737 and 717, Bombardier CRJ 100, 200, 700, A319, A320, A321: 2010 to 2014.
- f) **16 years Inspector Experience at** Iraqi Airways and Chief Engineer of Airbus projects, also Boeing 747, 707, 737, 757 & 777: 1977 to 2009.
- e) Through MRO relationship, Part 121 active with Southwest, Spirit Airline & Air Canada: 2010 to 2019

and

(3) Have at least **1 year of experience** in a supervisory capacity maintaining the same category and class of aircraft as the certificate holder uses.

- a) Elevate Jet - Manager of Maintenance (Part 135) EMB 135, Falcon 7X, A320: Jan 2020 to Present 2020 - **1 Month Supervisory Experience**
- b) F&E - Aviation Manager of Maintenance (Part 145 Repair Station) A321N, Boeing 737-700: 2017 to 2019 – **3 Years Supervisory Experience**
- c) Swissport – Maintenance Manager (Part 145 Repair Station) Boeing 737, A330/A340: 2014 to 2017 – **3 Years Supervisory Experience**
- d) TIMCO Team Leader (Part 145 Repair Station) Boeing 737 and 717, Bombardier CRJ 100, 200, 700, A319, A320, A321: 2010 to 2014 – **4 Years Supervisory Experience**
- e) Iraqi Airways – DOM, Chief Inspector & Chief Engineer of Airbus projects, Boeing 747, 707, 737, 757 & 777: 1977 to 2009 – **22 Years of Supervisory Experience**

OVER THIRTY-SIX YEARS OF AIRCRAFT QUALITY AND MAINTENANCE LEADERSHIP EXPERIENCE

February 2020 to Present: **CHIEF INSPECTOR - *ELEVATE JET, LLC, SEABROOK NH***

Performed the duties as Chief Inspector and Quality Part 135 Operations with World-wide authorization operating large Turbo-Jet Aircraft. Certification Part 121 Chief Inspector per FAR 119.67(d).

January 2020 to Present: **MAINTENANCE MANAGER - *ELEVATE JET, LLC, SEABROOK NH***

Performed the duties as Maintenance Manager for Part 135 Operations with World-wide authorization operating large Turbo-Jet Aircraft.

January 2017 to December 2020: **AVIATION MAINTENANCE MANAGER – *F&E Aircraft Maintenance***

Coordinated and worked directly with Airbus Planning, Oversaw Procurement and distribution of parts and materials, ensured accuracy of process and workflows of inventory management. Scheduled and maintained testing equipment. Performed work in accordance of the FAR on all systems EWIS electro/mechanical, avionics systems. Achieved completion and standards. Employee Documentation and Training.

January 2013 to December 2016: **AVIATION MAINTENANCE SUPERVISOR – *SWISSPORT***

Coordinated projects for Airlines with DOM and Planning, Procurement and Maintenance Department Oversight to ensure parts and materials flowed. Complied with all Client Air Carrier GMM and FAR requirements. Distributed and maintained records of actions and resolutions. Performed audits with airlines and the FAA. Performed engine and airframe troubleshooting & diagnostics for aircraft systems.

January 2010 to January 2013: **INSPECTOR/TEAM LEADER/PROJECT COORDINATOR – *TIMCO***

145 Repair Station: Responsible for testing equipment and staging, maintained qualified staff to meet the Company's maintenance needs in accordance to the FAA safety regulations and coordinated company projects with the DOM for Air Carrier Clients. Performed work in accordance with FAR's to meet standards and safe practices on the shop floor. Performed Quality and Inspection tasks along with completed documentation for all inspectors.

September 1977 to January 2010: **DIRECTOR OF MAINTENANCE/INSPECTOR – *IRAQI AIRWAYS***

Responsibilities for Director of Maintenance of a large National Air Carrier. Performed program management for heavy and line maintenance and met qualifications of applicable FAR's and ensured compliance of completion of aircraft airworthiness directives, scheduling and maintaining record keeping. Supervised team members to practice safety practices and procedures with quality outcome. Performed Quality and Inspection tasks for 16 years. DOM 1998-2000.

EDUCATION AND TRAINING

1977 BS & Applied Science in Aviation Maintenance Technology - Airframe and Powerplant Certification, Spartan College

1977 Aircraft Instruments FAM, Spartan College

Multi Years Airliner Gen Fam Training for B707, B737, EMB 170/175/190/195, Airbus 319/320/321/Neo

March 18, 2020

Ms. Lauralyn Remo, Chief
Air Carrier Fitness Division
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Elevate Jet, LLC

Dear Ms. Remo:


Elevate Jet, LLC, a subsidiary of Elevate Holdings, Inc ("Elevate"), is applying for economic authority to operate as a supplemental common carrier under Part 121.

I serve as the Trustee supervising the Trusts that own a controlling interest in Elevate. I am aware that the establishment of Part 121 operations requires significant investment by Elevate Jet, LLC ("Jet"). As detailed elsewhere in this Application, Elevate is prepared to invest an additional \$7,500,000 of equity capital, from time to time as requested by the Managers of Elevate, to build the infrastructure required for Jet's safe and consistent operation. I attest that the capital available to Elevate, currently held in Ruby Investments, Inc and Raiff Risk Management, Inc, is, in the aggregate, sufficient to fund the required investment. On behalf of the Shareholders of Elevate and of Ruby Investments and Raiff Risk Management, I attest that we are committed to allocate such capital to support the operations of Jet.

It is my understanding that this commitment will facilitate issuance of a Department order granting Elevate Jet effective air carrier authority, subject to the conditions prescribed by the Department. I am also aware that final issuance of such authority may require me to reaffirm the above commitment.

If you have questions regarding this commitment I can be reached on (212) 667 - 2280.

Sincerely,

DocuSigned by:

6030B644B347453...

Jonathan Raiff



UBS Financial Services Inc.
1285 Avenue of the Americas
16 Floor
New York, NY 10019

Ubs.com/fs

Confirmation

March 26, 2020

Confirmation: Information regarding the account of Raiff Risk Management Inc and Ruby Investments Inc

To whom it may concern,

The following clients has requested UBS Financial Services Inc. to provide you with a letter of reference to confirm banking relationship with our firm.

Raiff Risk Management Inc.

Ruby Investments Inc.

3 Park Circle

N. Hampton, NH 03862-2244

Raiff Risk Management Inc and Ruby Investments Inc have been a valued client of ours since 12/30/2019, and as of the close of business on February 28th, 2020 the combined household of accounts has had a value in excess of \$7,800,000.

Please be aware this account is a securities account not a 'bank' account. Securities, mutual funds and other non-deposit investment products are not FDIC-insured or banks guaranteed and are subject to market fluctuation. The assets in the account, including cash balances, may also be subject to the risks of withdrawal and transfer. The above-referenced account value may reflect assets not held at UBS. "

Questions

If you have any questions about this information, please contact Jason M. Katz at 212-713-9201.

Sincerely,

Corey Somarriba
Supervisory Officer

cc: Raiff Risk Management Inc and Ruby Investments Inc



Five Batchelder Road Seabrook, NH 03874

603.468.4000

March 26, 2020

Ms. Lauralyn Remo, Chief
Air Carrier Fitness Division
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590


Dear Ms. Remo:

Elevate Jet, LLC, a subsidiary of Elevate Holdings, Inc ("Elevate"), is applying for economic authority to operate as a supplemental common carrier under Part 121.

I serve as Chief Executive Officer of Elevate, the owner of Elevate Jet, LLC ("Jet"). I am aware that the establishment of Part 121 operations requires significant investment. As detailed elsewhere in this Application, Elevate has access to over \$12,000,000 to build the infrastructure required for Jet's safe and consistent operation. I attest that the capital available to Elevate via its lender, the capital produced by Elevate's other aviation industry operations and the liquid investments available to our shareholders are, in the aggregate, sufficient to fund the required investment. As Chief Executive Officer and Chairman, I can share that Elevate is committed to allocating such capital, from time to time as required, to support the operations of Jet.

It is my understanding that this commitment will facilitate the issuance of a Department order granting Elevate Jet effective air carrier authority, subject to the conditions prescribed by the Department. I am also aware that final issuance of such authority may require me to reaffirm the above commitment. If you have questions in this matter I can be reached on 603-468-4000.

Best Regards,

DocuSigned by:
Gregory M. Raiff
845AB883F627417...

Chief Executive Officer



March 23, 2020

Ms. Lauralyn Remo, Chief
Air Carrier Fitness Division
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

RE: Elevate Holdings Inc.

Dear Ms. Remo:

The shareholders of Elevate Holdings, Inc, the parent company and 100% owner of Elevate Jet, LLC, maintain balances with us as their primary commercial bank and have available lines of credit with us to support normal operations. During our relationship with these companies, the companies have always remained well capitalized and in good standing.

This letter confirms that as of February 29, 2020 the company held liquid balances available for withdrawal in excess of \$5,000,000. We also affirm that on the subject date, there was in excess of \$3,000,000 available under the general purpose line of credit held at our bank by the companies.

If you have questions in this matter I can be reached on 978.720.5156.

Best Regards,

A handwritten signature in blue ink that reads "George M. Mandt".

George Mandt

Senior Vice President

Salem Five Bank

CERTIFICATION

Pursuant to Title 18, United States Code, section 1001, I, W. Scott LaForge, in my individual capacity and as the authorized representative of the air carrier, Elevate Jet LLC, have not in any manner knowingly and willfully concealed or covered up any material fact or made any false, fictitious or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing, or prosecution of the material being submitted to the Department. I understand that an individual who is found to have violated the provisions of 18 U.S.C. section 1001 shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

DocuSigned by:

C8F99DDCDB724BC...

W. Scott LaForge
President
Elevate Jet, LLC

3/26/2020

Dated: _____

CERTIFICATE OF SERVICE

I certify that a copy of this letter was served by email this 31st day of March, 2020, on the following persons:

David.F.Gillen@faa.gov

David.B.Lusk@faa.gov

A handwritten signature in black ink, appearing to read "John R. Mietus, Jr.", written in a cursive style.

John R. Mietus, Jr.