

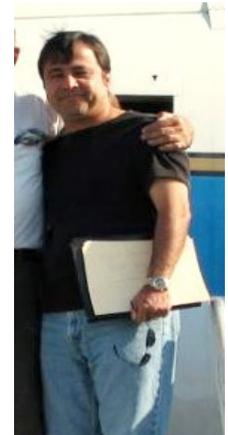
Benny and the Jets... *not so much*

Comments by Tom Anusewicz

After leaving Hemmeter Aviation in July of 1990, I joined Charles Kitchens at Aviation Management Group as Vice President. Charles and I worked with a new client H.P. Aviation to acquire Scenic Air in bankruptcy. The acquisition was in the works for many weeks. We had many meetings with the State of Hawaii, DOT-Airports to obtain pre-approvals of financials, operational intent to ensure lease transfers for H.P. Aviation. These were all prerequisites in place prior to the federal bankruptcy court proceedings. Deposit needed to be in the form of a certified cashier's check. H.P. Aviation was the only bidder that met the requirements. As the article below states the bankruptcy court hearing was to approve the \$1.4 million offer. All parties seemed to be on board with H.P. Aviation being the successful bidder which included the court appointed bankruptcy trustee.

The day of the hearing, Charles, and I along with a representative from H.P. Aviation and our attorneys, dressed in suits, entered the federal courtroom. We were excited that we had completed all the necessary requirements to get this point. The plans were moving forward for the development of an upscale private aircraft facility to house H.P Aviation's Gulfstream IV operations.

Just as the proceedings started, a one Benny Younesi entered the courtroom. He walked in wearing a t-shirt and jeans and immediately sat next to Doris Tom. They had a brief conversation when the judge asked for order and started the proceedings. The proceedings were very short and not very sweet. The judge had all the info regarding H.P. Aviation's bid and the parameters to do so but asked if there was any further interest. Benny Younesi declared he would pay more. Our attorneys quickly objected to this late introduction, especially when he certainly has not met any of the prerequisites to even be recognized. H.P. Aviation has placed a non-refundable deposit in the form of a cashier's check where Mr. Younesi is not prepared to do the same. Younesi said he would write a personal check right now, which the judge accepted.



When the judge asked if H.P. Aviation will increase their offer, we objected once again that we were bidding against an individual that has not met the requirements to be here in the first place. The attorney for the state objected as well. H.P Aviation was not going to increase their bid.

Within a matter of minutes, the proceedings were over, and Benny Younesi was awarded judgement as the successful bidder.

B10 Thursday, November 8, 1990 The Honolulu Advertiser

Calif. engineering firm wins bidding for Scenic Air

By Greg Wiles

Advertiser Business Writer

A bidding war in federal bankruptcy court over the assets of Scenic Air Tours Hawaii was won by a Van Nuys, Calif., firm yesterday.

Aerocom Engineering Co.'s offer of \$1.55 million was accepted after another prospective buyer, H.P. Aviation Inc., pulled out of the bidding.

Paul Sakuda, bankruptcy trustee for Lani Bird Inc., the firm that does business as Sce-

nic Air Tours, said he was satisfied with the price and hoped to close the deal within six weeks.

Lani Bird's assets are believed to be attractive to buyers because it has a state lease for nearly two acres adjacent to a runway at Honolulu Airport. Other assets include a 10,064-square-foot hangar, four

Beechcraft planes, parts, tools and revocable state permits for space at Hilo and Kahului airports.

The bankruptcy court hearing yesterday was to approve a \$1.4 million offer by H.P. Aviation, which wanted to build a private terminal and aircraft service business at the 100 Iolana Place site.

However, the price escalated yesterday when Judge Jon Chinen called for other bids during the court session. Benny Younesi of Aerocom answered by offering \$1.5 million and agreeing to a \$150,000 non-refundable down payment.

H.P. Aviation then raised its offer to \$1.5 million also and said it would put a \$400,000

non-refundable down payment. It withdrew when Younesi offered \$1.55 million and \$450,000 of up-front money.

Younesi yesterday said Aerocom hopes to continue to operate Scenic Air Tour's sightseeing and charter flights. He said Aerocom is in the business of aircraft modifications and retrofits and is a Federal Aviation

Administration-designated engineering design firm.

Among those in court yesterday to review a possible deal were attorneys for the estates of eight passengers killed when a Scenic Air flight crashed on June 13, 1989.

The claims were in part responsible for Scenic Air's filing for bankruptcy last year.

Benny Younesi of Aerocon Engineering from Van Nuys, CA had arrived in Honolulu about 1 hour before the bankruptcy proceedings began. He clearly had communicated with Doris Tom beforehand based on his entry to the courtroom and immediate discussion with her upon arrival. She seemed pleased with the outcome.

The State of Hawaii, DOT-Airports were not pleased when they became aware of what had happened in court. Owen Miyamoto told Mr. Younesi that he had not received proper approvals and they may not be able to transfer

the property lease to him. He went back to the courts and told them he was not going to proceed with the transaction. They said, fine but you will forfeit your non-refundable deposit of \$450,000. Benny stated he never agreed to that, and the courts read back the transcript where H.P. Aviation, confident in its position with the DOT-A, made the required deposit non-refundable and where Benny said he would as well and increased it.

We asked the court to release him from the required deposit and let us back in to complete what we started. The court was firm, which pushed Benny to complete the process with the DOT-A. He was not going to leave that kind of money on the table.

Benny Younesi operated a small engineering firm in Van Nuys, and it never was clear why he wanted to resurrect Scenic Air, but he did. He said he was going to put a lot of money into the operation and maybe he did to just keep it flying...barely. Another catastrophic accident in 1992 was too much and Scenic Air Tours came to an end.

Enter Teimour Riahi and Trans Air.