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## WHEELER TECHNOLOGY CUSTOMER NEWSLETTER

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March 1991

Gig Harbor, Washington

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This month's newsletter is going to focus on the great strides that have been made in bringing the factory on-line and ensuring the long term viability of WTI. Second, we want you to be aware of some of the actions of EBU and our responses.

### Factory Happenings

Our top priority is to get complete kits out the door. Currently, we are producing three kits per week, usually kits 3 & 4. We are targeting the addition of two kits #5 per week by the end of April. For the record, manuals for kits #4 and #5 are still in production and will be complete soon. Also the door latch mechanism in kit #4 is being redesigned since the manufacturer is quoting a fourteen week lead time. Thus neither of these is being shipped with kit #4 at this time but will be added shortly.

We have hired a production staff of nine, including seven former employees. Their average tenure was 17 months and their combined experience with WTI totals nearly ten years. One of them who had been with us for nearly two years had moved to New Jersey and was delighted to return when we re-opened. Prior to shut down, one was a shift supervisor, three were production leads and three were in the critical components fabrication department making wing spars and carrythroughs. The fact that we have retained these experienced production people means high quality kits from the beginning. We certainly appreciate their loyalty during this difficult period. Many of our other former employees are anxious to return and as we build volume we will bring them back. Staff increases will proceed very carefully and will of course be based on order volume and shipping rates. The orders and backlog continue to grow, and we are

ll delighted to be back to work producing kits again. We hope you are all as happy to be receiving them.

The man currently responsible for organizing production is Larry Olsen. Larry's background is primarily military and includes the management of large technical organizations, so although the processes are new, the organizational aspects are old hat. Larry started his military career as a helicopter mechanic and recently retired from the Army as a Lieutenant Colonel. He has a Bachelors degree from Embry Riddle Aeronautical University in Flight Technology, and over 3000 hours in a wide variety of aircraft from Beech King Airs to combat helicopters. He attended the Army Test Pilot School graduating with honors, and his flight ratings include Commercial/Instrument in fixed wing and helicopter. His responsibilities in the Army ranged from mechanic to the management of large maintenance organizations, to Inspector General. Larry has built a Steen Skybolt, a plans-built aerobatic bi-plane with a 260 horsepower Lycoming, and the sum total of his experience puts him first in line as Product Manager. His stint in production will serve him well as he will fully understand the product from wing skin layup to flight. The position of Product Manager encompasses builder support, coordination between airplane assembly, manual documentation, and engineering as well as company pilot (he has an appropriate amount of gray hair for that job). A tough assignment, but Larry has the experience, knowledge and training and has already demonstrated his ability to handle the diversity. Larry's first week with us was spent working on the demonstrator, and he's looking forward to participating in construction of the next airplane from the beginning. We're very pleased to have Larry join us and those of you who haven't already met him can do so at Sun 'N Fun.

Our next staffing priority is to bring on a full time writer/publisher and illustrator. This will happen as soon as we can sustain the additional expense. In the meantime, production of



manuals for kits #4 and #5, preparation for the 51% rule, and work on the demonstrator is being done by volunteers.

Several builders have asked about factory shipping schedules. Shipping priorities are based initially on date of receipt of full payment, and secondly on date of receipt of all signed order documents. Your order acknowledgement will be sent following receipt of all the above and will indicate the date your first kit is scheduled to ship. At this writing, the delay between order and shipment is as follows:

Kit 1&2	1 Week
Kit 3	1-2 Weeks
Kit 4	2-3 Weeks
Kit 5	14 Weeks

Please bear in mind that these times are subject to change depending on order volume.

#### **What and when to order.**

For those who might be a little confused about the ordering process under the bankruptcy, we'll try to clear it up here.

1. Orders are paid for in advance and are deposited directly into an escrow fund, earning interest until the kit is actually shipped. WTI is paid only after the kit is shipped. The builder's funds are thus protected at all times. In the event of some problem at WTI while your funds are on deposit, those funds are isolated from WTI and would be returned if for any reason WTI was unable to ship your kits.
2. For kit orders, a check for the price of the kit plus the crating fee should be sent to WTI, made payable to Hatch & Leslie in Trust for WTI. Please indicate the kits you desire on the check. Order documents will be mailed for your approval and signature.
3. For those who received an incomplete kit prior to bankruptcy, the missing portion of the kit will need to be repurchased. Call

or write WTI for quotations on these.

4. Supplies such as resin and mill fiber are now available from WTI. Refer to the price list included in last month's newsletter. Remember that the minimum order is \$50 and checks for these orders are payable directly to WTI.
5. WTI is now offering the sculptured instrument panel as shown in the AOPA MAGAZINE article as an option for the EXPRESS. The panel includes aluminum inserts and mounting hardware. Shipments are expected to begin in late April. The template for this panel is available now for mailing, if you would like to begin planning your layout.

Sculptured Panel	#112-61-024	\$ 429.00
Template, sculp. panel	#112-61-024-TI	\$ 14.50

#### **Volunteers, Documentation, the Demonstrator and Other Fun**

As indicated above, the focus for WTI's employees is production of kits, since this generates the cash flow necessary to operate the company. Other important projects are also getting done due to the continuing efforts of the Volunteers. It is important to recognize that the Volunteers are simply customers and builders who wish to help WTI and at the same time learn more about building their own kits. Many have brought valuable experience in manufacturing, computer publishing and engineering, not to mention their building skills. We cannot thank this group enough. They bear their own expenses and receive no favorable treatment in terms of order position or kit prices. What they do receive is the learning experience that comes with working on an EXPRESS as a group and exchanging expertise, ideas and friendship. Some of these guys (and wives) have spent a month or more here, and many have returned several times as their lives and wives permit. All builders owe this group of individuals a great deal of thank for their efforts.



There have even been some rumors of a Volunteer's cookbook, which we're anxious to see. We've had some great dinners prepared here, or brought in. Keith Taylor for example, flew up in his Arrow and brought some *great* frozen stew which is his specialty. Dick and Jane Waters brought an immense package of homemade goodies including *RHUBARB CRISP* and a real New York Cheesecake. Pauline Sjostrand and Geraldine Koenig shared wonderful meals prepared in their motorhomes. George Carhart brought four dozen homemade cookies baked by his wife Imogene, several jars of green olives and lots of cans of canned tuna (*tuna?*) stashed in his suitcase. Well, the cookies were great, Imogene.

The Volunteers are continuing on the production of manuals for kits #4 and #5, fitting out the new demonstrator and completion of the 51% rule kit layout for the FAA. We have formally requested the inspection and expect it to be completed within a few weeks.

Ed Bernard is the Volunteer anchor man, and he currently commutes from southern Oregon every other week to spend a week at a time at WTI. Scheduling or forecasting completion of the Volunteer tasks is a little difficult because of the varying lengths of stay, changing of the guard, the dynamics and sheer magnitude of the task here. (If you do plan on spending some time here, please contact Ed Bernard or Ken Wheeler as early as possible so we can schedule activities and plan manpower.) We're all sensitive to builder's needs, so although their main focus is the demonstrator, sometimes their expertise is such that they are able to solve other problems too. That takes time from the demo or documentation, but all of their efforts ultimately serve the builders, so in the long run everyone benefits from whatever the Volunteers do here.

As soon as an engine is hung on the demonstrator, we will be putting it through ground vibration tests (GVT) prior to flight testing. The main holdup now is finding and buying an engine. We should be ready to go

after Sun 'N Fun. Currently, the aircraft structure is complete, including all control surfaces. Major tasks remaining include the mounting of the engine and propeller, completion of the instrument panel, and internal wiring.

The Volunteer group continues to grow and new Volunteers are always welcome. We have had Volunteers from many states, Europe, and Australia. The work you do here will help you in building your own EXPRESS. Just as importantly, we would urge any builder who is still uncertain about WTI or the EXPRESS to talk to the volunteers. They can provide an independent assessment of the company and its staff and have first hand knowledge of operations here at WTI.

### Sun 'N Fun

Even though the new demonstrator will not be ready, WTI will have a booth at Sun 'N Fun in April. Primarily, we're looking forward to this opportunity to meet with our eastern builders and share our progress with the many people who have called from all over the country. We understand the difficulty for some in separating fact from fiction over the past few months. We'll be happy to address any questions, particularly those which were raised in the privacy of the New Orleans builder's meeting. Several Volunteers will be there so you can ask about construction of the demonstrator. Come to Sun 'N Fun, we would love to discuss your concerns, listen to gripes, and help you continue with your kits.

## BANKRUPTCY PROCEEDINGS

### WTI Investment Group

In a move that will be of great benefit to WTI and the builder community, a group of eleven EXPRESS builders has invested a significant amount of money in WTI by purchasing the collateralized note previously held by our bank. This group will be playing an active role in WTI through participation on the Board of Directors and as a special advisory committee. The group includes a Northrup test pilot and aeronautical engineer, (formerly a test pilot for



Burt Rutan), other aeronautical engineers, a CPA, manufacturing quality assurance professionals, and experienced business people.

We at WTI appreciate this strong vote of confidence. But more importantly, this group of builder/investors will serve as an important adjunct to WTI. They will provide assistance, expertise and guidance to WTI with the objective of ensuring that builder's needs are met while helping WTI maintain a sound business and financial footing. WTI has always supported this concept of builder/investors actively involved with the company (this was the original idea of WEBA which, unfortunately, never came about) and is extremely pleased to see it now come to fruition.

It is important to recognize that this is not a political group, but simply customers who have invested in the future of WTI to help get things on a sound footing again. Builders can expect to hear from this group in the near future regarding their objectives and plans.

## IN CONCLUSION

WTI is pleased to have its employees back, the facility warmed up and in production and kits being shipped to our customers again. The company's health is dependent on kit orders and as orders continue to come in we grow stronger every day. The formation of the WTI Investment Group is a very positive step for the company. The escrow arrangement for orders guarantees that builders don't have to risk money to order their kits. We will expand carefully and gradually as the order volume warrants. Bankruptcy proceedings and costs represent a substantial financial and administrative burden, but we are confident that WTI will emerge successfully.

Finally, regarding the many allegations which have been raised (and re-raised), you're welcome to call, as many others have done, and simply discuss the issues that concern you. There are now many people involved in helping WTI recover and you're welcome to talk to anyone of them and/or the principals of WTI.



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