



April-May 1991

Gig Harbor, Washington

DEMONSTRATOR WILL TAXI IN JUNE!

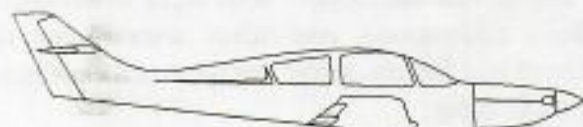
Work on the new demonstrator is proceeding well, though never as fast as we want. Our intention is to have the aircraft flying and tested by Oshkosh. As resources are limited, we still have to divert efforts to production more often than we like.

Nevertheless, the plane is on its own feet, the engine is mounted and internal wiring begun. Jerry Sjostrand has done a beautiful job of bodywork and window installation and it's nearly ready for paint. He's definitely a bodywork pro, so even the main gear legs he built are show quality.

By the way, we paid \$7,000 for a Lycoming engine with 70 hours on a major overhaul, which included mags, fuel injection, starter, etc. We also paid \$2,000 for an overhauled Hartzell prop; reasonable prices, and not uncommon, as we've steered customers to similar deals.

Brynjar Thordarson, a customer from Luxembourg is here to spend the month of May in charge of the engine installation. He's a flight engineer on a 747 and also has a Kitfox nearly complete. He's spent time with us in the past and we welcome his craftsmanship.

If you have some spare time and would like to learn more about building the EXPRESS, we encourage you to come up and join in. We have some knowledgeable folks working on the project and at this stage you can participate in wiring, engine installation and all those final details which turn those troublesome crates of parts into
ONE AWESOME AIRPLANE.



FAA 51% INSPECTION PASSED!

On May 7, the FAA inspected the five EXPRESS kits and approved them as meeting the "Major Portion" or 51% rule. Thanks to Volunteers Ed Bernard and Lonnie Pollard who helped get the kits ready and participated in the inspection.

BUILDER'S PLANES NEARING COMPLETION

Jim Warner will probably be the next to fly his EXPRESS, he has his tail on and is finishing his control surfaces and installing his gear. His wife, Irita, son Dennis and others are helping, so he might well fly to Oshkosh. Frank Harris isn't far behind. We'll get some pictures in the next newsletter. If any other builders have pictures they'd like us to publish, send 'em in.

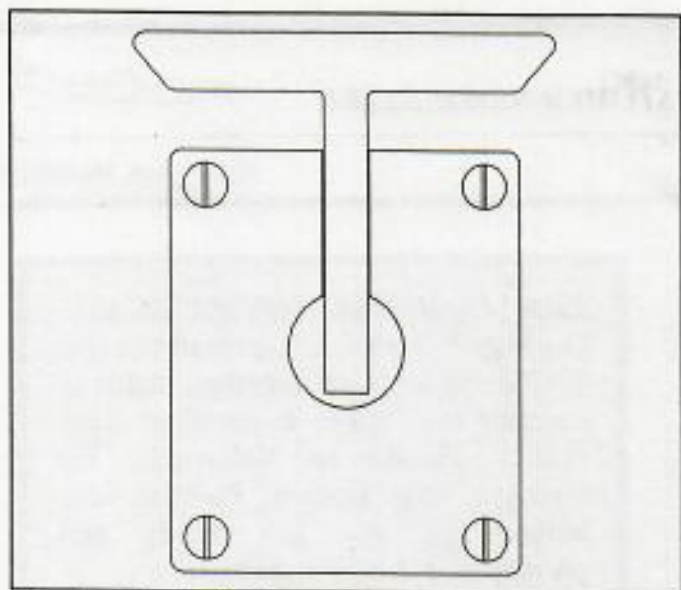
NEW PARTS IN PRODUCTION

The foundry has finally completed our rudder pedal tooling with the Wheeler logo and is now casting them, so we'll be shipping them soon.



The door latch system has been redesigned and it is greatly improved. It's now a recessed,

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New door handle/latch

hinged "T" which serves as a handle to pull the door shut, and is then turned to drive tapered pins into receptacles in the door frame. The handle closes into a recess and detents shut. This is a more positive and secure system and easier to operate. Because the mechanism is completely contained in the door, it doesn't intrude on shoulder room, and is much easier for the builder to install than the previous system. It also eliminates the air leaks of the previous design.

KIT 5 IN PRODUCTION AT LAST! KITS TO BEGIN SHIPPING IN JUNE

All the components for Kit 5 are now in process and we will soon begin shipping them. It's been a hard road, especially under present circumstances, but again we have our customers to thank for helping us through the tough times. Hats off especially to Ed Bernard whose bulldog tenacity and attention to detail finally whipped the Kit 5 packing list into submission.

It's exhilarating to look at the 51% parts layout and finally see all the parts for a complete EXPRESS displayed. It means we will finally begin to see completed customer planes in the coming months. The effort has been intense, but that's the result we've been working for all this time.

We are interviewing candidates for a technical writer/illustrator to pick up the pace in completing the assembly manual. As usual, the manual lags behind the parts, but we're getting there and several builders are helping by proofing as they build.

WTI APPEARANCE AT SUN 'N FUN SURPRISES AND DELIGHTS PUBLIC

We talked with many current and prospective builders and re-acquainted ourselves with sunshine too. We enjoyed seeing all of you who stopped by and appreciated the opportunity to discuss the plane and the business one-on-one. Because we didn't make a public announcement of our attendance, the public was surprised to find us there. WTI's forum had the honor of setting the attendance record at Sun 'N Fun and interest in the EXPRESS remains very high, with many people anxious to test fly the new demonstrator. We displayed some of the new parts now being produced and we spent many hours explaining our status, both to builders and the public. We owe a special thanks to the builders who helped man the booth and answered questions. Brian Covell spent the entire week with us fielding questions and dazzling prospective customers with his knowledge. And thanks to George Carhart for providing his van for transportation and guidance to all the gourmet waffle shops in a 30 mile radius.

KITPLANE INDUSTRY VIEWS CONFLICT

A real morale booster at Sun 'N Fun was the industry support generally, but particularly the other kit manufacturers who made it a point to come by to offer their encouragement and compare notes. Most are familiar with all the issues we've faced and are experienced enough in the business to view with skepticism the rhetoric of EBU. One manufacturer whose principals and employees include several aeronautical engineers, has read all the newsletters, EBU/A's and ours. They kindly offered as objective outsiders, to talk to any of our customers who were concerned by EBU's allegations, and after announcing their offer at our forum, some customers took them up on their offer.

Other kitplane manufacturers too were well informed about the issues, and noted that their experience from initial design to production has also been harrowing and has included most of the elements for which WTI has been criticized.

From their comments, it is clear that virtually every kit manufacturer's development cycle has included shipment of early kits/components while later ones are still in development. While delivering their first kits, *all* of them (and their customers) suffered with incomplete design, backordered parts, assembly manuals still in process, continuing product development (engineering changes during production), gradual flight testing over long period and 51% certification after numerous customer planes were completed. This is, after all, the homebuilt industry, not Beechcraft or Boeing.

None of the kit manufacturers have had the resources to fully develop the kits, manuals, and staff *before* making their first sale, or even within *years* after making their first sale. Regardless of their initial capital, which in the cases of at least Prescott and Swearingen was substantially more than we started with, virtually all kit manufacturers have faced these same challenges, including Glasair, Cirrus, Van Grunsven, Questair, White Lightning, Swearingen, Prescott, Lancair, etc, etc.

The Lancair 4 is the latest example of best intentions frustrated by the difficulty of producing an airplane. They took orders at Oshkosh last year and although they intended to ship the first kits in February of '91, they still have yet to do so in spite of their six years experience in producing the Lancairs. Glasair had the same problems introducing the III after some nine years experience producing their other models which shared many of the same components. They didn't ship complete kits for the III until more than eighteen months after it was introduced.

It ain't easy folks, despite what EBU would lead you to believe.

It was noted that some of Van Grunsven's (RV 4's etc.) first customer built planes had the wing spars fail in flight. In that case there was an actual problem, not just speculation, and after redesign and test, the RV series of planes has grown to be one of the most popular of the homebuilts.

A final observation from within the industry was that most of the flack we've gotten seemed to come from a group that clearly is not homebuilt oriented or experienced and their expectations are inappropriate for this industry. They are asking for Beechcraft level engineering, development and testing on a homebuilt budget. When you consider some of the individuals and their statements, that assessment seems correct.

WTI SUES SMITH, WINTERS, OTHERS

As most of you are aware, several principals of EBU have publicized their intentions to manufacture and sell EXPRESS components, and ultimately take over manufacturing of the EXPRESS. To achieve that goal, these people have carried on a campaign to discredit this company and the EXPRESS, thereby eroding customer confidence, disrupting and undermining our efforts to reorganize, and damaging our reputation in the marketplace. The latest example of their efforts was at SUN 'N FUN where they placed many large signs at the entrances to the show proclaiming "WHEELER IN BANKRUPTCY - BUYER BEWARE", "WTI OWES BUILDERS \$1.5 MILLION", etc.

To defend WTI and its reorganization against the misinformation they have published, as well as their actions, WTI has filed lawsuits in Federal Court against EBU, Nick and Laura Winters, Jim Reisinger, Hugh Smith, Michael Betts, and others. We had hoped to avoid legal action and its expense, but their unrelenting hostile activities have left us no choice.

Their activities have stifled constructive dialogue, so we again invite you to look for the truth with an open mind. Visit Gig Harbor if you can and meet some of the many people who have been

involved throughout this ordeal and discover what kind of people they are. Consider why they have worked so hard and given so much to make *everyone's* dreams for the EXPRESS come true, despite the allegations. If you can't visit give us a call and discuss your particular concerns.

Now, as in the past, we are working seven days per week to enable you to finish your airplane. Our commitment remains unchanged, and our resolve is undiminished. Moreover, even though WTI is in bankruptcy, we are gaining ground every day and we expect to emerge even stronger (and wiser) than before.

HUGH SMITH OFF CREDITOR'S COMMITTEE

Mr. Hugh Smith was removed from the Unsecured Creditors Committee for failing to meet the court's deadline for returning our molds and plugs from Mr. Betts.

BETTS & CO. LEGALLY BLOCKED FROM MAKING, SELLING EXPRESS PARTS.

The EBU announced their intentions to manufacture and sell EXPRESS kits and held forums at Sun 'N Fun to promote their efforts.

During their forum on Tuesday, Federal Marshals served Mr. Betts and associates with a Federal restraining order prohibiting them from manufacturing, offering to sell, or selling any EXPRESS components. That order was upgraded to a preliminary injunction when they failed to appear at a court hearing the following week to show why they should not be so restrained.

WTI will continue to VIGOROUSLY oppose any illicit manufacturing of proprietary EXPRESS components, now and in the future! We do this for three reasons:

First, we must protect our investment and ensure the recovery of the company.

Second, is to protect the design integrity and safety of the airplane. Anyone who attempts to manufacture and sell tail sections, landing gears or any other critical EXPRESS components

without thorough knowledge of the total design is putting WTI and EXPRESS builders at risk. We have already seen illicit main landing gear legs that are manufactured to an obsolete shape and will not fit without substantial modification, never mind that they are untested and the materials are questionable for the application.

Finally, any builders involved in such manufacturing are violating the agreement they signed with WTI.

THE FACTORY FORGES AHEAD

Over the past month we have shipped 15 kits and are currently shipping 3 per week. With the exception of some long lead time items, kits are complete when shipped. Depending on the kit, shipping lead times vary between two and ten weeks for new orders. Kits #1, #2 and #3 are the shortest; usually two or three weeks and Kit #4 about a month. A new order for Kit #5 would ship in about ten weeks.

PRICES INCREASE JUNE 1

Every year in June we have raised prices and this year, thanks to extraordinary expenses related to the bankruptcy, legal action and testing, we are sorry to announce we must increase prices for kits 3, 4, and 5 by 12%. Aux. tanks will become standard equipment starting with new wing orders. Existing customers with standard tanks may deduct \$150 from the new Kit 5 price.

Kit 3 \$5,425

Kit 4 \$5,425

Kit 5 \$5,575 Lyc \$6,400 Cont.

TESTING

Once again, we'd like to state where we stand on the design and testing of the EXPRESS.

1. There are no identified problems with the design of the EXPRESS. If we knew of one, (as opposed to unsubstantiated allegations), we'd fix it (them) and get those changes to the builders immediately, just as we have with all those pink sheets you already have in your manuals. They represent identified and solved problems.

and engineering changes to make your EXPRESS the best we possibly can. We don't like making or admitting to mistakes any more than anyone else, but we've been scrupulous about doing so whenever we've identified a mistake or problem, as those pink sheets demonstrate.

2. Yes, two of our planes have crashed. However, one was caused by an engine failure. The cause of the other not known, but the fact remains there is no evidence of a design flaw or any structural failure of any sort.

However, *we'll go to great lengths to determine whether or not there is a problem.* We want to know! The Wheeler children have ridden cross country in the EXPRESS in the past, and will do so in the future - safely. If we identify a problem, we will of course fix it. Perhaps some of you believe that because we don't acknowledge a structural problem in the EXPRESS design, we deny the possibility. That is not the case, we just cannot admit to a problem for which there is no evidence.

3. The new demonstrator is totally representative of the FT design. All RG components have been removed and its construction follows normal construction practice.
4. The GVT and flutter analysis will be a Part 23 protocol, and the flight testing will be conducted by a professional test pilot.

ERRORS AND OMISSIONS

In our report on Mr. Betts' tail "problem", we reported that the battery was located behind the spar carrythrough. We were mistaken, it was on the firewall. We stand by the rest of our report.

We reported that one of the WTI Investment group was a Northrup test pilot. Not so. He is currently with Northrup as the Aircraft Manager

for B-2 #3 for flight test, a non-flying position. He is however a test pilot on a consulting basis for a new six passenger turboprop aircraft.

QUESTIONS AND ANSWERS

Q. Does the trust account protect my money from any legal or other calamity which could befall WTI and does the account pay interest?

A. Absolutely to both! The trust account is interest bearing and is completely and legally isolated from WTI. Your money is not drawn by WTI until *after* your kit has been shipped. Your prior approval is required if we want to ship the kit with backordered items. If you prefer to wait until the kit ships 100% complete, you can do so. If any parts are backordered, that amount of money is not withdrawn but remains in the trust account until we ship the parts.

Q. Has WTI's reorganization plan been filed with the court, and if so, how can I get a copy?

A. Our reorganization plan was filed with the court on February 26th, and is available from our attorneys. Please write for a copy at:

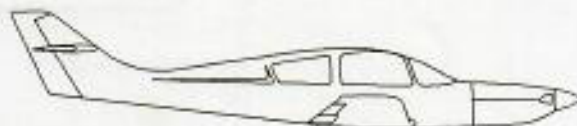
Hatch & Leslie
Attn: Jack Cullen
2700 Columbia Center
701 Fifth Avenue
Seattle, WA 98104-7006

Q. How can I order the parts that were backordered before WTI closed?

A. Call customer service. We'll give you a price quote and can ship most parts very quickly. All Kit 4's which were shipped prior to shutdown had basically the same parts missing- windows, rudder pedals, door hardware, etc. The approximate cost for the balance of Kit 4 is \$1,300. Call for an exact quote.

Q. When are the EXPRESS forums at Oshkosh?

A. Friday July 26 at 8:30 AM, tent 8; Monday July 29 at 8:00 PM, tent 3.



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