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ATTORNEYS AT LAW

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Via FedEx
Complaint Office
Transport Canada
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Ottawa, ON
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Jeff McCallum
Transport Canada
330 Sparks Street
Ottawa, ON
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Marc Garneau
Minister of Transport of Canada
4060 Saint-Catherine Street West
Suite 340
Westmount, Quebec
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Re: Exchange Income Corporation

Gentlemen and Ladies:

My client, Alder Lane Farms, regularly publishes articles about the financial and business reporting of questionable companies. Over the past year or so, my client has been focused on Exchange Income Corporation (“EIF”), which calls itself an acquisition-oriented corporation focused on aviation services and equipment, among other things. It owns a number of small air services companies in Canada, which serve indigenous peoples, among others.

Alder Lane Farms initially focused on the financial reporting and accounting by EIF, and concluded that, based on publicly available information, EIF appeared to be selling shares and

soliciting investments from the public to finance dividend payments rather than for corporate purposes.

After publicly disclosing its concerns about EIF, Alder Lane Farms received a number of emails from former employees and managers that raise serious safety concerns about the company's air transport. Some of those concerns are described below:

- EIF's CEO Mike Pyle publicly announced that planes were grounded because of bad weather. In fact, according to people with personal knowledge of the events, the planes were grounded by EIF after they failed Transport Canada's inspection.
- According to one former employee: "I was involved in removing an engine from an aircraft and discovered a hole through one of the engine control cable housings. This is a serious issue, as it can result in corrosion of the inner cable and loss of control of the engine in flight. [EIF management] instructed our crew to fill the hole with silicone and to tape the outside of the cable. This was a dangerous assessment and was left for our crew to accomplish and release the aircraft for service. No one on our crew would carry out this repair, and no one would release the aircraft, so the decision was made to replace the cable instead by [maintenance engineers]."
- According to the former employee: "When an aircraft called in from Oxford House and said they had over-temped their engine on takeoff from Thompson. They had continued their flight to Oxford House regardless. The manual called for an engine replacement, but [EIF management] told the pilot to fly back to Thompson and to snag the aircraft there as if it had happened on takeoff from Oxford House. This resulted in two unsafe flights with passengers on board the aircraft."
- According to the former employee: "When a mechanic inspected a control cable mounting bracket for all the engine control cables in the cockpit and found it to be cracked. There is no limitation to this finding, and the bracket must be replaced immediately upon discovery. [EIF management] decided to leave the task card uncompleted and have no documentation of this finding, and scheduled the aircraft down a week later to replace this bracket instead. Failure of this bracket in the past has resulted in loss of control of engines and emergency turnarounds."
- According to the former employee: "In all three of these scenarios there were no reports of safety issues. This has become a norm in our department, a general feeling of complacency that has gone on for far too long. Our management team has cultivated this through personal attacks, discreditation, and punishment for following rules when it causes an operational delay."
- The employee: "What was asked of me in the meeting was to create plausible deniability when creating task cards, to allow aircraft to be released when required for our operations, even when an aircraft is unsafe for flight. The burden of releasing an

unsafe aircraft lies on the people who create and sign off on the task, not management. Our responsibility as Aircraft Maintenance Engineers is to follow the maintenance manual and keep all aircraft in a fit and safe state for flight, and there are clear limitations in our manuals that we adhere to.”

We can and will provide you with the names of people who have contacted Alder Lane Farms with serious accusations regarding the safety of the aircraft.

Please contact me if you would like further information.

Very truly yours,

A handwritten signature in black ink, appearing to read 'David W. Shapiro', written in a cursive style.

David W. Shapiro

cc: Steven Strauss