



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA

MEMO

August 9, 1976

SUBJECT: Meeting with Civil Aeronautics Board in Washington, DC, Friday, August 6

TO: Louis B. Kozloff

FROM: Marvin J. Mundel

Jack Yohe will notify us as soon as he has searched his files for Pennsylvania horror stories going back one year. After such notification, we can arrange at any time to go back to Washington to go over these horror stories.

Mr. Eilenberg - General Counsel
Mr. Sternberg - Assistant Counsel

The Dockets Room will send us a zerox copy of the files (Docket No. 29165)
(Licensing of Indirect Carriers and Consumer Protection Provisions)

Bureau of Operating Rights, Supplemental Services Division,
Ann E. Helms, Transportation Industry Analyst (might wish to subpoena)

A short review of her files indicated that there might have been CAB regulation violations or even false statements submitted to CAB in the super-sting rip-off in Pittsburgh. A more thorough search of her files might be in order.

I shall contact Jean Fox this week to ask her about a complete list of all Western Pa. travel rip-offs (parties involved, dates, etc) in the last three years. I hope to obtain a similar list of Western Pa. rip-offs from the travel agent of the Philadelphia Bulletin or at least a list of dates of rip-off stories so that I can follow it myself.

After we obtain this list of Pa. rip-offs, we should write or call Ann E. Helms and she will dig up the files.

Another benefit of this file search is that we will be able to see samples of actual contracts in perspectus. These files might turn out to have more potential for our hearing than any other information we can get from the CAB.

There also is indication that the Ponzio (super sting) did not have the Super Bowl tickets when he indicated that he did, there is also a possibility that he did not distribute copies of the contract to the customers.

Tim Mahoney, Enforcement - He told us there was very little he could do for us until we can cite him specific files of possible violations of CAB regulations or the FAA.

I. Affinity Charters

Part 207 deals with regulations of ~~charter~~ ~~trips~~ and 208 ~~deals~~ deals

with certification to engage in supplemental air ~~trips~~ transportation (other than regularly scheduled) ^{affinity trips are} ~~these~~ ~~trips~~ ~~are~~ ~~limited~~ ~~only~~ ~~to~~ ~~members~~ ~~of~~ ~~the~~ ~~group~~ ~~within~~ ~~six~~ ~~months~~ ~~prior~~ to the flight or members of the immediate family (members of the group member's household

and only the following: spouse, dependent children) 207.40, 207.41, 207.42 and

208.10, 208.11, and 208.12 Escrow or bond requirement is required ^{of} on the carrier.

(207.17 and 208.40) - UNLIMITED BOND

Important

II. Proposed Rules ABC (Advanced Booking Charter) ^{① marketing by independent}

~~MARKETING BY INDEPENDENT OPERATORS~~

1. Limiting by non-direct air carriers; 40 ^{set} minimum (independent charter operators) ~~per seat~~
2. Advance booking of requirement and ~~substitutions~~ (not less than 60 days for European and not less than 30 for any other ABC) ^{NO} ~~more~~ substitutions for European ABC's but the operator may ~~file~~ ^{find} substitutions for up to 15% for other ABC's
3. Round trip ~~group~~ group travel requirements
4. ^{NO} ~~More~~ mandatory group package
5. ^{NO} ~~More~~ minimum duration requirement
6. No minimum price

III. Petitions for rule making filed by Jack Yohe, Director, Office of Consumer Advocate

June 16, 1976 - This rule ~~as proposed by the CAB~~ would provide compensation to participants when a carrier has contracted to provide the flight cancels due to unavailability of aircraft ~~or~~ or crew.

April 22, 1976 - The consumer advocate proposes certain consumer protection provisions for tour charters, ~~terminated certain exemptions granted to tour organizers,~~ and license ~~of indirect air carrier~~ tour organizers of passenger charters .

1. Consumer protection - CAB should prescribe the contents of all contracts affecting the tour organizers, participants, carriers and depository banks
 2. Written contract between the organizer and participant must state the name and address of the organizer, organizer's license number, date of departure and return, air carrier, point of origin and destination, name of hotel and ~~rate~~ class and type of accommodation, all ground arrangements ~~are~~ to be provided, optional trip arrangements and contracted price.
 3. Any change in any component part of the tour (price, origin, destination, hotel, carrier, ground arrangements, or itinerary) shall automatically and immediately give rise to a complete refund unless the tour participant ~~part~~ agrees in writing to accept such a change.
 4. Participant should be permitted to withdraw from a tour charter and receive a full refund in the event of documented serious illness, accident or death of a participant ~~or~~ or a members of his immediate family (spouse, children, parents, parents-in-law's of the participant)
 5. All participants should receive official notices by registered mail in the event that their trip is cancelled. The 60 day period ~~is~~ for filing refund claims against the surety bond should not commence until receipt of the registered mail unless by the participant.
 6. When the carrier is paid by the organizer through the organizer's depository bank and the trip is cancelled, the carrier shall return all monies directly received to the bank which shall in turn immediately return such monies to the participants. Any cancellation ~~penalties~~ penalties owed to the carrier by the organizer will be paid directly by the organizer.
- ~~Any~~ When the flight is cancelled, all refunds shall be due within seven days of cancellation; if payment is not met within seven days the organizer will incur a 10% penalty due to the participant.

7. Tour organizer's corporate name, address and license number must be on all solicitation material, advertisements, etc.

8. If the departure or return is delayed more than four hours for interstate flights or more than six hours for ~~inter~~ international flights ~~as~~ each passenger is entitled to reimbursement from the tour operator at a rate of \$25 per hour for each hour of delay.

9. Participants overbooked on a tour charter shall be entitled to a refund of the ~~air~~ air transportation cost plus free transportation to the destination via scheduled services at no added cost to the participant and paid by the organizer. The ^{(10) present system} FAA (N 55) (M) time

of bonds and escrows should be discontinued because it is ~~the reason for and involves many~~ ^{many} delays consuming and involves ~~many~~ delays. A better approach would be for each ~~charter~~ charter organizer to obtain a one-time unlimited or open-ended surety bond which would cover all trip payments, groups and air. This would be identical to 207.17 and 208.40

11. Equity requires that the participant would have to look only to his organizer for settlement of his justified claim for nonperformance or negligence. The organizer then can seek appropriate recovery from the various ~~entities~~ ^{parties} found negligent. The organizer as the principal, would be completely responsible to his participants for every aspect of the ~~air~~ charter trip, including all air and ground arrangements. A surety bond would cover any claims resulting from nonperformance of services; liability insurance would cover all other aspects.

Licensing Procedures - The tour organizer must hold a license issued by the CAB - carriers would be prohibited from selling air craft charter ^{capacity} ~~liability~~ to organizer's ~~not~~ not holding a CAB license. The application ~~form~~ form would focus on ownership control, operating history, and present financial condition of the prospective organizer. The authorization

would be for two years and not transferrable and would be no absolute restrictions on entry. Failure to perform any flights in a calendar year would result in automatic revocation of the license, without prejudice to applying for a new license subsequently.

CAB would reserve the power to suspend the license without hearing ^{when evidence reveals} any serious violations of the rules. The organizer would be permitted to operate any charter schedule to depart within 30 days following the suspension notice. He would be prohibited from further solicitation, advertising, etc. for at least one year; for less serious violations, the suspension period would be ~~ex~~ scaled accordingly.

The threat of license suspension would induce tour operators to consider seriously the potential results of their failure to adhere to the Board's regulations.

Third, hopefully, license holders would be less inclined to engage in fraudulent business practices.

TRAVEL AGENCIES - Remarks and recommendations by Andrew Tureff, Intern
to the Consumer Protection Committee - Aug. 26, 1976

Main problem is the enforcement of regulations. They have penalties--vague. Key penalties recommended by CAB have strong -- \$25 fees for delays except no exact way for enforcement. Not necessary at this time.

Establish exactly what the tour advisor does--role of organizer vague. Pass the buck. No establishment of liability.

Kinds of problems, number prevalent. Cancellations because of illness on the part of consumer and on the part of air travel. Consumer gets screwed. The consumer is promised refund--percentage--usually gets cost of ticket back--no reimbursements for any other cost of the trip. Promises made but get around giving total refund.

Something concrete regarding what the organizer can or can't do. The organizer tends to promise without having concrete plans. Never discloses before hand there is a risk involved. People realize getting tour cheaper but don't realize risk.

Recommendation of the CA will increase costs. Used as argument against recommendations by individual companies. Increase to what extent? Can't say. Still make it worthwhile to use method but cost will still increase.

Is it worth the production? Some sort of mandatory insurance. You had an option to pick as insurance. Plan that provide an alternative-- Most participants don't take on insurance. Probably increase cost -- Should be some kind of insurance along with the cost of tour.

Main proposal of Advocate was licensing of tour organizers. Irrelevant until someone established exact rule of organizer. Without that kind of

TRAVEL AGENCIES - Remarks and recommendations by Tureff - Cont'd

leeway the licensing is absurd. Wrong to take away license if organizer had no control of situation. Registration? Maybe.

Guidelines be set up -- Talk to each individual link in the process-- hotels, airlines, etc. to see if agreement as to who is liable . See exactly where rules overlap. Have to make decision as to who should do it.

Multifacet licensing -- only organizer should be licensed (wholesaler) packager.

Cases where people get ripped off. Middle man to the promoter. How do you regulate him? I would say leave it up to the tour organizer. Say there is no connection. YOU wouldn't be able to do that to the licensing. There would be some kind of listing as to who did this sort of thing in the past. Talking about two tiers of registration. I suppose you would have to register those people also. Register promoters and operators. Key distinction between the promoters and salesmen acting as attendants and taking or as agents for the promoter and . Got to nail them down to oen position.

Have to see exactly who is involved. Problem -- when they cancel, say for illness-- operators say not going to refund any money until substantial because loose money on seat. Not fair to everybody else. What the substantial losses are. Organizers benefit. Cancellations major problem with consumers.

Proposals -- they should get a total refund (CA) automatically. If participant does not agree to change. Depends.

Violations -- Maximum. Get special CAB violation regarding the cases.

Maximum - check to see if the CAB brought about any enforcement action.

Do you thing we should get involved on the ground part of it? Who is in charge of the ground operation? Does the tour operator have control -- I don't think so. Major thing is establishing who does what. Goal to

TRAVEL AGENCIES - Remarks and recommendations by Tureff - cont'd

establish guidelines.

Who should be punished for wrong doing? Our proposals as to who is going to be responsible for hotel, etc. Might be too specific. Difficulty as to when arrival--use wrong dates, etc.

Overbooking another problem -- not defined anywhere. Should be some kind of uniform rule or regulation. Hotels and airlines -- whether or not could depends upon cancellations. Something should be looked into. Maximum amount they can handle. See how often they can do this.

9/28/76
Regis Konley File - CAB Filing No. OT-75-454

October 31, 1975, Letter from CAB Enforcement to Jerrald Scout, Jr., Esq., Counsel for Leisure International Vacations Corp. (LIVC)

This was in regard to an action contemplated by the CAB and the issuance of a temporary restraining order with respect to certain violations of CAB regulations. In an attempt to avoid a suit, LIVC supposedly agreed:

(1) that they would not use or seek to use an uncertified aircraft (not certified by FAA); (2) that they would use their best efforts to accommodate previously booked passengers at no increase in price on charter and on regularly scheduled flights; (3) establishment of an escrow account for all monies collected and in the future, collection from passengers as well as an additional \$10,000 to be supplied by Regis Konley; they have agreed to a complete account of all future deposits and withdrawals to the CAB; (4) LIVC would enter into a stipulation of facts and a consent order.

LIVC would attempt to convert their operations at the earliest practical date into OTCs.

Civil Action No. 75-1434 - U.S. of A & CAB vs. LIVC, Regis Konley & Robert Konowicz

November 7, 1975 - Consent order which prohibits Regis Konley and LIVC from engaging in air transportation as a direct air carrier or an indirect air carrier without appropriate authority from the CAB in requiring an escrow account (according to the filing of facts in connection with a trip to the Bahamas, the LIVC solicited without any certification from the CAB). Konley and LIVC must establish an escrow account with \$10,000 of their own assets.

August 23, 1973 - 82373 CAB order to a cease and desist - Order No. 73-8-110

Regal Travel Corporation and Regis Konley - From October, 1971 to March, 1972

Regal held itself out to the general public through telephone solicitation through personal contact by sales representatives and ~~distribution~~ ^{AND} of advertising ~~and~~

~~hand bills reported~~ that they were willing to furnish for hire air transportation from Pittsburgh to the Bahamas; Regis Konley held out the availability of air transportation in conjunction with the package of hotel and other accommodations, Regis subsequently entered into a contract with clubs, companies and organizations in the Pittsburgh area to provide charter air transportation. The chartering organizations had no commitment from any direct air carrier, but looked only to Regis to provide the air transportation. Regis, however, at the time of contract had no firm commitment with any direct air carrier, nor was he the agent of any carrier.

December Filing of CAB

Copy of prospectus by LIVC for the Bahama trip includes among other things round trip jet transportation by Allegheny Airlines.

OTC Checklist, December of 1975 - Eight aircraft involved to Bahamas

The contract between participants and LIVC. Participants must cancel no later than 30 days prior to departure to qualify for a full refund except for \$20 per person service charge. The cancellation must be received 18-30 days prior to departure and be assessed a cancellation fee of 30% of the total tour cost.

If a participant cancels after 18 days prior to departure, cancellation fee is 25% of the total tour cost. There will be full refund if the tour is cancelled. In the event of itinerary change, participants will be notified with five days. However, the surety is released from the liability if the claim is not filed 60 days after the tour is completed. ^{Refund deadline is 60 days} If service and accommodations cannot be supplied due to causes beyond the control of LIVC, it will use its best efforts to supply comparable services and accommodations. There is also a disclaimer for any damage or loss of property due to the act of negligence of any hotel or other person rendering service and accommodations. LIVC is not responsible for loss or damage to tour members baggage.

OTC surety bond between LIVC and International Fidelity Insurance Company

Executed December 22, 1975

Effective - September 15, 1975

Depository Agreement, November 28, 1975 - Pittsburgh National Bank, LIVC & Allegheny

December 3, 1975 application of Allegheny Airlines for an emergency waiver

(Docket No. 28568) This application was for a waiver of Section 207.7a of the CAB regulations. These relate to results of frequency and also routes not authorized by CAB charter trips.

(off the CAB approved route)

(No air carrier can begin off route trips [^] between any pair of points;

- (a) in excess of a total of eight flights in the same direction ~~xxxxxx~~ during any period of four consecutive calendar weeks;
- (b) in the same direction on the same day of two or more consecutive calendar weeks;
- (c) in excess of a total of three flights in the same direction during any period of two consecutive calendar weeks unless such period is followed by a break of at least one calendar week during which no flights were operating in such market or between such points;
- (d) which are so arranged as to result in the observance of breaks required in (c), at regularly recurring intervals; or
- (e)

which are so arranged to result in any uniform pattern or normal consistency of operations.) Allegheny in order to serve LIVC's air transportation ~~needs would~~ which request a waiver of Section 207.7a, Allegheny contended that a unique situation existed which justified a waiver.

were

Freeport Charters [^] organized originally as affinity charters and were scheduled to begin November 1, 1975 ~~when~~ LIVC entered into an informal agreement with the CAB on October 31, 1975, Leisure consented to perform the Freeport Charter with a properly certified aircraft [^] and agreed to the conversion to OTC. As a result of these developments, Allegheny was contracted by Leisure to determine whether it could operate the affinity charters to Freeport on less than 48 hours notice and with the encouragement of the CAB ~~the~~ Bureau of Enforcement, Allegheny agreed to do so, thereby, avoiding substantial inconvenience to the participants which would have resulted in cancellation of the charter. Allegheny said that it intended to join Leisure

as soon as possible in requesting a waiver of OTC's regulations so as to permit conversion of the remaining Freeport Charter to OTC's; regardless of whether these flights ~~xxx~~ were operating as affinities or OTCs, relief from the off-route limitations of Section 207.7a should still be granted by the CAB. Allegheny charters maintained that the Freeport[^] for which waiver of Section 207.7a is sought, was organized long before Allegheny became involved.

December 10, 1975 OTC Contract Between Allegheny and LIVC

For each cancellation by the operators, \$200 or 10% of the actual charter price whichever is greater if the cancellation less the 31 days before the flight date. A flight will be automatically cancelled if ~~the~~ less than the entire capacity is sold at least 31 days prior to scheduled departure. There are eight charter trips listed: 12/27/75 - 12/30/75; 12/30/75 - 1/3/76; 1/3/76 - 1/6/76; 1/6/76 - 1/10/76; 1/10/76 - 1/13/76; 1/13/76 - 1/17/76; 1/17/76 - 1/20/76; 1/17/76 - 1/24/76.

December 23, 1975 - OTC filing by Allegheny and LIVC

Letter from LIVC Council to Harold Parott, Chief Supplementary Services Division, Bureau of Operating Rights, CAB. ↗

(In connection with LIVC's application for waiver of OTC regulations.)

The letter explained the background under which operation of these flights is made subject to a consent order. These flights are from a period of Nov. 75 - April, 76. LIVC then undertook the conversion of the initial series to an OTC program. LIVC has obtained the necessary bond and escrow agreement. Specifically LIVC requested the following sections to be waived: (in relation to the 8 flights on the pros) 378a.25a because Solicitation occurred without approval of the OTC prospectus and the flight scheduled on December 27 and 30, 1975 and Jan. 3, 1976 would be operated without the 15 day review period.

378a.25b - Waiver is necessary for receipt of the passenger lists for the flight on Dec. 27 and 30, 1975 and Jan. 3, 1976 less than 15 days prior to the date of departure. (LIVC filed the passenger list for those three flights on Dec. 23, 1975)

Letter 12/30/75 Allegheny to Parott - Allegheny joined in LIVC's request for waiver of OTC's regulations.

Emergency Petition for Review of Staff Action filed by LIVC Jan. 2, 1976

Urges the Board to take ~~bond waiver~~ ^{prompt favorable} action on the waiver on OTC

regulations. The next flight was scheduled to depart the day after this petition, Jan. 3 ~~then~~ six flights were scheduled during the next two weeks and then counsel for LIVC warned of the unfortunate consequences if these trips were cancelled suddenly. The counsel for LIVC maintained that he was first informed by the staff of the Bureau of Operating Rights of the cancellation of the program in the late afternoon of 12/31/75. LIVC counsel maintained that the OTC programs were set up pursuant to the consent order and that contracts were entered into by Allegheny while the requisite of escrow and bond were obtained, applicable to eight flights during the period 12/27/75 thru 1/17/76. During the period of 12/23 - 12/31 passenger lists for the first six flights were filed with the Bureau of Operating Rights at the request of the Bureau. LIVC obtained consent of its surety company to make the OTC bond effective 9/15/75 so as to cover the initial offering to the public. The flights already fully booked scheduled for 12/27 and 12/30 were operating^{ed}. LIVC pointed out that this program has been operating with the knowledge of the board staff for over two months and pursuant to the Nov. 7 Consent Decree, the program has been supervised and escrow has been created by the District Court ^{an} account has been made both to the Bureau of Enforcement and the Office of the U.S. Attorney. He emphasized that the conversion to OTC was made at the specific recommendation of the Bureau of Enforcement to protect the hundreds of people already booked on this flight and to enable the tour operator to complete the program pursuant to OTC regulations.

Supplementary to Petition for Review of Staff Action - was received by CAB, January 6, 1976

Prompt action was needed because ^{they were} flights scheduled for Saturday, Jan. 10 and nine charter flights scheduled ~~for~~ during the next three weeks .

The Bureau of Operating Rights had further advised LIVC that while flights scheduled for Jan- and 6 were being authorized on "hardship grounds" the waiver with respect to the remaining four flights were being denied.

January 5, 1976 telegram to James Devall from Council for LIVC International Fidelity Insurance Company.

Evidence that International Fidelity Insurance Company had authorized a \$110,000 limit for LIVC - OTC bond effective September 15, 1975

January 7, 1976

Letter from Bruce Cunningham, Director, Bureau of Operating Rights to Mr. Devall

Council for LIVC. In this letter Cunningham refers to the conversation on 12/31/75 when CAB orally notified LIVC of the denial of the OTC regulations.

In reaching this conclusion, it ~~was~~ was evident that the tour operator had organized, promoted and sold those tours with a total disregard for the CAB ally regulations. More specific-~~ly~~ no charter contract were in effect during solicitation

and so no participant entered into the required contract. The tour operator and participant's ^{monies} ~~money~~ were not protected by the required surety and escrow. agreed not to engage

CAB also noted that LIVC in the consent order . [^] in some selling ~~it~~ or soliciting without CAB approval in the future. Nevertheless, LIVC ^{disregarded} ~~directed~~ the court order for almost two months after the consent order by continuing

to promote itself without necessary CAB authority; the applicant then appeared at the CAB office about one working day before the first flight, a type of 11-hour application; in effect, an accomplished fact. In light of these facts, CAB

~~also~~ ^{was unable to find} that the situation represented special or unusual circumstances ~~making the~~ ^{and which} warrant ~~the~~ ^{ed} the granting of the request waiver.

On consideration of Jan. 2, 1976 petition for reversal of staff action CAB decided to reverse in part the previous action and to grant all request waivers of a 207.7a and 378a.25(a) (1) and (b) to permit the operation of Jan. 3 and Jan. 6

flights, CAB orally advised LIVC council of this on Jan. 2; was taken only because of the hardship which would occur to those persons who had made plans to participate in these two flights. CAB pointed out that this waiver does not insulate the LIVC and Allegheny from any ~~informal~~^{enforcement} action which may result from any violation of the CAB regulations which have occurred in connection with these flights. (Since the dates for operation of the Dec. flights have already ~~passed~~^{passed} CAB dismissed the Allegheny's and LIVC's requests for waivers to operator those flights^{that} departed in 1975).

CAB then said that would defer action on flight^s scheduled to depart after Jan. 6, 1976.

Telegram, Jan. 1, 1976, sent to President for LIVC asking him to intervene to prevent hardship. LIVC criticized "arbitrary" decisions made by the CAB. On Jan. 5, Doudley Chapman, Associate Counsel to the President asked Jim Schultz, ^{Exec. Counsel} President to the for a suggested reply to the telegram. On Jan. 8, Schultz wrote to Chapman and sent a copy of the board's decision on Jan. 8, 1976 upholding the staff action in ~~denying~~ declining to grant waivers. Schultz said that the board's action apparently rested on its unwillingness to countenance the tour operator's blatant ~~disregard~~ ~~disregard~~ disregard for CAB requirements and a Consent Order of the federal court. This letter seemed to be sympathetic to CAB.

Jan. 8, 1976 CAB letter to Counsel of LIVC from Edwin Z. Holland, Secretary of CAB

They upheld staff action of 12/31/75 as it relates to the remaining flights in this program. The CAB said that it was a difficult choice a they had to balance the hardship suffered by the participants against the harm that would be done by approval^{of} such blatant disregard of CAB requirements.

February 3, 1976 Council for the surety notified LIVC Counsel that the surety bond was being terminated in accordance with its terms and notice was sent to the CAB This notice of the Board's termination was received by the CAB, February 5, 1976.

Memo and order entered on Jan. 16 by Judge Miller

U.S. of America and CAB v. Leisure International VC, Regis J. Konley and Robert Kontowicz Docket No. 75-1434

The matter came before the court on an order to show why LIVC should not be held in contempt ~~of~~ for violation of the Nov. 7, 1975 order. The court found that LIVC violated this order by acting as an unauthorized air carrier in violation of CAB regulations and that it established and maintained ~~the~~ ^a depository ~~agreement~~ ^{account} required by the order of Nov. 7, 1975. Although the court found there was no unlawful misappropriation of receipts, the bookkeeping methods used by LIVC were very sloppy and unprofessional and were extremely difficult to identify. He didn't specifically mention any CAB regulations in regard to accounting. ~~the~~ ^{the} receipts. Although such violations constituted contempt of court no useful purpose would be served by ordering LIVC to purge ^{the} contempt by the ~~existing~~ ^{executing a} depository agreement and paying all funds into the account created under such agreement because the tour cannot lawfully be completed in any event; furthermore, there was no misappropriation. ^{ed} Therefore, the court order ^{ed} LIVC to purge themselves of contempt by making such modifications and clarifications of their accounts to accurately reflect the regularity of their business transactions, and to require that certain steps be taken to begin the refunding of monies to identifiable participants.

Consent Decree - July 8, 1976. The consent decree refers to the decree of March 4 ^{ad}judging LIVC liable to a tour participant scheduled to depart on the Bahamas tours which could not be lawfully completed; plaintiff, CAB, joined the surety as a third party defendant. LIVC ordered; LIVC was liable to refund to participants scheduled to depart on its Bahama tour which could not be lawfully completed. (Jan. 10, 13, 17, 21, 24, 27, & 31; Feb. 3, 10, 14, 17, 21, 24, & 28; Mar 2, 6, 9)

Advance deposit amounted to \$124,491.59; payments received by Leisure
insurance premiums
as travel amounted to \$293.65. The surety was order to pay \$42,854.28 or
approximately 1/3 of the total.

$$\begin{array}{r} \underline{42,854.28} \\ 124,491.59 \end{array} + \$293.65 = \$124,785.24$$

and prorata refunds were ordered out of the treasury of Leisure for tour participant
not covered by the surety bond.