

Served: February 3, 2000

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**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the 1st day of February, 2000

Application of

**CARDINAL AIRLINES, INC.**

for a certificate of public convenience and necessity under  
49 U.S.C. 41102 to engage in interstate scheduled air  
transportation of persons, property, and mail

**Docket OST-99-5798 - 6**

**ORDER TO SHOW CAUSE  
PROPOSING ISSUANCE OF CERTIFICATE AUTHORITY**

**Summary**

By this order, we tentatively find that Cardinal Airlines, Inc., is fit, willing, and able to provide interstate scheduled air transportation of persons, property, and mail as a certificated air carrier.

**Background**

Section 41102 of Title 49 of the United States Code (Transportation) ("the statute") directs us to determine whether applicants for certificate authority to provide interstate scheduled air transportation are "fit, willing, and able" to perform such transportation, and to comply with the statute and the regulations of the Department. In making fitness findings, the Department uses a three-part test that reconciles the Airline Deregulation Act's liberal entry policy with Congress' concern for operational safety and consumer protection. The three areas of inquiry that must be addressed in order to determine a company's fitness are whether the applicant (1) will have the managerial skills and technical ability to conduct the proposed operations, (2) will have access to resources sufficient to commence operations without posing an undue risk to consumers, and (3) will comply with the statute and regulations imposed by Federal and State agencies. We must also find that the applicant is a U.S. citizen.

On June 4, 1999, Cardinal Airlines, Inc., filed an application in Docket OST-99-5798 for a certificate to provide interstate scheduled air transportation of persons, property, and mail

pursuant to section 41102.<sup>1</sup> Cardinal Airlines accompanied its application with the fitness information required by section 204.3 of our regulations.<sup>2</sup>

No answers opposing Cardinal Airlines' application were filed and no special issues regarding the applicant have come to our attention. Under these circumstances, we propose to decide the issue of the applicant's fitness on the basis of the written record, and we tentatively conclude that Cardinal Airlines is a U.S. citizen and is fit, willing, and able to operate its proposed interstate scheduled passenger service. However, we will give interested persons an opportunity to show cause why we should not adopt as final the tentative findings and conclusions stated herein.

### **The Company**

Cardinal Airlines was organized as a corporation under the laws of the State of Delaware in February 1997. Its directors are Mr. Lawrence A. Watson, Mr. H. Lawrence Mason, Mr. Vincent T. Paris, and Mr. Ted A. Walker.

Cardinal Airlines is authorized to issue 50.0 million shares of common stock and 1.0 million shares of preferred stock. Each share of preferred stock is entitled to 100 votes, while each share of common stock is entitled to a single vote. Of the shares authorized, 2.03 million shares of common stock and 100,000 shares of preferred stock are issued and outstanding with only four individuals, Messrs. Watson, Mason, Paris, and Walker, owning or controlling more than five percent of the shares.<sup>3</sup>

To raise funds to support Cardinal Airlines' proposed operations, the company is currently undertaking a public stock offering under which up to 2.0 million shares of its common stock will be sold.<sup>4</sup> However, even if this offering is fully subscribed, control of Cardinal Airlines will remain with its current owners, with each of these individual controlling approximately 20

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<sup>1</sup> On that same date, Cardinal Airlines filed an application for a foreign charter certificate (Docket OST-99-5799). However, since a company receiving either interstate or foreign scheduled authority is also authorized to conduct worldwide charter operations pursuant to §212.1, this application was unnecessary, and, on June 11, 1999, Cardinal Airlines filed a notice withdrawing it. As a result, by this order, we will dismiss as moot the foreign charter application filed by Cardinal Airlines in Docket OST-99-5799.

<sup>2</sup> Cardinal Airlines filed information supplementing its application on July 14 and December 17, 1999, and on January 11, 2000.

<sup>3</sup> These individuals hold approximately 56 percent of the outstanding common stock of Cardinal Airlines. However, due to their ownership or control of all of the applicant's issued and outstanding preferred stock, each of these individuals owns/controls approximately 25 percent of the applicant's total votes. Messrs. Watson, Mason, and Paris own the shares controlled by them, while Mr. Walker functions as the manager for TAWCOT, the owner of the Cardinal Airlines' shares he controls. TAWCOT is a trust held on behalf of Natalie Rosier, a U.S. citizen.

<sup>4</sup> 1.9 million of these shares will be sold directly by Cardinal Airlines, while the remaining 100,000 shares are being offered by existing shareholders.

percent of the total vote, due to the super voting rights attached to the preferred shares they hold.

Since its formation, the company has been in the developmental stage. If its application is approved, Cardinal Airlines intends to provide scheduled passenger service to and from major airports in the eastern United States with its operations based in Melbourne, Florida. The service to be provided will be all first-class at fares comparable to the advance restricted coach fares offered by major airlines. Cardinal Airlines' initial operations will be between Melbourne and Baltimore, using two DC-9 aircraft configured with 112 first class seats.

### **Managerial Competence**

Mr. Lawrence A. Watson is Cardinal Airlines' founder and serves as its President, Chief Executive Officer, and Board Chairman. Since founding the company in early 1997, Mr. Watson has been working on developing its business plans, organizing its management team, and directing its public offering. In the ten years prior to his founding of Cardinal Airlines, Mr. Watson worked for Allied Aviation, a commercial aircraft parts company. As Allied Aviation's Vice President of Corporate Development, Mr. Watson was responsible for directing its funding efforts and developing its business. Prior to his involvement with Allied Aviation, Mr. Watson worked in a variety of positions, including eleven years as a production manager/service manager for several Florida marine companies, six years as an air traffic controller, and five years in the military reserves as an aircraft mechanic.

Mr. H. Lawrence Mason serves as Cardinal Airlines' Vice President of Finance, Chief Financial Officer, and Board member. Mr. Mason is a dentist who, in addition to practicing dental medicine, has worked as Allied Aviation's Vice President of Finance and Administration and as President and Chief Executive Officer for Florida Design Build Systems, both for approximately seven years.

Mr. Houston B. Glover, who holds both an Airframe and Powerplant Mechanic's certificate and an Airline Transport Pilot license, will serve as Cardinal Airlines' Vice President and Director of Operations. Mr. Glover brings to his position over 45 years of aviation experience, beginning with approximately 13 years as an aircraft mechanic both in military (United States Marine Corps) and civilian positions, before moving on to positions as a pilot with National Airlines/Pan American (24 years), Ansett Australia Airlines, and EVA Airways. In addition, he has held various senior management positions with Av Atlantic (Chief Pilot), Great Western and Custom Air Transport (Director and Vice President of Operations), and Millon Air (Chief Operating Officer). He has also worked as a self-employed aviation consultant and as an aviation safety inspector for the FAA.

Mr. Jack H. Freeman, an Airframe and Powerplant Mechanic, will serve as Cardinal Airlines' Vice President of Quality Assurance and Chief Inspector. Mr. Freeman brings to his position over 40 years of aircraft maintenance experience, having worked as a mechanic, aircraft inspector, and parts inspector with Delta Air Lines from 1957 through 1995. Since that time, he

has worked as a maintenance consultant and quality assurance inspector for PRC Aviation of Tucson and SOLAIR of Atlanta.

Serving as Cardinal Airlines' Vice President and Director of Maintenance will be Mr. John J. Pertschi, an Airframe and Powerplant Mechanic with over 35 years of military and civilian aircraft maintenance experience. After beginning his career in aircraft maintenance as a mechanic in the United States Air Force, Mr. Pertschi joined the maintenance department of Continental Airlines where he held increasingly responsible maintenance positions, serving as Continental's Denver Line Maintenance Supervisor during the last two of his 15 years with the company. Since 1983, Mr. Pertschi has served as Manager of Technical Services of Frontier Horizon (two years), Manager of Aircraft Maintenance of Evergreen Air Center (one year), Director of Maintenance for Jetborne Aircraft Leasing and Carnival Air Lines (each for approximately two years), and Assistant Director of Maintenance and Manager of Production Control for Commodor Aviation (eight years).

Mr. Dennis M. Cunningham, an Airline Transport Pilot with almost 16,000 total flight hours, will serve as Cardinal Airlines' Chief Pilot. Mr. Cunningham began his aviation career in 1970 as a pilot with Air New England. Since that time he has held pilot positions with various airlines including New York Air, American International Airlines, Saudi Arabian Airlines, Gemini Air Cargo, and, most recently, Tradewinds Airlines.

Serving as Cardinal Airlines' Vice President of Safety and Regulatory Compliance will be Mr. Thomas L. Vandervele. Presently, he is assisting Cardinal Airlines with its manual development and certification as an independent contractor with Maviation, a consulting company he has owned and operated since 1996. Prior to 1996, Mr. Vandervele served for three years as Vice President of Tech/Ops International, a company engaged in providing technical services management, and for two years as Director of Aviation Services for Michael Goldfarb Associates, an aviation-consulting firm. From 1975 to 1991, Mr. Vandervele held various positions with the FAA beginning as an Aviation Safety Inspector and ending as Manager of the FAA's Burlingame, California, office.

In view of the experience and background of the applicant's key personnel,<sup>5</sup> we tentatively conclude that Cardinal Airlines has assembled a management team who have the managerial skills and technical ability to conduct its proposed service.<sup>6</sup>

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<sup>5</sup> Cardinal Airlines also supplied resumes for other senior personnel including its Vice Presidents of Logistics Support, Properties & Facilities, and Investor Relations, and its Director of In-Flight Services. Each of these individuals appears to be qualified for his/her respective managerial position with the company.

<sup>6</sup> Before authorizing a carrier to conduct air transportation operations, the FAA also evaluates certain of the applicant's key personnel with respect to the minimum qualifications for those positions as prescribed in the Federal Aviation Regulations. The FAA's evaluation of these key personnel provides an added practical and in-person test of the skills and technical ability of these individuals.

## Financial Plan and Operating Proposal

If granted the certificate authority it seeks, Cardinal Airlines intends to commence scheduled passenger operations offering four roundtrips per day between Baltimore and Melbourne, Florida, utilizing two DC-9 aircraft configured with 112 first class seats. If these operations prove successful, the applicant intends to add additional aircraft and markets in the future.

In addition to various financial statements that reflect the developmental state of the applicant,<sup>7</sup> Cardinal Airlines has provided detailed forecasts of its anticipated pre-operating expenses and its operating expenses for its first year of operations. We have reviewed Cardinal Airlines' first year expense forecasts, on a unit basis, and find that they appear to be reasonable.

As of June 30, 1999, Cardinal Airlines had incurred approximately \$342,000 in start-up expenses, the majority of which have already been paid using funds raised by various private placements. Cardinal Airlines anticipates that it will incur approximately \$3.2 million in additional start-up costs,<sup>8</sup> and another \$5.91 million in operating expenses during three months of normal certificated operations. Thus, Cardinal Airlines will need approximately \$9.11 million in additional funds to meet our financial fitness criteria.<sup>9</sup>

Cardinal Airlines has recently commenced a public stock offering which, if fully subscribed, will provide it with net proceeds of approximately \$17.0 million.<sup>10</sup> Such funds would be more than sufficient to meet the Department's financial fitness requirement. However, this offering has no set minimum and there is no guarantee that it will be fully successful. Therefore, Cardinal has developed contingency plans to start reduced operations of two roundtrips per day

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<sup>7</sup> Cardinal Airlines provided balance sheets reflecting its financial position as at June 30, 1997, 1998, and 1999. Additionally, it provided income statements reflecting its losses for the period February 7, 1997 (date of its inception) through June 30, 1999.

<sup>8</sup> This amount includes cash deposits and other capital expenditures Cardinal Airlines will incur prior to commencement of revenue flight operations.

<sup>9</sup> In evaluating an applicant's financial fitness, the Department generally asks that the company have available to it sufficient resources to cover all pre-operating costs plus a working capital reserve equal to the operating costs that would be incurred in three months of "normal" certificated operations. Because projected expenses during the first several months of actual air transportation operations frequently do not include all costs of operations that will be incurred during a normal period of operations, it is our practice to base our three-month test on one quarter of the first year's operating cost forecast. In calculating available resources, projected revenues may not be used.

<sup>10</sup> This offering is being handled by Capstone Partners, an investment-banking firm, on behalf of Cardinal Airlines.

between Baltimore and Melbourne utilizing a single DC-9 aircraft in the event that only part of its current offering is sold.<sup>11</sup>

In light of the company's funding plans, we tentatively conclude that, if these plans are carried out, Cardinal Airlines will have sufficient financial resources available to it to enable it to commence its proposed scheduled passenger operations without posing an undue risk to consumers or their funds. However, as is our practice when a company does not yet have its funding in hand, we will condition the effectiveness of any certificate authority that may be issued to Cardinal Airlines upon its first providing certain additional financial information including a verification of its funding.<sup>12</sup>

### **Compliance Disposition**

We also tentatively conclude that Cardinal Airlines has the proper regard for the laws and regulations governing its services to ensure that its aircraft and personnel conform to applicable safety standards and that acceptable consumer relations practices will be followed.

Cardinal Airlines has stated that there are no actions or outstanding judgments against it, its owners, or its key personnel, nor have there been any charges of unfair, deceptive or anti-competitive business practices, or of fraud, felony or antitrust violations brought against any of these parties in the past ten years. Cardinal Airlines further stated that there are no pending investigations, enforcement actions, or formal complaints filed by the Department against it, its key personnel, or persons having a substantial interest in it with respect to compliance with the statute or the Department's regulations.

Further, our search of the Department's records found no compliance problems with Cardinal Airlines, its owners, or its key personnel. In addition, the FAA has advised us that the company has applied for certification under Part 121 of the Federal Aviation Regulations and that it knows of no reason why we should act unfavorably on the company's application.

### **CITIZENSHIP**

Section 41102 requires that certificates to engage in air transportation be held only by citizens of the United States as defined in 49 U.S.C. 40102(a)(15). That section requires that the president and two-thirds of the Board of Directors and other managing officers be U.S. citizens and that at least 75 percent of the outstanding voting stock be owned by U.S. citizens. We have also interpreted the statute to mean that, as a factual matter, the carrier must actually be controlled by U.S. citizens.

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<sup>11</sup> Based on the aircraft forecasts provided, Cardinal Airlines would require approximately \$6.6 million in funds to meet the Department's financial fitness standard for operations with a single DC-9 aircraft.

<sup>12</sup> See the **Certificate Conditions and Limitations** section of this order for a detailed list of the information that will be required.

At present, the majority of the stock in Cardinal Airlines is owned or controlled by its four directors, Messrs. Watson, Mason, Paris, and Walker, each of whom is a citizen of the United States. While Cardinal Airlines is conducting a public stock offering which would reduce the ownership interests of its current owners slightly, due to the 100 votes per share attached to the preferred stock held only by Messrs. Watson, Mason, Paris, and Walker, they will remain in control of the company with each controlling approximately 20 percent of the total votes. Further, all of the company's key personnel are U.S. citizens and Cardinal Airlines has provided an affidavit attesting that it is a citizen of the United States within the meaning of the statute and that it is actually controlled by U.S. citizens. Finally, our review of the applicant's citizenship has uncovered no reason to suggest that control of Cardinal Airlines rests with non-U.S. citizens.

Based on the above, we tentatively conclude that Cardinal Airlines is a citizen of the United States and is fit, willing, and able to conduct the interstate scheduled passenger operations proposed in its application.

### **OBJECTIONS**

We will give interested persons 14 days following the service date of this order to show cause why the tentative findings and conclusions set forth here should not be made final; answers to objections will be due within 7 days thereafter. We expect such persons to direct their objections, if any, to the application and points at issue and to support such objections with detailed economic analyses. If an oral evidentiary hearing or discovery procedures are requested, the objector should state in detail why such a hearing or discovery is considered necessary, and what material issues of decisional fact the objector would expect to establish through a hearing or discovery that cannot be established in written pleadings. The objector should consider whether discovery procedures alone would be sufficient to resolve material issues of decisional fact. If so, the type of procedure should be specified (*See* Part 302, Rules 19 and 20); if not, the reasons why not should be explained. We will not entertain general, vague, or unsupported objections. If no substantive objections are filed, we will issue an order that will make final our tentative findings and conclusions with respect to Cardinal Airlines' fitness and certification.

### **CERTIFICATE CONDITIONS & LIMITATIONS**

If Cardinal Airlines is found fit and issued the certificate it seeks, its authority will not become effective until the company has fulfilled all requirements for effectiveness as set forth in the terms and conditions attached to its certificate. Among other things, this includes our receipt of evidence that Cardinal Airlines has been certified by the FAA to engage in the subject operations, a fully-executed OST Form 4520 evidencing liability insurance coverage that meets the requirements of Part 205 of our rules, and a revised list of pre-operating expenses already paid and those remaining to be paid, along with third-party verification that the company continues to have available, either through deposits in its own name or a line-of-credit, sufficient funds to meet our financial fitness criteria.

Furthermore, we remind Cardinal Airlines of the requirements of 49 U.S.C. 41110(e). Specifically, that section requires that, once a carrier is found fit initially, it must remain fit in order to hold its authority. To be assured that certificated air carriers continue to be fit after effective authority has been issued to them, we require that they supply information describing any subsequent substantial changes they may undergo in areas affecting fitness. Moreover, the Department has adopted a policy, consistent with the recommendations of the FAA 90-Day Safety Review, issued September 16, 1996, of imposing conditions in fitness orders to facilitate appropriate monitoring of individual air carriers' growth.<sup>13</sup> Our tentative findings stated above are based on the operating plan described in Cardinal Airlines' application, which proposes the use of two DC-9 aircraft. These findings might no longer apply if the company were to substantially change the scope of its operations through the introduction of additional aircraft. Therefore, once the applicant's certificate becomes effective, should Cardinal Airlines propose to acquire any aircraft beyond the two aircraft referenced in its application, it must notify the Department in writing at least 45 days in advance and demonstrate its fitness for such operations prior to implementing service with any additional aircraft.<sup>14</sup> Furthermore, should Cardinal Airlines propose other substantial changes in its ownership, management, or operations, it must first comply with the requirements of section 204.5 of our rules.<sup>15</sup> The compliance of the company with this requirement is essential if we are to carry out our responsibilities under the statute.<sup>16</sup>

To aid the Department in its responsibility to monitor the fitness of new carriers, we have adopted a requirement that all start-up carriers must submit a detailed progress report, within 45 days following the end of the first year of actual flight operations, to the Air Carrier Fitness

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<sup>13</sup> See, e.g., Orders 97-10-22, 97-11-34, and 97-12-18.

<sup>14</sup> This aircraft limitation is based on the assumption that Cardinal Airlines' stock offering is fully successful. Should Cardinal Airlines obtain funds sufficient to commence operations with only one DC-9 aircraft, at the time we grant the company effective certificate authority, we would limit the number of aircraft authorized without further Department approval to one.

<sup>15</sup> The carrier may contact our Air Carrier Fitness Division to report proposed substantial changes in its operations, ownership, or management, and to determine what additional information, if any, will be required under section 204.5. In addition, by notice dated July 21, 1998, the Department requested air carriers to provide a 30-day advance notification of any proposed change in ownership, restructuring, or recapitalization. If the carrier fails to file this updated information or if the information fails to demonstrate that the carrier will continue to be fit upon implementation of the substantial change, the Department may take such action as is appropriate, including enforcement action or steps to modify, suspend, or revoke the carrier's certificate authority.

<sup>16</sup> We also remind Cardinal Airlines about the requirements of section 204.7 of our rules. This section provides, among other things, that (1) the certificate authority granted to a company shall be revoked if the company does not commence actual flying operations under that authority within one year of the date of the Department's determination of its fitness; (2) if the company commences operations for which it was found fit and subsequently ceases such operations, it may not resume certificated operations unless its fitness has been redetermined; and (3) if the company does not resume operations within one year of its cessation, its authority shall be revoked for dormancy.

Division. The report should include a description of the carrier's current operations (number and type of aircraft, principal markets served, total number of full-time and part-time employees), a summary of how these operations have changed during the year, a discussion of any changes it anticipates from its current operations during its second year, current financial statements,<sup>17</sup> and a listing of current senior management and key technical personnel. The carrier should also be prepared to meet with staff members of the Fitness Division to discuss its current and future operations.

**ACCORDINGLY,**

1. We direct all interested persons to show cause why we should not issue an order making final the tentative findings and conclusions stated above and award a certificate to Cardinal Airlines, Inc., authorizing it to engage in interstate scheduled air transportation of persons, property, and mail, subject to the attached specimen Terms, Conditions, and Limitations.
2. We direct any interested persons having objections to the issuance of an order making final any of the proposed findings, conclusions, or the certificate award set forth here to file them with Department of Transportation Dockets, 400 Seventh Street, SW, Washington, D.C. 20590, in Docket OST-99-5798, and serve them upon all persons listed in Attachment A no later than 14 days after the service date of this order; answers to objections shall be filed no later than 7 days thereafter.
3. If timely and properly supported objections are filed, we will accord full consideration to the matters or issues raised by the objections before we take further action.<sup>18</sup>
4. In the event that no objections are filed, we will consider all further procedural steps to be waived and we will enter an order making final our tentative findings and conclusions.
5. We dismiss as moot the application of Cardinal Airlines, Inc., in Docket OST-99-5799, for foreign charter certificate authority.
6. We will serve a copy of this order on the persons listed in Attachment A.

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<sup>17</sup> These financial statements should include a balance sheet as of the end of the company's first full year of actual flight operations and a twelve-month income statement ending that same date.

<sup>18</sup> Since we have provided for the filing of objections to this order, we will not entertain petitions for reconsideration.

7. We will publish a summary of this order in the Federal Register.

By:

**A. BRADLEY MIMS**  
Deputy Assistant Secretary for  
Aviation and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at:  
<http://dms.dot.gov>*



**SPECIMEN**

*Terms, Conditions, and Limitations*

**CARDINAL AIRLINES, INC.**

is authorized to engage in interstate air transportation of persons, property, and mail between any point in any State, territory, or possession of the United States or the District of Columbia, and any other point in any of those entities.

This authority is subject to the following provisions:

(1) The authority to operate under this certificate will not become effective until six (business) days after the Department has received the following documents; provided, however, that the Department may stay the effectiveness of this authority at any time prior to that date:

(a) A copy of the holder's Air Carrier Certificate and Operations Specifications authorizing such operations from the Federal Aviation Administration (FAA).

(b) A certificate of insurance on OST Form 6410 evidencing liability insurance coverage meeting the requirements of 14 CFR 205.5(b) for all of its aircraft.

(c) A statement of any changes the holder has undergone in its ownership, key personnel, operating plans, financial posture, or compliance history, since the date of the Show Cause Order in this case.

(d) A revised list of pre-operating expenses already paid and those remaining to be paid, as well as independent verification that the holder has available to it funds sufficient to cover any remaining pre-operating expenses and to provide a working capital reserve equal to the operating costs that would be incurred in three months of operations.

(2) Pending receipt of effective authority, the holder may not accept payment of any kind (i.e., cash, check, or credit card) or issue tickets for the operations proposed under this certificate, and any advertisement or listing of flights by the holder must prominently state: "This service is subject to receipt of government operating authority."

(3) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.

(4) *The holder's authority is effective only to the extent that such operations are also authorized by the FAA.*

(5) *The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).*

(6) *The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the provisions of Subtitle VII of Title 49 of the United States Code or the Department's regulations shall be sufficient grounds to revoke this certificate.*

(7) *In the event that the holder receives effective scheduled passenger authority, the following additional conditions will apply:*

(a) *The holder may reduce or terminate service at any point or between any two points, subject to compliance with the provisions of 49 U.S.C. 41734 and all orders and regulations issued by the Department of Transportation under that section.*

(b) *The holder may not provide scheduled passenger air transportation to or from Dallas (Love Field), Texas, except within the limits set forth in section 29 of the International Air Transportation Competition Act of 1979, as amended by section 337 of the Department of Transportation and Related Agencies Appropriations Act, 1998.*

(8) *Should the holder propose any substantial changes in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.*

(9) *In the event that the holder does not commence actual flying operations under this certificate within one year of the date of the Department's determination of its fitness, its authority shall be revoked for dormancy. Further, in the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may neither recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department. Moreover, if the holder does not resume operations within one year of its cessation, its authority shall be revoked for dormancy.*

**SERVICE LIST FOR CARDINAL AIRLINES, INC.**

Attachment A

MR LAWRENCE WATSON  
PRESIDENT  
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