



October 2, 2008

COPY VIA EMAIL
ORIGINAL VIA OVERNIGHT DELIVERY

John S. Carr
309 Hidden Harbour Drive
Indian Rock Beach, FL 33785

Re: Request for Financial Assistance

Dear John:

We are in receipt of your September 15 request for financial assistance from the Union with legal fees you have incurred to date, and which you expect to incur in the future, as a result of your status as a defendant in Gilding v. Carr, et al., Case No. CV2007-016329, Superior Court of Arizona in and for the County of Maricopa. You are alleged to have engaged in certain actions at a time when you were no longer a Union officer and which were not authorized or ratified by the Union. We have concluded that we cannot grant your request under the current circumstances because to do so would constitute a clear breach of our fiduciary duties under Section 501(a) of the Labor-Management Reporting and Disclosure Act, as well as expose the Union to potential and unwarranted liability.

As you know, the delegates to NATCA's 2008 Convention adopted a resolution requiring NATCA to establish a legal defense fund to assist members in certain legal matters. The resolution also required NATCA to place \$300,000 of Union money in the legal defense fund, directed that priority for distribution of funds be given to the lawsuit referenced above, and mandated that the NEB should administer the legal defense fund. In reviewing your request, and in the exercise of our fiduciary duties, we obtained a comprehensive legal analysis of the ramifications for the Union and its officers with regard to the expenditure of Union money in the legal defense fund in response to your request. This legal analysis revealed that the expenditure of any Union funds to assist you with your legal defense, whether directly from the National Office or indirectly through Union funds contributed to the legal defense fund, would have significant and insurmountable legal consequences for the Union and its officers.



NEB Response to Carr Request
For Financial Assistance
October 2, 2008
Page 2

Accordingly, as officers of the Union with a fiduciary obligation for the handling of the Union's money under federal law, we cannot authorize the expenditure of Union funds for your defense in this action. Our decision in this regard was unanimous.

We can, however, disburse non-Union funds that may be contributed to the NATCA legal defense fund and will consider your September 15 request to encompass a request for assistance from those funds. We anticipate having the legal defense fund fully established in the very near future and will encourage voluntary contributions to the legal defense fund from individuals so that some of those funds may be considered for your request. Further, should the current circumstances change, NATCA will review your request for assistance from Union funds at that time.

Sincerely,

The Members of the
National Executive Board