

MAGNOLIA AVIATION COMPANY, INC.

PLAINTIFF

VS.

LaRUE FLYING SERVICE, INC.

DEFENDANT

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IN THE CIRCUIT COURT OF

BALDWIN COUNTY, ALABAMA

AT LAW, CASE NO. 5073

This cause coming on this day to be heard upon the stipulation of the parties whereby defendant's request for a jury trial is withdrawn and whereby the parties consent that the Court might enter judgment based upon the Court's consideration of a transcript of the testimony taken by the Court Reporter of Baldwin County, Alabama.

The Court, after considering the evidence offered on behalf of the respective parties renders judgment in favor of the plaintiff and assesses the damages at \$1,195.00.

It is, therefore, the judgment of the Court that the plaintiff, Magnolia Aviation Company, Inc., have and recover of the defendant, LaRue Flying Service, Inc., the said sum of \$1,195.00, the damages assessed as aforesaid together with the costs in this behalf expended, for which let execution issue.

Done this 31<sup>st</sup> day of August, 1963.

Hubert M. White  
CIRCUIT JUDGE

STATE OF ALABAMA    X  
                          :  
BALDWIN COUNTY       X

TO ANY SHERIFF OF THE STATE OF ALABAMA-GREETING:

You are hereby commanded to summon LaRue Flying Service, Inc., Summerdale, Alabama, to appear within thirty days from the service of this writ in the Circuit Court, to be held for said County at the place of holding the same, then and there to answer the complaint of Magnolia Aviation Company, Inc.

Witness my hand this 12 day of March, 1962.

Alice J. Duck  
CLERK

EP 5-12-62\*\*\*\*\*

MAGNOLIA AVIATION COMPANY, INC.,	X	
	:	
PLAINTIFF	X	IN THE CIRCUIT COURT OF
	:	
VS.	X	BALDWIN COUNTY, ALABAMA,
	:	
LARUE FLYING SERVICE, INC.,	X	LAW SIDE. CASE # <u>5023</u>
	:	
DEFENDANT	X	

The Plaintiff, Magnolia Aviation Company, Inc., claims of the defendant, LaRue Flying Service, Inc., the sum of \$1,000.00, due for merchandise, goods and chattels sold by the plaintiff to the defendant on the 21st day of April, 1960, which sum of money, with the interest thereon, is still unpaid.

Hugh M. Caffey, Jr.  
HUGH M. CAFFEY, JR.  
ATTORNEY FOR PLAINTIFF

NOTE: The plaintiff being a non resident, the undersigned acknowledges himself as security for costs.

FILED

MAR 12 1962

ALICE J. DUCK, CLERK  
A. GISTER

Hugh M. Caffey, Jr.  
HUGH M. CAFFEY, JR.  
ATTORNEY AT LAW  
BREWTON, ALABAMA

Received 12 day of Mar 1962  
and on 12 day of Mar 1962  
I served a copy of the within  
on La Rue Flying Service, Inc.  
By service on Charles E. Jones

TAYLOR WILKINS, Sheriff  
By Charles E. Jones D. S.

Sheriff claims 12 miles at  
Ten Cents per mile Total \$ 1.20  
TAYLOR WILKINS, Sheriff  
BY Charles E. Jones DEPUTY SHERIFF

MAGNOLIA AVIATION COMPANY, INC.,  
PLAINTIFF  
VS.  
LARUE FLYING SERVICE, INC.,  
DEFENDANT

\*\*\*\*\*  
IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA,  
LAW SIDE. CASE # 5873  
\*\*\*\*\*

SUMMONS AND COMPLAINT  
FILED

MAR 12 1962

ALICE J. DUCK, CLERK  
GISTER

HUGH M. CAFFEY, JR.  
ATTORNEY AT LAW  
BREWTON, ALABAMA

HUGH M. CAFFEY, JR.

ATTORNEY AT LAW  
BREWTON, ALABAMA

PHONE  
UNDERHILL 7-6041

March 10, 1962

P. O. BOX 832

Mrs. Alice J. Duck  
Clerk of Circuit Court  
Bay Minette, Alabama

Re: Magnolia Aviation Co., Inc.  
Vs: LaRue Flying Service, Inc.

Dear Mrs. Duck:

Please file the enclosed summons and complaint and have your sheriff serve a copy of the complaint on LaRue Flying Service, Summerdale, Alabama. Please advise me when service has been perfected.

Yours very truly,

*H. M. Caffey, Jr.*  
Hugh M. Caffey, Jr.

HMC, Jr./pt  
enclosures

MAGNOLIA AVIATION COMPANY, INC.,

PLAINTIFF

VS

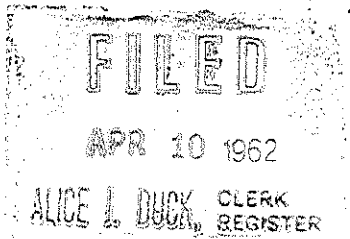
LARUE FLYING SERVICE, INC.,

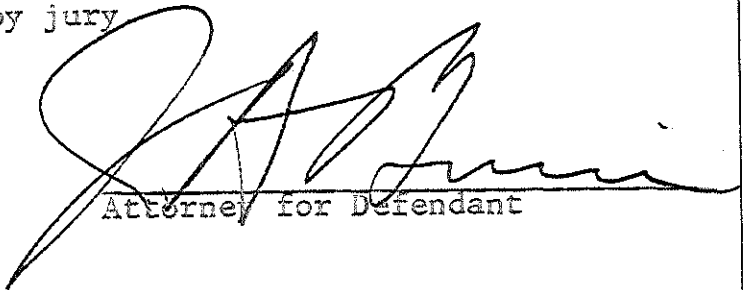
DEFENDANT

IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA,  
LAW SIDE. CASE # 5073

DEMAND FOR TRIAL BY JURY

Comes the defendant, LaRue Flying Service, Inc., by its  
attorney, and demands trial by jury



  
Attorney for Defendant

MAGNOLIA AVIATION COMPANY, INC.

PLAINTIFF

VS

LaRUE FLYING SERVICE, INC.

DEFENDANT

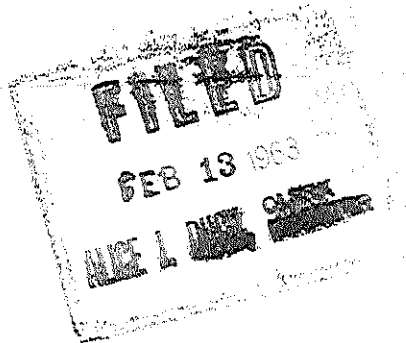
IN THE CIRCUIT COURT OF  
BALDWIN COUNTY, ALABAMA  
LAW SIDE, NO. 5073

ANSWER

Comes the defendant, by its attorney, and for answer to the complaint heretofore filed in this cause, says:

1. Not guilty.
2. That the account claim has been paid in full.

*James A. Linn*  
Attorney for Defendant



~~13500~~

MAGNOLIA AVIATION COMPANY, INC.,

Plaintiff,

VS.

LARUE FLYING SERVICE, INC.,

Defendant.

IN THE

CIRCUIT COURT OF BALDWIN COUNTY

ALABAMA. AT LAW.

NO. 5073

July 11, 1963

A P P E A R A N C E:

For the Plaintiff:

Hon. Hugh Calley, Jr.  
Brewton, Alabama.

For the Defendant:

Hon. James A. Brice,  
Foley, Alabama.

S T I P U L A T I O N:

It is stipulated by and between the parties to this cause of action, acting by and through their respective Attorneys of Record, that the Jury demand by the defendant is withdrawn and said case is to be tried without a jury.

MR. CYE EMORY, THE WITNESS FOR THE PLAINTIFF, BEING FIRST DULY SWORN,  
TESTIFIED AS FOLLOWS:

Examination by Mr. Caffey.

Q. State your name, please?

A. Cyé Emory.

Q. Where are you from, Mr. Emory?

A. My home is Laurel, Mississippi.

Q. Are you in any manner connected with Magnolia Aviation Company?

A. Yes sir, President and principal stock-holder.

Q. Were you connected with the Magnolia Aviation Company during the months of March and April of 1960?

A. Yes sir.

Q. In what capacity?

A. As President and principal stockholder.

Q. In your capacity as President and principal stock-holder, are you familiar with the books of accounts and debts owing to the Magnolia Aviation Company?

A. Yes I am familiar with those.

Q. In March and early April of 1960, did you personally contact Mr. Paul LaRue, the - for the Plaintiff in this case, in regard to selling an aeroplane?

A. I did, from his inquiry.



Q. What was the first date you discussed the sale of an aeroplane with him?

A. The first date - - I don't remember the month, but we initiated the deal originally the latter part of 1959, if my memory serves me right - around September of 1959, we began talking about the sale and delivery of a Grumman Ag-Cat.

Q. For the identification of the Court, state what a Grumman Ag-Cat is?

A. Air-craft made by Grumman Air-Craft - - made by Grumman Engineering Corporation, Long Island New York, that was engineered, designed and manufactured exclusively for the Air-Application Industry.

Q. Was Paul LaRue, at that time engaged in Air-Application Industry?

A. Applicator - Air Applicator.

Q. In the layman's parlance what is that?

A. That is a Crop Duster.

Q. That would be a crop duster?

A. Yes.

Q. You stated that you began your discussion on the sale of this aeroplane in 1959. Is that correct?

A. That is correct; in fact, there was an aeroplane delivered to Paul

LaRue that was not satisfactory and I believe it was taken back to the factory.

Q. In 1959?

A. Yes sir.

Q. In the year 1960 did you, on behalf of Magnolia Aviation Company, sell to Paul LaRue an aeroplane?

A. That is correct.

Q. I will show you this invoice and ask you to examine it?

A. That is the invoice that we originated and it was signed by Paul Larue - - that is correct.

MR. CAFFEY: At this point we would like to introduce an invoice executed by Paul LaRue and dated April 20, 1960, covering the Aeroplane and its equipment, which is forming the basis of this suit.

MR. BRICE: We object to that on the ground that the proper predicate has not been laid showing that it is the signature of Mr. LaRue.

MR. CAFFEY: On what other grounds?

MR. BRICE: That is all.

MR. CAFFEY: Please mark that as Plaintiff's Exhibit 1.

Q. Mr. Emory, I show you here, for comparison of handwriting, instrument purportedly signed by Paul LaRue, which is described as Resolution of Corporate Board. Was this signed by Paul LaRue in your presence?

A. Yes.

MR. CAFFEY: For the purpose of comparison of signature, we introduce the Resplution of Corporate Board, signed by Paul LaRue in the presence of Cye Emory, as Plaintiff's Exhibit 2.

Q. Calling your attention to Plaintiff's Exhibit 1, which is an invoice allegedly signed by Paul LaRue, I will ask you if this invoice correctly protrays the value and the price set upon the aeroplan~~e~~ and its equipment?

A. Yes sir.

Q. - - - Which you bargained and sold to Paul LaRue?

A. That is correct.

Q. Will you state for the record, what the F.O.B. Factory price was?

A. The list price F.O.B. was \$18,800, plus the addition of root pump installation in lieu of simplex pump, plus the owner's kit.

Q. That was a total price of what?

A. That would have been a total price of \$19,140.00

Q. Did that price include an engine?

A. That is correct; that would have been a complete aeroplane and complete disbursing equipment.

Q. Was any discount given?

A. \$1,890.00, plus the allowance for engine of \$1250.00.

Q. We are interested in the F.O.B. Factory price to Mr. LaRue?

A. The F.O.B. Factor price to Mr. LaRue, after giving credits for discount \$17,890.00, less his discount of \$1890.00, which would leave a total of \$16,000.00.

Q. The price you agreed upon for this aeroplane as equipped as shown by the invoice was \$16,000.00?

A. Yes.

Q. Calling your attention further to Plaintiff's Exhibit 1, where was that invoice prepared?

A. This invoice was prepared by me and was presented to Paul LaRue in his office in Summerdale Alabama.

Q. On what day?

A. April 20th.

Q. of 1960?

A. Yes sir, 1960.

Q. Was this instrument signed by Paul LaRue in your presence in his office?

A. That is correct, and I made the notation on there calling his attention to it that he would be responsible for all taxes local and state and otherwise; this was FOB price less any taxes or delivery charges.

Q. Now I will ask you, Mr. Emory, if you were paid all or any portion of the \$16,000. price due you?

A. Yes - this aircraft was financed through through the First National Bank of Tuscaloosa, Alabama, and it was worked up - that is, all of the mechanics were worked up between Paul LaRue and Doc Carr, who is the Cessnor distributor in ~~Tuscaloosa~~ Tuscaloosa, and they paid me, after it all cleared - The First National Bank sent me a check which was deposited in our Bank on April 25, 1960, for \$15,000.00.

Q. Now I will ask you: Have you been paid any additional money other than the \$15,000.00 that you referred to from The First National Bank of Tuscaloosa?

A. Not for the Aircraft.

Q. I will ask you further if there is a balance due and owing to you?

A. ~~There is a balance due of \$1,000.00.~~

Q. Then to convince your testimony, your sales price was \$16,000.00 and you received \$15,000.00?

A. Yes sir.

Q. Have you made demand upon Paul LaRue for the \$1,000.00 balance?

A. Yes sir, I have asked him and we have written him; the letter was written with copy of invoice by our Accountant at that time, James Dabis, asking Paul, and telling him that we were holding a \$1,500.00 check that was given to us for a deposit on this aeroplane which he had asked us not to deposit until he advised us, because he didn't have the money at that time, and so this was supposed to have been sent to the Grumman Company for a deposit, so Paul asked me if I would make the deposit for him and that he would send me a check for the \$1,500.00 to hold until he got the money to make it good.

Q. Did he send you such a check?

A. He sent me the check which we have here; he sent that in the mail.

Q. You are still holding that check?

A. Yes sir.

Q. I show you check no. 2531, payable to the order of Magnolia Aviation Company, in the amount of \$1,500.00 signed by Paul

LaRue Flying Service, Inc. Does this represent the check, Mr. Emory, that was forwarded to you?

A. That represents the check we got in the mail.

Q. This check never/cleared the Bank?

A. That is right.

MR. CAFFEY: We introduce the check in evidence as Plaintiff's Exhibit 3.

Q. Now you state that you have made demand of Paul LaRue on numerous occasions for the balance due you?

A. That is correct.

Q. Has Paul LaRue denied owing you this money?

A. He didn't until just prior to coming to you with the case.

Q. Had he admitted owing you the money prior to that time?

A. He had admitted that.

Q. On how many occasions?

A. Oh, my best judgment, three different occasions.

Q. Was this ~~admission~~ admission that he owed you \$1,000. balance to your face or by telephone or by mail?

A. No, it was by direct contact of seeing him on other occasions.

Q. What would he tell you at that time concerning this account?

A. That he didn't have the money.

Q. He simply didn't have the money?

A. That is right.

Q. Did he express any dis-satisfaction with the aircraft?

A. In the beginning he did and the aircraft was taken back to the factory; the original aircraft any way, and sent back by his pilot and Grumman reimbursed him, so I am told, \$2,000.00 for what he estimated was his expenses and loss of use of the aircraft.

Q. No expression of dissatisfaction to you?

A. No.

Q. The price you quoted to Paul LaRue was dealer's price?

A. That is right and we set him up as a dealer.

ON CROSS EXAMINATION, WITNESS TESTIFIED:

Examination by Mr. Brice.

Q. Mr. Emory, did you at any time ever have any credit dealings prior to April, 1960, with Mr. LaRue?

A. I believe we did have, but it would have been in a very small way.

Q. Not in this way?

A. That is correct.

Q. Not as much as this?

A. That is correct; it would have been a very small amount, if any,

Q. Is this your standard form of invoice?

A. That is a standard form which we use, yes, in this particular



kind of transaction.

Q. You say the date on this invoice is the correct date that it was made up?

A. Yes, sir, correct date; it was made up and signed in Paul LaRue's office.

Q. You, of course, have examined your Exhibit 3, haven't you? - -  
The check- - -

A. Yes.

Q. Did you not testify that this represented some money that was to be deposited to the Grumman people?

A. No, I said this check here was the amount of money which was written on March 28th - you see - which I wrote a letter asking him - - the order had been recognized as an order with the Grumman people, but we wanted a deposit and to forward a deposit of \$1,500.00 to the Grumman people.

Q. How did you pick \$1,500.00 - - How did you arrive at that sum?

A. It was just customary that we get \$1,500.00 deposit.

Q. Regardless of the price?

A. Yes.

Q. If the aeroplane had sold for \$20,000 - -

A. Still \$1,500.

Q. If it had been sold for \$500.00 - - -

A. That is a little on the off-side - - -

Q. \$5,000 - -

A. I might clear that up, that there is no aircraft - - - Grumman does not make an aircraft for \$5,000.00.

Q. What is the cheapest made at that time?

A. The cheapest aeroplane we could have gotten was \$17,900.

Q. What if it had been \$25,000.00, would it still have been \$1,500.00 deposit?

A. If they had made one.

Q. That was the policy?

A. Grumman has a set policy.

Q. Do you have any evidence of that with you?

A. I don't have it with me ; the only evidence that they do have of a set policy that we we send a deposit with the order - this was in the beginning.

Q. Did you ever present this check for payment?

A. No, I would ask Paul about it and he would say, "Hold it a little longer".

Q. You never deposited it?

A. No, on the strength of him asking me to hold it.

Q. I will ask you if you recognize this instrument ?

A. That is correct.

Q. Is that a bill of sale?

A. That is a bill of sale.

Q. Did you sign that?

A. I did.

Q. What does it represent?

A. It represents the aircraft and financing - - That is a chattel mortgage on that aircraft to the First National Bank there.

Q. Did you deliver that to Mr. LaRue, or the First National Bank?

A. That went with - - - This is his copy; this was delivered to him but the original was delivered with the papers that went to the First National Bank; the owner always gets a copy of the bill of sale and registration certificate.

Q. Did you deliver it at the time you got the \$15,000.00 from the First National Bank?

A. No, this was delivered prior. They had to have their bill of sale in hand before they would honor the chattel mortgage on that.

Q. And does this bill of sale state that this note is subject to any mortgage or other encumbrance except the mortgage of the First National Bank of Tuscaloosa?

A. No, there is no second mortgage on it.

Q. So the aeroplane was delivered free and clear of other claims and liens?

A. Except for this check.

Q. It doesn't say that?

A. That is correct.

Q. Is it your custom to deliver a bill of sale before you are paid?

A. We have to in order to get the financing Company to pay us in every transaction.

Q. Was your arrangement with the First National Bank of Tuscaloosa that they were to pay you \$15,000.00, or for the plane in full?

A. \$15,000.00; that was the maximum.

Q. What was your arrangement with Mr. LaRue for the \$1,000.00?

A. He was going to pay that on the side on an open account.

Q. What was the reason for that?

A. Because he could not get the \$16,000.00 financed and paid.

Q. You delivered a good bill of sale to Mr. LaRue and to the Bank?

A. I did on honor and I have done it several times before.

Q. You have not done it with Mr. LaRue before?

A. No, but I have with other people.

Q. You say, sir, the <sup>1,500.00</sup>~~\$15,000.00~~ check did not represent a 10%

deposit?

A. No sir, there is no percentage worked on on Grumman aircraft.

Q. You say that you had discussed/with <sup>this</sup> Mr. LaRue other occasions about paying the \$1,000.00?

A. That is right.

Q. On any of those occasions, did you tell Mr. LaRue this was for expenses that you had incurred?

A. For expenses?

A. Yes, that you had incurred in and about the sale of the aircraft?

A. Well now I don't quite follow you there - - -

Q. - - - In claiming the \$1,000.00 did you tell Mr. LaRue that it was for expenses that you had been put to in and about the sale of this aircraft?

A. No - What I was claiming that he has here - I have that, which you have a copy - - We call this an invoice and we had gotten \$15,000.00 from the Bank and there was a balance of \$1,000. still due us from the transaction - - the difference between what the bank paid off and what he agreed to pay; Mr. LaRue has never paid anything in addition to that.

Q. How long was it after April 21, 1960, before you made a demand

on Mr. LaRue for the \$1,000.00?

A. I could not give you dates - - there were different times - - I would say it would have been the latter part of the year that we possibly made a demand and I would say the next year.

Q. So you waited six or seven months ?

A. Yes, because he said that he didn't have any money for the check; he had to wait until he got his work off that fall, and was going to get settled up.

Q. Were you sending him bills during that time?

A. I am sure he was invoiced; I have an accounting department that does that; I know of two different occasions that I know I personally routed the invoices to him.

Q. During 1960?

A. I would not say 1960; I would say '61.

Q. Mr. Emory, isn't it true that your conversation with Mr. LaRue at one point in this transaction was that when you received the \$15,000.00 from the Bank that you would destroy this check?

A. No sir, that never did take place, Mr. Brice - - No sir.

Q. Do you feel that you are entitled to the entire amount?

A. No sir, only to \$1,000.00 .

Q. Can you explain to the Court and us the discrepancy between

the amount you claim and this check?

A. If you will go back to this check, this check was given as a deposit - prior to receiving anything - - prior to the financing - - if you will note this date of March 30th, and the date of the invoice, which, of course, is at a later date, but if you will note this check was given in lieu to this letter of March 28th. that we have here asking that he send this check direct to the Grumman factor for a deposit on this particular aeroplane; that we would - they would not release the aeroplane or start changing the engine until they got a deposit and when I wrote Paul this letter he called me and said: "I don't have \$1500." and he said: "How about you sending them the deposit and I'll send you my check and you hold it" - - This was in the transaction - didn't lead to that, but down to that, and I said: "All right, send me the check and I will send the deposit," which I did.

Q. You sent \$1,500.00?

A. No, I sent \$1,000.00.

Q. What about this?

A. The \$1,500. would be credited to the aeroplane; I sent \$1,000. deposit.

- Q. Suppose Mr. LaRue's check had been sent, would the Bank have owed you \$14,500.00?
- A. That is correct .
- Q. Why didn't you send \$1,500?
- A. Because I could get by with \$1,000.00.
- Q. You say they always require \$1,500.00?
- A. No, I said a stipulated policy of a deposit, so what I got by with was by asking them how much deposit would I have to put up, and I sent the \$1,000.00.
- Q. So LaRue didn't have to send \$1,500.00?
- A. The \$1500.00 was a deposit on the aeroplane.
- Q. To you or Grumman?
- A. To Grumman - - The letter says - - it says a deposit for \$1,500.00 he said he would also deliver without charges, leaving about April 15th, weather permitting. The aeroplane was delivered to him without charge.
- Q. Did you tell Mr. LaRue that he would have to make a \$1,500.00 deposit to Grumman?
- A. Yes.
- Q. So then you got in touch with Grumman and said Let's make it \$1,000, is that right?



A. Yes, because I had to pay it.

Q. You mean a purchaser makes one deposit in a larger amount?

A. This was in the beginning; I am a distributor.

Q. So, as a distributor, you can make a lesser deposit?

A. Yes, that is true, but this - - but in the end the price of the aeroplane would have been the same; I would have gotten \$14,500.00 from the financing, because at that time it really wasn't known who was going to finance this thing; this financing was arranged for by Paul and Doctor Carr after the owner of the aeroplane.

Q. When you sent this balance due up to The First National Bank in Tuscaloosa, how much did you tell them you were looking for ?

A. I didn't tell them any amount; they figured that out themselves.

Q. How much did they tell you they were going to pay?

A. All of these papers were drawn up before I knew anything about it, between Paul LaRue and Carr.

Q. They told you something?

A. That I would get \$15,000.00.

Q. Why didn't you send this check back and ask Mr. LaRue for a check for the difference?

A. I believe he was asked that by mail at one time by my accounting department and he said he didn't have it, to hold this check; he gave me three different times to hold this check to - he asked me to hold it.

THE COMPLAINANT REST

PAUL LARUE, THE DEFENDANT, BEING FIRST DULY SWORN, TESTIFIED AS  
FOLLOWS:

Examination by Mr. Brice.

Q. Are you Mr. Paul LaRue?

A. Yes sir.

Q. Are you President of the LaRue Flying Service?

A. Yes sir.

Q. Were you holding that office in the first half of 1960?

A. Yes sir.

Q. Do you recall this transaction for the purchase of a Grumman Aircraft from the Plaintiff in this case?

A. Yes sir.

Q. Tell the Court your recollection as to the sale price and method of payment?

A. To the best of my recollection, when I first contacted Mr. Emory about buying this aeroplane he asked me to mail him a check for

\$1,500.00, and he said: "I will take that check and hold it".

I said: "I don't have that much money right now" and he said - - or it was my understanding that he could get money through his bank some how - - I didn't understand that and that is what I did; it was my understanding - the aeroplane, me furnishing the engine, would be \$15,000.00, and then after Mr. Emory had received his money from the Bank in Tuscaloosa, then he told me that that was miscellaneous expenses that I owed him another \$1,000.

Q. Did he explain the miscellaneous expenses?

A. No sir - - - 'phone calls, running around and getting it financed; that's the way he expressed it, and that was my understanding.

Q. Have you agreed to pay him for any such expenses?

A. No sir.

Q. Was \$15,000.00 the price that you agreed with Mr. Emory on?

A. That is what I understood - - \$15,000.00 and I would furnish the engine.

Q. Mr. LaRue, have you seen this bill of sale before?

A. Yes sir.

Q. What does that represent?

A. That represents title to the aircraft that I purchased, with The First National Bank of Tuscaloosa holding the mortgage on it.

MR. BRICE: We would like to offer this in evidence as Defendant's Exhibit 1.

Q. Mr. LaRue, I show you Plaintiff's Exhibit 1, which is an invoice purportedly signed by you, and I will ask you to examine the signature on that. Is that your signature?

A. I don't believe it is.

Q. Have you seen that invoice before today?

A. Not to my recollection. - - - It has been so long ago - - No.

Q. Let me ask you this: You see the date on that invoice? - - April 20, 1960?

A. Yes sir.

Q. What is the date on the bill of sale which is Defendant's Exhibit 1?

A. April 21, 1960.

Q. So - - Do you recall the date? - - Did you go to Tuscaloosa to finance this aeroplane?

A. Yes sir.

Q. Do you recall that date?

A. I certainly do not.

Q. Would you say that it was on or about April 21, 1960?

A. Well, I am sure it was some where around that date - - - I could

not say when.

Q. On the date prior to April 21, 1960, were you and Mr. Emory in your office in Summerdale?

A. I would not say we were not; I don't remember. He has been in my place from time to time.

Q. You just don't remember?

A. I don't remember.

Q. Did Mr. Emory explain to you the reason for requesting a \$1,500.00 deposit check?

A. As I said a minute ago, he told me that he could get money from his Bank on this check; that is what he told me on the 'phone. As I said, I didn't understand it at the time, but he told me to mail the check and it was my understanding when he received his money from the Bank that he would destroy the check.

Q. Was it for a 10% deposit?

A. He didn't say.

Q. He just said he had to have \$1,500.00?

A. Yes sir.

Q. Do you recall how long it was after the transaction was closed in April of 1960, before you again heard from Mr. Emory?

A. I am not sure - - it was several months.

Q. Had you ever done any credit business with Mr. Emory before this?

A. Not to my knowledge.

Q. Was it your understanding when the \$15,000.00 was paid to Magnolia Aviation Company that that completed the transaction?

A. Yes sir.

Q. Was that the basis upon which you accepted the bill of sale?

A. Yes.

ON CROSS EXAMINATION OF THIS WITNESS, HE TESTIFIED:

Examination by Mr. Caffey.

Q. Now, Mr. LaRue, <sup>you</sup>/state to the Court that Mr. Emory told you that he could take your check, which you had told him was no good - - -

A. Yes sir

Q. And that he could get money from his Bank on that check?

A. Yes sir, and I couldn't understand that.

Q. You would like for him to do all of your banking business if he could arrange that?

A. Yes sir.

Q. You do admit signing that check do you not?

A. That is right.

Q. You do admit signing Plaintiff's Exhibit 2, do you not?

A. Yes, that is my signature.

Q. I show you aircraft chattel mortgage to Magnolia Aviation Company, dated April 21, 1960, purportedly signed by you. I will ask you if you signed that?

A. That looks like my signature.

MR. CAFFEY: We introduce aircraft chattel mortgage in evidence as Plaintiff's Exhibit 4 for signature comparison only.

Q. I will ask you to examine Plaintiff's Exhibit 1, specifically the signature thereto, and Plaintiff's Exhibit 2, specifically the signature thereon, Plaintiff's Exhibit 3, specifically the signature thereon, and Plaintiff's Exhibit 4, specifically the signature thereon, and ask you, if, after examining the signatures if you are not convinced that the signature on Plaintiff's Exhibit 1, which is the invoice, is not the same signature as on the other exhibits?

A. Well, just looking at them, no.

Q. They don't look alike?

A. No, not to me; that doesn't look like my signature.

Q. Would you state under oath that this is not your signature?

A. I don't know - - - It doesn't look like my signature.

Q. Mr. LaRue, I will ask you again: Would you state under oath

that this is not your signature? - - -

Would you state under oath that you did not sign this instrument?

A. - - - To the best of my memory, no.

Q. I will ask you again, Mr. Witness, if you can give me a yes or no answer? - - - Keeping in mind that you are under oath here. Will you give me a yes or no answer as to whether or not this is your signature on Plaintiff's Exhibit 1, which is the invoice?

A. When a man doesn't remember what is he supposed to say - - -

MR. BRICE: Say yes or no.

A. When I look at it, that doesn't look like my signature; these here, yes, they are my signature.

Q. I will ask you, Mr. Witness, if you recall specifically the occasions when Mr. Cye Emory has been to your office and asked you for the \$1,000.00 balance that you owed him?

A. One occasion.

Q. One occasion?

A. That's right.

Q. Who was present?

A. Just the two of us.

Q. Do you recall the occasion where you stated that you knew you owed him this money, but you were going to have to clear it with



your wife; that you didn't have the money in the bank?

A. - - -

Q. - - Did you make such a statement to him on January 25, 1962?

A. Not that I remember.

Q. Do you recall Mr. Emory having been in your office in Summerdale on or about January 25, 1962?

A. Yes, he was in my office.

Q. You received a letter from me a few days after that, did you not?

A. Yes sir.

Q. Was the gist of your conversation there that day that you recognized that you owed him this money?

A. No; I believe I told him that I didn't owe him a dime.

Q. You didn't owe him a dime?

A. No.

Q. Had you ever admitted to him on previous occasions that you did owe him?

A. No.

Q. You stated a moment ago that Mr. Emory told you that he had miscellaneous expenses - 'phone calls and such as running around and getting it financed?

A. Yes sir.

Q. ~~You knew that he didn't have anything to do with getting the~~

financing, because you handled the financing yourself, didn't you?

A. That is right.

Q. If your signature is affixed to this invoice as Mr. Emory states that it is, then it would indicate that you recognized that you owed \$16,000.00, is that not correct?

A. - - - - Let me take a look at the invoice again - - -

Q. If this is your signature on Plaintiff's Exhibit 1, and you don't admit it, or deny it, it would indicate that you were aware of the fact that there was a balance of \$16,000.00 balance due and owing at the time of this invoice, would it not?

A. I suppose it would.

Q. So - - Do you know how much money was paid by The First National Bank of Tuscaloosa?

A. Yes.

Q. How much was paid?

A. \$15,000.00.

Q. If that was the total amount paid, and if this invoice had been signed by you, what balance would be due and owing?

A. - - - Well, naturally it would show \$1,000.00.

ON RE-DIRECT EXAMINATION OF THIS WITNESS, HE TESTIFIED:

Examination by Mr. Brice.

Q. Mr. LaRue, at any time was the agreed purchase price for this

aeroplane \$16,000.00?

A. No sir. It was my understanding that it would be \$15,000.00.

Q. Showing you Plaintiff's Exhibit 1, the invoice of Magnolia Aviation Company, if you had to admit or deny that as your signature, would you admit or deny it?

A. - - - How is that now?

Q. If you must admit or deny that that is your signature on Plaintiff's Exhibit 1, would you admit or deny that it is?

A. I don't understand what you mean.

Q. If you must either admit or deny this is your signature, would you admit that it is your signature, or would you deny that it is your signature?

A. Well, I deny it - - - - It don't look like my signature - - -  
not

Q. You say it is /your signature?

A. To the best of my memory, I don't remember signing it.

Q. You don't remember signing that invoice?

A. No.

Q. So you deny the signature?

A. It don't look like my signature - - - - It certainly doesn't, and I don't remember signing that thing.

ON RE-DIRECT EXAMINATION OF THIS WITNESS, HE TESTIFIED:

Examination by Mr Caffey.

Q. I will show you this instrument, known as Resolution of Corporate Board, which purports to have your signature affixed in two separate places and your wife, Dorothy LaRue's signature as Secretary?

A. Yes sir.

Q. I will ask you if those signatures are genuine?

A. Yes sir.

MR. CAFFEY: We introduce this as Plaintiff's Exhibit 5 for comparison of signature only.

Q. I will ask you to compare the signature on Plaintiff's Exhibit 1 with the signature on Plaintiff's Exhibit 5, and state to the Court, and for the record, whether or not those signatures are the same, or appear to you to be the same?

A. No, they don't appear to me to be the same. - - - - Now, I don't know where you got all of this stuff from, because I told you that was my understanding that was to be the price of the aeroplane.

The defendant rest.

MR. CYE EMORY, BEING RECALLED BY PLAINTIFF, TESTIFIED:

Examination by Mr. Caffey.

Q. Mr. Emory, calling your attention to Plaintiff's Exhibits 1, 2, 4 and 5, and directing your attention to the signature of Paul LaRue, which appears thereon, is your testimony that each of these instruments were signed in your presence?

A. That is right.

Q. Calling your attention to Plaintiff's Exhibit 4, it bears the acknowledgment of one Arthur A. Holk, who appears to be a Notary Public in and for Baldwin County, Alabama. Was this instrument signed by Paul LaRue in his presence?

A. These instruments were signed in Foley, Alabama, and we went to Paul's house and processed the instruments and then he and I went to Holk's office in Foley and he notarized them.

Q. Did he, Paul LaRue, acknowledge in the presence of Arthur Holk a Notary Public in Foley, Alabama, that that was his signature on Plaintiff's Exhibit 4?

A. Yes sir.

Q. He acknowledged that that was his genuine signature?

A. That is correct; Mr. Holk knows Paul's signature; he has had other papers processed there.

ON RE-CROSS EXAMINATION OF THIS WITNESS, HE TESTIFIED:

Examination by Mr. Brice.

Q. Mr. Emory, examine, please, Plaintiff's Exhibit 4. Is that an aircraft chattel mortgage?

A. Yes.

Q. Is that made to your Company?

A. That is correct.

Q. And then it was assigned to the First National Bank of Tuscaloosa, is that correct?

A. That is correct, with recourse.

Q. Then you participated in the financing of the sale of this aeroplane?

A. I participated legally.

Q. You took the mortgage?

A. I took the mortgage, but with this prior understanding and arrangement - - -

Q. You were in there with the deal - - When the deal was being made?

A. I was in the deal in the final stages, when this was signed - I was in the deal then.

Q. You took the chattel mortgage and assigned it to the Bank and got

your \$15,000.00, is that correct?

A. You might say that is the brief mechanics; it went through Dixie Airservices, with Doctor Carr participating and also endorsing the note; it was a joint endeavor.

Q. You delivered the bill of sale and participated in financing and when the mortgage was assigned to The First National Bank you got your \$15,000.00?

A. Yes.

Q. You had delivered a bill of sale, free and clear of other encumbrances?

A. I did.

ON RE-DIRECT EXAMINATION, WITNESS TESTIFIED:

Examination by Mr. Caffey.

Q. Your delivery of the bill of sale was with the outside agreement?

A. Yes, with an agreement that I would get the extra \$1,000.00 when he got it and I would hold the check until it was paid.

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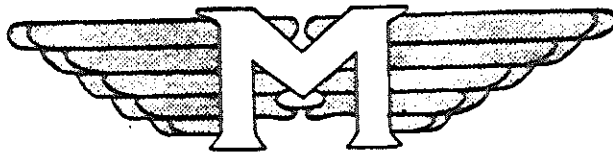
C E R T I F I C A T E:

I hereby certify that the foregoing is a true and correct transcript of the testimony as taken by me, on the 18th day of July, 1963, in the captioned case.

This the 29th day of July, 1963.

Louise Dussanburg  
Court Reporter





# MAGNOLIA AVIATION COMPANY

LAUREL AIRPORT

BOX 683

PHONE 4592

LAUREL, MISSISSIPPI

April 20, 1960

*Plt's Exp 1*

Paul LaRue d/b/a LaRue Flying Service  
Foley, Ala.

1 Grumman Ag-Cat, Reg. # H10210 less engine and prop	\$14,900.00 ✓
Combination duat and Hi-Vol spray system	\$ 2,665.00 ✓
Root pump installation in lieu of std. Simplex	\$ 25.00 ✓
McCauley prop installed	\$ 250.00 ✓
Owners kit	\$ 50.00 ✓
	\$17,890.00
Less discount allowed	\$ 1,890.00
FOB Factory Price Total due	\$16,000.00

All direct taxes, including useage tax that is to be paid on this unit in this transaction is to be paid by the purchaser, Paul LaRue, in addition to the discounted delivery price FOB Factory, Elmira, N. Y. and is to be paid direct to the tax agency or agencies by the purchaser Paul LaRue, d/b/a Larue Flying Service.

LaRue Flying Service

By *Paul LaRue*

*M. L. L. L.*  
RESOLUTIONS OF CORPORATE BOARD  
Authority to Procure Loans  
(Certified Copy)

I HEREBY CERTIFY that I am the duly elected and qualified secretary of Larue Flying Service, Inc. and the keeper of the records and corporate seal of said corporation; that the following is a true and correct copy of resolutions duly adopted at a meeting of the Board of Directors thereof held in accordance with its by-laws at its offices at Sumnerdale, Alabama on the 9th day of March 19 60, and that the same are now in full force.

COPY OF RESOLUTIONS

"BE IT RESOLVED, That the (insert titles only) President-Vice President--or--Secretary---Treasurer of this corporation, or their-his successors in office, or any (insert number required to sign) one of them be and they-he hereby are-is authorized for, on behalf of, and in the name of this corporation to:

(a) Negotiate and procure loans from

THE FIRST NATIONAL BANK OF TUSCALOOSA, ALABAMA

(Name of Bank)

(Address)

up to an amount not exceeding (if there is no limit, so indicate) No limit

\$ \_\_\_\_\_ in the aggregate at any one time outstanding;

(b) Discount with said Bank, commercial or other business paper belonging to this corporation, made or drawn by or upon third parties, without limit as to amount;

(c) Give security for any liabilities of this corporation to said Bank by pledge or assignment or a lien upon any personal property, tangible or intangible, of this corporation, and

(d) Execute in such form as may be required by the bank all notes and other evidences of such loans, all instruments of pledge, assignment or lien, and that none of the same shall be valid unless so signed or endorsed, provided, however, that the endorsement of promissory notes discounted may be effected by any one of them.

"RESOLVED FURTHER, That said bank be and it is hereby authorized and directed to pay the proceeds of any such loans or discounts as directed by the persons so authorized to sign, whether so payable to the order of any of said persons in their individual capacities or not, and whether such proceeds are deposited to the individual credit of any said persons or not;

"RESOLVED FURTHER, That this resolution shall continue in force, and said Bank may consider the holders of said offices and their signatures, respectively, to be and continue as set forth in the certificate of the secretary of this corporation accompanying a copy of this resolution when delivered to said Bank or in any similar subsequent certificate, until notice to the contrary in writing is duly served on said Bank."

I HEREBY FURTHER CERTIFY that the following named persons have been duly elected to the offices set opposite respective names, that they continue to hold these offices at the present time, and that the signatures appearing hereon are the genuine, original signatures of each respectively:

(PLEASE SUPPLY GENUINE SIGNATURES HEREUNDER)

<u>✓ Paul Larue</u>	President	_____	Vice-President
_____	Treasurer	_____	Asst. Treasurer
_____	Secretary	_____	Asst. Secretary
_____		_____	

IN WITNESS WHEREOF, I have hereunto affixed my name as secretary and have caused the corporate seal of said corporation to be hereto affixed this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

✓ Dorothy Larue  
Secretary

IMPRINT  
SEAL HERE

I hereby certify that I am a director of said corporation and that the foregoing is a correct copy of resolutions passed as therein set forth, and that the same are now in full force.

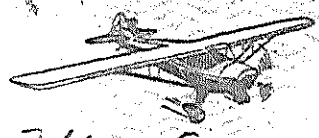
✓ Paul Larue  
(To be signed by a director  
other than the Secretary)

DEPOSIT SLIP

DATE *3-30-60*

AMOUNT *Ag. Cat*

IF INCORRECT PLEASE RETURN, NO RECEIPT NECESSARY



LARUE FLYING SERVICE, INC.

2531

61-292

*Wets End 3*

SUMMERDALE, ALA. *3-30* 19*60*

PAY TO THE ORDER OF

*Magnolia Aviation Co \$1,500.00*

*One thousand five hundred + 00/100* DOLLARS

LARUE FLYING SERVICE, INC.

FARMERS & MERCHANTS BANK  
FOLEY, ALABAMA

*Paul Larue*

# AIR CRAFT CHATTEL MORTGAGE

STATE OF ALABAMA  
BALDWIN

COUNTY

In order to secure the prompt payment of the indebtedness of the undersigned hereinafter sometimes referred to as the Mortgagor and/or Mortgagor-Purchaser, whether one or more, in the sum of

Twenty Five Thousand Seven Hundred Fifty Six & 29/100----- Dollars

(\$ 25,756.29 ), with interest thereon from Maturity at the rate of 6 per cent, to MAGNOLIA AVIATION, CO., INC.

hereinafter sometimes referred to as the Mortgagee and/or Mortgagee-Seller for that amount of money this day lent to the Mortgagor by the Mortgagee on delivery of this instrument, receipt of which sum is hereby acknowledged and which is evidenced by the Mortgagor's waive promissory note of even date herewith, payable and negotiable at The First National Bank of Tuscaloosa, at Tuscaloosa, Alabama, to the order of said Mortgagee in said sum on the dates, in the manner and in the amounts as follows, to-wit:

One note for \$25,756.29 dated April 21, 1960, payable in 36 monthly installments as follows: One installment, the first, of \$715.54 and 35 monthly installments of \$715.45 each, beginning on May 22, 1960 and continuing on the 22nd day of each successive month thereafter until paid in full.

(Said note evidencing and representing the balance of time-credit selling price of the hereinafter described Air Craft, the total time-credit selling price being (\$ 29,556.29 ): said Mortgagor hereby grant<sup>s</sup>, bargain<sup>s</sup>, sell<sup>s</sup>, convey<sup>s</sup>, deliver<sup>s</sup> and mortgage<sup>s</sup> to Mortgagee, its successors and assigns, the civil Air Craft of the United States and other personal property now located at SUMMERDALE, ALABAMA and described as follows, to-wit:

New or Used	Mfg's Name and Trade Name	Year Manufactured	Model	Mfg's Serial No.	Reg. Certificate No.	Engine Name and Type	Engine No.
NEW	GRUMMAN	1960	AG-CAT C-164	10	N 10210	CONTINENTAL	

Together with all equipment and accessories now attached thereto or used in connection therewith and all future additions or replacements made to or upon said Air Craft.

Mortgagor represents unto and covenants with Mortgagee that Mortgagor is the absolute owner of the above described Air Craft and all equipment and accessories attached thereto or used in connection therewith, that it is in possession of Mortgagor, that there is no lien of any kind against the same, and Mortgagor hereby warrants title thereto.

This instrument is a mortgage to secure the payment of the above described indebtedness and all other sums and obligations due by Mortgagor hereunder. As long as this mortgage is in effect, Mortgagor agrees that he will not dispose of said mortgaged property or any part thereof, or interest therein, without the written consent of Mortgagee; will not encumber or permit said mortgaged property to be encumbered with any other lien; will comply with all laws and regulations of the Civil Aeronautics Administration and/or its successor Federal Aviation Agency applicable to said property; will at all times keep Mortgagee informed of the whereabouts of the said property, and will keep said property insured against fire, theft, partial or total destruction, with an insurance carrier approved by Mortgagee and with loss clause payable in favor of Mortgagee in the sum of not less than the current amount of the indebtedness hereby secured. If Mortgagor should fail to keep said property so insured, Mortgagee may, at its option and at the cost and expense of Mortgagor, but without duty or obligation so to do, obtain such insurance and any and all premiums paid therefor, together with the interest thereon, at the highest contract rate allowed by law, shall be paid by Mortgagor to Mortgagee, on demand, at Tuscaloosa, Alabama, and the payment of all such sums are hereby secured by this mortgage.

If and when the provisions of this mortgage shall have been fully complied with and all of the above described indebtedness, with interest thereon as aforesaid, has been paid according to the terms and conditions thereof, then this mortgage shall be null and void, but not otherwise. If Mortgagor shall fail to pay said indebtedness at the time and in the manner required or should fail to comply with any of the other provisions of this mortgage, then Mortgagee may at its option mature all of the unpaid principal of said indebtedness and accrued interest thereon and foreclose this mortgage in any manner provided by law, or Mortgagee may, with or without the consent of the Mortgagor, enter upon the premises wherever said mortgaged property may be located and take possession thereof and remove and thereafter sell the same, for cash, at public or private sale, with or without notice, but if Mortgagee elects to give notice, then ten days' notice thereof given by publication one time in some newspaper published in Tuscaloosa County, Alabama, of the time and place of such sale, with a description of the property to be sold shall be sufficient notice. Mortgagee is hereby expressly given the right at its option to remove such property to Tuscaloosa, Alabama, for such sale, but it shall not under any circumstances be necessary to produce or have such property at any such sale. Mortgagee shall have the right to purchase said property at any public sale thereof the same as a stranger to this instrument and Mortgagee is expressly given the right to execute and deliver to the purchaser at any such sale, public or private, such instruments as may be required by law to transfer title thereto to purchaser. The proceeds of any such sale and/or foreclosure shall be applied: First to the payment of all expenses incurred by Mortgagee in taking possession of said property and removing and selling the same, and all necessary expenses made for repairs in order that said Air Craft may be sold to the best advantage, and all Attorneys' fees incurred in foreclosing this instrument and in and about any such sale and/or in protecting its liens or other rights hereunder; Next to the payment of all of the indebtedness owed by Mortgagor to Mortgagee, and the balance, if any, paid to Mortgagor. All rights and privileges herein given Mortgagee shall pass to any subsequent holder, or holders, of said indebtedness and the lien securing the payment thereof; and all the promises and obligations hereunder shall be binding upon Mortgagor, his heirs and assigns, and all benefits hereunder shall inure to Mortgagee, his heirs and assigns.

When used in this instrument the singular number includes the plural and the masculine gender includes the feminine and/or neuter gender.

This mortgage is given on civil Air Craft of the United States registered with Federal Aviation Agency, which may from time to time be removed from place to place in the United States and used in interstate and/or foreign commerce. It is therefore agreed that the laws of the State of Alabama with respect to chattel mortgages and with respect to the rights of both Mortgagor and Mortgagee hereunder, including the right of Mortgagee to foreclose this mortgage in the Courts of Alabama and/or take possession of the mortgaged property and sell the same as above provided, shall govern and control, except as insofar as they may be contrary to or superseded by Federal Statutes or regulations issued thereunder; and in the event Mortgagee becomes entitled to possession of mortgaged property as provided herein, Mortgagor obligates himself upon demand to deliver possession of same to Mortgagee at Tuscaloosa, Alabama.

This instrument is executed in three counterparts, each of which has the force and effect of an original, and the three, together are considered as one instrument.

In Witness Whereof, the Mortgagor hereunto set S HIS hand and seal on this the 21st

day of April, 19 60

Name of Mortgagor LARUE FLYING SERVICE, INC.

By PAUL LARUE as its President  
(If executed by a Corporation)

STATE OF ALABAMA  
Baldwin

ACKNOWLEDGEMENT

COUNTY

I, \_\_\_\_\_ a Notary Public in and for said County in said State,  
hereby certify that \_\_\_\_\_ whose name \_\_\_\_\_ signed to the  
the foregoing instrument and who \_\_\_\_\_ known to me, acknowledged before me on this day that, being informed of the contents  
of the instrument, \_\_\_\_\_ executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

Notary Public in and for said County and State

CORPORATE ACKNOWLEDGEMENT

STATE OF ALABAMA

Baldwin

COUNTY

I, Arthur C. Falk, a Notary Public in and for said County in said State,  
hereby certify that PAUL LARUE whose name as  
PRESIDENT of the LARUE FLYING SERVICE, INC. corporation,  
is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the  
contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said  
corporation.

Given under my hand this the 21st day of April, 1960

Notary Public in and for said County and State

ASSIGNMENT

For value received the undersigned does hereby grant, bargain, sell, convey, assign and transfer to \_\_\_\_\_

THE FIRST NATIONAL BANK OF TUSCALOOSA-----TUSCALOOSA, ALABAMA

with full recourse and warranty, the within chattel mortgage and the property covered thereby and also the note mentioned within,  
together with the indebtedness thereby evidenced and secured, and authorizes said assignee and transferee to collect and discharge  
the same. The undersigned warrants that the Mortgagor has legal title to the property described in the mortgage, that description of  
said property is correct, and that there is no further lien, mortgage or other encumbrance existing against said property, and that the  
indebtedness secured by this mortgage represents the balance of the time-credit purchased price of the property described therein.

Date April 21, 1960 Magnolia Flying Service, Inc.

By Cyrus W. Emery As its President

ACKNOWLEDGEMENT

STATE OF Alabama

COUNTY

I, Arthur C. Falk a Notary Public in and for said County in said State,  
hereby certify that Cyrus W. Emery whose name is signed to the  
the foregoing transfer and assignment and who is known to me, acknowledged before me on this day that, being informed of the contents  
of the instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 21st day of April, 1960

Notary Public in and for said County and State

CORPORATE ACKNOWLEDGEMENT

STATE OF Mississippi Alabama

COUNTY

I, Arthur C. Falk a Notary Public in and for said County in said State,  
hereby certify that Cyrus W. Emery whose name as  
President of the Magnolia Aviation Co. Corporation,  
is signed to the foregoing transfer and assignment, and who is known to me, acknowledged before me on this day that, being informed  
of the contents of the transfer and assignment, Cyrus W. Emery as such officer and with full  
authority executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 21st day of April, 1960

Notary Public in and for said County and State

ASSIGNMENT

For value received the undersigned does hereby grant, bargain, sell, convey, assign and transfer to \_\_\_\_\_

with full recourse and warranty, the within chattel mortgage and the property covered thereby and also the note mentioned within,  
together with the indebtedness thereby evidenced and secured, and authorizes said assignee and transferee to collect and discharge  
the same. The undersigned warrants that the Mortgagor has legal title to the property described in the mortgage, that description of  
said property is correct, and that there is no further lien, mortgage or other encumbrance existing against said property, and that  
the indebtedness secured by this mortgage represents the balance of the time-credit purchase price of the property described therein.

Date \_\_\_\_\_

By \_\_\_\_\_ As its

CORPORATE ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_

COUNTY

I, \_\_\_\_\_ a Notary Public in and for said County in said State,  
hereby certify that \_\_\_\_\_ whose name as  
\_\_\_\_\_ of the \_\_\_\_\_ Corporation,  
is signed to the foregoing transfer and assignment, and who is known to me, acknowledged before me on this day that, being informed  
of the contents of the transfer and assignment, \_\_\_\_\_ as such officer and with full authority executed the same  
voluntarily for and as the act of said corporation.

Given under my hand this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

Notary Public in and for said County and State.



# AIR CRAFT CHATTEL MORTGAGE

STATE OF ALABAMA

BALDWIN

COUNTY

In order to secure the prompt payment of the indebtedness of the undersigned hereinafter sometimes referred to as the Mortgagor and/or Mortgagor-Purchaser, whether one or more, in the sum of

Twenty Five Thousand Seven Hundred Fifty Six & 29/100 Dollars

(\$ 25,756.29), with interest thereon from Maturity at the rate of

6 per cent, to MAGNOLIA AVIATION, CO., INC.

hereinafter sometimes referred to as the Mortgagee and/or Mortgagee-Seller for that amount of money this day lent to the Mortgagor by the Mortgagee on delivery of this instrument, receipt of which sum is hereby acknowledged and which is evidenced by the Mortgagor's waive promissory note of even date herewith, payable and negotiable at The First National Bank of Tuscaloosa, at Tuscaloosa, Alabama, to the order of said Mortgagee in said sum on the dates, in the manner and in the amounts as follows, to-wit:

One note for \$25,756.29 dated April 21, 1960, payable in 36 monthly installments as follows: One installment, the first, of \$715.54 and 35 monthly installments of \$715.45 each, beginning on May 22, 1960 and continuing on the 22nd day of each successive month thereafter until paid in full.

(Said note evidencing and representing the balance of time-credit selling price of the hereinafter described Air Craft, the total time-credit selling price being (\$ 29,556.29): said Mortgagor hereby grant<sup>s</sup>, bargain<sup>s</sup>, sell<sup>s</sup>, convey<sup>s</sup>, deliver<sup>s</sup> and mortgage<sup>s</sup> to Mortgagee, its successors and assigns, the civil Air Craft of the United States and other personal property now located at SUMMERDALE, ALABAMA and described as follows, to-wit:

New or Used	Mfg's Name and Trade Name	Year Manufactured	Model	Mfg's Serial No.	Reg. Certificate No.	Engine Name and Type	Engine No.
NEW	GRUMMAN	1960	AG-CAT C-16b	10	N 10210	CONTINENTAL	

Together with all equipment and accessories now attached thereto or used in connection therewith and all future additions or replacements made to or upon said Air Craft.

Mortgagor represents unto and covenants with Mortgagee that Mortgagor is the absolute owner of the above described Air Craft and all equipment and accessories attached thereto or used in connection therewith, that it is in possession of Mortgagor, that there is no lien of any kind against the same, and Mortgagor hereby warrants title thereto.

This instrument is a mortgage to secure the payment of the above described indebtedness and all other sums and obligations due by Mortgagor hereunder. As long as this mortgage is in effect, Mortgagor agrees that he will not dispose of said mortgaged property or any part thereof, or interest therein, without the written consent of Mortgagee; will not encumber or permit said mortgaged property to be encumbered with any other lien; will comply with all laws and regulations of the Civil Aeronautics Administration and/or its successor Federal Aviation Agency applicable to said property; will at all times keep Mortgagee informed of the whereabouts of the said property, and will keep said property insured against fire, theft, partial or total destruction, with an insurance carrier approved by Mortgagee and with loss clause payable in favor of Mortgagee in the sum of not less than the current amount of the indebtedness hereby secured. If Mortgagor should fail to keep said property so insured, Mortgagee may, at its option and at the cost and expense of Mortgagor, but without duty or obligation so to do, obtain such insurance and any and all premiums paid therefor, together with the interest thereon, at the highest contract rate allowed by law, shall be paid by Mortgagor to Mortgagee, on demand, at Tuscaloosa, Alabama, and the payment of all such sums are hereby secured by this mortgage.

If and when the provisions of this mortgage shall have been fully complied with and all of the above described indebtedness, with interest thereon as aforesaid, has been paid according to the terms and conditions thereof, then this mortgage shall be null and void, but not otherwise. If Mortgagor shall fail to pay said indebtedness at the time and in the manner required or should fail to comply with any of the other provisions of this mortgage, then Mortgagee may at its option mature all of the unpaid principal of said indebtedness and accrued interest thereon and foreclose this mortgage in any manner provided by law, or Mortgagee may, with or without the consent of the Mortgagor, enter upon the premises wherever said mortgaged property may be located and take possession thereof and remove and thereafter sell the same, for cash, at public or private sale, with or without notice, but if Mortgagee elects to give notice, then ten days' notice thereof given by publication one time in some newspaper published in Tuscaloosa County, Alabama, of the time and place of such sale, with a description of the property to be sold shall be sufficient notice. Mortgagee is hereby expressly given the right at its option to remove such property to Tuscaloosa, Alabama, for such sale, but it shall not under any circumstances be necessary to produce or have such property at any such sale. Mortgagee shall have the right to purchase said property at any public sale thereof the same as a stranger to this instrument and Mortgagee is expressly given the right to execute and deliver to the purchaser at any such sale, public or private, such instruments as may be required by law to transfer title thereto to purchaser. The proceeds of any such sale and/or foreclosure shall be applied: First to the payment of all expenses incurred by Mortgagee in taking possession of said property and removing and selling the same, and all necessary expenses made for repairs in order that said Air Craft may be sold to the best advantage, and all Attorneys' fees incurred in foreclosing this instrument and in and about any such sale and/or in protecting its liens or other rights hereunder; Next to the payment of all of the indebtedness owed by Mortgagor to Mortgagee, and the balance, if any, paid to Mortgagor. All rights and privileges herein given Mortgagee shall pass to any subsequent holder, or holders, of said indebtedness and the lien securing the payment thereof; and all the promises and obligations hereunder shall be binding upon Mortgagor, his heirs and assigns, and all benefits hereunder shall inure to Mortgagee, his heirs and assigns.

When used in this instrument the singular number includes the plural and the masculine gender includes the feminine and/or neuter gender.

This mortgage is given on civil Air Craft of the United States registered with Federal Aviation Agency, which may from time to time be removed from place to place in the United States and used in interstate and/or foreign commerce. It is therefore agreed that the laws of the State of Alabama with respect to chattel mortgages and with respect to the rights of both Mortgagor and Mortgagee hereunder, including the right of Mortgagee to foreclose this mortgage in the Courts of Alabama and/or take possession of the mortgaged property and sell the same as above provided, shall govern and control, except as insofar as they may be contrary to or superseded by Federal Statutes or regulations issued thereunder; and in the event Mortgagee becomes entitled to possession of mortgaged property as provided herein, Mortgagor obligates himself upon demand to deliver possession of same to Mortgagee at Tuscaloosa, Alabama.

This instrument is executed in three counterparts, each of which has the force and effect of an original, and the three, together are considered as one instrument.

In Witness Whereof, the Mortgagor hereunto set HIS hand and seal on this the 21st

day of April, 19 60

Name of Mortgagor LARUE FLYING SERVICE, INC.

By PAUL LARUE

as its President

(If executed by a Corporation)

RESOLUTIONS OF CORPORATE BOARD  
Authority to Procure Loans  
(Certified Copy)

PL 45  
Exhibit 5

I HEREBY CERTIFY that I am the duly elected and qualified secretary of Larue Flying Service, Inc. and the keeper of the records and corporate seal of said corporation; that the following is a true and correct copy of resolutions duly adopted at a meeting of the Board of Directors thereof held in accordance with its by-laws at its offices at Summerdale, Alabama on the 9th day of March 19 60, and that the same are now in full force.

COPY OF RESOLUTIONS

"BE IT RESOLVED, That the (insert titles only) President-Vice President--or--Secretary---Treasurer of this corporation, or their-his successors in office, or any (insert number required to sign) one of them be and they-he hereby are-is authorized for, on behalf of, and in the name of this corporation to:

(a) Negotiate and procure loans from

THE FIRST NATIONAL BANK OF TUSCALOOSA, ALABAMA

(Name of Bank)

(Address)

up to an amount not exceeding (if there is no limit, so indicate) No limit \$ \_\_\_\_\_ in the aggregate at any one time outstanding;

(b) Discount with said Bank, commercial or other business paper belonging to this corporation, made or drawn by or upon third parties, without limit as to amount;

(c) Give security for any liabilities of this corporation to said Bank by pledge or assignment or a lien upon any personal property, tangible or intangible, of this corporation, and

(d) Execute in such form as may be required by the bank all notes and other evidences of such loans, all instruments of pledge, assignment or lien, and that none of the same shall be valid unless so signed or endorsed, provided, however, that the endorsement of promissory notes discounted may be effected by any one of them.

"RESOLVED FURTHER, That said bank be and it is hereby authorized and directed to pay the proceeds of any such loans or discounts as directed by the persons so authorized to sign, whether so payable to the order of any of said persons in their individual capacities or not, and whether such proceeds are deposited to the individual credit of any said persons or not;

"RESOLVED FURTHER, That this resolution shall continue in force, and said Bank may consider the holders of said offices and their signatures, respectively, to be and continue as set forth in the certificate of the secretary of this corporation accompanying a copy of this resolution when delivered to said Bank or in any similar subsequent certificate, until notice to the contrary in writing is duly served on said Bank."

I HEREBY FURTHER CERTIFY that the following named persons have been duly elected to the offices set opposite respective names, that they continue to hold these offices at the present time, and that the signatures appearing hereon are the genuine, original signatures of each respectively:

(PLEASE SUPPLY GENUINE SIGNATURES HEREUNDER)

<u>✓ Paul La Rue</u>	President	_____	Vice-President
_____	Treasurer	_____	Asst. Treasurer
_____	Secretary	_____	Asst. Secretary
_____		_____	
_____		_____	

IN WITNESS WHEREOF, I have hereunto affixed my name as secretary and have caused the corporate seal of said corporation to be hereto affixed this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

✓ Dorothy La Rue  
Secretary

IMPRINT  
SEAL HERE

I hereby certify that I am a director of said corporation and that the foregoing is a correct copy of resolutions passed as therein set forth, and that the same are now in full force.

✓ Paul La Rue  
(To be signed by a director  
other than the Secretary)

U. S. DEPARTMENT OF COMMERCE—CIVIL AERONAUTICS ADMINISTRATION

## BILL OF SALE

For and in consideration of \$1.00 & ovc. the undersigned owner of the full legal and beneficial title of the aircraft described as follows:

AIRCRAFT MAKE AND MODEL

Crumman

G-164

SERIAL NO.

10

REGISTRATION MARKS

N — 10210

does this 21th day of April, 1960  
hereby sell, grant, transfer, and deliver all of his right, title and interest in and to such aircraft unto:

(Name and address of purchaser—same as on Parts A and B of this form)

Larue Flying Service, Inc.  
Summerdale, Alabama

and to their executors, administrators, and assigns, to have and to hold singularly the said aircraft forever, and certifies that same is not subject to any mortgage or other encumbrance except

TYPE OF ENCUMBRANCE

Chattel Mortgage

AMOUNT

\$25,756.29

DATE

21 April 1960

IN FAVOR OF

The First National Bank of Tuscaloosa  
Tuscaloosa, Alabama

In testimony whereof We have set our hand and seal this 21th day of April, 1960

NAME OF SELLER

Magnolia Aviation Company

BY (SIGN IN INK)

President

(If executed for co-ownership, all must sign)

TITLE

(If signed for a corporation, partnership, owner, or agent)

## ACKNOWLEDGMENT

State of

Mississippi

County of

Jones

and acknowledged that he executed the same as his free act and deed, and, if said bill of sale be that of a corporation swore that he was duly authorized to execute the same. Given under my hand and official seal the day and year written above.

(SEAL)

My Commission Expires April 6, 1963

MY COMMISSION EXPIRES

RETAIN THIS COPY

Howard L. Dennis  
NOTARY PUBLIC



To the Sheriff of said County:

Whereas, the Plaintiff in the within stated cause has made affidavit and given bond as required by law you are hereby required to take the property mentioned in Complaint into your possession unless the Defendant gives bond payable to the Plaintiff with sufficient surety in double the amount of the value of the property, with condition that if the Defendant is cast in the suit he will within thirty days thereafter, deliver the property to the Plaintiff, and pay all damages and costs which may accrue from the detention hereof.

*Alice J. Duck* Clerk

To the Sheriff of said County:

Whereas, the Plaintiff in the within stated cause has made affidavit and given bond as required by law you are hereby required to take the property mentioned in Complaint into your possession unless the Defendant gives bond payable to the Plaintiff with sufficient surety in double the amount of the value of the property, with condition that if the Defendant is cast in the suit he will within thirty days thereafter, deliver the property to the Plaintiff, and pay all damages and costs which may accrue from the detention thereof.

*Alice J. Duck* Clerk

## PURCHASE AGREEMENT

3

PRINT

BUYER'S NAME Carolyn Allen

CONTRACT NO.

The undersigned Seller hereby sells and the undersigned Buyer hereby purchases, subject to the terms and conditions set forth hereunder and on the reverse side hereof, the following described property, to-wit:

MODEL	MAKE AND DESCRIPTION OF MERCHANDISE	SERIAL NO.	SELLING PRICE	SALES TAX	CASH SALES PRICE INCL'D'G SALES TAX
1-	45 Piece Set of China		39 95	1 20	41 15
2,	Bated Bedspreads		19 94	60	20 54

Payable in 24 consecutive monthly payments commencing on the 3 day of September 1961 and on the same day of each month thereafter, each installment to be \$ 34.00 except the final installment which shall be \$ 19.80 with interest after maturity on all installments at the highest legal contract rate. Title to said property shall not pass to Buyer until all sums due under this contract are fully paid in cash.

Executed in quadruplicate this 31 day of July 1961

Buyer acknowledges receipt of a complete executed copy hereof.

TOTAL CASH SALES PRICE (Including Sales Tax)	746 34
CASH DOWN PAYMENT	81 34
TRADE-IN ALLOWANCE (Describe Trade-In Below)	
UNPAID BALANCE	665 00
ADD TIME SERVICE CHARGE	136.80
CONTRACT BALANCE	801.80

C. H. Matthews Furniture Co.  
SELLER SIGN HERE

(S) Carolyn Allan  
BUYER SIGN HERE

BY C. H. Matthews  
PARTNER OR OFFICIAL TITLE, IF CORP.  
PO Box 468 Bay Minette, Ala  
SELLER'S ADDRESS STREET CITY OR TOWN STATE

(S) Mickey C. Allan  
SPOUSE OR CO-SIGNER  
Rt. 1 Box 149 - Kidale, Ala.  
BUYER'S ADDRESS STREET CITY OR TOWN STATE

## PURCHASE AGREEMENT

①

PRINT  
BUYER'S NAME Carolyn Allen

CONTRACT NO. \_\_\_\_\_

The undersigned Seller hereby sells and the undersigned Buyer hereby purchases, subject to the terms and conditions set forth hereunder and on the reverse side hereof, the following described property, to-wit:

MODEL	MAKE AND DESCRIPTION OF MERCHANDISE	SERIAL NO.	SELLING PRICE	SALES TAX	CASH SALES PRICE INCL'D'G SALES TAX
	<i>Hotpoint Refrigerator</i>		<i>129.95</i>	<i>3.90</i>	<i>133.85</i>
	<i>5 PIECE GREEN LR SUIT (3 PC LR Suit &amp; 2 Step Inches 2 Long)</i>		<i>199.95</i>	<i>6.00</i>	<i>205.95</i>
	<i>7 PIECE Brown Quinette Suit (Bate City)</i>		<i>169.95</i>	<i>5.10</i>	<i>175.05</i>

Payable in \_\_\_\_\_ consecutive monthly payments commencing on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ and on the same day of each month thereafter, each installment to be \$\_\_\_\_ except the final installment which shall be \$\_\_\_\_, with interest after maturity on all installments at the highest legal contract rate. Title to said property shall not pass to Buyer until all sums due under this contract are fully paid in cash.

Executed in quadruplicate this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

Buyer acknowledges receipt of a complete executed copy hereof.

TOTAL CASH SALES PRICE  
(Including Sales Tax)

CASH DOWN PAYMENT

TRADE-IN ALLOWANCE  
(Describe Trade-in Below)

UNPAID BALANCE

ADD TIME SERVICE CHARGE

CONTRACT BALANCE

SELLER SIGN HERE

BUYER SIGN HERE

BY \_\_\_\_\_

PARTNER OR OFFICIAL TITLE, IF CORP.

SPOUSE OR CO-SIGNER

SELLER'S  
ADDRESS

STREET

CITY OR TOWN

STATE

BUYER'S  
ADDRESS

STREET

CITY OR TOWN

STATE

SELLER SIGNS ASSIGNMENT CLAUSE ON REVERSE SIDE

## PURCHASE AGREEMENT

2

PRINT

BUYER'S NAME Carolyn Allen

CONTRACT NO. \_\_\_\_\_

The undersigned Seller hereby sells and the undersigned Buyer hereby purchases, subject to the terms and conditions set forth hereunder and on the reverse side hereof, the following described property, to-wit:

MODEL	MAKE AND DESCRIPTION OF MERCHANDISE	SERIAL NO.	SELLING PRICE	SALES TAX	CASH SALES PRICE INCL'D'G SALES TAX
1 Set Bunk Beds (Comp. w/ Inx. Long Mattress)			89.95	2.70	92.65
1 Dacorner Coffee Maker # 88			24.95	.75	25.70
1- 3/3 Rollaway Bed w/ Mattress			49.95	1.50	51.45

Payable in \_\_\_\_\_ consecutive monthly payments commencing on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ and on the same day of each month thereafter, each installment to be \$\_\_\_\_\_ except the final installment which shall be \$\_\_\_\_\_, with interest after maturity on all installments at the highest legal contract rate. Title to said property shall not pass to Buyer until all sums due under this contract are fully paid in cash.

Executed in quadruplicate this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

Buyer acknowledges receipt of a complete executed copy hereof.

TOTAL CASH SALES PRICE  
(Including Sales Tax)

CASH DOWN PAYMENT

TRADE-IN ALLOWANCE  
(Describe Trade-In Below)

UNPAID BALANCE

ADD TIME SERVICE CHARGE

CONTRACT BALANCE

SELLER SIGN HERE

BUYER SIGN HERE

BY \_\_\_\_\_

PARTNER OR OFFICIAL TITLE, IF CORP.

SPOUSE OR CO-SIGNER

SELLER'S  
ADDRESS

STREET

CITY OR TOWN

STATE

BUYER'S  
ADDRESS

STREET

CITY OR TOWN

STATE

SELLER SIGNS ASSIGNMENT CLAUSE ON REVERSE SIDE

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To the Sheriff of said County :

Whereas, the Plaintiff in the within stated cause has made affidavit and given bond as required by law you are hereby required to take the property mentioned in Complaint into your possession unless the Defendant gives bond payable to the Plaintiff with sufficient surety in double the amount of the value of the property, with condition that if the Defendant is cast in the suit he will within thirty days thereafter, deliver the property to the Plaintiff, and pay all damages and costs which may accrue from the detention thereof.

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*Alice J. Duck* Clerk

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