

September 12, 1938

Mr. R. S. Pruitt
Pruitt & Grealis
105 West Adams Street
Chicago, Illinois

Dear Rays

Aviation Corporation is the owner of a very substantial block of the debentures of American Airlines, Inc. and the majority of those debentures are convertible into common stock of the company. If all of the debentures should be converted and the resulting stock should be held by Aviation Corporation, that company would have a working control over American Airlines, Inc. by reason of the fact it would hold in excess of 200,000 shares of the common capital stock of this company.

After our meeting in New York some of the directors discussed with me the advisability of having as general counsel for the company the same firm which also represents Aviation Corporation in the same capacity. That question, I believe, will come up again and inasmuch as you would probably prefer to have it discussed in a meeting, rather than having it discussed informally among the directors, I would suggest that we bring the question out in the open at the next directors' meeting and see what they think about it.

Sincerely yours,

C. R. Smith
President

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