

American Airlines, Inc.
100 East 42nd Street
New York 17, N. Y.

November 3, 1949

TO THE DIRECTORS OF AMERICAN AIRLINES, INC.:

Enclosed are minutes of the regular meeting of the Board of Directors held October 19, 1949, together with an envelope for your convenience in returning them.

Please advise if there are any corrections or comments.

C. W. Jacob
Secretary

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MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
AMERICAN AIRLINES, INC.

A regular meeting of the Board of Directors of American Airlines, Inc. was held in the Carlton Suite of the Ritz-Carlton Hotel, New York, New York, on Wednesday, October 19, 1949, at 10:00 a.m. Eastern Standard Time, pursuant to due notice to all of the directors of the corporation in accordance with the by-laws.

There were present at the meeting:

Harold T. Ames
Harry E. Benedict
James Bruce
Charles S. Cheston
Thomas M. Conroy
John W. Farley
Charles T. Fisher, Jr.
Thomas S. Hammond
A. N. Kemp
O. M. Mosier
Edgar M. Queeny
C. R. Smith

being a quorum of the Board of Directors.

Also present at the request of the directors were R. E. S. Deichler, Vice President - Sales; William J. Hogan, Vice President and Treasurer; William Littlewood, Vice President - Engineering; and Malcolm A. MacIntyre of General Counsel for the corporation.

As hereinafter indicated, Director Fisher entered the meeting after it had been called to order.

Directors Butler, Carter, Evans and Miller were unable to attend the meeting.

The President presided and the Secretary kept the minutes of the meeting.

1. The Secretary stated that the minutes of the previous meeting, held September 12, 1949, had been mailed to each director, and presented a summary of action taken at such meeting. Thereupon, upon motion duly made and seconded, the minutes of the meeting of September were approved.

2. Mr. MacIntyre reported that the contract providing for purchase of the assets of American Overseas Airlines, Inc. by Pan American Airways, Inc. had been extended beyond September 13, 1949 and modified including provision for a cash price of \$17,450,000. He also reported that Pan American had concluded arrangements for required bank credit in accordance with the terms of the contract.

Director Fisher arrived at this point and thereafter participated in the meeting.

3. The Treasurer presented and explained financial statements of the corporation and of American Overseas Airlines, Inc. as of September 30, 1949.

4. Messrs. Hogan and Littlewood presented and explained a statement of capital expenditures authorized by the management since the meeting of the directors held August 17, 1949, totaling \$324,677 for the corporation and \$8,149 for American Airlines de Mexico, S. A.

5. The Chairman next brought up for consideration action with respect to the declaration of the regular quarterly dividend on the corporation's outstanding \$3.50 Cumulative Convertible Preferred Stock which would become due and payable December 1, 1949.

The Treasurer presented to the meeting a certification, the original of which is attached to these minutes, showing that the surplus available for such dividends as of September 30, 1949 was \$16,164,628, of which \$6,159,⁶⁵³~~503~~ was capital surplus and not less than \$10,004,975 earned surplus, both of which are available for dividends in the opinion of counsel.

After discussion the following resolutions were adopted:

BE IT RESOLVED that a dividend of \$0.875 per share shall be declared and is hereby ordered paid upon the outstanding \$3.50 Cumulative Convertible Preferred Stock of this corporation, such dividend to be payable December 1, 1949, to the stockholders of record at the close of business November 15, 1949; and be it further

RESOLVED that the Treasurer of this corporation shall be and is hereby instructed to deposit with the Chase National Bank of the City of New York, Dividend Disbursing Agent of this corporation, on or before December 1, 1949, the moneys required to pay the dividend hereby ordered paid on said date on the outstanding \$3.50 Cumulative Convertible Preferred Stock of this corporation, and the Chase National Bank of the City of New York, as such Dividend Disbursing Agent, be authorized and instructed to disburse said dividend to the holders of said outstanding \$3.50 Cumulative Convertible Preferred Stock of this corporation entitled to receive the same in accordance with the provisions of this resolution.

6. Mr. Mosier reported that Mr. George C. Van Nostrand had submitted his resignation as Assistant Vice President to accept a position as Vice President and General Manager of American Airlines de Mexico, S.A. Mr. Van Nostrand's resignation, effective October 15, 1949, was thereupon accepted.

Mr. Jacob stated that it would be desirable to give Mr. Van Nostrand authority to execute certain documents for this corporation and to rescind the power of attorney previously given to Jacques de Sibour on May 18, 1949. Whereupon, after discussion and upon motion duly made, seconded and unanimously carried, the following resolutions were adopted:

RESOLVED that the President or any Vice President is authorized to constitute and appoint George C. Van Nostrand, its attorney for and on its behalf and in its name, to make, prepare, execute, seal and deliver all official documents appropriately requested by and submitted to the Government of the United States of Mexico or any state or municipality therein with respect to tariffs, immigration, import or export duties, taxes generally, personnel, mail or carriage of mail, or any amendment or amendments to the Mexican franchise, and to institute, prosecute or enforce, or to defend, answer or oppose all claims, actions, suits or other legal proceeding relating to the Mexican operations of the company; and be it further

RESOLVED that any and all powers of attorney heretofore given to Jacques de Sibour, be and they hereby are revoked.

7. The Chairman stated he had written to members of the Finance Committee suggesting deferment of the meeting scheduled for today until nine o'clock of the morning of the regular November meeting of the directors.

8. The Chairman and other officers reported developments in the industry with respect to low fare coach service by air and stated the company's plans for commencing a transcontinental coach service on December 27, 1949.

9. Mr. Littlewood reported on recent developments in the field of jet propulsion in the United States and Great Britain, particularly as applied to commercial transport aircraft.

There being no further business to come before the meeting, it was, on motion duly made and seconded, adjourned.

C. W. Jacob, Secretary

APPROVED:

C. R. Smith, Chairman