

January 23, 2007,

Gentlemen,

This letter is to update you on the recent events relating to Symphony Aircraft Industries, Inc. (SAI). On Friday January 19<sup>th</sup>, 2007, the lead investor, after having reviewed the revised funding plan (modified by both a co-investor and certain secured creditors) decided to withdraw from the file. This has had dire consequences.

On January 22<sup>nd</sup>, 2007, as SAI was in court to have the Plan of Arrangement with its creditors ratified, secured creditors took action to dispute the ratification (on account of the collapse of the funding plan) and filed a petition in bankruptcy. As a result, the court rescinded Symphony's protection from its creditors, which in turn resulted in the company being declared bankrupt this morning.

A trustee has been appointed to oversee the bankruptcy proceedings, with the mandate to sell all of the assets of Symphony. The trustee is Eric Pronovost, of Belhumeur Pronovost (819-697-0009). The trustee has yet to decide whether he will maintain the engineering resources required for SAI to maintain the Type Certificate during the liquidation proceedings.

The SAI facility is no longer open - all employment at SAI was terminated. As such, I am writing this to you as a former employee of SAI.

With respect to customer deposits, they will be treated as unsecured debts of SAI. It is extremely unlikely that the proceeds of liquidation will be sufficient to pay the secured creditors, and as such the entirety of these deposit amounts will more than likely be lost.

I regret to be the bearer of such awful news. I know that many of you had much invested through both time and money to bring this aircraft to market. It was and always will be much appreciated and I can only hope that someday those efforts may be repaid somehow or someday by this product line.

With sincere regret,

Paul Costanzo