

**Jim Davidson**

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**From:** Jim Davidson  
**Sent:** Wednesday, October 11, 2017 4:27 AM  
**To:** 'Garner, Cory'  
**Subject:** Lunch discussion follow-up

Cory,

Thanks for taking time for lunch last week and especially for the lift back to the airport. What a great ride. Who knew a guy with 3 "youngins" would have an "iPhone" that you can drive and ride in. I'm trying to characterize and summarize our overall business conversation so I can work to lift that *extra weight* on both our shoulders to where everyone is comfortable with a long-term AA/FLX relationship.

Apologies for the length of this email, but it is important to me to get this. See if I have it right here and please edit as necessary.

It seems that AA has [REDACTED] when it comes to AA going [REDACTED] long term with Farelogix.

1. Too much uncertainty about Farelogix' future when it comes to potential ownership change or investment direction in FLX. Essentially, what is Sandler's intention with the company and what impact that might have on AA?

This has caused AA to consider [REDACTED] to having "[REDACTED] in the FLX basket".

It is not clear to me exactly what AA's concern is since you also mentioned that AA was no longer as concerned about a possible FLX acquisition from the GDSs. From my point of view, Farelogix has demonstrated over the years its strong commitment to AA – one that is significantly aligned with a mutual [REDACTED] strategy. Most airlines, including AA, consciously select this [REDACTED] approach with their PSS, pricing, and RM vendors, any of which I believe has [REDACTED] than AA/FLX.

At any rate, I believe that AA has [REDACTED] [REDACTED] that significantly mitigate any uncertainty concern. If you can shed more light on this aspect of uncertainty it would be most appreciated, as then I may be able to suggest possible alternatives to address it.

2. AA believes it is important to have some sort of financial position in FLX that would allow AA to benefit from [REDACTED] in FLX, based on AA being an early customer and promoter of FLX.

While we clearly appreciate the importance of our early relationship with AA, I do believe that both companies were [REDACTED]. As we discussed, this aspect is clearly a challenge for us, but if it is having a significant negative impact on our ability to get to [REDACTED] then obviously we need to turn over every stone in terms of discussing and finding an equitable solution.

As I continue to think through this, one of my concerns with AA's view here is the potential negative impact on the FLX business from [REDACTED]. While it is unclear to me what impact this may have on FLX business, I base my concern on the high level of competitiveness and "emotionalism" that exists among airlines, and the [REDACTED]

[REDACTED] Again, not sure what the outcome would be, but I would like your view on this this as we continue to look at all options.

An alternative way to look at this may be that the position of [REDACTED] in FLX would/could be significantly mitigated by AA [REDACTED] [REDACTED] [REDACTED] for years to come. I can assure you that the [REDACTED] [REDACTED]

Cory, you know we appreciate the AA relationship as a very important and significant one which is why I want to be sure I fully understand all the issues seemingly blocking our ability to move [REDACTED] [REDACTED] To that end, I want to keep our conversation open and ongoing and would like to schedule a "next conversation" in the coming weeks.

In the meantime, please feel free to respond to the above as appropriate.

Thanks and regards,  
Jim

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CEO and President



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