

**DOW JONES** GLOBAL COMPLIANCE SYMPOSIUM  
MARCH 27 - 28, 2012  
PARK HYATT WASHINGTON  
WASHINGTON D.C.  
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### SEARCH ALL FLIGHTS

Operator\*  
Please choose an operator from the autocomplete dropdown (enter at least 3 characters to show the list)

Search Tail Numbers «

Date (YYYY-MM-DD)  
2007-01-01 2011-01-01

Departure city or airport  
Enter a departure city or airport

Destination city or airport  
Enter a destination city or airport

[\\*Notes and Sources | Methodology](#)

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## SHOWING FLIGHTS BY FLIGHT SEARCH

Table view

Please enter a search term in any field on the left.

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- ### Shared Searches
- Click to view WSJ and reader searches
- WSJ** Flights by Qwest Business Resources to Monroe, La., from October 2009 through April 2010. (On April 22, 2010, Qwest and Monroe-based CenturyTel unveiled a deal.)
  - WSJ** Flights into two airports in Horseshoe Bay, Texas. (Resort areas like Horseshoe Bay draw from a wide variety of companies.)
  - WSJ** Flights by jets registered to Nabors Industries in 2009 and 2010. (Nabors did not report any personal-jet usage cost figures for its CEO in 2009 or 2010. He owns homes in Palm Beach and Martha's Vineyard, where it also has a fleet.)

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## SEARCH ALL FLIGHTS



Operator\*

Please choose an operator from the autocomplete dropdown (enter at least 3 characters to show the list)

ZIFF BROTHERS INVESTMENT

Search Tail Numbers

Date (YYYY-MM-DD)

2010-01-01

2010-12-31

Departure city or airport

Enter a departure city or airport

Destination city or airport

PBI

\*Notes and Sources | Methodology

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Flights by Qwest Business Resources to Monroe, La., from October 2009 through April 2010. (On April 22, 2010, Qwest and Monroe-based CenturyTel unveiled a deal.)



Flights into two airports in Horseshoe Bay, Texas. (Resort areas like Horseshoe Bay draw from a wide variety of companies.)



Flights by jets registered to Nabors Industries in

SHOWING  
FLIGHTS BY

## ZIFF BROTHERS INVESTMENTS, LLC

SHARE SEARCH



Showing flights with multiple tail numbers into WEST PALM BEACH, FL between Jan 1, 2010 and Dec 31, 2010

Table view

Map view

28 groups found  
Showing 1 - 28

All flights by ZIFF BROTHERS INVESTMENTS, LLC » Flights to PBI | Show as individual flights

Flights	Departed From	Destination	Operator *	
29 flights	TEB TETERBORO, NJ	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
22 flights	HPN WHITE PLAINS, NY	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
7 flights	OXC OXFORD, CT	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
6 flights	AGS AUGUSTA, GA	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
3 flights	MVY VINEYARD HAVEN, MA	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
3 flights	EGGW LONDON, ENGLAND	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
2 flights	PHL PHILADELPHIA, PA	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
2 flights	LGA NEW YORK, NY	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
2 flights	PBI WEST PALM BEACH, FL	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »
2 flights	SBGR SAO PAULO	PBI WEST PALM BEACH, FL	ZIFF BROTHERS INVESTMENTS, LLC	Map »

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### SEARCH ALL FLIGHTS

Operator\*

Please choose an operator from the autocomplete dropdown (enter at least 3 characters to show the list)

LEUCADIA AV., INC

Search Tail Numbers «

Date (YYYY-MM-DD)

2007-01-01 | 2011-01-01

Departure city or airport

Enter a departure city or airport

Destination city or airport

JAC,HTO,FOK,TEX,CRQ

\*Notes and Sources | Methodology

**SEARCH** | CLEAR ALL

- #### Shared Searches
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  - WSJ** Flights into two airports in Horseshoe Bay, Texas. (Resort areas like Horseshoe Bay draw from a wide variety of companies.)
  - WSJ** Flights by jets registered to Nabors Industries in 2009 and 2010. (Nabors did not report any



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PERSONAL SAVINGS

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Operator\*

Please choose an operator from the autocomplete dropdown (enter at least 3 characters to show the list)

Enter a company or name

Search Tail Numbers «

Date (YYYY-MM-DD)

2007-01-01 2011-01-01

Departure city or airport

Enter a departure city or airport

Destination city or airport

CMH

\*Notes and Sources | Methodology

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SHOWING FLIGHTS BY

## FLIGHT SEARCH

SHARE SEARCH



Showing all flights into COLUMBUS, OH

Table view

Prev 1 2 3 4 5 ... 32 Next

1585 groups found  
Showing 1 - 50

Flights to CMH | Show as individual flights

Flights	Operator *	Destination
2090 flights	THE LIMITED, INC.	CMH COLUMBUS, OH
1031 flights	AMERICAN ELECTRIC POWER SERVICE CORP.	CMH COLUMBUS, OH
1016 flights	NATIONWIDE MUTUAL INS. CO.	CMH COLUMBUS, OH
767 flights	HAWKER BEECHCRAFT CORP.	CMH COLUMBUS, OH
639 flights	CORPORATE AIR, LLC	CMH COLUMBUS, OH
576 flights	MENARD, INC.	CMH COLUMBUS, OH
536 flights	THE SCOTTS COMPANY, LLC	CMH COLUMBUS, OH
527 flights	THE LIMITED BRANDS, INC.	CMH COLUMBUS, OH
454 flights	WOLFE ENTERPRISES, INC.	CMH COLUMBUS, OH
436 flights	LANE AVIATION CORPORATION	CMH COLUMBUS, OH



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**THE WALL STREET JOURNAL.**

WSJ.com

U.S. NEWS | JUNE 16, 2011

## Corporate Jet Set: Leisure vs. Business

By [MARK MAREMONT](#) And [TOM MCGINTY](#)

Computer-storage giant EMC Corp. has a fleet of five jets that it says it uses for business travel across the globe. In addition, CEO Joseph Tucci is allowed "limited" personal use of the aircraft.

Federal Aviation Administration flight records for EMC's planes suggest such personal trips may be more frequent. Over the four years ended last December, EMC jets landed a total of 393 times at three resort locations where Mr. Tucci has vacation homes: Cape Cod, Mass.; the New Jersey shore; and the Florida keys.



One of EMC's jets devoted 46% of its flights going to or from these and other vacation spots over the four years. Fleet-wide, 31% of EMC flights were to or from resorts.

A Wall Street Journal review of FAA flight records found that dozens of jets operated by publicly traded corporations made 30% or more of their trips to or from resort destinations, sometimes more than 50%. Often, these were places where their top executives own homes. The review covered nearly every jet flight in the U.S. over the four-year period from 2007 to 2010. (Search the full records of FAA flights [here](#).)



The corporate jet is a coveted perk of top executives. But some of the planes aren't being used just for business travel. They're making a large number of trips to resort locations where executives own homes. WSJ's Mark Maremont reports.

Corporate jets are vital business tools that can efficiently carry busy executives to far-flung meetings, sometimes to multiple cities in a day. Allowing occasional personal use of the company plane can form an important part of a compensation package for a top executive.

The high percentage of trips to vacation destinations in a few cases suggests some companies' jets are frequently used by executives to make personal trips. This has stirred doubts among some experts about whether companies are disclosing to shareholders the full amounts spent on personal-jet travel, widely considered the most expensive executive perk.

Under stiffer SEC rules released in 2006, the cost of personal travel on company planes generally must be disclosed if it exceeds \$25,000 per year or more than 10% of the cost of all perks. Commuting flights—from, say, a vacation home to headquarters—count as personal travel. Disclosed cost calculations should be those associated with the flights themselves, such as fuel, landing fees and the crew's hotel bills. Not counted are fixed costs, such as the price of the plane and crew salaries.

**Frequent Fliers**  
Operating costs of some popular business jets



Photo: Joe Oscjak

Comcast's Falcon 900EX

Variable cost per hour, 2010*	
Boeing BBJ	\$5,992
Gulfstream G550	\$4,106
Bombardier Challenger 605	\$3,112
Dassault Falcon 900EX	\$3,086

\*Includes fuel, landing fees, crew expenses and annual maintenance  
Source: Conklin & de Decker Aviation Information

"Personal use of corporate aircraft is still underreported," said Brink Dickerson, an attorney at Troutman Sanders LLP in Atlanta who advises public companies on the issue. He says people will come up to him after speeches on the topic to describe how they have been reporting personal travel as business travel. "They say, 'This is how we do it, is this OK?'" Mr. Dickerson believes it is appropriate for executives to take personal trips on company planes, but companies should be reporting such use rather than "disguising" it as business travel.

Stewart Reifler, an attorney at Vedder Price in New York who represents executives in negotiating pay packages, said the cost of truly personal trips should be reported, but said it is hard to distinguish a CEO's work time from his leisure time. "Even if they go to a resort," he said, "they're still reviewing papers, looking at their BlackBerrys and talking on the phone. You just can't compartmentalize these guys' lives."

Some companies in the Journal review listed relatively little cost for personal flights in disclosure documents, even as their jets made dozens of trips to resort towns near residences owned by an executive. The FAA data don't show who was on board or the purpose of the flights, so it is impossible for outsiders to know whether there were business reasons to fly to such spots. Also, when leisure trips come amid business trips, the added expense of those flights could be minimal.

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### Previously

[For the Highest Fliers, New Scrutiny](#)  
5/21/2011

In 2009, Leucadia National Corp., a New York City-based conglomerate, reported less than \$30,000 on personal flying for Chairman Ian Cumming. FAA records show Leucadia's four jets that year spent 220 hours flying to or from Jackson Hole, Wyo., and New York's Hamptons, both locations where Mr. Cumming

owns homes. Those flights alone would have cost \$708,000, according to Journal calculations using hourly operating-cost estimates provided by Conklin & de Decker Aviation Information, a consulting firm.

More than half of the flights by Leucadia's four jets from 2007 through 2010 went to or from resort areas (see flights to [selected destinations](#) in database); 739 went to spots where top executives have houses. Leucadia declined to comment. A Jackson Hole telephone directory lists a Leucadia office at the same address as a home owned by Mr. Cumming.

EMC pegged the cost to shareholders of Mr. Tucci's personal flying at \$664,079 over the four-year period, which represented 97% of all personal-aircraft usage for its executives. The Journal's estimate of the cost of EMC's flights to or from just the airports near the CEO's homes was closer to \$3.1 million.

The Hopkinton, Mass., company said in filings that Mr. Tucci is allowed personal use of the planes "to reduce his travel time and devote more time to work duties." In a statement, an EMC spokesman said the company "keeps meticulous corporate aircraft records. Any personal use is reflected accurately in our proxy statement each year. In 2010, Mr. Tucci flew 62.28 hours for personal travel; any use beyond that was for business." ([See results in database.](#))

As shareholder attention has focused on the expense of this perk amid a struggling economy, many companies have begun requiring executives to reimburse for their personal-flying costs, or have banned the practice altogether. Drugmaker Eli Lilly & Co., for example, doesn't allow personal jet travel. "Our customers, shareholders and employees all face economic challenges, and giving executive perks like personal use of aircraft would send the wrong message to all three," a spokesman said.

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### List of Blocked Aircraft

Owners of nearly 7,000 aircraft participate in an FAA-authorized program that allows them to block their tail numbers from being viewed by the public on air-traffic websites. Some owners cite privacy, corporate confidentiality or security concerns. The Journal obtained the full list of blocked aircraft as of January 2011. Here is the list of tail numbers, also known as N-numbers. Where available, the Journal has filled in the operator or owner name listed in FAA records.

N73380	POWELL AND SIMPSON LLC
N690PC	POWELL CONSTRUCTION CO INC
N88DW	PP100, LLC
N217EB	PPC12 LLC
N826GA	PPG INDUSTRIES, INC.
N827GA	PPG INDUSTRIES, INC.
N801CA	PRADO DA FONSECA DILSON
N7774Z	PRECISION CONTAINER AVIATION LLC
N495NM	PREFERRED AVIAITON INC
N7AB	PREGEANT PROPERTIES LLC
N550PR	PREM RAWAT/PRIYAN FOUNDATION
N111KR	PREMIER AIR CHARTER CORP.
N615HB	PREMIER AIR CHARTER CORP.
N900BZ	PREMIER AV., INC.
N7X	PREMIER AVIATION, INC.
N577XW	PREMIER CHARTER, INC.

About 37% of the S&P 500 companies disclosed aircraft perks for their CEOs in their most recent filings through May 31, according to GovernanceMetrics International, which tracks executive pay, down from 40% the prior year.

Companies that allow use of their aircraft cite a variety of reasons. Yum Brands Inc., which owns Kentucky Fried Chicken and Taco Bell, said in regulatory filings that CEO David Novak and his wife are required to use company aircraft for personal and business travel in part because "Mr. Novak has been physically assaulted while traveling."

Likewise, Comcast Corp. says for security, certain senior executives must use company planes for business and personal travel. Last July, the cable giant bought a third jet for its fleet, a new Dassault Falcon 900 that can cost upwards of \$40 million. The plane was needed, a spokesman said, because the company anticipated more business travel after its acquisition of NBC Universal.

The new jet's most frequent destination in its first six months, after its home base of Philadelphia, was the island of Martha's Vineyard, Mass., where CEO Brian Roberts has a house. The plane made 24 trips there in that period, mostly in the summer, FAA records show. Starting in October, the jet also began flying to Palm Beach, Fla., where Mr. Roberts has another home. Comcast is a major cable provider throughout the U.S., including in areas such as Martha's Vineyard and south Florida.

By year end, nearly two thirds of the plane's flights were to or from those and six other resort destinations, including Augusta, Ga., Big Sky, Mont., and the Hamptons. ([See results in the database.](#)) Over the full four years, 42% of flights made by the Comcast fleet were to or from resort areas, among the highest percentage for the companies reviewed by the Journal. ([See results in the database.](#))

A Comcast spokesman said use of the planes "significantly enhances the efficiency of our executives' conduct of business," and that a "majority" of the aircraft use is for business purposes. He said executives are required to reimburse part of their travel expenses using a formula Comcast won't disclose.

The SEC has brought enforcement actions over failure to disclose aircraft usage. In January, it filed a civil case accusing a Kansas-based website provider, NIC Inc., of failing to disclose perks, including payments for its former CEO to live in a Wyoming ski lodge and commute to headquarters by private jet. NIC and three current and former executives paid a total of \$2.8 million to settle, without admitting or denying the allegations.

Many companies prefer to keep their aircraft movements hidden, using an FAA-approved program that allows plane owners to "block" their flights from websites that display air traffic. More than 650 jets operated by U.S. public corporations recently had their flights blocked, the Journal found, including all of EMC's and Leucadia's jets, and two of Comcast's.

The Obama administration in late May announced it would sharply curtail the FAA program starting in August, saying that privacy concerns don't outweigh the public's right to know about the use of public airspace. It would exempt aircraft owners who could show a "valid security threat." Congress is considering a measure that would stop the change.

To analyze corporate flying patterns, the Journal obtained, via a Freedom of Information Act request, records of every private aircraft flight recorded in the FAA's air-traffic system from 2007 through 2010. These included flights previously blocked from public view.

The Journal calculated the percentage of each plane's flights to a list of 300 locales it determined were more likely to be leisure destinations than business. That excluded major cities such as Miami, New York and Paris, and included spots like Palm Beach, Aspen, Colo., and the Bahamas. The list wasn't exhaustive, and was meant to serve as a rough proxy for potential leisure travel.

Cost calculations, which were made using estimates from Conklin & de Decker Aviation Information, often aligned with what companies reported they spent on personal flights. For example, the Journal found that Brown Shoe Co. in St. Louis spent \$1.8 million flying a private jet to resort areas over the four years. In its filings in that period, the company reported \$1.9 million in personal-aircraft costs for its executives.

In contrast, [Nabors Industries](#) Ltd., a Houston oil-services concern, didn't provide a dollar figure for the cost of aircraft perks for its CEO, Eugene Isenberg, in either 2009 or 2010, indicating the amount was too small to require disclosure. For those two years, FAA records show, Nabors' fleet's most-visited destinations after Houston were New York City, Palm Beach and Martha's Vineyard. Mr. Isenberg owns homes in all three places. ([See results in the database.](#))

The flights to or from Palm Beach or Martha's Vineyard alone would have cost about \$704,000, according to Journal estimates.

A Nabors spokesman said the company has offices in those two places, at Mr. Isenberg's homes. "He works out of those locations a lot," said the spokesman, Denny Smith. He also said Mr. Isenberg is frequently in New York on business. The company, he said, "complies with all IRS guidelines and SEC disclosure requirements with respect to the use of company aircraft by its executive officers."

The SEC hasn't taken a position on whether companies can claim that a home office in an executive's house is a company location, and therefore count trips there as business travel, said Alan L. Dye, an attorney at Hogan Lovells in Washington who specializes in executive-pay disclosure. But, said Mr. Dye, "a company might have a difficult time convincing the SEC" that should be allowed.

Ron Mueller, an attorney at Gibson Dunn & Crutcher in Washington, said travel to someone's house would typically qualify as a perk, even if there is a home office. But, he said, if it overlaps with a business trip, "the amounts may not be large enough to require disclosure."

Other companies say their business interests coincide with spots where their top executives have homes. That is the case at Jarden Corp., a consumer-products concern in Rye, N.Y., that markets K2 and Volkl skis, Mr. Coffee coffee makers and Bicycle playing cards.

The busiest destination for Jarden's jet, after its New York base, was Aspen, Colo., where the company's aircraft landed 151 times over the four years. ([See results in database.](#)) Jarden's CEO, Martin Franklin, is an avid skier, and his wife owns a house in Aspen. Ian Ashken, Jarden's chief financial officer, said Mr. Franklin lived in Aspen with his family in 2006 and 2007. He also said that Jarden, as a leading ski maker, sometimes entertains customers in Aspen and has an office there with "no more than two people."

Due in part to that office, the company said, much of Mr. Franklin's jet travel to and from the mountain resort was for business purposes. It also said some Aspen travel involved "repositioning" flights, in which the plane was moved a short distance to save on hangar costs.

Jarden's company jet also flies to offices located in places like Wichita, Kan., and Greenville, Tenn. But about 55% of flights were to or from resort locales, including Aspen and the Caribbean island of Antigua, where Mr. Franklin's father lives. Those flights would have cost the company \$3.7 million, according to Journal estimates. In its filings, Jarden reported \$1.9 million in personal travel, not including undisclosed reimbursements from executives other than Mr. Franklin.

The company said it is in "full compliance" with SEC regulations. "If we just had a private plane for our personal pleasure, that would be a big no-no. The purpose for having the plane is to enable us to do our business the way

we do it," said Mr. Ashken.

Cliff Hoover, chief investment officer at Dreman Value Management in Jersey City, N.J., which owns Jarden stock, said "shareholders should care" about perks such as use of company aircraft. "If there is real abuse, we'd frown on it." Mr. Hoover said that given Jarden's position as a ski maker, many flights to Aspen weren't necessarily inappropriate, but "would cause you to take a second look."

**Write to** Mark Maremont at [mark.maremont@wsj.com](mailto:mark.maremont@wsj.com) and Tom McGinty at [tom.mcginty@wsj.com](mailto:tom.mcginty@wsj.com)

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**THE WALL STREET JOURNAL**

WSJ.com

POLITICS | SEPTEMBER 3, 2011

## Perry Used Jet of Donor Who Faces SEC Probe

By MARK MAREMONT And NEIL KING JR.

Texas Gov. Rick Perry and his family have made presidential campaign trips aboard a jet owned by a wealthy contributor who is under investigation for possible securities fraud by Texas regulators and the Securities and Exchange Commission.

Mr. Perry, who has emerged in just weeks as the new front-runner for the Republican presidential nomination, flew last weekend aboard Brian D. Pardo's Cessna Citation X jet from a remote Texas airport to various campaign events in Iowa, according to a Perry campaign aide and flight records obtained via Flightwise.com.



AP

Republican presidential candidate Texas Gov. Rick Perry addresses supporters at the Polk County GOP summer picnic event held at the Iowa State Fairgrounds in Des Moines, Iowa, Saturday, Aug. 27, 2011. (AP Photo/Nati Harnik)

Records show that Mr. Pardo's plane also flew from Texas to Charleston, S.C., on Aug. 13, the day Mr. Perry announced his bid for the presidency there. Mr. Perry's campaign said the plane carried the governor's relatives to the campaign kickoff.



AP

Republican presidential candidate Texas Gov. Rick Perry, left, shakes hands with a supporter as he goes onstage at the Polk County GOP summer picnic event held at the Iowa State Fairgrounds in Des Moines, Iowa, Saturday, Aug. 27, 2011. (AP Photo/Nati Harnik)

Mr. Pardo, chief executive of [Life Partners Holdings Inc.](#) of Waco, Texas, last year donated \$50,000 to Mr. Perry's Texas campaign fund. Life Partners is a major player in the controversial "life

settlement" business, selling retail investors the right to collect on strangers' life-insurance policies.

Texas regulators filed suit against Mr. Pardo and his company at the end of July in state court in Travis County, seeking to force them to comply with subpoenas issued amid an investigation of Life Partners. According to a statement from the securities regulators, the probe centers in part on suspected "fraudulent practices" in connection with the company's sale of its life-insurance investments.

### On the List for 2012?

Read about the potential Republican presidential contenders.



[More photos and interactive graphics](#)

Federal election laws allow presidential candidates to fly aboard supporters' or corporations' planes so long as the candidates reimburse them. But using donors' jets became far less attractive after a 2007 law required that the donors be reimbursed the equivalent of charter rates, rather than lower rates often pegged to first-class fares, as before.

Mark Miner, a spokesman for Mr. Perry, declined to say how Mr. Pardo's plane came to be used by Mr. Perry but said "it was a plane we chose to use" and the owner was "paid in full in accordance with federal election laws."

Mr. Miner said he believed the governor knows Mr. Pardo but wouldn't say what relationship, if any, the two have. Mr. Pardo, in an email, confirmed that the governor used his plane twice and said he had been reimbursed.

The SEC has been investigating Life Partners since at least January. In May and June, the firm said it had gotten Wells notices from the agency, indicating its staff planned to recommend that civil charges be filed against the firm, Mr. Pardo and two other executives related to Life Partners' accounting and disclosure practices.

The investigation focuses on whether Life Partners provided inaccurately short estimates of insured people's life spans, a matter that was the subject of a Wall Street Journal article last December. The company has denied any wrongdoing and has said it would try to persuade the SEC not to file any charges.

A Life Partners lawyer has said the firm declined to comply with the Texas subpoenas because it believes its products aren't securities and thus the state securities regulators have "no jurisdiction."

Mr. Pardo, in his email, said: "I did not discuss the SEC investigation with the governor, to the best of my recollection."

During a sales pitch to Life Partners clients and others at a Dallas hotel Aug. 20, Mr. Pardo, after attacking what he called the excesses of federal regulators, said he had "had the pleasure" of letting Mr. Perry use the plane for his South Carolina campaign kickoff. The remark drew loud applause.

Mr. Pardo then said, "With God's will and a lot of work, I think he's going to win. And I think it would be the best thing that's ever happened to us," according to an audiotape.

The tape records Mr. Pardo calling the SEC probe "a little bit of fast talk and smoke and mirrors." Mr. Pardo said in his email that he hadn't said that.

Even before the 2007 reimbursement law made it costlier for candidates to fly on supporters' planes, "the practice of paying someone for the use of their jet was already becoming controversial and out of fashion," said Trevor Potter, a campaign-finance attorney who was general counsel to Sen. John McCain's presidential run three years ago. Mr. McCain became entangled in controversy in 2007 for using a corporate jet owned by his wife's company.

Before reimbursement rules were tightened, then-Sen. Hillary Clinton came under criticism for flying on the jet of a wealthy contributor. Then-Sen. Barack Obama from the outset eschewed corporate jets in favor of larger chartered aircraft, in part because he was traveling with a larger entourage that included multiple Secret Service

agents.

Well-funded presidential campaigns almost all turn to commercial chartered jets when the mix of destinations and the pace of the campaign make regular commercial air travel impractical. Mr. Perry's leading rival for the GOP nomination, former Massachusetts Gov. Mitt Romney, recorded \$100,000 in jet travel expenses in the 2011 second quarter, federal records show, including payment to a Massachusetts executive for use of his plane.

Flying on the private jets of supporters has been a routine practice for Gov. Perry during his more than 10 years in office, state ethics records show. Contributors have given him the equivalent of hundreds of thousands of dollars in airfare since 2000, including \$59,661 for the first half of this year, according to data on file at the Texas Ethics Commission compiled by Texans for Public Justice, a watchdog group.

In late June, for instance, Mr. Perry and his wife, Anita, traveled aboard the jet of billionaire Dallas pipeline magnate Kelcy Warren from Mr. Warren's ranch in southern Colorado to Vail, where Mr. Perry spoke to a conservative forum sponsored by Charles and David Koch, owners of Koch Industries, records show.

Mr. Perry and his wife in June also returned from a California political trip aboard the jet of Dan Friedkin, whose family owns a chain of Toyota dealerships, Texas records show. Several other major donors provided jet services for other legs of the California trip, according to the records.

Mr. Miner, the Perry spokesman, said: "Every private plane the governor takes is fully reported under Texas law."

Mr. Pardo of Life Partners had a run-in with the SEC prior to the current investigation. A decorated Vietnam War helicopter pilot, he started a solar-heating business that became a stock-market favorite in the early 1980s. After it filed for bankruptcy, the SEC in 1989 accused the company and Mr. Pardo of overstating revenue and profits. Mr. Pardo settled the matter in 1991 without admitting or denying wrongdoing.

Mr. Pardo's plane isn't certified under Federal Aviation Administration rules to be chartered for hire, but it can be used by political candidates provided they reimburse at charter rates.

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DEAL JOURNAL | JUNE 17, 2011

## Ready for Departure: M&A Airlines

By MARK MAREMONT And TOM MCGINTY

The Federal Aviation Administration soon will provide some big news—to investors, not just fliers.

Beginning in August, the FAA plans to curtail a privacy program that has enabled thousands of private-aircraft owners to keep their plane movements from public view. The change means more information about flight paths of private jets will be available for public inspection, on a near-real-time basis.



The upshot for investors: They soon may be able to track where corporate jets are flying and perhaps glean information about alliances and mergers in the making. For example, a Wall Street Journal analysis of flight records found trips by [Caterpillar Inc.](#) and [Qwest Communications International Inc.](#) planes that could have tipped off investors to coming mergers if the records had been public in real time.

Business groups, concerned about tipping off such sensitive corporate information, are gearing up for a continued fight. "We're worried about corporate espionage, about competitors and others being able to track all the movements of private companies," said Ed Bolen, chief executive of the National Business Aviation Association, which opposes the FAA move.



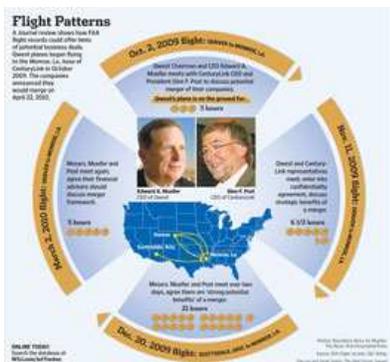
WSJ's Francesco Guerrera reports the FAA is about to relax rules that would allow the public to inspect flight records of private aircraft, possibly unveiling information leading to M&A activity. AP Photo/Mike Derer, file

The Obama administration, in announcing late last month the curtailment of the privacy program, said the public's right to know about use of public airspace outweighs any privacy concerns for plane owners. After August, only owners that can show they have a "valid security concern" will be able to continue to block their aircraft movements from public view.

John L. Sullivan, a Richardson, Texas, aviation-security consultant, said he has received more than 15 calls from publicly traded companies and high-net-worth individuals concerned about the FAA move. He said a number of large companies already have in place a comprehensive security plan that should qualify them to continue blocking their aircraft records.

Many small and midsize publicly traded companies may not immediately be able to qualify for continued blocking, he said.

An FAA official said guidance on how plane owners could apply to keep blocking their plane data should be available soon, perhaps Friday.



Congress is considering a measure, already passed by the Republican-controlled House, that would stop the FAA from changing the blocking program. A version passed by the Democratic-controlled Senate doesn't contain the same language; a joint committee is working out the matter. A congressional staffer declined to comment on the status of the talks.

Aircraft records for planes not on the block list are available in near real time on such subscription websites as [FlightAware.com](http://FlightAware.com) and [flightwise.com](http://flightwise.com).

The Journal obtained historical FAA jet records under the U.S. Freedom of Information Act and found that clues about some recent merger talks could have been elicited from the flight plans of one of the deal partners. The records include flights previously blocked from public view.

On Sept. 16, 2010, for example, a Caterpillar jet flew from its Peoria, Ill., home base to Milwaukee, the FAA records show.

That also was the day Caterpillar kicked off talks to buy a Wisconsin maker of mining gear, [Bucyrus International Inc.](#) According to a later regulatory filing, Caterpillar's chief executive traveled to Bucyrus's South Milwaukee headquarters on Sept. 16 to "explore the possibility of some type of combination" with his counterpart.

Another Caterpillar flight to Milwaukee came Oct. 29. That was the day Caterpillar's CEO and other top officials traveled to Bucyrus's headquarters to negotiate the deal's price, the regulatory filing later showed.

On Nov. 15, Caterpillar said it would buy Bucyrus for \$92 a share, or \$7.6 billion. Bucyrus's shares surged 28% on the news.

### Previously

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6/16/2011

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**Deal Journal:** [The Errant Flight that Tipped Off a Mega Merger](#)

A Caterpillar spokesman said even if somebody had known its planes were flying to Milwaukee, it isn't clear they would have been able to guess there were merger talks going on. "We have suppliers in the Milwaukee area, dealers there."

Caterpillar's jets are among more than 650 operated by U.S. public companies that have been on the FAA-authorized block list.

Had the jet records of Qwest Communications been available two years ago, investors might have found them useful.

In October 2009, the FAA records show, Qwest jets began flying from the company's headquarters in Denver to Monroe, La., a small city in the northeastern part of the state and home to rival telecommunications operator [CenturyLink](#) Inc. The Qwest planes hadn't landed there since at least the start of 2007, the records show.

### Qwest's Pursuit of CenturyLink

*In October 2009, Qwest jets began flying from the company's headquarters in Denver to Monroe, La., a small city in the northeastern part of the state and home to rival telecommunications operator CenturyLink.*

*By March 2010, Qwest planes had landed in Monroe four times. All four dates coincided with merger talks between the two companies.*

See the flights:

[Denver to Monroe, La.](#)  
Oct. 2, 2009

[Denver to Monroe, La.](#)  
Nov. 11, 2009

[Scottsdale, Ariz., to Monroe, La.](#)  
Dec. 20, 2009

[Denver to Monroe, La.](#)  
March 3, 2010

By March 2010, Qwest planes had landed in Monroe four times. All four dates coincided with merger talks between the two companies, including three face-to-face meetings of the respective CEOs, according to later regulatory documents. On April 22, 2010, the firms announced a deal initially valued at \$10.6 billion in which CenturyLink would take control of Qwest.

A spokeswoman for CenturyLink, which since has closed the deal, didn't comment on the flight data. She said the company would be opposed to such information being made public "due to security and competitive reasons." The company said it didn't have enough information about the FAA policy change to say if it would try to remain in the blocked-jet program.

Deals aren't the only potentially market-moving information that could be gleaned from currently blocked flight records.

[Steve Jobs, Apple](#) Inc.'s CEO, had a liver transplant at a Memphis, Tenn., hospital in the spring of 2009. Mr. Jobs was on medical leave at the time for an undisclosed condition. News of the transplant didn't emerge for another two months. Flight records show a Gulfstream V registered to Mr. Jobs flew to Memphis from San Jose, Calif., on March 24, 2009, and made 10 trips there over the two months before the transplant news came to public attention. An Apple spokesman declined to comment.

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