

Nov. 3, 1986

Paul Brown
2702 Reno Way
Boise, ID 83704

Dear Brian,

I have had a new development here at Nucell. My resonant nuclear battery was successful in its analysis and testing by an independent agency which opened the door to a new group (the backers of the testing agent). After demonstrating the bench model to them, they have now provided 5 million in research and development funds. All of this is great for Nucell, but the implications for our project follow.

This group of investors is made up of ten of the wealthiest men in America (one is the president of a major oil company, another is the president of a major savings & loan bank, etc.). Not only can these guys provide financial backing, they also carry a lot of clout. They are well known-influential people who want to remain behind the scene. In my case with the nuclear battery, I still own the major portion of it.

I have met another engineer/inventor associated with the group who has been working with them for more than seven years. This guy is still happy to work with them and he still reaps the rewards of his work.

Now, I spoke with their man about our project in private conversation and he strongly advised me to address the investor group on this issue. So, I did. I also showed photos of you and the flying model.

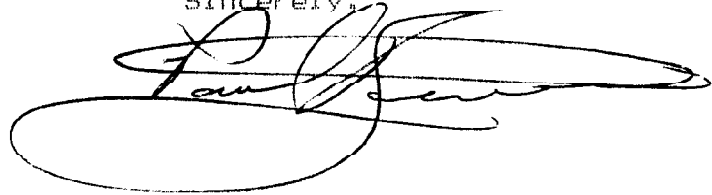
Here is the bottom line, if we can (or I should say, as soon as we can) demonstrate a small flying model (proof of feasibility) they will immediately put up 5 million in R&D money and are in a position to further fund up to 100 million for production/manufacture of any size craft. All the while, you still retain the major interest. Actually, they said I did not even have to provide a flying model, just something that would lift off the bench would be adequate.

We have a vehicle now available to us to achieve both our goals and more. The demonstration of an electrical craft to this group will be greatly more beneficial than the upcoming NEC show and will provide funds to make the NEC show an even bigger success. Together, we can do it! I will build the demo model (I already have most of the necessities) according to your instruction, and we will provide you with round trip air-fare to be present for the demonstration and testing. After this demonstration, we (you and I) will negotiate our contract with the group. Remember, at this point of negotiations, they have only seen the demonstration and have no idea of the technology involved. We still have the secret, and keep it even through the R&D stage. You stand to lose nothing (the demo model will probably be lost but I am paying all costs for it) and have everything to gain. We can set everything up in England, if

you wish, to conduct the R&D and manufacture of domestic power plants of various sizes, and flying craft. Lets do it, together.

I am too excited for words. We stand on the threshold of tomorrow with Searl Technology to benefit and improve the general well being of all of humanity. You asked me to join you "through development and beyond". The time is now!

Sincerely,

A handwritten signature in black ink, appearing to be 'Lawrence', written over a horizontal line. The signature is highly stylized and cursive, with a large loop at the end.