

Mr. John Devaney
Managing Director
Perkins Engines Limited
Peterborough PE15NA
England

Madrid, April 27th 1987

Dear Sirs,

First of all, allow me to present myself: My name is David Jiménez Rubio, Chief Engineer by the Merchant Marine.

On January 1st 1960, I began to work for the Rolls Royce Company in Spain. This Firm was subsidiary of the Rolls Royce Limited. During twelve years, I was working as Service Manager, having passed different Training Courses in the Manufacturer of Shrewsbury.

On May 1972, due to many problems in the Aeroengine Division, the Rolls Royce Company in Spain closed, giving the Distribution of the Diesel Motors (Diesel Engines) to the Carlos Company of Salamanca, in Madrid; according to the Director's Division belonging to Diesel, I was still working as Service Manager in the Carlos Company of Salamanca till 1976, when the Board of Directors of the Rolls Royce Limited decided to break the contract with Carlos of Salamanca, giving the Distribution to the Firm TALDINSA. After that, I continued working as Manager for the Service. Due to many economical problems, the TALDINSA Company was obliged to close on 1981. From 1981 to 1983, during the time as Rolls Royce Limited was looking for a new Distributor and according to R.R.L., I had to be responsible for the Postselling Service buying directly the Spare Parts by the Company of Shrewsbury in order to preserve a good ser-

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vice as well as the reputation of the Rolls Royce engines.

As they could not find an adequate Distributor, I proposed to form a Company in which my wife would have a participation of 50% in the capital, Mr. D. Stalker 25%, Mr. N. Robertson 25% and I would work as Service Manager.

On 1983, the SARMOP DIESEL Company was created. As the Spanish authorities were taking a long time in giving us the minute book, they decided to sign the contract with Rolls Royce Limited in the SARMOP IBERICA, S.A., Company that belongs to Mr.D. Stalker in 50% and to Mr. N. Robertson in 50% too, in order to pass the contract to the Company in question, as soon as SARMOP DIESEL, S.A. had been legally formed.

From March 1983 to September 1986, the SARMOP DIESEL Company imported through SARMOP IBERICA, S.A. every Spare Parts selling them to the customers. The Afterselling Service was effectuated through SARMOP DIESEL, S.A. and every customer knew only the SARMOP DIESEL Company, S.A.

During these three years, there was a dispute between SARMOP DIESEL, S.A. and SARMOP IBERICA, S.A.; this was due to the fact that Mr. Stalker and Mr. Robertson were not interested in passing the contract to SARMOP DIESEL, S.A.

During this time, Perkins Engines Limited bought Rolls Royce and Mr. Paul R.C. Rogeson visited us for the first time. I explained him that I was already working 25 years for Rolls Royce and that the situation between SARMOP IBERICA, S.A. and SARMOP DIESEL, S.A. were not correct, that SARMOP IBERICA, S.A. imported the Spare Parts and as they did not pay in due time to Shrewsbury, they had no credit and SARMOP DIESEL, S.A. who had to attend the customers was not able to work in due condition, that the Rolls Royce's reputation was getting worse and worse. Mr. Robertson said me that he was not able to solve the problem, that we had to wait till you decided to look for a new Distributor. In the meantime, as the parts were served after six

months, they began to furnish pirates parts, Mr. Rogerson had the corresponding copies of every part manufactured by SARMOP Diesel, S.A.

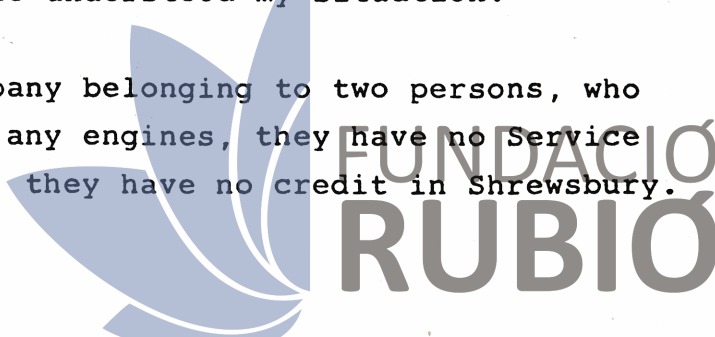
After that, Mr. J.W. Whitelock who knew every problem, made us a visit, but he was only preoccupied for the good restaurants where M. Stalker and Mr. Robertson always invited him. So, he forgot that the Rolls Royce' s reputation concerning the engines was getting worse and worse.

Due to these problems and as I was very fond of Rolls Royce, I began to create a new Company, TODASA, and according to Mr. Rogerson, I imported the parts in question directly from Shrewsbury paying cash in order to be able to give a very good service to my customers, as I had my own account number in the Company, as I had to import the parts from 1981 to 1983.

During 1986, I had to travel seven times to Shrewsbury in order to buy the parts due to the fact that SARMOP IBERICA, S.A., as they had no credit, they were not able to import them. For this reason, SARMOP DIESEL, S.A. in in this moment in my lawyer's hands in order to sue SARMOP IBERICA, S.A. at court, as Mr. Stalker and Mr. Robertson have defrauded my wife the 50% of the capital belonging to SARMOP DIESEL, S.A.

TODASA, my own Company, imported parts from Shrewsbury till February 1987. We were atonished when I travelled on February 23rd 1987 to Shrewsbury in order to buy 5.000 pounds of parts and Mr. Colin Wells confirmed me that he had received order from Mr. M.J. Cotton, Area Manager, to cancel the selling of the parts and that Mr. M.J. Cotton had sent me a communication of this decision that I still hope to receive (!). On February 25th 1987, I travelled to Peterborough in order to see Mr. Rogerson who communicated me that he was not able to do anything, that he had an other occupation and that he understood my situation.

SARMOP IBERICA, S.A. is a Company belonging to two persons, who do not understand anything of any engines, they have no Service Engineers, they have no parts, they have no credit in Shrewsbury.



They need many months to furnish the parts and they also buy some pirates parts selling them as originals.

Just now, the manufacturers of electric generating sets, Indar, Electra Moling, have imported various generating sets from F.G. Wilson in Belfast. I had to do the service myself and I enclose the copy of the telex sent by F.G. Wilson to my attention.

Last week, I was restoring two engines, C.G.-SFLMXP230-6 and XP231-6 M/Y "Rosabelle" because SARMOP IBERICA, S.A. have sent inexperienced mechanicals in Rolls Royce engines and the owner was very angried because of the bad service, so that I had to import pistons and liners from Ruhaak Ltd. Worthing in England to be able to restore both engines. The owner will send you a letter before long concerning the bad service in Spain.

On April 7th, in an auction of machinery from the Falkland Islands in the Freeport of Liverpool, my partner and I bought together seven generating sets Petbow, two of them with engines CV12-500 and five of them with engines DV8-500G. These engines have worked during three years in the construction of the Airport of Falkland Islands and they have 12.000 hours by work. Next week, the generating sets will arrive in Madrid and I need the parts to be able to restore them. SARMOP IBERICA, S.A. have no parts, so tell me please what I can do. You do not allow me to buy in Shrewsbury and I will not buy some pirates parts, I always want original parts, therefore I am working the Rolls Royce- s engines since 27 years.

I beg you to find a solution for Spain; you have to look for a good Distributor as soon as possible; otherwise, the Pekins-Rolls' reputation will get worse and worse every day in Spain. In this case, it will be very difficult for you to open the market again because nobody will hear the Pekins' name. Just now, I offer you to cooperate with you and I beg you to allow me to import directly the parts from Shrewsbury till you can find a new Distributor in order to maintain a good service and to give

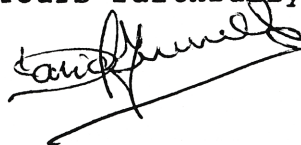
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a good service as well as the guarantee of the new generating sets.

My collaboration after 27 years working for the Rolls Royce engines is at your disposal.

Herewith, I enclose the certificates and I would like to receive an answer to this letter and to be able to continue to collaborate with you to make possible a good Perkins's service.

Yours faithfully,



My address:

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