

D) All of the Above

A) Economics

Humans LOVE to generalize about pretty much everything and then try to map everything that happens afterwards into that bucket – how convenient. The economy is certainly one of those things. Every 6 to 8 years – life is great – economy is fantastic – spend, spend, spend. Every 2 to 4 years – life is terrible – everyone should bear down and cower in the corner hoarding as much cash in their mattresses as possible. Unfortunately, the readers of these whitepapers are smarter than the herd that gets caught up in those stampedes. The readers of these whitepapers are the private fliers of the world (the group that profits from the up and down cycles of herd motion). This group can afford to spend \$30k+ for a single airplane trip. There is nothing “standard” or “average” about anyone in this group. So why is a discussion about general economics extremely important for private air travelers?

Reason 1) Corporations are generally guided by the state of the overall market economy as their customers (usually the people who can't afford \$30k+ for a single airplane trip) are being thrown around by the positive / negative tide. It would be reckless and arrogant to ignore the state of the marketplace. If you own any type of corporation and your income is tied to the success of that corporation, you absolutely care.

A Private Jet Charter Industry Whitepaper by Rick Klev – President of RaynAirJets, Private Aviation Expert

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Reason 2) When one or multiple parts of the economy are bad, one or multiple parts are always good. In our current economic cycle - Investment Banking – good. AI – very good. Retail – very bad. Commercial Real Estate – bad. Gold & Mining – very good, Oil – unbelievably good, defense contracting – very good, foreign market manufacturing – bad. Generalizations which ignore the good & very good sectors and only focus on the bad will lose significant opportunity.

As a private flier - why do I care? Opportunity, Opportunity, Opportunity. If you are in the market to purchase a private aircraft – there are always lot of fire sales out there – for the total monthly price of a fractional ownership program, you could probably end up owning AND maintaining your own whole plane if you had the patience and cash position to move on good used plane deals. If you are still not ready to own your own plane, but know that you haven't really gotten a good deal on your fractional program (and your lease is almost up – we hope) – now is a great time to try out air chartering. As a result of some recent decreases in usage, there are many really good deals out there which will land you where you want to go in the right aircraft – for a lot less than you would expect. Deal availability varies by the minute (as usual in this business), but now is absolutely NOT the right time to lock down into any long term program.

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But why shouldn't I lock into a long term program? The answer is simple - when prices on certain things are very high (namely jet fuel), the pricing program will be fixed based on current market conditions. Thus, if you lock into a program while fuel prices are at their all-time high, it is easy for the program seller to disguise profits in higher fees because they have "high jet fuel" to blame. The price of jet fuel will be half of what it is within a year – it will take at least that long (realistically 1 to 2 years) for overall market competition to adjust prices back down to where they should be. If you lock into any long term commitment during that period, you are committing yourself into the same high price for multiple years based on a spiked commodity price.

B) Bad Management

Recently there has been a tremendous amount of press regarding the overall meltdown of a "Super jet charter broker". Since I am an ethical competitor, I won't mention any competitor's name, but as someone smart & knowledgeable, you most likely know who I am referring to (hint: do a web search on "air charter cash flow problem CEO change"). Teetering companies would LOVE to conveniently blame economics (see section A), but the truth is – these companies just aren't managed very well. Vendors & suppliers generally don't like dealing with them as they don't pay their bills on time (if at all). Customers which are invested in their jet card program are put in an extremely risky position – and are almost always serviced poorly. I can only imagine if I was one of their customers and I was reading one of these meltdown

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articles knowing that this company had over \$250k of my money locked into a jet card account – I would be panicked. If you have money invested with these folks, their agreement should allow you to take your unused money out of the program. They will certainly give you a hard time and you probably will be unsuccessful, but I would at least send a certified letter to them making the request. Here’s a quick reminder of bankruptcy law – if they file for bankruptcy protection, their cash assets get allocated to their secured creditors first – not their unsecured creditors. As a jet card holder – YOU ARE AN UNSECURED CREDITOR – If you ever want to see your money again, GET IN LINE.

Other industry insiders also have information regarding another large broker based out of the NY area getting its doors locked and employees shut out after the company was unable to pay their office rent. This corporation isn’t public so other than folks with direct knowledge of their operations (people like me), there would be no way to know what is happening. They also offer Jet Card programs and have cash flow problems and don’t pay their vendors on time. Hint: See the part about being an unsecured creditor in the previous paragraph. This organization’s founding management has done a phenomenal job of touting themselves as “geniuses” and has even gotten Forbes magazine to write articles about their self-hyped greatness. I give massive kudos to their public relations firm for doing an amazing job – unfortunately, EPF readers should know the truth about this company’s management. I’ll let you the readers figure out who I’m

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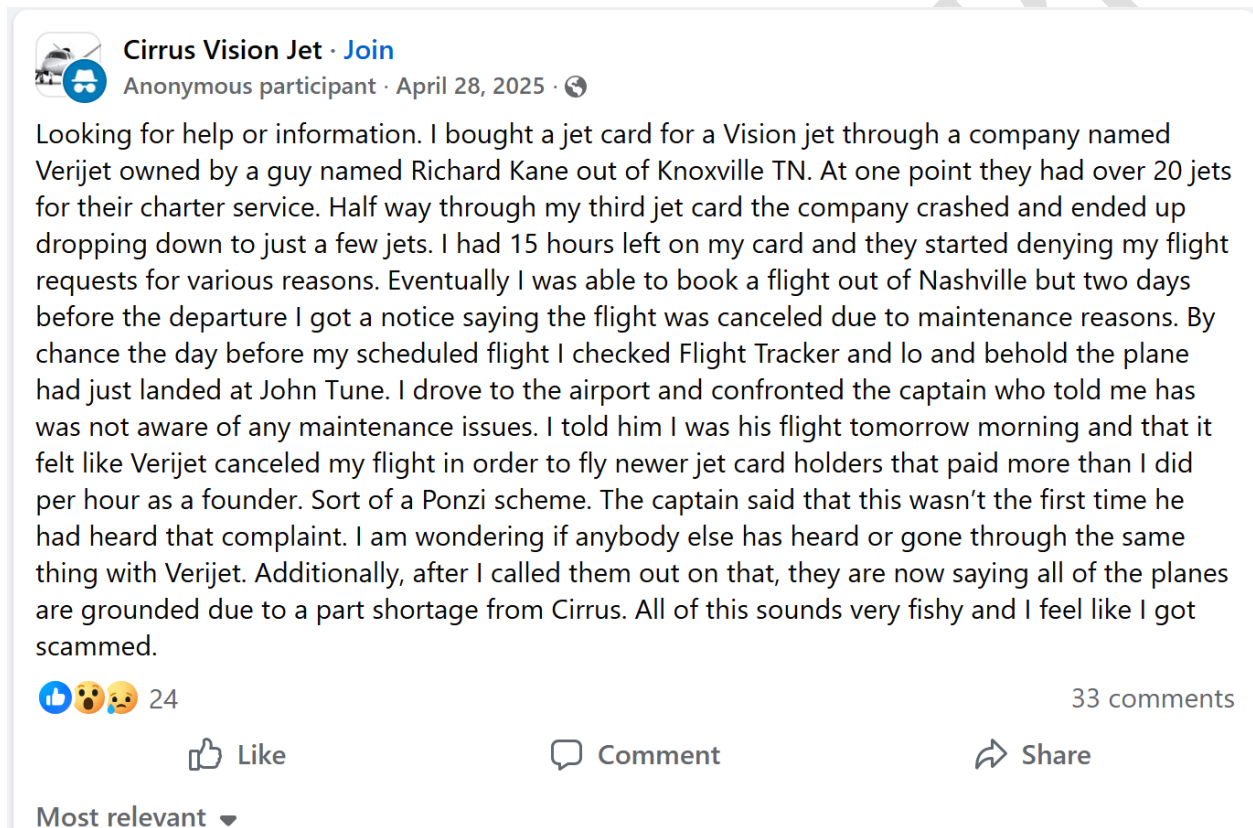
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referring to – (you can do a variety of searches – but here’s a hint – search for: “super jet charter broker shutdown”).

Another scary post I found is here:



Cirrus Vision Jet · [Join](#)
Anonymous participant · April 28, 2025 · 🌐

Looking for help or information. I bought a jet card for a Vision jet through a company named Verijet owned by a guy named Richard Kane out of Knoxville TN. At one point they had over 20 jets for their charter service. Half way through my third jet card the company crashed and ended up dropping down to just a few jets. I had 15 hours left on my card and they started denying my flight requests for various reasons. Eventually I was able to book a flight out of Nashville but two days before the departure I got a notice saying the flight was canceled due to maintenance reasons. By chance the day before my scheduled flight I checked Flight Tracker and lo and behold the plane had just landed at John Tune. I drove to the airport and confronted the captain who told me he was not aware of any maintenance issues. I told him I was his flight tomorrow morning and that it felt like Verijet canceled my flight in order to fly newer jet card holders that paid more than I did per hour as a founder. Sort of a Ponzi scheme. The captain said that this wasn't the first time he had heard that complaint. I am wondering if anybody else has heard or gone through the same thing with Verijet. Additionally, after I called them out on that, they are now saying all of the planes are grounded due to a part shortage from Cirrus. All of this sounds very fishy and I feel like I got scammed.

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in this post, the customer bought into a jet card program based on the number of jets an individual carrier had (not a broker that crosses multiple carriers). This carrier had to liquidate many of their jets – and then prioritized new customers over legacy customers ... causing jet card holders to hold the bag and get shut out – think Ponzi scheme built around jet cards.

The truth is, these broker meltdowns weren't/aren't caused by the economy, fuel prices or any other typical blame factor other than old fashioned BAD MANAGEMENT and of course – poor customer value proposition – see section C. Note: RaynAir is one of the longest standing private jet charter brokering services in existence – starting in 2002 ... so I have literally seen hundreds of these come and go – almost always having the same cycle – a) get big investors, b) unsustainable advertising blitz hoping to build name recognition and a quick client base, c1) get caught extravagantly spending, c2) get caught stealing/embezzling, c3) run out of money/bankruptcy, d) burn the customers they were able to acquire during their marketing blitz leaving the customers holding the bag Lather, rinse, repeat.

C) Customer Value Proposition

All of these whitepapers have continually stressed customer value proposition as the key element to jet chartering (and any other consumer service in the world). “Bad economies” and “Bad management” has caused excess supply of flight availability which of course directly leads to more competitive prices. If you are locked into a jet card program or fractional ownership lease

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– you are entirely shut out of these savings as your money is already spent. The only way you could take advantage is to hedge your money and try to lower your investment by taking more money out of your pocket and chartering with reasonably sized consistent & reputable jet charter brokers. This would lower your overall investment by dollar cost averaging your annual or multi-annual spend. Once you have burned off your jet card hours or your fractional lease has expired – DON'T RENEW under any circumstances. In an environment with this much opportunity, tying up cash into someone else's program obviously isn't the answer. Transactional jet chartering gives you the flexibility, tax write down, better service and the same (if not better) aircraft and amenities than you are flying in now – at a better price – WITHOUT long term contracts - all of that defines great customer value proposition.

Conclusion

In previous volumes of “ The EPF Whitepaper Series”, we have discussed researching your jet charter broker and forming a great relationship. We have discussed the appropriate time to use fractional hours vs. chartering as there are times when fractional hours offer better value proposition than chartering. We have also deeply analyzed fractional ownership pricing and how it compares with jet chartering. In this edition, we have exposed how economic conditions offer great opportunities. We have exposed how customers can get really hurt if they are holding a jet card and their trusted super broker files for bankruptcy protection. We have also exposed how public relations firms can paint pretty pictures about social circles and hide the real foundational

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truth. With respect to your money and how it gets spent in private chartering – what should you be most concerned with? A) Economics, B) Bad Management or C) Customer Value Proposition – The correct answer is of course:

D) All of the Above.

Stop being an Exploited Private Flier!

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