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NS Aviation to expand at airport

It commits to creating
125 jobs in its first year
at Smith Reynolds

BY RICHARD CRAVER
Winston-Salem Journal

The management team of NS Aviation LLC wonced Thursday when told that state and local officials said supporting their start-up aircraft-maintenance company was a "leap of faith."

However, the team — talking publicly about their plans for the first time — acknowledged that gaining confidence in their business operations and finances will be crucial to attracting customers, employees and community support.

NS Aviation confirmed it will expand at Smith Reynolds Airport, taking over the hangars and space used by the defunct Pace Airlines Inc.

The news was welcomed by Gov. Bev Perdue and local and state officials as a chance to put former Pace employees back to work and give the airport an anchor tenant. About 300 local Pace employees were let go when mismanagement led to the company's collapse in September 2009.

"This management team knows this industry inside and out," Perdue said of executives who also worked as managers with Piedmont Airlines and US Airways Group Inc.

"They will do great things here, and they have the juice to become a major global player."

NS Aviation, which has 31 employees, has committed to creating 125 jobs in its first year of operations and 308 over four years. The jobs will pay an average wage of \$42,072 — \$80 more than the average in Forsyth County. It plans to spend nearly \$1.3 million on capital investments.

In return, the state made the company eligible for a \$300,000 grant from the One North Carolina Fund. It also will benefit

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that would happen quickly, saying, "I don't know of any aviation group with this level of experience handling Boeing 737 aircraft outside Boeing."

Creech said that reaching the work-force goal would depend on launching a charter-airline service, which could take more than a year to get FAA certification.

Creech and Russ Kota, its vice president of maintenance, stress that NS Aviation is not Pace rising from the ashes, even though both men were in management roles with Pace when it was owned by the estate of Bob Brooks, the chairman of Hooters of America Inc.

After their own offer for Pace was turned down, they were let go when William Rogers Sr. took over Pace in May 2009. Rogers' acquisition was based on a promissory note to pay \$9 million for stock in Pace Airlines LLC and Pace Airlines II LLC and take over \$6 million in liabilities.



LAUREN CARROLL/JOURNAL

Charlie Creech, foreground, speaks before officials including Gov. Bev Perdue at a news conference at Smith Reynolds Airport on Thursday.

Creech and Kota said their departure, and then the collapse of Pace, fueled their desire to create their own maintenance company.

"For these hangars to sit empty for as long as they did, because of what happened here, was painful," Creech said. "When we were let go, Pace was coming off its best year."

Creech and Kota said

they understand why there are questions about their investor support because Rogers touted \$32 million in backing he never had.

"Do you think that the state and the Golden Leaf Foundation would offer these funds if it didn't believe we had a solid investment group behind us?" Kota asked. "Do you think the FAA would approve our certificate if it

had doubts?"

The FAA certified NS Aviation as an aircraft-repair station on Dec. 13, primarily to work on Boeing 737 airframes.

Keith Crisco, the state's Commerce secretary, confirmed the N.C. Commerce Department "did a great deal of due diligence because of the collapse of Pace."

"There is a leap of faith

that this management team can perform, which is why the grant is performance based," Crisco said. "We're very impressed with their people, and we have confidence they will perform as promised."

Tom McKim, the chairman of the airport commission, said that the Golden Leaf money — which will go to buy equipment for NS Aviation — "is an investment in this airport and community as much as the company."

"We're very optimistic about their ability to land business. We also know the reality is we didn't have a lot of people beating our doors down for the space."

Kota said that being turned down by the estate in 2009 proved fortuitous for NS Aviation because it can compete for new contracts without taking on Pace's debt.

"All the groundwork is now in place for this company to take off," Kota said.

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Data may have gone to landfill

The Associated Press

RALEIGH — A state agency thinks computer disks with personal information have been sent to a landfill by mistake.

The News & Observer of Raleigh reported Thursday that the N.C. Department of Health and Human Services says the disks contained Social Security numbers, birth dates, income details and other personal information about more than 18,000 clients.

The disks had records of people who received hearing or speech aids or applied for other services from the Division of Services for the Deaf and the Hard of Hearing between 2005 and 2008.

Director Jan Withers says the disks were probably taken to a landfill and probably destroyed. There's no indication anyone obtained the disks.