

Pace employees detail grievances

Workers at airline and maintenance company bemoan uncertainties, late paychecks

By **Richard Craver**
JOURNAL REPORTER

Jeff Catlin says he loves his job at Pace Airlines and considers his fellow employees family.

But yesterday, after a month without getting a regular paycheck from the struggling company, Catlin said, he's ready to be laid off.

"It's so sad in this day and economic times to actually beg for unemployment to pay my bills and put food on my table," said Catlin, who works in Pace's parts department.

Catlin was one of more than 25 employees who spent their lunch hour yesterday across the street from Pace's operations at 4001 N. Liberty St. to discuss their and the company's plight with the media. Other employees held a silent protest outside management's office.

Pace, a charter airline and third-party maintenance company, has maintenance and training operations at Smith Reynolds Airport. Pace also has operations in Atlantic City, N.J., and Dallas.

The company is estimated to have more than 400 full- and part-time employees, including about 300 locally.

The employees said they are due one or more two-week paychecks, and they have grown weary of management's statements and excuses for not making payroll.

The financial turbulence has grown stiffer for Pace in the past two weeks.

The N.C. Department of Labor said Aug. 21 that it had opened an investigation of Pace related to at least four employee complaints about not being paid this month.

On Friday, Continental ended its

business agreement with Pace, a lucrative piece of maintenance and modification business that began in late 2007 and was supposed to run through at least 2010.

The employees said they realize that speaking with the media could cost them their jobs. But they are worried that their jobs may be going away anyway, potentially as soon as this week.

The employees directed most of their complaints at William Rodgers Sr., who bought the company in June and pledged a 120-day program aimed at putting the company in a better financial status.

Rodgers said yesterday in a brief telephone conversation that Pace continues to do its day-to-day business. "We know what the employees are concerned about, and that's all the

comment I'm going to make to you," he said.

Catlin said that it is frustrating to go home each day without a paycheck to share with his family.

"Most of us live paycheck to paycheck, so when the paychecks stopped coming, we've had to drain whatever savings we had," he said. "I feel like I can't walk (from Pace) because I'm afraid I won't get paid what I'm owed and they'll fight me getting unemployment."

The employees offered memos that they said show Rodgers' misrepresentation of the company's plight.

Rodgers said in a July 1 memo that one reason for Pace's financial struggles was that Continental owed Pace

PACE

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\$1 million for work it had already completed.

Julie King, a spokeswoman for Continental, said yesterday that "Continental was current on its payments to Pace."

Rodgers said in a memo Friday that he would sell his stake in Pace by yesterday, and that employees would get payroll checks Monday. Employees said they have not received a check because the sale fell through over the weekend.

A memo issued yesterday by Rodgers said that the company "is in negotiations with investors

to help fund our current payroll requirements in order to distribute payroll checks today. We are also discussing Pace Airlines funding requirements in order to assist the company reach positive cash flow and profitability within the next several months."

The employees said that with the Continental business gone, they hold little hope that Pace will attract an investor. However, they were optimistic that Continental would bring business back if Pace had viable new ownership.

"We can't get any straight answers from management," said Bryan Long, a mechanic. "We give them the best we have because we are professionals,

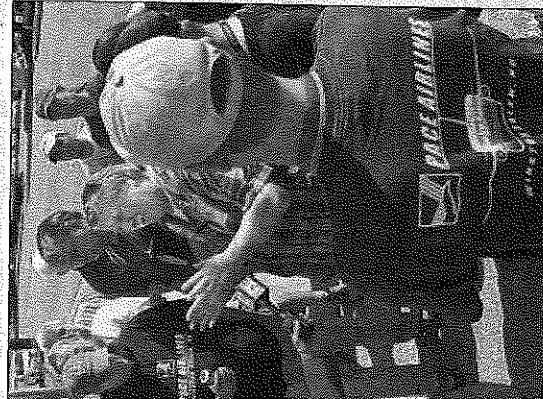
and we know that people's lives depend on us doing our jobs right.

"That's what Continental has recognized and why it waited so long to pull the contract."

Jack Cryer said he left his job at Pace on Monday because he couldn't wait any longer for a paycheck.

He said that his mortgage company was willing to give him a grace period for his August payment. "But creditors are going to work with you but so long because they need their money, too," he said.

■ *Richard Craver can be reached at 727-7376 or at rcraver@wsjournal.com.*



JOURNAL PHOTO BY DAVID ROLFE
Haig, a Pace Airlines employee, talks to the media outside the airlines headquarters north Liberty Street in Winston-Salem.

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