

# Pace

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of a bad situation and gain as much for creditors as possible," Allman said.

Documents that Allman filed yesterday do not clarify whether Rodgers is the current and sole owner. The court has not been able to get anyone to step forward to produce creditor documents.

Walter Holton, an attorney representing Rodgers, said that Rodgers resigned his positions with Pace in October. He said that Rodgers will accept the request for documents since he remains the registered agent for Pace.

Among the documents filed by Allman is an agreement signed Sept. 4 that Rodgers provided "by gift" a 50-percent stake in Pace to Lee Booth, a Greensboro businessman. Allman said he has not interviewed Booth and Rodgers under oath to determine the legality of the documents.

Most of Pace's remaining assets are in a warehouse in Burlington that Booth either owns or leases. Those assets in-

clude corporate files and records, company computers, office equipment, desks and airline safety equipment.

Booth and his attorney, Charles Ivey, said that Booth backed out of the deal after doing due diligence on Pace. They said he has no ownership stake.

Among the documents is an e-mail sent Nov. 3 by Booth to representatives of the Brooks estate and a previous owner of one of the Pace limited liability corporations. Booth questioned whether the estate wanted Pace back given that the airline had an active operating certificate with the Federal Aviation Administration for its charter-airline service.

Booth said in the e-mail that "the estate is the only real owner with funds to pay creditors and handle pending lawsuits" because Rodgers "is an empty bag" and Booth's ownership documentation had been considered by the recipients of the e-mail "as defective."

The FAA said that Pace relinquished its certificate Dec. 31, which Allman said was a "golden opportunity to maximize value lost."

It is unclear whether the Brooks estate is legally liable for the demise of Pace if it allowed Rodgers to take over the company without verifying his ability to pay for the ownership stake in the LLCs.

Rodgers told employees he was wealthy, an aviation expert and had access to tens of millions of dollars in investor capital.

However, by mid-September, the company had lost its top maintenance customer, Continental Airlines, and it had not paid insurance premiums collected from employees.

On Sept. 22, Rodgers was charged with one count of willful failure to pay group health-insurance premiums — a Class H felony — by the criminal-investigations division of the N.C. Insurance Department. The Forsyth County District Attorney's office is handling the case.

Rodgers also faces potential charges from the N.C. and U.S. labor departments regarding nonpayment of wages. Agency officials said yesterday that investigations are continuing.

rcraver@wsjournal.com  
727-7376

# Bankruptcy court tries to sort out who owns failed airline company

By Richard Craver  
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A U.S. Bankruptcy Court hearing next week could resolve who owns a collapsed Pace Airlines Inc. and can be held accountable for its mounting legal troubles.

Then again, the hearing may be just



To see a copy of the bankruptcy-court documents go to [www.journalnow.com](http://www.journalnow.com).

Chapter 7 bankruptcy trustee, Edwin Allman III. It will take place at 2 p.m. Wednesday in Courtroom I at the U.S.

the beginning of a legal process that could place ownership back at the doorstep of the estate of the late Bob Brooks, the former chairman of Hooters Air.

The hearing, approved yesterday, was requested by the Chapter 7 bankruptcy trustee, Edwin Allman III. It will take place at 2 p.m. Wednesday in Courtroom I at the U.S. Bankruptcy Court of the Middle District of N.C., 226 S. Liberty St. in Winston-Salem.

Those ordered to appear at the hearing are: William Rodgers Sr., who acquired ownership of the company last May from the Brooks estate; Darrell Richardson, who served as president and Catherine Roberts, who served as secretary. They will also be questioned separately by Allman during the week of Feb. 15.

The hearing will focus on questioning the officers regarding Pace creditors, its ownership status since at least January

2005, its corporate tax returns and shareholder minutes.

Rodgers took over the company 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. Less than four months later, Rodgers' management had driven the company out of business and cost 300 local employees their jobs and up to six weeks of wages.

"The goal is to try and make the best

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# Hearing to examine Pace