

Recession presses hard,

# Pace Buckles



Former Pace Airlines employees shake hands as they leave the plant after being laid off. Most employees have not been paid for a month.

JOURNAL PHOTOS BY WALT UNKS

# Company cuts up to two-thirds of work force at its local plant

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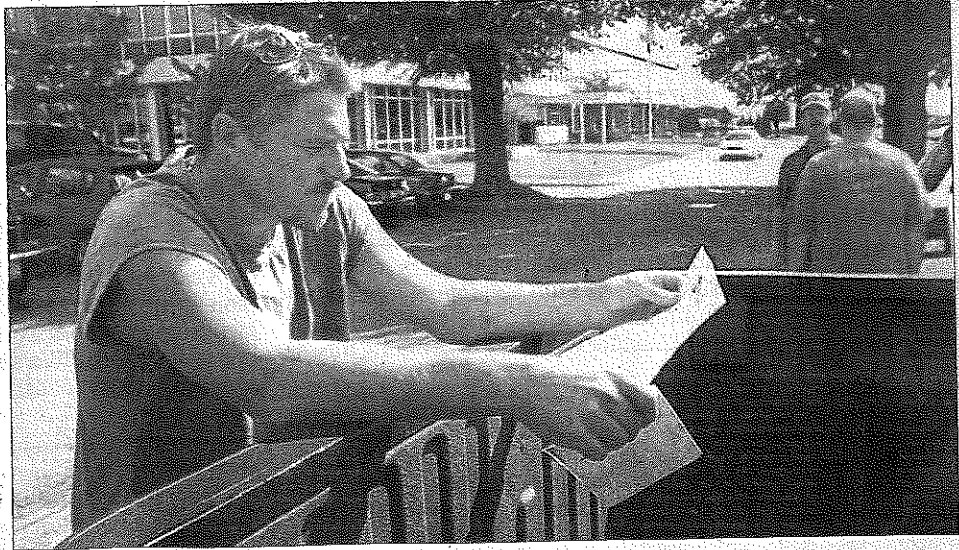
**T**he financial turmoil surrounding Pace Airlines Inc. for several months finally took its toll on jobs yesterday.

Between 125 and 215 employees at its maintenance operation in Winston-Salem were let go immediately, according to current and former workers. The company had about 300 local full- and part-time workers.

The owner of Pace, William Rodgers Sr., said in a statement to employees that they were being "furloughed without attachment," which means that their jobs were cut without the company filing an unemployment-benefit claim for them. He declined to comment on how many jobs had been cut.

Also yesterday, the Airport Commission of Forsyth County said that Pace owed more than \$888,000 in overdue lease payments.

Tom McKim, the chairman of the commission, said that Pace started falling behind on



Chris Jackson, a former structures mechanic with Pace, reads papers the company gave him.

its rent payments in October. The company pays the commission about \$145,000 a month, McKim said. From time to time, Pace has made partial payments of the money owed.

Though the commission could have canceled Pace's lease, McKim said, Pace is an important tenant that the airport didn't want to lose.

"We recognize that they had some business challenges, and as time has gone on, we have tried to work with them as best we could to be supportive of their efforts to go forward as a business entity," McKim said.

Pace has not filed a Worker Adjustment and Retraining Notification Act notice with the mayor's office. The federal government requires most employers with 100 or more

employees to give at least 60 days notice in advance of plant closings and large layoffs.

About 40 of the affected employees returned to Pace's parking lot at 4001 N. Liberty St. shortly before closing time.

They were there to commiserate and to see if any legal or civil action would be taken against Rodgers related to wage and insurance-premium complaints being investigated by state and federal officials. Most employees have not been paid for more than a month.

What the employees were told is they would get a two-week paycheck today and that the company had met its obligation regarding premium payments to insurers.

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# PACE

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Rodgers said in a memo to employees Friday that he had secured "a multimillion-dollar line of credit" with a source he did not identify. The money was supposed to be in Pace's accounts by today.

Kristin Milam of the N.C. Department of Insurance said that agency investigators met with Pace officials yesterday.

"As of that meeting, the company's group health-insurance coverage through Blue Cross Blue Shield North Carolina has not been canceled," Milam said. "If the coverage is canceled, Blue Cross will notify us immediately, and we will act accordingly to enforce General Statute 58-50-40."

Milam said that the agency does not have the authority to "shut down" Pace because private companies and organizations do not fall under its regulatory authority.

Some employees expressed skepticism about being paid. They cite memos issued by Rodgers in recent weeks concerning meeting payroll that were not fulfilled.

Employees declined to be identified yesterday, saying that Rodgers had threatened legal action over any comments about the company's financial and legal status.

"We hope they keep their word, or that the government



JOURNAL PHOTO BY WALT LINKS

**Mechanics' toolboxes wait as former employees talk to Pace officials.**

makes them keep their word," one employee said. "At least now, we can get our unemployment and start putting food back on our tables."

Rodgers said in yesterday's statement that current employees, new hires and any re-hired employees would have to go through employment, criminal and credit checks to retain or regain their jobs.

Larry Parker, a spokesman for the N.C. Employment Security Commission, said that if the company is shut down, it would not affect eligible employees receiving unemployment benefits.

"Under normal conditions, it's usually two to four weeks for someone to receive unemployment benefits," Parker said. "If an employer wants to fight unemployment claims, a review has to take place, which could make the claim process take longer."

Parker said that those employees who were let go should file a

claim by phone at 877-841-9617 or at its Web site — [www.ncesc.com](http://www.ncesc.com). "As far as eligibility, everyone's claim is different," he said.

Dolores Quesenberry, a spokeswoman for the N.C. Department of Labor, said that employees who have worked and not received payment may file a wage complaint by calling 800-625-2267.

"The employee should be prepared to provide name, phone number, e-mail address and the time period and dollar amount of the unpaid wages," Quesenberry said. "Not every unpaid employee in the company has to file a complaint to start an investigation, but it helps labor officials to know how many people are involved."

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