



# Bankrupt Arrow Air gets 2nd buyer for debt

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Ina Paiva Cordle

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Miami cargo carrier Arrow Air's debt has been resold — a second time — to a group of investors that includes the company's former chief executive, Guillermo "Willy" Cabeza.

The group intends to help Arrow Air file a reorganization plan, which will keep the airline operating, Cabeza said.

Arrow Air II bought the debt from Arrow Air Acquisition, formed by local aviation executive Tony Romeo last month. Romeo bought \$32.5 million of debt from Bank of America Commercial Finance for about \$11.5 million, a source familiar with the deal said.

Jared Azcuy, spokesman for Romeo's company, Charter America, said the sale was prompted by the new investors' desire for the debt and having the resources to aid the cargo carrier. He said Romeo wouldn't have sold it to a company that planned to break up its assets.

"It made sense for us to own Arrow eventually because it fit into our group," Azcuy said. "But if somebody else came along and wanted it more than we did, so be it."

Cabeza, managing partner of the new investment group, declined to say how much the investors paid for the debt. He also declined to name the other investors, who are based here and in New York. Cabeza worked at Arrow Air for more than 10 years and was president and CEO from 1998-2001.

Arrow Air filed for bankruptcy protection under Chapter 11 on Jan. 28, less than two years after the airline, formerly called Fine Air, emerged from bankruptcy protection. Arrow Air Chief Executive Frank Visconti said a weak economy, high fuel prices and



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too much competition on rates led to the bankruptcy.

The company, which has 580 employees — down from 750 at the time of its filing — continues to fly to Latin America and the Caribbean.