

BI (Official Form 1)(4/10)

United States Bankruptcy Court Southern District of Florida		Voluntary Petition
Name of Debtor (if individual, enter Last, First, Middle): Arrow Air, Inc.		Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): DBA Arrow Cargo		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) 59-2929045		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): 1701 NW 63rd Avenue, Building 712 Miami, FL <div style="text-align: right;">ZIP Code 33126</div>		Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right;">ZIP Code</div>
County of Residence or of the Principal Place of Business: Miami-Dade		County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div>		Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right;">ZIP Code</div>
Location of Principal Assets of Business Debtor (if different from street address above):		
Type of Debtor (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	Nature of Business (Check one box) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other Tax-Exempt Entity (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
Statistical/Administrative Information <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		THIS SPACE IS FOR COURT USE ONLY
Estimated Number of Creditors <input type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input checked="" type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000		
Estimated Assets <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input checked="" type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		
Estimated Liabilities <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input checked="" type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion		

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): Arrow Air, Inc.	
All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)			
Location Where Filed: Southern District of Florida, Miami	Case Number: 04-10728-BKC-AJC	Date Filed: 1/28/04	
Location Where Filed:	Case Number:	Date Filed:	
Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)			
Name of Debtor: - None -	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<div style="text-align: center;">Exhibit A</div> (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.) <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		<div style="text-align: center;">Exhibit B</div> (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b). X _____ Signature of Attorney for Debtor(s) (Date)	
Exhibit C			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No.			
Exhibit D			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
Information Regarding the Debtor - Venue (Check any applicable box)			
<input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
Certification by a Debtor Who Resides as a Tenant of Residential Property (Check all applicable boxes)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			
_____ (Name of landlord that obtained judgment)			
_____ (Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).			

B1 (Official Form 1)(4/10)

Page 3

Voluntary Petition*(This page must be completed and filed in every case)*

Name of Debtor(s):

Arrow Air, Inc.

Signatures**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X

Signature of Debtor

X

Signature of Joint Debtor

Telephone Number (if not represented by attorney)

Date

Signature of Attorney*

X

Signature of Attorney for Debtor(s)

Jordi Guso 863580

Printed Name of Attorney for Debtor(s)

Berger Singerman, P.A.

Firm Name

200 South Biscayne Blvd
Suite 1000
Miami, FL 33131

Address

Email: jguso@bergersingerman.com

(305) 755-9500 Fax: (305) 714-4340

Telephone Number

June 30, 2010

Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X

Signature of Authorized Individual

Doug Yakola

Printed Name of Authorized Individual

Chief Restructuring Officer

Title of Authorized Individual

June 30, 2010

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

☐ I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

☐ Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X

Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X

Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.

CERTIFIED RESOLUTIONS OF THE
BOARD OF DIRECTORS OF
ARROW AIR, INC.

WHEREAS, Arrow Air Inc.(the "Corporation") is in default under the terms of its secured credit facility and in default or operating under temporary forbearance agreements under substantially all of its material aircraft and real property leases; and

WHEREAS, the Corporation and its parent company, Arrow Air Holdings Corp. ("AAH") have explored strategic alternatives, including discussions and negotiations with numerous potential purchasers of the stock or assets of the Corporation or AAH, but have been unable to finalize a transaction that is reasonably expected to yield a better return to creditors than the expected return to creditors from an orderly liquidation of the Corporation and AAH; and

WHEREAS, due to normal seasonality of the business of the Corporation and constraints on the operations of the business due to its distressed financial condition, the cash and cash flow of the Corporation are forecast to decrease substantially if it continues to operate and it will incur substantial operating losses, and the Corporation and AAH have no alternative sources of cash available to them, and as a result thereof in the judgment of the Board of Directors of the Corporation, it is desirable and in the best interest of the Corporation, its creditors, stockholders, and other interested parties to authorize the officers of the Corporation to cause the Corporation to discontinue and shut down its operations and to cause to be filed a petition by the Corporation seeking relief under the provisions of chapter 11 of title 11, United States Code (the "Bankruptcy Code") on or after June 30, 2010, and pursue a liquidation through the chapter 11 process and ultimately to terminate the existence of the Corporation in accordance with the provisions of the Bankruptcy Code, the corporation law of the State of Florida and other applicable law.

NOW, THEREFORE, BE IT

Shutting Down and Cessation of Operations

RESOLVED, that the President, the Chief Restructuring Officer, the Chief Operating Officer, the Treasurer, or such other officer(s) of the Corporation as they shall from time to time designate (each, an "Authorized Officer"), or any of them be, and each of them hereby is, authorized and directed to take all actions necessary to discontinue and shut down the operations of the Corporation, and preserve and liquidate its assets, including without limitation terminating employees, contacting and bargaining with the Unions that represent employees of the Corporation over the effects of the closure, grounding and returning aircraft, engines and other leased equipment to lessors and secured lenders and causing to be filed in the chapter 11 case a Disclosure Statement and a Plan of Liquidation (the "Plan"), and to seek confirmation of the Plan by the Bankruptcy Court, with such amendments as may be required by the Bankruptcy Court; and it is further

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized and directed to take all actions necessary to effect the closure, dissolution, wind down, and liquidation of its foreign branches, subsidiaries and affiliates (the "Foreign Entities"), such that, each of them is hereby jointly and severally authorized and directed in the name and on behalf of the Corporation to take any and all actions which such Authorized Officer or Authorized Officers may deem necessary or advisable in order to close, dissolve, wind down, and liquidate the Foreign Entities, including but not limited to terminating all employees employed by the Foreign Entities, closing bank accounts, notifying all applicable governmental authorities of the cessation of operations and dissolution and liquidation of the Foreign Entities in their respective countries, and executing and filing final tax returns and tax forms and certificates of dissolution or similar

documents or instruments as may be required to terminate the existence of all such entities, including without limitation making the payment of required filing and document fees and tax deposits or payments; and it is further

Filing and Prosecution of Bankruptcy Case

RESOLVED, that it is desirable and in the best interest of the Corporation and its creditors, stockholders, and other interested parties to authorize the Authorized Officers to cause to be filed a petition in the name of the Corporation (the "Chapter 11 Petition") seeking relief under the provisions of chapter 11 of the Bankruptcy Code; and it is further

RESOLVED, that the Authorized Officers be, and each hereby is, authorized and directed to execute and verify the Chapter 11 Petition and to cause the same to be filed in the United States Bankruptcy Court for the Southern District of Florida, Miami Division (the "Bankruptcy Court"), in such form and at such time on or after June 30, 2010 as such officer(s) shall determine; and it is further

RESOLVED, that the Authorized Officers be, and each hereby is, authorized to execute and file (or direct others to do so on behalf of the Corporation as provided herein) all necessary documents, including, without limitation, all petitions, affidavits, schedules, motions, lists, applications, pleadings and other papers, and in connection therewith, to employ and retain all assistance by legal counsel, accountants or other professionals and to take any and all action which they deem necessary and proper in connection with the chapter 11 case; and it is further

Employment of Professionals

RESOLVED, that the law firm of Haynes and Boone, LLP be, and hereby is, employed under general retainer as bankruptcy counsel for the Corporation in the chapter 11 case, and the Authorized Officers of the Corporation are hereby authorized and directed to execute appropriate

retention agreements, pay appropriate retainers prior to and immediately upon the filing of a chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Haynes and Boone, LLP; and it is further

RESOLVED, that the law firm of Berger Singerman be, and hereby is, employed as co-bankruptcy counsel for the Corporation in the chapter 11 case, and the Authorized Officers of the Corporation are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of a chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Berger Singerman; and it is further

RESOLVED, that the financial advisory firm of Seabury Advisors, LLC, together with its broker-dealer affiliate, Seabury Securities, LLC and/or one or more of their affiliates (collectively, "Seabury") be, and hereby is, employed as financial advisor for the Corporation in the chapter 11 case, and the Authorized Officers of the Corporation are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of a chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Seabury; and it is further

RESOLVED, that the Authorized Officers of the Corporation be, and they hereby are, authorized and directed to employ any other firm as professionals or consultants to the Corporation as are deemed necessary to represent and assist the Corporation in carrying out its duties under the Bankruptcy Code and, in connection therewith, the Authorized Officers of the Corporation are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon the filing of a chapter 11 case and cause to

be filed an appropriate application for authority to retain the services of such firm; and it is further

RESOLVED, that all acts lawfully done or actions lawfully taken by any Authorized Officer to seek relief under chapter 11 of the Bankruptcy Code or in connection with the chapter 11 case, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation; and it is further

General Authorizing Resolutions

RESOLVED, that the Authorized Officers be, and each of them, with full authority to act without the others, hereby is authorized and directed, in the name of and on behalf of the Corporation, under the Corporation's corporate seal or otherwise, to make, enter into, execute, deliver and file any and all other or further agreements, documents, certificates, materials and instruments, to disburse funds of the Corporation, to take or cause to be taken any and all other actions, and to incur all such fees and expenses as any such officer deems to be necessary, appropriate or advisable to carry out the purposes of the foregoing resolutions and the transactions contemplated thereunder and/or to successfully complete a chapter 11 case, the taking of any such action to constitute conclusive evidence of the exercise of such discretionary authority; and it is further

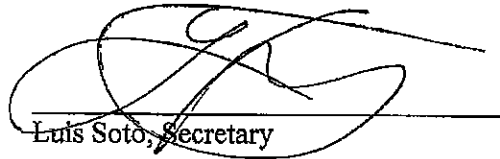
RESOLVED, that all authorized acts, transactions, or agreements undertaken prior to the adoption of these resolutions by any officer of the Corporation on behalf of the Corporation in connection with the foregoing matters are hereby authorized, approved, ratified, confirmed and adopted as the acts of the Corporation; and it is further

RESOLVED, that the Authorized Officers be, and each of them hereby is, authorized, empowered and directed to certify and attest any documents or materials which they deem

necessary, desirable or appropriate to consummate the transactions contemplated by the foregoing resolutions, without the necessity of the signature or attestation of any other officer or the affixing of any seal of the Corporation.

This Consent may be executed in one or more counterparts, each of which shall be deemed an original and all of which, together, shall constitute one consent. All of the foregoing resolutions shall be deemed adopted simultaneously.

I, Luis Soto, secretary of the Corporation, certify that the above resolutions were adopted by the Board of Directors of Arrow Air, Inc. at a duly called meeting held on June 28, 2010.



Luis Soto, Secretary

**United States Bankruptcy Court
Southern District of Florida**

In re Arrow Air, Inc.

Debtor(s)

Case No.
Chapter

11

VERIFICATION OF CREDITOR MATRIX

I, the Chief Restructuring Officer of the corporation named as the debtor in this case, hereby verify that the attached list of creditors is true and correct to the best of my knowledge.

Date: June 30, 2010



Doug Yakola/Chief Restructuring Officer
Signer/Title