BALTIA AIR LINES: YOU'RE DRUNK, GIVE UP ALREADY

News / Airlines

By Lucky

Last week I wrote about how the SEC is investigating an executive from Baltia Air Lines, which is an airline I first wrote about in 2014. They've been in "business" (which is to say they've been stealing investing other peoples' money) for 27 years, though they've still yet to operate a commercial flight, despite owning a plane for over 20 years.

Their business plan all along has been to fly 40 year old Boeing 747-200s between New York and St. Petersburg, Russia, with plans to later expand to other European capitals. But for the past 27 years they've intentionally been delaying operations, because they clearly don't have the intent of actually ever flying.

Baltic Air Lines

Boeing 747-200B, Registration unknown

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?And I can't blame them for never actually wanting to fly — the airline is publicly traded under ticker code BLTA, and amazingly enough in 2014 had a market cap of nearly $70 million. Who wouldn't want that much capital for a business model which could best be summed up as a joke?

Several weeks ago they finally decided to get rid of their 747-200 that they've had for over 20 years, after consulting a former FAA senior policy level executive. ***Who would have thought that a 40 year old 747-200 isn't the perfect airplane with which to start flights between New York and St. Petersburg in the year 2016?***

As if an airline without a plane wasn't bad enough news, last week the SEC went after the airline's vice president of finance, Barry Clare, alleging the following:

- Clare actively solicited investors by phone, by email, and in person, and received up to 20% of the proceeds of the Baltia investments he obtained.
- Clare wrote emails to investors describing the Baltia investment opportunity as "attractive," "prudent," and capable of generating "tremendous gains."
- Clare solicited potential investors on a New York-area Russian language radio station through paid advertisements.
- During those advertisements, Clare described Baltia as a "great investment opportunity" with a share price that was "undervalued."
- Clare maintained detailed ledgers of the Baltia investments he obtained and the compensation he received. Those ledgers show that Clare sold Baltia stock on a near-daily basis, participated in at least 820 sales of Baltia stock, and received commissions totaling $1.7 million for approximately 605 of these sales.

So now we have an "airline" without a plane and with a senior manager who is being investigated. Can Baltia Air Lines still fool investors, or was this the last straw for them? I figured that was the end for them, though I guess they're more creative than I thought.

Wandering Aramean posted about an email he received, regarding Baltia's (supposedly) revised business plan. Instead of flying 747s between the US and Russia, Baltia's new business plan is to fly regional jets within the Northeast. The logical progression of any business plan! Here's what Wandering Aramean shared:

One reason why Barry has been so enthusiastically communicating to prospective investors about the merits of Baltia is due to the new business plan. Yes, it was somewhat eclipsed by the CEO's untimely passing, but the reason for scrapping the "big bird" as Barry calls it, has to do with the new route structure as well as the bid to lease and deploy Avro Liner aircraft which is a perfect fit for the carrier. With Baltimore as the new "hub" of the carrier, and the trio of high yield, high frequency destinations: Trenton, Islip, and Albany, we all believe that Baltia — essentially "BAL" + "T" / "I" / "A" (Trenton, Islip, Albany) is going to be a fast success. We don't need to waste more rubles doing proving runs from Willow Run, and can quickly get hourly service in place between BWI and these three important markets. What is more brilliant about the plan, though, is the opportunity for connecting traffic. A businessman in Albany could fly to Islip (one-stop via BWI,) to conduct important meetings, and then fly onward to Trenton (one-stop via BWI) in time for some rest and next-day meetings.

So 27 years after being founded the airline has decided they want to offer hourly regional service between America's four financial capitals — Baltimore, Trenton, Islip, and Albany. The logic for

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that route network is in the airline's name — BALtimore, Trenton, Islip, and Albany.

Baltia-Routemap

Image not found or type unknown

I don't know which part of this story is the best, though this part has to be a contender:

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When the most brilliant part of your business plan is that one can fly from Albany to Baltimore to Islip to Baltimore to Trenton in a day, you know you're in trouble.

What the *actual* f#*&?!

I hate to say it, but anyone who invests a dime in this company deserves to lose their money…

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