

## Century Aviation enters bankruptcy

**The aircraft service company says it owes creditors between \$1 million and \$10 million**

By Russ Lynch  
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**Century Aviation Inc.**, which has fueled and serviced corporate jets and other aircraft at Honolulu Airport for about 30 years, has begun financial reorganization under bankruptcy protection, holding off creditors it says are owed a total of between \$1 million and \$10 million.

The business is still operating, however, not only at its Honolulu facility off Lagoon Drive but at refueling and service centers at the Kona and Hilo airports on the Big Island; at Lihue, Kauai; and on Lanai.

Louise "Lulu" Miyasato, Century Aviation president, did not return calls about the Chapter 11 bankruptcy petition, which was filed Tuesday. A staff member said the business is still operating.

No information was available about the two biggest unsecured creditors, who were listed as Kiyoshi Kato, owed \$736,000; and Masaya Uesugi, owed \$500,000. They are not the owners of the company, since bankruptcy laws states owners and other insiders cannot be listed among the top 20 unsecured creditors.

Century Aviation, which was founded in the 1970s by developer Chris Hemmeter to take care of his private jet and those of his friends and business contacts, was sold to Japanese investors in 1990.

It features a luxurious air conditioned lounge and modern fueling and servicing facilities that have been used by personal and business aircraft and even the supersonic Concorde when it stopped in Hawaii on round-the-world charters.

The list of creditors shows that the company owes the state more than \$600,000, but a state official said it is likely owed more than that.

Department of Transportation spokesman Scott Ishikawa said while the bankruptcy filing shows his department is owed \$314,000, the actual debt is \$514,000, including unpaid rent for the state-owned 34,500 square feet of land under the facility. Ishikawa said Century owes airport-use fees, including landing fees, as well as money for utilities and other services, in addition to the rent.

Also listed in the bankruptcy filing is a tax debt to the state of \$300,000.

Century Aviation has competitors, such as Air Service Hawaii, which operates on all the major islands. For now, it is the only aviation-service company at the Kona International Airport at Kona, but Ishikawa said the state is winding up lease negotiations with another service company for that airport.

Meanwhile the state does not know what, if any, effects the Century Aviation bankruptcy filing might have on the operation of the state's airports, Ishikawa said.

Century Aviation did have a service operation at Kahului Airport, Maui, but the state canceled the deal in March, as a result of an incident in which a fuel truck rolled unattended into a ditch and shut down a runway for two hours.

Ishikawa said the transportation department investigated at the request of the Federal Aviation Administration and found that some Century employees either were not certified or not following regulations.

Donald L. Spafford Jr., the Honolulu lawyer who filed the bankruptcy for Century, referred a request for comment to Miyasato.

In a Chapter 11 petition such as Century's, a business is able to keep operating under its existing ownership while it keeps creditors at bay and attempts to reorganize.

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