

BALTIA AIR LINES INC
Form 10-Q
November 17, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

Mark
One

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly Period ended September 30, 2015

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

BALTIA AIR LINES, INC.

(Exact name of Registrant as specified in its charter)

NEW YORK
(State of Incorporation)

11-2989648
(IRS Employer Identification No.)

**JFK International Airport,
Building 151, Jamaica, NY 11430**
(Address of principal executive offices)

(718) 244 8880
(Registrant's telephone number, including area code)

Title of each class
-None-

Name of each Exchange on which registered
-None-

Securities Registered pursuant to Section 12(g) of the Exchange Act:

Common Stock,
(Title of Class)

\$.0001 Par Value

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ - No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ - No ☒

Indicate by check mark whether the Registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ - No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes ☒ - No ☐

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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act of 1934). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of October 20, 2015 was
7,185,735,957

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Part I - Financial Information**ITEM 1 -Financial Statements:**

Baltia Air Lines, Inc.
BALANCE SHEETS
(A Development Stage Company)

	September 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets		
Cash	\$ 14,940	\$ 185,613
Other current assets	3,000	24,908
Total current assets	17,940	210,521
Property and equipment, net	2,298,832	2,316,036
Other assets:		
Security deposit and other	269,422	318,683
Total assets	\$2,586,194	\$2,845,240
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued expenses	\$2,292,412	\$2,572,165
Notes payable	482,730	50,000
Accrued interest	570,191	515,325
Deposit on common stock purchases	395,000	-
Total current liabilities	3,740,333	3,137,490
Noncurrent liabilities		
Long-term debt, net of discount	1,150,000	1,150,000
Long-term accounts payables and accrued expenses	-	335,523
Total noncurrent liabilities	1,150,000	1,485,523
Total liabilities	4,890,333	4,623,013
Stockholders' equity (deficit)		
Preferred stock, \$0.01 par value; 2,000,000 shares authorized, 66,500 issued	665	665
Preferred stock class B, \$50,000 par value; 50 shares authorized and zero shares were issued and outstanding	0	0
Common stock, \$.0001 par value; 6,986,000,000 shares authorized, 6,973,195,657 and 5,497,415,771 issued and outstanding at June 30, 2015 and December 31, 2014, respectively	697,319	549,741
Additional paid-in capital	113,896,502	108,215,743
Deficit accumulated during development stage	(116,898,625)	(110,543,922)

Total stockholders' equity (deficit)	(2,304,139)	(1,777,773)
Total liabilities and stockholders' equity (deficit)	\$2,586,194	\$2,845,240

The accompanying footnotes are an integral part of these financial statements.

Baltia Air Lines, Inc.
STATEMENT OF OPERATIONS
(A Development Stage Company)
(unaudited)

	Three months September 30,		Nine months September 30,		From Inception to September 30,
	2015	2014	2015	2014	2015
Revenue	\$-	\$-	\$-	\$-	\$-
Cost and Expenses					
General and administrative	953,805	4,361,613	4,104,782	9,634,461	104,610,586
FAA certification costs	644,447	1,025,986	2,057,635	1,784,492	7,419,024
Training	-	-	-	-	225,637
Depreciation	4,672	14,071	32,204	42,023	474,726
Other	-	-	-	-	568,245
Interest	48,882	26,104	160,082	82,867	1,970,206
Loss on sale of assets	-	-	-	-	1,607,183
Total costs and expenses	1,651,806	5,427,774	6,354,703	11,543,843	116,875,607
Net loss before income taxes	(1,651,806)	(5,427,774)	(6,354,703)	(11,543,843)	(116,875,607)
Provision for income taxes	-	-	-	-	23,018
Deficit accumulated during development stage	\$(1,651,806)	\$(5,427,774)	\$(6,354,703)	\$(11,543,843)	\$(116,898,625)
Net loss per weighted share, basic and fully diluted	\$(0.0002)	\$(0.0012)	\$(0.0010)	\$(0.0029)	
Weighted average number of common shares outstanding, basic and fully diluted	6,843,823,656	4,611,259,608	6,176,792,886	3,982,218,192	

The accompanying footnotes are an integral part of these financial statements.

Baltia Air Lines, Inc.
(A Development Stage Company)
STATEMENTS OF CHANGES IN STOCKHOLDERS'S EQUITY

	Preferred Stock Shares	Amount	Common Stock Shares	Amount	Additional Paid-in Capital	Deficit Accumulated During Development Stage	Total
Balance, December 31, 2010	66,500	665	1,118,814,994	111,881	51,747,348	(49,572,940)	2,286,954
Stock issued and issuable for cash			241,369,947	24,137	7,783,105		7,807,242
Shares issued for services			357,846,441	35,786	17,403,106		17,438,892
Net loss						(25,075,498)	(25,075,498)
Balance, December 31, 2011	66,500	665	1,718,031,382	171,804	76,933,559	(74,648,438)	2,457,590
Prior period adjustment			147,987,304	14,798	(14,798)		-
Stock issued and issuable for cash			271,270,882	27,127	3,599,755		3,626,882
Shares issued for services			329,248,482	32,925	7,653,663		7,686,588
Net loss						(13,623,873)	(13,623,873)
Balance, December 31, 2012	66,500	665	2,466,538,050	246,654	88,172,179	(88,272,311)	147,187
Stock issued and issuable for cash			701,621,438	70,162	4,062,352		4,132,514
Shares issued for services			127,967,500	12,796	2,273,171		2,285,967
Net loss						(6,868,196)	(6,868,196)
Balance, December 31, 2013	66,500	665	3,296,126,988	\$ 329,612	\$ 94,507,702	\$ (95,140,507)	\$ (302,528)
Stock issued and issuable for cash			1,974,254,019	197,425	9,707,018		9,904,443
			232,534,764	23,254	4,060,873		4,084,127

Shares issued for services								
Shares cancelled			(5,500,000)	(550)	(59,850)		(60,400)	
Net loss						(15,403,415)	(15,403,415)	

Balance, December 31, 2014	66,500	665	5,497,415,771	\$ 549,741	\$ 108,215,743	\$ (110,543,922)	\$ (1,777,773)	
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Stock issued and issuable for cash			1,494,535,453	149,454	5,580,920		5,730,374	
Shares issued for services (net of shares cancelled)			(18,755,567)	(1,876)	99,839		97,963	
Net loss						(6,354,703)	(6,354,703)	

Balance, September 30, 2015	66,500	665	6,973,195,657	\$ 697,319	\$ 113,896,502	\$ (116,898,625)	\$ (2,304,139)	
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The accompanying footnotes are an integral part of these financial statements.

Baltia Air Lines, Inc.

STATEMENTS OF CASH FLOWS
(A Development Stage Company)
(Unaudited)

	Nine Months Ended September 30,		From Inception to September 30,
	2015	2014	2015
Cash flows from operations			
Deficit accumulated during development stage	\$ (6,354,703)	\$ (11,543,843)	\$ (116,898,625)
Adjustment to reconcile deficit accumulated during development stage to cash used in operating activities:			
Depreciation and amortization	32,204	42,023	474,726
Amortization of loan discount	-	-	294,977
Expenses paid issuance of common stock and options	97,963	3,186,958	63,617,799
Loss on sale of assets			1,607,183
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	21,908	-	397,301
Security deposit	49,261		49,261
Accounts payable and accrued expenses	(560,410)	1,439,864	6,014,086
Net cash used by operating activities	(6,713,777)	(6,874,998)	(44,443,292)
Cash flows from investing activities			
Purchase of equipment	(15,000)	(577,643)	(4,462,290)
Proceeds from sale of assets	-	-	144,164
Security deposit	-	(1,390)	(318,683)
Net cash used by investing activities	(15,000)	(579,033)	(4,636,809)
Cash flows from financing activities			
Proceeds from issuance of common stock	5,730,374	7,117,038	46,622,792
Deposit on common stock purchases	395,000	274,000	395,000
Proceeds from issuance of preferred stock	-	-	2,753
Proceeds from short-term loans	432,730	81,000	482,730
Loans from related parties	-	-	1,351,573
Repayment of related party loans	-	-	(368,890)
Principal payments on long-term debt	-	-	1,109,183
Acquisition of treasury stock	-	-	(500,100)
Net cash provided by financing activities	6,558,104	7,472,038	49,095,041
Net increase (decrease) in cash	(170,673)	18,007	14,940
Cash, beginning of period	185,613	11,549	-
Cash, end of period	\$ 14,940	\$ 29,556	\$ 14,940
Supplemental cash flow disclosures:			
Cash paid during the year for interest	\$ 229	\$ 5,000	

The accompanying footnotes are an integral part of these financial statements.

Baltia Air Lines, Inc.
(A Development Stage Company)

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
Period ending September 30, 2015

1. Basis of Presentation

The Financial Statements presented herein have been prepared by us in accordance with the accounting policies described in our December 31, 2014 Annual Report on Form 10-K and should be read in conjunction with the notes to financial statements which appear in that report.

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to intangible assets, income taxes, insurance obligations and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates under different assumptions or conditions.

In the opinion of management, the information furnished in this Form 10-Q reflects all adjustments necessary for a fair statement of the financial position and results of operations and cash flows as of and for the nine month periods ended September 30, 2015 and 2014. All such adjustments are of a normal recurring nature. The Financial Statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include some information and notes necessary to conform to annual reporting requirements.

The financial statements have been presented in a "development stage" format. Since inception, our primary activities have been raising of capital, obtaining financing and obtaining FAA Certification from the U.S. Department of Transportation. We have not commenced our principal revenue producing activities. There is no assurance the Company will commence operation in the future or that those operations will be profitable.

2. Earnings/Loss Per Share

Net loss per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares outstanding (the denominator) for the period. Diluted earnings per share assumes that any dilutive convertible securities outstanding were converted, with related preferred stock dividend requirements and outstanding common shares adjusted accordingly. It also assumes that outstanding common shares were increased by shares issuable upon exercise of those stock options for which market price exceeds the exercise price, less shares which could have been purchased by us with the related proceeds. In periods of losses, diluted loss per share is computed on the same basis as basic loss per share as the inclusion of any other potential shares outstanding would be anti-dilutive. Due to the net losses reported dilutive common equivalent shares were excluded from the computation of diluted loss per share, as inclusion would be anti-dilutive for the periods presented.

At September 30, 2015, there are no outstanding common stock equivalents.

3. Stockholders' Equity

Stock Issued for Services

During the nine months ended September 30, 2015, we issued (cancelled) (18,755,567) shares of our common stock in exchange for services. The shares are not registered and are subject to restrictions as to transferability.

Stock Issued for Cash

During the nine months ended September 30, 2015, we issued 1,494,535,453 shares of our common stock in exchange for cash. The shares sold for cash for approximately \$0.0038 per share.

4. Notes Payable

On March 31, 2013 the note payable to Eastern Construction & Electric, Inc. was modified as to the repayment of the note. The repayment was modified to read "Company will repay the principal amount of \$1,150,000 to lender on or before the second anniversary of the date upon which the company commences its revenue flight operations. The Company will pay accrued interest to date on or before the first anniversary of the date upon which the Company commences its revenue flight operations." All other terms of the agreement remain the same.

In 2013 and 2014, the Company issued a note payable to its attorney for services rendered. On April 30, 2015, the Company extended the due date of the note until September 30, 2016. The principal amount due as of September 30, 2015 is \$347,532. Interest accrues at 1% per month.

In February 2015, one of the Company's investors loaned the Company \$200,000 with interest at 10%. The company repaid the investor \$100,000 during June 2015 and \$25,000 during July 2015.

Interest accrued to September 30, 2015 is \$570,191.

[END OF FINANCIAL NOTES]

ITEM 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements that include words such as "believe," "expect," "should," "intend," "may," "anticipate," "likely," "contingent," "could," "may," or other future-oriented statements, are forward-looking statements. Such forward-looking statements include, but are not limited to, statements regarding our business plans, strategies and objectives, and, in particular, statements referring to our expectations regarding our ability to continue as a going concern, generate increased market awareness of, and demand for, our service, realize profitability and positive cash flow, and timely obtain required financing. These forward-looking statements involve risks and uncertainties that could cause actual results to differ from anticipated results. The forward-looking statements are based on our current expectations and what we believe are reasonable assumptions given our knowledge of the markets; however, our actual performance, results and achievements could differ materially from those expressed in, or implied by, these forward-looking statements.

OVERVIEW

Baltia Air Lines, Inc. (the "Company" or "Baltia" or "Baltia Air Lines"), a Part 121 (heavy jet operator) start-up United States airline with headquarters at JFK International Airport, New York, and base of operations on the Willow Run Airport, Ypsilanti, Michigan. The FAA Eastern Michigan FISO has oversight of Baltia's Air Carrier Certification and operations. Upon completion of the Certification, Baltia will commence scheduled non-stop service from JFK Int'l Airport to Pulkovo II Int'l Airport of St. Petersburg. Baltia Air Lines, Inc. was organized in the State of New York on August 24, 1989.

In the last quarter of 2010, Baltia purchased a Boeing 747 aircraft from Kalitta Air. Baltia carries \$1,000,000,000 aircraft liability insurance and will carry airline liability insurance as required for a US airline by DOT regulation.

Following the commencement of service on the JFK-St. Petersburg route, Baltia's objective is to develop its route network to Russia, Latvia, Ukraine, and Belarus.

Baltia intends to provide full service, i.e. passenger, cargo and mail.

There is currently no non-stop service from JFK to St. Petersburg. Connecting service is provided mainly by foreign carriers. Finnair, Lufthansa, SAS, Aeroflot, and Transaero are the leading competitors in the US-Russia market. United Airlines code shares with Swiss International and Lufthansa connecting flights into St. Petersburg. Delta and two Russian airlines, Aeroflot and Transaero, currently operate between JFK and Moscow. With the exception of the JFK-Moscow route, there exists no non-stop competitive air transportation service on the routes for which Baltia intends to apply.

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A comparison of direct and connecting services with respect to passenger convenience and cargo transport efficiency is set forth below.

BALTIA - US flag, non-stop service:

With non-stop service, a passenger can fly from JFK to St. Petersburg in about 8 hours in a Boeing B747 wide body airplane. Cargo arrives containerized, palletized, and secure.

Foreign, connecting service:

With connecting service, it would take a passenger 10 to 18 hours to fly through Helsinki, Copenhagen, Moscow, or Frankfurt. In addition, passengers must change to narrow-body aircraft at a layover airport. Cargo is "broken up" and manually loaded onto narrow-body aircraft, or trucked from Helsinki.

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Baltia intends to initiate service with its Boeing 747 wide-body aircraft carrying two-class passengers, mail and cargo in containers, on pallets, and in block space arrangements. Baltia has passenger service and ground service arrangements at JFK and at Pulkovo II Airport in St. Petersburg. As a US carrier flying into a foreign country, Baltia will be eligible to the same degree of priority that a foreign carrier receives when arriving in the US.

Baltia intends to start the JFK-St. Petersburg service with one round- trip flight per week, then increase the frequency to three round trips, and then to five round trips. Baltia plans to build operating modules and apply them in developing new markets. Once established, Baltia plans to duplicate its JFK-St. Petersburg standards on flights on other transatlantic routes.

Concurrently with its Part 121 Air Carrier Certification ("Part 121") for scheduled service, Baltia is certifying for world-wide charter service, opening the opportunity to earn additional revenues from charters.

As of September 30, 2015, Baltia's staff of seventy includes professionals with airline experience.

CRITICAL ACCOUNTING POLICIES

There have been no material changes to the Company's critical accounting policies and estimates as compared to the critical accounting policies and estimates described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and filed on April 15, 2015.

RESULTS OF OPERATIONS

We had no revenues during the three months ended September 30, 2015 because we cannot commence revenue flights until we complete the FAA certification, and cannot sell tickets until such time.

For the three-month period ended September 30, 2015 and 2014, we reported general and administrative expenses of \$953,805 and 4,361,613 respectively, a decrease of \$3,407,808, or 78%. We reported a net loss of \$1,651,806 and \$5,427,774, for the three months ended September 30, 2015 and 2014, respectively, a decrease of \$3,775,968, or 70%. This decrease is primarily attributable to the \$3,407,808 decrease in general and administrative expenses, a decrease in depreciation expense of \$ 9,399, a decrease in FAA certification costs of \$381,539 partially offset by an increase in interest expense of \$22,778.

For the nine-month period ended September 30, 2015 and 2014, we reported general and administrative expenses of \$4,104,782 and \$9,634,461, respectively, a decrease of \$5,529,679, or 57%. We reported a net loss of \$6,354,703 and \$11,543,843, for the nine months ended September 30, 2015 and 2014, respectively, a decrease of \$5,189,140, or 45%. This decrease is primarily attributable to the \$5,529,679 decrease in general and administrative expenses, a decrease in depreciation expense of \$9,819, partially offset by an increase in FAA certification costs of \$273,143 and an increase in interest expense of \$77,215.

Our future ability to achieve profitability in any given future fiscal period remains highly contingent upon beginning flight operations. The management believes that the Company and certain shareholders have the necessary funding to commence revenue flight operations, subject to completion of the FAA Air Carrier Certification. If commenced, there can be no assurance that such operations would be profitable.

LIQUIDITY AND CAPITAL RESOURCES

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred a deficit during its development stage of approximately \$116,898,625 and consumed approximately \$44,443,292 of cash due to its operating activities. The Company may not have adequate readily available resources to fund operations through December 31, 2015. This raises substantial doubt about the

Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Since our inception, we have incurred substantial operating and net losses, as well as negative operating cash flows. As of September 30, 2015, our working capital deficit was \$3,722,393 and our stockholders' deficit was \$2,304,139. Our stockholders' deficit at September 30, 2015 was \$2,304,139, compared to \$1,777,773 in stockholders' deficit at December 31, 2014, an increase in stockholders' deficit of \$526,366.

Our operating activities utilized \$6,713,777 in cash during the nine months ended September 30, 2015, a decrease of \$161,221 from the \$6,874,998 in cash utilized in operating activities during the nine months ended September 30, 2015.

For the nine months ended September 30, 2015 and 2014, our financing activities provided cash of \$6,558,104 and \$7,472,038, respectively, mainly from the sale of our common stock. Our unrestricted cash balance decreased to \$14,940 at September 30, 2015 from \$29,556 reported at September 30, 2014.

We had no significant planned capital expenditures, budgeted or otherwise, as of September 30, 2015.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Baltia plans to initiate its scheduled service with nonstop flights from New York to St.Petersburg, Russia. The current economic sanctions on Russia may impact the passengers, cargo and mail carried on those flights.

Item 4T. Controls and Procedures.

Our Chief Executive and Financial Officer, based on evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) required by paragraph (b) of Rule 13a-15 or Rule 15d-15, as of September 30, 2015, has concluded that our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. Our Chief Executive and Financial Officer also concluded that, as of September 30, 2015, our disclosure controls and procedures are effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive and Financial Officer, to allow timely decisions regarding required disclosure.

While the Company's existing controls may be adequate at present, upon the commencement of flight revenue service, we intend to implement controls appropriate for airline operations.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is not subject to any material pending legal proceedings as defined in 17 CFR 229.103 (Item 103) Regulation S-K. We are, however, subject to various routine legal proceedings and claims incidental to our business which we believe will not have a material adverse impact on our financial position to complete FAA Certification and initiate revenue operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the nine months ended September 30, 2015 we issued 1,494,535,453 shares of our common stock in exchange for cash. The shares were valued at \$0.038 per share. The shares are not registered and are subject to restrictions as to transferability.

All of the above issuances were deemed to be exempt under Section 4(2) of the Securities Act of 1933, as amended. No advertising or general solicitation was employed in offering the securities. The offerings and sales were made to a limited number of persons, who qualified themselves as accredited investors, and transfer was restricted by the Company in accordance with the requirements of the Securities Act of 1933, as amended. In addition to representations by the above-referenced persons, we have made determinations that the above-referenced persons were accredited, were capable of analyzing the merits and risks of their investment, and that they understood the speculative nature of their investment. Furthermore, all of the above-referenced persons were provided with access to our Securities and Exchange Commission filings.

Item 3. Default Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information.

None.

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Item 6. Exhibits.

EXHIBITS

- 3.1.1 Certificate of Incorporation (as amended) of Baltia Air Lines, Inc. Incorporated by reference to Exhibit 3.1.1 to Baltia Air Lines Inc.'s reported on Form 10-K, for the year ended December 31, 2012, as filed April 16, 2013
- 3.1.2 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on June 24, 2011) Incorporated by reference to Exhibit 3.1.2 to Baltia Air Lines Inc.'s reported on Form 10-K, for the year ended December 31, 2012, as filed April 16, 2013
- 3.1.3 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on May 24, 2012) Incorporated by reference to Exhibit 3.1.3 to Baltia Air Lines Inc.'s reported on Form 10-K, for the year ended December 31, 2012, as filed April 16, 2013
- 3.1.4 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on December 27, 2012). Incorporated by reference to Exhibit 3.1.4 to Baltia Air Lines Inc.'s reported on Form 10-K, for the year ended December 31, 2012, as filed April 16, 2013
- 3.1.5 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on July 29, 2013). Incorporated by reference to Exhibit 3.1.5 as reported on Baltia Air Lines's Form Q-10 filed 21 August 2013.
- 3.1.6 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on February 12, 2014). Incorporated by reference to Exhibit 3.1.6 as reported on Baltia Air Lines's Form 10-K filed April 15 2014.
- 3.1.7 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on June 18, 2014). Incorporated by reference to Exhibit 3.1.7 as reported on Baltia Air Lines's Form 10-Q for period ending June 30, 2014, filed August 19, 2014.
- 3.1.8 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on July 20, 2014). Incorporated by reference to Exhibit 3.1.8 as reported on Baltia Air Lines's Form 10-Q for period ending June 30, 2014, filed August 19, 2014.
- 3.1.9 Certificate of Incorporation amendment of Baltia Air Lines, Inc. (as amended and filed on May 11, 2015). Incorporated by reference to Exhibit 1 reported on Baltia Air Lines's Form 8-K, filed May 20, 2015.
- 3.2 Bylaws of Baltia Air Lines, Inc. (amended and ratified November 7, 2011) Incorporated by reference to Exhibit 3.2.2 to Baltia Air Lines Inc.'s reported on Form 10-K, 21 Dec 2011 from the year ended December 31, 2010.

10. MATERIAL CONTRACTS

- 10.1.- Fuel Agreement, World Fuel Services Inc., initial term September 1, 2013 to September 1, 2016, automatic renewal for one year extensions unless terminated. Incorporated by reference to Exhibit 10.1 to Company's 10-K for period ending December 31, 2014, filed April 15, 2015.
- 10.2 - Amendment II - Aircraft Engine Lease Agreement, Logistic Air Inc., executed May 15, 2014, effective through February 1, 2015. Incorporated by reference to Exhibit 10.2 to Company's Form 10-Q for period ending June 30, 2014, filed August 19, 2014. Expired - Extension Pending
- 10.2.1 - Certificate of Insurance - Aircraft Hull, including war perils, Aircraft and Airport Premises, Logistics Air Inc., Baltia Air Lines, Inc. insured, effective September 13, 2015 to September 13, 2016.

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10.4 - Ground Handling Agreement at Pulkovo Airport between ZAO Cargo Terminal Pulkovo and Baltia Air Lines, Inc. effective June 1, 2014 through May 31, 2016. Incorporated by reference to Exhibit 10.4 to Company's Form 10-Q for period ending June 30, 2014, filed August 19, 2014.

10.5 - Aircraft and/or Engine Maintenance Services Agreement between Kalitta Air, LLC and Baltia Air Lines, Inc., and Letter Agreement to Extend Aircraft Maintenance Service Agreement between Kalitta Air and Baltia Air Lines, Inc. effective December 24, 2013 until December 24, 2015 with 1-year extension with 60-day notice. Incorporated by reference to Exhibit 10.5 to Company's 10-K for 2013 filed April 15, 2014.

10.6 - Certificate of Insurance, Yankee Air Museum - Airport Premises Liability, effective September 13, 2015 to September 13, 2016.

10.7 - Lockton Aircraft Hull, Spares and Airline Legal Liability Insurance, Incorporated by reference to Exhibit 10.7 to Company's Form 10-Q for period ending June 30, 2014, filed August 19, 2014.

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10.7.1 - Contract Endorsement and Extension - Lockton Aircraft Hull, Spares and Airline Legal Liability Insurance, Baltia Air Lines, Inc. insured, effective June 15, 2015 to September 13, 2015, to Lockton Aircraft Hull, Spares and Airline Legal Liability Insurance, Exhibit 10.7, *supra* Incorporated by reference to Exhibit 10.7.1 to Company's 10-Q for period ending June 30, 2015, filed August 18, 2015

10.8 - Certificate of Insurance, The Boeing Company insured, Hull, Aircraft and Airport Premises, including war perils, ground risks only, excluding passenger liabilities, effective September 13, 2015 to September 13, 2016.

10.9 - Kalitta Maintenance Agreement Certificate of Insurance, Kalitta Air, LLC insured, Hull & Liability ground only, Airport Premises, effective September 13, 2015 to September 13, 2015.

10.9.1 - Certificate of Insurance, Kalitta Air, LLC - Aircraft Hull and Liability, Proving Run, effective September 13, 2015 to September 13, 2015.

10.10 - Certificate of Insurance, Port Authority of New York and New Jersey insured, Airport Premises, effective September 13, 2015 to September 13, 2015.

10.11 - Certificate of Insurance, To Whom It May Concern, Aircraft Hull, Spares and Aviation General Liability , effective September 13, 2015 to September 13, 2016.

10.12 - John F. Kennedy Airport - Terminal 4, Lease Agreement between JFK International Air Terminal, LLC and Baltia Air Lines, dated November 17, 2008, effective until terminated by either party. Incorporated by reference to Exhibit 10.12 to Baltia Air Lines Inc.'s report on Form 10-K for the year ended December 31, 2012.

10.12.1 - Certificate of Insurance, JFK International Air Terminal LLC insured, Terminal 4 Leased space to Baltia Air Lines, Inc., effective September 13, 2015 to September 13, 2015.

10.13 - JFK Airport Building 151 Lease Agreement, between Japan Airlines Management Corp. and Baltia Air Lines, effective on September 1, 2011, valid through November 30, 2015. Incorporated by reference to Exhibit 10.13 to Baltia Air Lines Inc.'s report on Form 10-K for the year ended December 31, 2012 as filed April 16, 2013.

10.13.1 - Certificate of Insurance, Japan Airlines Management Corp. insured, Building 151 Sublease Agreement, effective September 13, 2015 to September 13, 2015.

10.14 - Willow Run Airport facility lease between Wayne County Airport Authority and Baltia Air Lines, effective from June 1, 2013 until May 31, 2015. Incorporated by reference to Exhibit 10.14 to Company's 10-Q for 3rd quarter 2013 filed November 19, 2013.

10.14.1 - 2nd Amendment to Willow Run Airport facility lease between Wayne County Airport Authority and Baltia Air Lines, effective May 21, 2014. Incorporated by reference to Exhibit 10.14.1 to Company's 10-Q for period ending June 30, 2015, filed August 18, 2015.

10.14.2 - Certificate of Insurance, Wayne County Airport Authority insured, Comprehensive General Liability and On-Airport Auto Liability, effective September 13, 2015 to September 13, 2016.

10.14.3 - Certificate of Insurance, Wayne County Airport Authority insured, Airport Premises, effective September 13, 2015 to September 13, 2016.

10.15 - Pulkovo Airport facility SubLease Agreement between LLC Northern Capital Gateway and Baltia Air Lines, effective from March 1, 2013, auto renewed unless objected to by Sublessor. Incorporated by reference to Exhibit 10.15 to Company's 10-Q for period ending March 30, 2014, filed May 20, 2014

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10.16 - Contract affirmed by Board resolution affirming Agreements between the Company and its officers agreeing not to sell the shares issued to them until the Company receives FAA Certification and commence its revenue flights.

Incorporated by reference to Exhibit 10.16 to Baltia Air Lines Inc.'s report on Form 10-K for the year ended December 31, 2012.

10.17 - Purchase of Cessna Citation 500 aircraft N606KR. Incorporated by reference to Form 8-K filed May 21, 2013.

10.17.1 - Certificate of Insurance, Baltia Air Lines, Inc. insured, Cessna 500 N606KR to July 26, 2014. Incorporated by reference to Exhibit 10.17.1 to Company's 10-Q for 3rd quarter 2013 filed November 19, 2013. (NOTE: Aircraft currently not being operated.)

10.18 - Loan Agreement (amended) dated October 14, 2013 between Baltia Air Lines, Inc. and Eastern Construction & Electric, Inc. for purchase of Boeing 747 aircraft. Incorporated by reference to Exhibit 10.18 to Company's 10-Q for 3rd quarter 2013 filed November 19, 2013.

10.19 - Flight Training Agreement Aircraft Type B747-200 between Kalitta Air, LLC and Baltia Air Lines, Inc. effective October 10, 2013 to December 31, 2014. Incorporated by reference to Exhibit 10.19 to Company's 10-Q for 3rd quarter 2013 filed November 19, 2013. (NOTE: New contract pending)

10.21 - Purchase Report - T-500 A/C Tractor, Costal Engine Service (2013) Incorporated by reference to Exhibit 10.21 to Company's 10-K for 2013 filed April 15, 2014.

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10.22 - Note and Agreement - Legal services rendered by International Business Law Firm PC to Baltia Air Lines, effective April 29, 2015, and extended to September 30, 2016. Incorporated by reference to Exhibit 10.22 to Company's 10-Q for period ending June 30, 2015, filed August 18, 2015

10.24 - Cargo Handling at JFK - Cargo Airport Services USA and Baltia, valid to 1 January 2017 and continued annually until one party serves the other party with written notice not to renew. Incorporated by reference to Exhibit 10.24 to Company's 10-Q for period ending June 30, 2014, filed November 19, 2014.

10.25 - Security Service at JFK - FJC Security Services, Inc., valid to 9/18/15 with automatic annual renewal unless one party serves the other party with written notice not to renew. Incorporated by reference to Exhibit 10.25 to Company's 10-Q for period ending June 30, 2014, filed November 19, 2014.

10.26- Ground Handling at JFK - Swissport Agreement, Standard IATA Agreement of 1998 Ramp and Passenger Handling valid to May 16, 2017. Incorporated by reference to Exhibit 10.26 to Company's 10-Q for period ending June 30, 2014, filed November 19, 2014.

10.27- Maintenance Services Agreement, Standard IATA Agreement of 1998 with F&E Maintenance valid to May 16, 2017. Incorporated by reference to Exhibit 10.27 to Company's 10-Q for period ending June 30, 2014, filed November 19, 2014.

10.28 - Jeppessen Sanderson, Inc. Services Agreement dated February 3, 2014 effective to February 3, 2019, automatic extension for one-year additional terms unless terminated as provided. Incorporated by reference to Exhibit 10.28 to Company's 10-K for period ending December 31, 2014, filed April 15, 2015.

10.29 - 121 Inflight Catering, Inc., Services Agreement dated October 7, 2014 effective to October 7, 2015. Incorporated by reference to Exhibit 10.29 to Company's 10-K for period ending December 31, 2014, filed April 15, 2015.

10.30 - Workers Compensation and Liability Insurance - NY - State Insurance fund. 4-6-2015 through 4-6-2016. Incorporated by reference to Exhibit 10.30 to Company's 10-Q for period ending March 31, 2015, filed May 14, 2015

10.31 - Workers Compensation and Liability Insurance - Michigan - Travellers - 4-6-2015 through 4-6-2016. Incorporated by reference to Exhibit 10.31 to Company's 10-Q for period ending March 31, 2015, filed May 14, 2015

10.32 - Employment contracts - senior management, executed but not in effect pending FAA certification or commencement of revenue flight operations. Incorporated by reference to Exhibit 10.32 to Company's 10-Q for period ending June 30, 2015, filed August 18, 2015.

10.33 - Claim of Lien and transmittal correspondence - Kalitta Maintenance, May 20, 2015. Incorporated by reference to Exhibit 10.33 to Company's 10-Q for period ending June 30, 2015, filed August 18, 2015.

CERTIFICATION EXHIBITS

31.1 Certification by Chief Executive Officer and Chief Financial Officer pursuant to Sarbanes-Oxley Section 302, provided herewith.

32.1 Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S. C. Section 1350, provided herewith.

SIGNATURES

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Pursuant to the requirements of Section 12 of the Securities Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned thereunto duly authorized.

DATED: November 17, 2015

BALTIA AIR LINES, INC.

/s/ Igor Dmitrowsky

Igor Dmitrowsky

Chief Executive Officer and Chief Financial Officer (principal accounting officer)

EXHIBIT 3.1

BALTIA AIR LINES, INC.

OFFICER'S CERTIFICATE PURSUANT TO SECTION 302

I, Igor Dmitrowsky, the Chief Executive Officer and Chief Financial Officer of Baltia Air Lines, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Baltia Air Lines, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Igor Dmitrowsky Date: November 17, 2015

Igor Dmitrowsky

Chief Executive Officer and Chief Financial Officer (principal accounting officer)

EXHIBIT 3.2

BALTIA AIR LINES, INC.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report Baltia Air Lines, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Igor Dmitrowsky, Chief Executive Officer and Chief Financial Officer (principal accounting officer) of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934;
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Baltia Air Lines, Inc. and will be retained by Baltia Air Lines, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Igor Dmitrowsky Date: November 17, 2015

Igor Dmitrowsky
Chief Executive Officer and Chief Financial Officer (principal accounting officer)