

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re : Chapter 11
AEROCENTURY CORP., et al., :
Debtors.¹ : Case No. 21-10636 (JTD)
: (Jointly Administered)
: **Objection Deadline: April 19, 2021 at 4:00 p.m. (ET)**
-----X **Hearing Date: April 26, 2021 at 2:00 p.m. (ET)**

**DEBTORS' MOTION FOR AN ORDER ESTABLISHING
PROCEDURES FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR RETAINED PROFESSIONALS**

The debtors in possession in the above-captioned cases (collectively, the “Debtors”) hereby file this motion (this “Motion”) for entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), pursuant to sections 105(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), establishing procedures for interim compensation of services and reimbursement of expenses of retained professionals in these chapter 11 cases. In support of this Motion, the Debtors rely on the *Declaration of Harold M. Lyons in Support of Chapter 11 Petition and First-Day Applications* [Docket No. 2] (the “First Day Declaration”), which is incorporated herein by reference. In further support of this Motion, the Debtors respectfully represent as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of their federal employer identification number, are: AeroCentury Corp. (3974); JetFleet Holding Corp. (5342); and JetFleet Management Corp. (0929). The Debtors’ mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.



JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334(b), and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016(a) and Local Rule 2016-2.

BACKGROUND

A. General Background

3. On March 29, 2021 (the “Petition Date”), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No official committees have been appointed in these chapter 11 cases and no request has been made for the appointment of a trustee or examiner.

4. Additional information regarding the Debtors’ business, capital structure and the circumstances leading to the filing of these chapter 11 cases is set forth in the First Day Declaration

B. Retention of Professionals

5. Pursuant to section 327 of the Bankruptcy Code, the Debtors have filed or will file applications to retain the following bankruptcy professionals, among others:

(i) Morrison & Foerster LLP, as their bankruptcy co-counsel, (ii) Young Conaway Stargatt & Taylor, LLP, as their bankruptcy co-counsel (iii) Kurtzman Carson Consultants LLC, as their administrative advisor, and (iv) B. Riley Securities, Inc., as their investment banker. The Debtors may need to retain other professionals in the chapter 11 cases under section 327 of the Bankruptcy Code. Such professionals would likewise be subject to the compensation and reimbursement procedures set forth in this Motion. In addition, any statutory committee of unsecured creditors (a “Committee”) that may be appointed in these chapter 11 cases will likely retain counsel and other professionals under section 1103 of the Bankruptcy Code to assist in the performance of its statutory duties (collectively, the “Committee Professionals,” and together with any other professionals retained in these chapter 11 cases, the “Professionals”).

RELIEF REQUESTED

6. By this Motion, the Debtors seek entry of an order authorizing and establishing procedures for the compensation and reimbursement of the expenses of the Professionals on a monthly basis, comparable to those procedures established in other chapter 11 cases filed in the District of Delaware. Such an order would enable the Court, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), and all other interested parties to monitor the fees and expenses incurred by the Professionals in the chapter 11 cases.

THE PROPOSED COMPENSATION PROCEDURES

7. The Debtors propose that the payment of compensation and reimbursement of expenses of the Professionals (the “Compensation Procedures”) be structured as follows:

- (a) No earlier than the 15th day of each calendar month following the month for which compensation is sought, each Professional seeking interim allowance of its fees and expenses may file an application (including the relevant time entry and description and expense detail) with the Court pursuant to section 331 of the Bankruptcy Code for interim allowance of compensation for services rendered and reimbursement of expenses incurred during the preceding month (a “Monthly Fee”).

Application”), and serve a copy of such Monthly Fee Application by first class mail on the following parties: (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94014 (Attn: Hal Lyons); (ii) proposed co-counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Joseph M. Barry and Joseph M. Mulvihill, jbarry@ycst.com, jmulvihill@ycst.com); (iii) proposed co-counsel to the Debtors, Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601 (Attn: Lorenzo Marinuzzi and Erica J. Richards, lmarinuzzi@mofo.com, erichards@mofo.com); (iv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Linda Casey, Esq. Linda.Casey@usdoj.gov)); and (iv) counsel for any official committee appointed in these chapter 11 cases (collectively, the “Notice Parties”). Any Professional that fails to file a Monthly Fee Application for a particular month or months may subsequently submit a consolidated Monthly Fee Application that includes a request for compensation earned or expenses incurred during previous months. All Monthly Fee Applications shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable orders of the Court. The first Monthly Fee Application submitted by each Professional shall cover the period from the Petition Date through and including April 30, 2021.

(b) Each Notice Party will have twenty-one (21) days after service of a Monthly Fee Application (the “Objection Deadline”) to object to the requested fees and expenses in accordance with the procedures described in subparagraph (c) below. Upon the expiration of the Objection Deadline, each Professional may file with the Court a certificate of no objection (a “CNO”) with respect to the unopposed portion of the fees and expenses requested in its Monthly Fee Application. After a CNO is filed, the Debtors are authorized to pay the applicable Professional an amount (the “Actual Monthly Payment”) equal to the lesser of (i) 80% of the fees and 100% of the expenses requested in the Monthly Fee Application (the “Maximum Monthly Payment”) or (ii) 80% of the fees and 100% of the expenses not subject to an Objection pursuant to subparagraph (c) below.

(c) If any Notice Party objects to a Professional’s Monthly Fee Application, it must, on or before the expiration of the Objection Deadline, file with the Court and serve on such Professional and each other Notice Party a written objection (an “Objection”) so as to be received on or before the Objection Deadline. Any such Objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected to fees and/or expenses, and the basis for such Objection. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution within fifteen (15) days after service of the Objection, the affected Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Monthly Payment and the Actual Monthly Payment made to such Professional (the “Incremental Amount”) or (ii) forego payment of the Incremental Amount until the

next interim or final fee application hearing, at which time the Court will consider and rule on the Objection if requested by the parties.

(d) With respect to the first three-month period after the Petition Date (March 29, 2021, through June 30, 2021), and each subsequent three-month period, each Professional shall file with the Court and serve on the Notice Parties an application (an “Interim Fee Application”) for interim allowance of compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during each such three-month period (the “Interim Fee Period”) pursuant to section 331 of the Bankruptcy Code. The Interim Fee Application must identify the covered Monthly Fee Applications and include any other information requested by the Court or required by the applicable Local Rules. Interim Fee Applications shall be filed with the Court and served on the Notice Parties within forty-five (45) days after the end of the applicable Interim Fee Period. Each Professional shall file its first Interim Fee Application on or before August 15, 2021, and the first Interim Fee Application shall cover the Interim Fee Period from the Petition Date through and including June 30, 2021. Objections, if any, to the Interim Fee Applications shall be filed and served upon the affected Professional and the Notice Parties so as to be received on or before the twenty-first (21) day (or the next business day if such day is not a business day) following service of the Interim Fee Application.

(e) The Debtors shall request that the Court schedule a hearing on Interim Fee Applications at least once every three (3) months or at such other intervals as the Court deems appropriate. The Court, in its discretion, may approve an uncontested Interim Fee Application without the need for a hearing, upon the Professional’s filing of a CNO. Upon allowance by the Court of a Professional’s Interim Fee Application, the Debtors shall be authorized to promptly pay such Professional all requested fees (including the 20% holdback) and expenses not previously paid.

(f) The pendency of an Objection to payment of compensation or reimbursement of expenses shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses pursuant to the Compensation Procedures.

(g) Neither (i) the payment of or the failure to pay, in whole or in part, compensation for services and reimbursement of expenses under the Compensation Procedures nor (ii) the filing of or the failure to file an Objection to any Monthly Fee Application or Interim Fee Application will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation for services and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals in accordance with the Compensation Procedures are subject to disgorgement until final allowance by the Court.

(h) Any Professional that fails to file a Monthly Fee Application or an Interim Fee Application when due shall be ineligible to receive further monthly or interim payments of fees or expenses with respect to any subsequent period until such time as a Monthly Fee Application or an Interim Fee Application covering the prior

period is filed and served by the Professional. There shall be no other penalties for failing to file a Monthly Fee Application or an Interim Fee Application in a timely manner.

(i) Professionals shall file final applications for compensation and reimbursement (collectively, the “Final Fee Applications”) by such deadline as may be established in a confirmed chapter 11 plan or in an order of the Court. All Final Fee Applications shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable orders of the Court.

(j) Copies of all Monthly Fee Applications, Interim Fee Applications, Final Fee Applications and notices of any hearings thereon (each a “Hearing Notice”) must be served upon only the Notice Parties. All other parties who file a request for service of notices pursuant to Bankruptcy Rule 2002 shall be entitled to receive only a copy of a Hearing Notice. Notice given in accordance with this Order is deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

8. The procedures described herein will enable all parties to closely monitor the costs of administration. Moreover, such procedures will permit the Debtors to maintain a more predictable cash flow and an efficient cash management system.

9. The Debtors also request that each member of a Committee be permitted to submit statements of expenses (excluding third-party legal fees and expenses of individual Committee members) and supporting vouchers to the Committee’s counsel, which counsel will collect and submit the Committee members’ requests for reimbursement in accordance with the Compensation Procedures. Approval of these Compensation Procedures, however, will not authorize payment of such expenses to the extent that such authorization does not exist under the Bankruptcy Code, applicable Third Circuit law, the Bankruptcy Rules, the Local Rules, or the practices of the Court.

10. In addition, the Debtors further request that the Court limit service of the Monthly Fee Applications, Interim Fee Applications, Final Fee Applications and Hearing Notices as follows: (a) the Notice Parties shall be entitled to receive the Monthly Fee Applications, Interim Fee Applications, Final Fee Applications, and Hearing Notices and (b) the parties in interest

requesting notice pursuant to Bankruptcy Rule 2002 shall be entitled to receive only the Hearing Notices. Providing notice of fee applications in this manner will permit the parties most active in these chapter 11 cases to monitor the fees and expenses incurred by Professionals and will avoid unnecessary duplication and mailing expenses.

11. The Debtors will include all payments made to Professionals in accordance with the Compensation Procedures in their monthly operating reports identifying the amounts paid to each Professional.

BASIS FOR RELIEF REQUESTED

12. Section 331 of the Bankruptcy Code provides, in relevant part, as follows:

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title. After notice and a hearing, the court may allow and disburse to such applicant such compensation or reimbursement.

11 U.S.C. § 331.

13. Absent an order of the Court, section 331 of the Bankruptcy Code limits the Professionals rendering services in these chapter 11 cases to payment of fees and expenses to only three (3) times per year.

14. Congress's intent in enacting section 331 is expressed unequivocally in the House and Senate Reports accompanying enactment of the Bankruptcy Code:

The court may permit more frequent applications if the circumstances warrant, such as in very large cases where the legal work is extensive and merits more frequent payments. The court is authorized to allow and order disbursement to the applicant of compensation and reimbursement that is otherwise allowable under section 330.

H.R. Rep. No. 595, 95th Cong., 1st Sess. 330 (1977); S. Rep. No. 989, 95th Cong., 2d Sess. 41-42 (1978).

15. Section 105(a) of the Bankruptcy Code provides, in relevant part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). Thus, the Court has the authority to enter an order establishing procedures for interim compensation and reimbursement of expenses.

16. The Compensation Procedures would promote efficiency and streamline the compensation process and enable the Court, the U.S. Trustee, and all other parties to monitor effectively the Professionals’ fees and expenses incurred in these chapter 11 cases.

17. Moreover, implementing the Compensation Procedures is justified in these chapter 11 cases because they present a number of complex issues that, together with the day-to-day administration of the chapter 11 cases, must be addressed by the Debtors’ limited staff and resources. In addition, it is anticipated that several Professionals will be involved, such that absent streamlined compensation procedures, the professional fee application and review process could be burdensome on the Debtors, the Professionals, the Court, and other parties.

18. The Compensation Procedures will (a) substantially reduce the burden imposed on the Court by avoiding the need for the immediate review of Monthly Fee Applications, (b) enable parties in interest to monitor more closely the costs of administering these cases, (c) diminish undue financial burdens on the Professionals and avoid having Professionals fund the costs of the Debtors’ chapter 11 cases and (d) permit the Debtors to better predict and manage their monthly cash needs.

19. Accordingly, the relief requested is in the best interests of the Debtors, their estates, and their creditors.

NOTICE

20. Notice of this Motion will be provided to: (i) the United States Trustee for the District of Delaware; (ii) the holders of the five (5) largest unsecured claims against the Debtors; (iii) counsel to the Prepetition Lender; (iv) the United States Attorney's Office for the District of Delaware; (v) the Internal Revenue Service; (vi) the United States Securities and Exchange Commission; and (vii) any party that requests service pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

CONCLUSION

WHEREFORE, the Debtors request that the Court enter the Proposed Order, granting the relief requested herein and such other and further relief as is just and proper.

Dated: April 12, 2021
Wilmington, Delaware

/s/ Joseph M. Mulvihill

Joseph M. Barry (No. 4221)

Ryan M. Bartley (No. 4985)

Joseph M. Mulvihill (No. 6061)

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Erica J. Richards (admitted *pro hac vice*)

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erichards@mofo.com

Proposed Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	X	
	:	Chapter 11
In re	:	
	:	Case No. 21-10636 (JTD)
AEROCENTURY CORP., <i>et al.</i> ,	:	
	:	(Jointly Administered)
Debtors. ¹	:	
	:	Objection Deadline: April 19, 2021 at 4:00 p.m. (ET)
	:	Hearing Date: April 26, 2021 at 2:00 p.m. (ET)
	X	

NOTICE OF MOTION

TO: (I) THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (II) THE HOLDERS OF THE FIVE (5) LARGEST UNSECURED CLAIMS AGAINST THE DEBTORS; (III) COUNSEL TO THE PREPETITION LENDER; (IV) THE UNITED STATES ATTORNEY'S OFFICE FOR THE DISTRICT OF DELAWARE; (V) THE INTERNAL REVENUE SERVICE; (VI) THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION; AND (VII) ANY PARTY THAT REQUESTS SERVICE PURSUANT TO BANKRUPTCY RULE 2002.

PLEASE TAKE NOTICE that the debtors and debtors in possession in the above-captioned cases (the "Debtors") have filed the attached *Debtors' Motion for an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* (the "Motion").

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed on or before **April 19, 2021 at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801. At the same time, you must serve a copy of the objection upon the undersigned proposed counsel to the Debtors so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A REMOTE HEARING TO CONSIDER THE MOTION WILL BE HELD ON **APRIL 26, 2021 AT 2:00 P.M. (ET)** BEFORE THE HONORABLE JOHN T. DORSEY, UNITED STATES BANKRUPTCY COURT JUDGE FOR THE DISTRICT OF DELAWARE.

¹ The Debtors in these chapter 11 cases, along with the last four digits of their federal employer identification number, are: AeroCentury Corp. (3974); JetFleet Holding Corp. (5342); and JetFleet Management Corp. (0929). The Debtors' mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.

**PLEASE TAKE FURTHER NOTICE THAT, IF YOU FAIL TO RESPOND
IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF
REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.**

Dated: April 12, 2021
Wilmington, Delaware

/s/ Joseph M. Mulvihill

Joseph M. Barry (No. 4221)

Ryan M. Bartley (No. 4985)

Joseph M. Mulvihill (No. 6061)

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-and-

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*Proposed Counsel to the Debtors and Debtors in
Possession*

EXHIBIT A

PROPOSED ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X
In re : Chapter 11
:
: Case No. 21-10636 ()
AEROCENTURY CORP., *et al.*, :
: (Jointly Administered)
Debtors.¹ :
: Re: Docket No. ____
-----X

**ORDER ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR RETAINED PROFESSIONALS**

Upon the *Debtors' Motion for an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* (the "Motion")² filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and upon consideration of the Motion and all pleadings related thereto; and due and proper notice of the Motion having been given; and it appearing that no other or further notice of the Motion is required; and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and this Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein;

¹ The Debtors in these chapter 11 cases, along with the last four digits of their federal employer identification number, are: AeroCentury Corp. (3974); JetFleet Holding Corp. (5342); and JetFleet Management Corp. (0929). The Debtors' mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth herein.
2. Except as may otherwise be provided in orders of this Court authorizing the retention of specific Professionals, all Professionals retained in these chapter 11 cases pursuant to order of this Court may seek compensation for professional services rendered and reimbursement of expenses incurred in accordance with the following Compensation Procedures:

(a) No earlier than the 15th day of each calendar month following the month for which compensation is sought, each Professional seeking interim allowance of its fees and expenses may file an application (including the relevant time entry and description and expense detail) with the Court pursuant to section 331 of the Bankruptcy Code for interim allowance of compensation for services rendered and reimbursement of expenses incurred during the preceding month (a “Monthly Fee Application”), and serve a copy of such Monthly Fee Application by first class mail on the following parties: (i) the Debtors, 1440 Chapin Avenue, Suite 310, Burlingame, CA 94014 (Attn: Hal Lyons); (ii) proposed co-counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Joseph M. Barry and Joseph M. Mulvihill, jbarry@ycst.com, jmulvihill@ycst.com); (iii) proposed co-counsel to the Debtors, Morrison & Foerster LLP, 250 West 55th Street, New York, NY 10019-9601 (Attn: Lorenzo Marinuzzi and Erica J. Richards, lmarinuzzi@mofo.com, erichards@mofo.com); (iv) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Linda Casey, Esq. Linda.Casey@usdoj.gov)); and (iv) counsel for any official committee appointed in these chapter 11 cases (collectively, the “Notice Parties”). Any Professional that fails to file a Monthly Fee Application for a particular month or months may subsequently submit a consolidated Monthly Fee Application that includes a request for compensation earned or expenses incurred during previous months. All Monthly Fee Applications shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable orders of the Court. The first Monthly Fee Application submitted by each Professional shall cover the period from the Petition Date through and including April 30, 2021.

(b) Each Notice Party will have twenty-one (21) days after service of a Monthly Fee Application (the “Objection Deadline”) to object to the requested fees and expenses in accordance with the procedures described in subparagraph (c) below. Upon the expiration of the Objection Deadline, each Professional may file with the Court a certificate of no objection (a “CNO”) with respect to the unopposed portion of the fees and expenses requested in its Monthly Fee Application. After a CNO is

filed, the Debtors are authorized to pay the applicable Professional an amount (the “Actual Monthly Payment”) equal to the lesser of (i) 80% of the fees and 100% of the expenses requested in the Monthly Fee Application (the “Maximum Monthly Payment”) or (ii) 80% of the fees and 100% of the expenses not subject to an Objection pursuant to subparagraph (c) below.

(c) If any Notice Party objects to a Professional’s Monthly Fee Application, it must, on or before the expiration of the Objection Deadline, file with the Court and serve on such Professional and each other Notice Party a written objection (an “Objection”) so as to be received on or before the Objection Deadline. Any such Objection shall identify with specificity the objectionable fees and/or expenses, including the amount of such objected to fees and/or expenses, and the basis for such Objection. Thereafter, the objecting party and the affected Professional may attempt to resolve the Objection on a consensual basis. If the parties are unable to reach a resolution within fifteen (15) days after service of the Objection, the affected Professional may either: (i) file a response to the Objection with the Court, together with a request for payment of the difference, if any, between the Maximum Monthly Payment and the Actual Monthly Payment made to such Professional (the “Incremental Amount”) or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and rule on the Objection if requested by the parties.

(d) With respect to the first three-month period after the Petition Date (March 29, 2021, through June 30, 2021), and each subsequent three-month period, each Professional shall file with the Court and serve on the Notice Parties an application (an “Interim Fee Application”) for interim allowance of compensation and reimbursement of expenses sought in the Monthly Fee Applications filed during each such three-month period (the “Interim Fee Period”) pursuant to section 331 of the Bankruptcy Code. The Interim Fee Application must identify the covered Monthly Fee Applications and include any other information requested by the Court or required by the applicable Local Rules. Interim Fee Applications shall be filed with the Court and served on the Notice Parties within forty-five (45) days after the end of the applicable Interim Fee Period. Each Professional shall file its first Interim Fee Application on or before August 15, 2021, and the first Interim Fee Application shall cover the Interim Fee Period from the Petition Date through and including June 30, 2021. Objections, if any, to the Interim Fee Applications shall be filed and served upon the affected Professional and the Notice Parties so as to be received on or before the twenty-first (21) day (or the next business day if such day is not a business day) following service of the Interim Fee Application.

(e) The Debtors shall request that the Court schedule a hearing on Interim Fee Applications at least once every three (3) months or at such other intervals as the Court deems appropriate. The Court, in its discretion, may approve an uncontested Interim Fee Application without the need for a hearing, upon the Professional’s filing of a CNO. Upon allowance by the Court of a Professional’s Interim Fee

Application, the Debtors shall be authorized to promptly pay such Professional all requested fees (including the 20% holdback) and expenses not previously paid.

(f) The pendency of an Objection to payment of compensation or reimbursement of expenses shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses pursuant to the Compensation Procedures.

(g) Neither (i) the payment of or the failure to pay, in whole or in part, compensation for services and reimbursement of expenses under the Compensation Procedures nor (ii) the filing of or the failure to file an Objection to any Monthly Fee Application or Interim Fee Application will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation for services and reimbursement of expenses of Professionals. All fees and expenses paid to Professionals in accordance with the Compensation Procedures are subject to disgorgement until final allowance by the Court.

(h) Any Professional that fails to file a Monthly Fee Application or an Interim Fee Application when due shall be ineligible to receive further monthly or interim payments of fees or expenses with respect to any subsequent period until such time as a Monthly Fee Application or an Interim Fee Application covering the prior period is filed and served by the Professional. There shall be no other penalties for failing to file a Monthly Fee Application or an Interim Fee Application in a timely manner.

(i) Professionals shall file final applications for compensation and reimbursement (collectively, the “Final Fee Applications”) by such deadline as may be established in a confirmed chapter 11 plan or in an order of the Court. All Final Fee Applications shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable orders of the Court.

(j) Copies of all Monthly Fee Applications, Interim Fee Applications, Final Fee Applications and notices of any hearings thereon (each a “Hearing Notice”) must be served upon only the Notice Parties. All other parties who file a request for service of notices pursuant to Bankruptcy Rule 2002 shall be entitled to receive only a copy of a Hearing Notice. Notice given in accordance with this Order is deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

3. In each Interim Fee Application and Final Fee Application, all professionals who have been or are hereafter retained pursuant to sections 327 or 1103 of the Bankruptcy Code, unless such professional is employed and retained pursuant to the Debtors’ motion for an order authorizing the retention and employment of ordinary course professionals and is not required to

file fee applications in accordance with the terms thereof (collectively, the “Required Professionals”), shall apply for compensation for professional services rendered and for reimbursement of expenses incurred in connection with these chapter 11 cases in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of this Court.

4. The attorneys shall provide their billing records (detailed time and service entries and expenses) substantiating the Monthly Fee Applications in LEDES format or other open and searchable electronic data format to: (i) the U.S. Trustee, (ii) any fee review entity or auditor appointed in these chapter 11 cases, and (iii) this Court, upon request.

5. Each member of a Committee shall be permitted to submit statements of expenses (excluding third-party legal fees and expenses of individual Committee members) and supporting vouchers to the Committee’s counsel, which counsel will collect and submit the Committee members’ requests for reimbursement in accordance with the Compensation Procedures; *provided, however*, that Committee members’ requests for reimbursement of attorneys’ fees and expenses must be made by separate application and scheduled for hearing upon proper notice.

6. The Debtors will include all payments made to Professionals in accordance with the Compensation Procedures in their monthly operating reports identifying the amounts paid to each Professional.

7. All time periods set forth in this order shall be calculated in accordance with Bankruptcy Rule 9006(a).

8. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted herein.

9. This Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.