

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

AEROCENTURY CORP., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10636 (JTD)

(Jointly Administered)

Hearing Date: May 4, 2021 at 3:00 p.m. (ET)

Objection Deadline: April 27, 2021 at 4:00 p.m. (ET)

**DEBTORS' APPLICATION FOR AN ORDER AUTHORIZING THE
EMPLOYMENT AND RETENTION OF MORRISON & FOERSTER LLP
AS ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-
POSSESSION EFFECTIVE AS OF THE PETITION DATE**

By this application (the "Application"), the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") submit this application (the "Application") for the entry of an order, substantially in the form attached hereto as Exhibit A (the "Proposed Order"), pursuant to sections 327(a) and 330 of title 11 of the United States Code (the "Bankruptcy Code"), rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2014-1 and 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"), authorizing the retention and employment of Morrison & Foerster LLP ("Morrison & Foerster" or the "Firm") as their attorneys in the above-captioned chapter 11 cases (the "Cases"), effective as of the Petition Date (as defined below). In support of this Application, the Debtors submit (a) the Declaration of Lorenzo Marinuzzi, a partner at Morrison & Foerster (the "Marinuzzi Declaration"), a copy of which is attached hereto as Exhibit B and incorporated by reference herein, and (b) the Declaration of Harold M. Lyons (the "Lyons Declaration"), a copy of which is attached hereto as Exhibit C and

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.



incorporated by reference herein. In further support of this Application, the Debtors respectfully represent:

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). Pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Application 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.

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein is sections 327(a) and 330 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Local Rules 2014-1 and 2016-2.

BACKGROUND

4. On March 29, 2021 (the “Petition Date”), each of the Debtors filed voluntary petitions with this Court for relief under chapter 11 of the Bankruptcy Code, thereby commencing these chapter 11 cases (the “Cases”). The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b). No party has requested the appointment of a trustee or examiner in these Cases, and no statutory committees have been appointed or designated.

5. Additional information regarding the circumstances leading to the commencement of these Cases and information regarding the Debtors’ business and capital structure is set forth in

greater detail in the *Declaration of Harold M. Lyons in Support of Chapter 11 Applications and First Day Relief* (the “First Day Declaration”) [Docket No. 2], which is incorporated herein by reference.

RELIEF REQUESTED

6. By this Application, the Debtors seek entry of the Proposed Order, substantially in the form attached hereto as Exhibit A, authorizing the Debtors to employ and retain Morrison & Foerster as their attorneys, effective as of the Petition Date.

QUALIFICATIONS OF MORRISON & FOERSTER

7. With offices in New York, Los Angeles, San Francisco, San Diego, and Washington, D.C., among other locations both domestic and in Europe and Asia, Morrison & Foerster is an internationally-recognized law firm. Morrison & Foerster’s attorneys have extensive general legal experience and knowledge, and, in particular, expertise in practicing before the United States Bankruptcy Courts, nationwide. The Firm’s attorneys have substantial experience in business reorganization matters, both out-of-court and under chapter 11 of the Bankruptcy Code. The professionals that will be primarily responsible for this engagement have represented debtors, as well as trustees, examiners, creditors’ committees, bondholders, and other parties-in-interest, in numerous bankruptcy cases, including those of Maxus Energy Corp., Sungevity, Inc., Residential Capital, LLC, MF Global Holdings, Grupo Aeromexico, Avianca Holdings, Valaris plc, Murray Energy Holdings Co, Westmoreland Coal Company, Cloud Peak Energy Inc., Armstrong Energy, Inc., Peabody Energy Corp., Walter Energy, Inc., Patriot Coal Corp., Windstream Holdings, Inc., Global Aviation Holdings, Mesa Airgroup, Pinnacle Airlines, Inc., Republic Airways Holdings Inc., The NORDAM Group, Tops Holding II Corporation, Energy Future Holdings Corp., Avaya, Inc., 21st Century Oncology Holdings, Inc., and UCI International, LLC, among others. With Morrison & Foerster, the Debtors will have the benefit of such knowledge and experience, as well

as the ability to call upon the attorneys within Morrison & Foerster with expertise in other specialized areas of law as may be needed.

8. In addition to its extensive restructuring experience, Morrison & Foerster is uniquely qualified to represent the Debtors in these Cases. Since March 2020, Morrison & Foerster has been advising the Debtors regarding various alternatives for restructuring their financial obligations. Having been retained by the Debtors for this purpose approximately one year before the Petition Date, Morrison & Foerster has developed a detailed understanding of the Debtors' businesses, financial affairs, and restructuring objectives. Moreover, Morrison & Foerster has represented the Debtors in connection with SEC reporting and compliance matters, as well as general corporate and other matters, since 1998 (and intends to continue providing such services to the Debtors postpetition). As a result, (a) Morrison & Foerster possesses the necessary knowledge to address the complex legal issues that may arise in the context of the Debtors' Cases, and (b) the Debtors could not replace Morrison & Foerster without incurring significant costs in terms of the time and money that would be required to select and educate replacement counsel.

SERVICES TO BE PROVIDED

9. The Debtors seek to employ Morrison & Foerster on an hourly basis (a) to act as the Debtors' general bankruptcy and restructuring co-counsel in the Cases and in any and all matters that arise with respect thereto or to the Debtors, and (b) to continue providing legal services regarding general corporate, SEC reporting and SEC compliance matters consistent with their prepetition practices. In particular, the Debtors anticipate that Morrison & Foerster will render, among others, the following legal services:

- a. advising the Debtors with respect to their powers and duties as debtors-in-possession in the continued management and operation of their business and property;
- b. attending meetings and negotiating with creditors and parties in interest;

- c. advising and assisting the Debtors in connection with any potential property dispositions, including any sale of substantially all of the Debtors' assets;
- d. advising the Debtors with respect to, and assist in the negotiation and documentation of, financing agreements and related transactions;
- e. taking all necessary action to protect and preserve the Debtors' estates, including prosecuting actions on the Debtors' behalf, defending any actions commenced against the Debtors, and representing Debtors' interests in negotiations concerning all significant litigation in which the Debtors are involved, including, but not limited to, objections to claims filed against the Debtors or their estates;
- f. preparing all motions, applications, answers, orders, reports, and papers necessary to the administration of the Cases;
- g. acting on behalf of the Debtors to obtain approval of solicitation procedures, a disclosure statement, and confirmation of a chapter 11 plan;
- h. appearing before this Court, any appellate courts, and the United States Trustee for the District of Delaware (the "United States Trustee");
- i. performing other necessary legal services for the Debtors in connection with the Cases, including (i) analyzing the Debtors' leases and executory contracts and the assumption or assignment thereof, (ii) analyzing the validity of liens against the Debtors, and (iii) advising on corporate, litigation, and other legal matters;
- j. taking necessary and appropriate steps to bring the Cases to a conclusion; and
- k. advising the Debtors with respect to general corporate, SEC reporting and SEC compliance matters.

10. The Debtors require knowledgeable counsel to provide these essential professional services. Morrison & Foerster has stated its desire and willingness to act in the Cases and provide the necessary services as attorneys for the Debtors. As noted above, Morrison & Foerster has substantial expertise in all of these areas, and has gained valuable knowledge of the Debtors' business and financial affairs as a result of its prepetition representation of the Debtors and negotiation with the Debtors' various stakeholders. For all of these reasons, the Debtors believe

that Morrison & Foerster is both well qualified and uniquely able to represent the Debtors' interests in the Cases.

11. The Debtors intend to file separate applications seeking authority from the Court to retain other professionals, including Young Conaway Stargatt & Taylor, LLP, as Delaware bankruptcy counsel, and B. Riley, as financial advisor and investment banker. The Debtors have requested that Morrison & Foerster work closely with the Debtors' representatives and other professionals to ensure that there is no unnecessary duplication of services performed or charged to the Debtors' estates.

PROFESSIONAL COMPENSATION

12. The Debtors have been advised that Morrison & Foerster intends to apply for compensation for professional services rendered in connection with these Cases, subject to the Court's approval, and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court. Morrison & Foerster will also make a reasonable effort to comply with the U.S. Trustee requests for information and additional disclosures as set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases* (the "Revised U.S. Trustee Fee Guidelines"), both in connection with this Application and in connection with any applications for compensation and reimbursement of expenses to be filed by Morrison & Foerster in these Cases.

13. Morrison & Foerster proposes to charge the Debtors its standard hourly rates for the services to be performed herein. Morrison & Foerster's hourly rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses. These hourly rates are subject to periodic adjustment to reflect

economic and other conditions and are consistent with the rates charged by other peer firms. In particular, Morrison & Foerster's hourly rates for services to be rendered in the Cases range as follows:

- a. the hourly rates for partners range from \$1,025 per hour to \$1,700 per hour, based upon a variety of factors, including seniority, distinction, and expertise in one's field;
- b. the hourly rates for "of counsel" and "senior of counsel" range from \$750 per hour to \$1,650 per hour;
- c. the hourly rates for attorneys and associates range from \$585 per hour to \$1,000 per hour; and
- d. the hourly rates for paraprofessionals range from \$295 per hour to \$450 per hour.

14. The Debtors believe that these rates and the terms and conditions of Morrison & Foerster's employment are reasonable and comparable to the rates charged by other firms of similar standing in the legal market.²

15. In addition, from time to time, as the Cases proceed, it is likely that Morrison & Foerster's representation of the Debtors will require the active participation of attorneys and paraprofessionals from other departments, in addition to the attorneys and paraprofessionals initially assigned to the Cases. To the fullest extent possible, attorneys having the requisite expertise who already have knowledge with respect to these areas and/or the matters involved will be assigned to the cases so that duplication of effort is avoided. The Debtors have been advised that Morrison & Foerster will reasonably endeavor to staff the engagement in a cost-effective manner, including utilizing the Firm's legal assistants to handle those aspects of the cases that can best be managed by legal assistants.

² In the event the hourly rates set forth herein are adjusted during the pendency of the Cases, Morrison & Foerster will provide the Bankruptcy Court, the United States Trustee, and any official committee with written notice of such new hourly rates.

16. As more fully set forth in the Marinuzzi Declaration, Morrison & Foerster will seek reimbursement for all actual out-of-pocket expenses incurred by Morrison & Foerster on the Debtors' behalf, such as copying, travel expenses, overnight courier expenses, computer research, and other disbursements. All requests for reimbursement of expenses will be consistent with guidelines established by the Court. Morrison & Foerster will also make a reasonable effort to comply with the U.S. Trustee's request for information and additional disclosures as set forth in the Revised U.S. Trustee Fee Guidelines.

COMPENSATION RECEIVED BY MORRISON & FOERSTER FROM THE DEBTORS

17. As noted above, Morrison & Foerster has represented Debtor Aerocentury Corp. ("Aerocentury") in connection with SEC reporting and compliance matters, as well as general corporate and other matters (the "Corporate and SEC Services"), since 1998. Historically, Morrison & Foerster and Aerocentury have entered into a new engagement letter each calendar year in connection with the Corporate and SEC Services. On January 5, 2021, Morrison & Foerster and Aerocentury entered into an engagement letter with respect to the Corporate and SEC Services (the "Corporate and SEC Services Engagement Letter"), pursuant to which Morrison & Foerster LLP agreed to provide designated SEC reporting services (the "SEC Reporting Services") to Aerocentury for calendar year 2021 in exchange for a fixed \$80,000 fee payable in two equal installments. Specifically, the SEC Reporting Services entail: (a) review of Aerocentury's Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K, Current Reports on Form 8-K, proxy statement, annual report and annual meeting script; (b) review of Aerocentury's quarterly and annual earnings press releases, and certain interim press releases; and (c) personal attendance at and preparation of the minutes of all regular meetings of Aerocentury's board of directors as well as the annual meeting of stockholders. In accordance with the Corporate and SEC Services

Engagement Letter, Morrison & Foerster charged Aerocentury its standard hourly rates for all Corporate and SEC Services other than the SEC Reporting Services.

18. The first \$40,000 installment for 2021 under the Corporate and SEC Services Engagement Letter was received by Morrison & Foerster on February 10, 2021 (the “Corporate Services Fee”) and, as of the date of this application, Morrison & Foerster still held \$11,880.00 of the Corporate Services Fee on account. As of the Petition Date, Morrison & Foerster intends to charge the Debtors its standard hourly rates for all Corporate and SEC Services including the SEC Reporting Services. The remaining amount of the Corporate Services Fee shall be treated as a retainer and will be applied to Morrison & Foerster’s postpetition fees and expenses after such postpetition fees and expenses are awarded to Morrison & Foerster by order of the Court, including pursuant to interim compensation procedures approved by the Court.

19. In March 2020, the Debtors engaged Morrison & Foerster to provide strategic advice and to begin preparing drafts of pre-filing documents necessary for a potential restructuring of the Debtors. In March 2020, Morrison & Foerster received an advance payment of \$125,000, which was subsequently supplemented and replenished in February 2021 in the amount of \$50,000 and in March 2021 in the amount of \$20,100, for a total of \$195,100 (collectively, the “Advance Payment Retainer”). The Advance Payment Retainer was used for the professional services rendered to the Debtors and expenses incurred by Morrison & Foerster during the prepetition period. The Advance Payment Retainer was applied before the Petition Date to time spent and expenses incurred before the Petition Date. As of the Petition Date, Morrison & Foerster has been paid for all professional services and expenses rendered to the Debtors prior to the Petition Date, and held a remaining balance of the Advance Payment Retainer in the amount of \$37,038.75. The remaining amount of the Advance Payment Retainer shall be applied to Morrison & Foerster’s

postpetition fees and expenses after such postpetition fees and expenses are awarded to Morrison & Foerster by order of the Court, including pursuant to interim compensation procedures approved by the Court.

20. Pursuant to Bankruptcy Rule 2016(b), Morrison & Foerster has informed the Debtors that it has neither shared nor agreed to share (a) any compensation it has received or that it may receive with any party or person other than the partners, associates and contract attorneys associated with Morrison & Foerster or (b) any compensation another person has received or may receive.

MORRISON & FOERSTER'S DISINTERESTEDNESS

21. To the best of the Debtors' knowledge, information, and belief, based on the information set forth in the Marinuzzi Declaration, Morrison & Foerster does not hold or represent an interest adverse to the Debtors and, except as disclosed in the Marinuzzi Declaration, does not have any "connections" to the Debtors, their creditors, or other parties-in-interest in the Cases. Accordingly, the Debtors believe that Morrison & Foerster is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code and as used in section 328(c) of the Bankruptcy Code. To the extent that Morrison & Foerster is determined to have a conflict with respect to a particular client or matter, the Debtors will retain conflicts counsel as necessary.

22. As set forth in the Marinuzzi Declaration, Morrison & Foerster has represented, currently represents, and will in the future likely represent, certain parties-in-interest or potential parties-in-interest in the Cases in matters unrelated to either the Cases or such entities' claims against the Debtors. Further, as part of its customary practice, Morrison & Foerster is retained in cases, proceedings, and transactions involving many different parties throughout the United States and worldwide, some of whom may represent or be employed by claimants, and some of whom may be parties-in-interest in the Cases.

23. Pursuant to section 327(c) of the Bankruptcy Code, Morrison & Foerster is not disqualified from acting as Debtors' counsel merely because it previously represented or currently represents any of the Debtors' creditors or other parties in interest in matters unrelated to the Debtors or the Cases. Morrison & Foerster has advised the Debtors that it will periodically review its files during the pendency of the Cases to ensure that no conflicts or other disqualifying circumstances exist or arise, and, if any new or relevant facts or relationships are discovered or arise, Morrison & Foerster will use reasonable efforts to disclose such further facts and relationships by filing a supplemental declaration with the Court.

24. For the reasons set forth above, the relief requested in the Application is appropriate and should be granted by this Court.

BASIS FOR RELIEF REQUESTED

25. The Debtors request authority to retain and employ Morrison & Foerster as their attorneys pursuant to section 327(a) of the Bankruptcy Code, which provides that a debtor, subject to court approval, may employ one or more attorneys "that do not hold or represent an interest adverse to the estate," and that are "disinterested persons." *See* 11 U.S.C. § 327(a). A "disinterested person" is a person that: (a) is not a creditor, an equity security holder, or an insider of the debtor; (b) is not and was not, within two years before the date of the filing of the petition, a director, officer, or employee of the debtor; and (c) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason. *See* 11 U.S.C. § 101(14). Moreover, "a person is not disqualified for employment under section 327 of [the Bankruptcy Code] by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case." *See* 11 U.S.C. § 1107(b).

26. Bankruptcy Rule 2014(a) requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the person to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the person's connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014.

27. The Debtors submit that for all the reasons stated above and in the Marinuzzi Declaration and Lyons Declaration, the retention and employment of Morrison & Foerster as counsel to the Debtors is warranted. Further, for the reasons set forth in the Marinuzzi Declaration, the Debtors believe that Morrison & Foerster is a “disinterested person” as required by section 327(a) of the Bankruptcy Code, and that it does not hold or represent an interest adverse to the Debtors’ estates and has no connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed in the Marinuzzi Declaration.

28. The Debtors further request approval of the employment of Morrison & Foerster effective as of the Petition Date. Such relief is warranted by the circumstances presented by these Cases. The United States Court of Appeals for the Third Circuit has identified “time pressure to begin service” and absence of prejudice as factors favoring *nunc pro tunc* retention. *See Matter of Arkansas Co.*, 798 F.2d 645, 650 (3d Cir. 1986). The complexity and speed that have characterized these Cases have necessitated that the Debtors, Morrison & Foerster and the Debtors’ other professionals focus their immediate attention on time-sensitive matters and promptly devote substantial resources to the affairs of the Debtors pending submission and approval of this Application.

NOTICE

29. The Debtors will provide notice of this Application 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 respectfully submit that no other or further notice is required or necessary.

WHEREFORE, the Debtors respectfully request entry of the proposed Order, in substantially the form attached hereto as Exhibit A, granting the relief requested herein and such other and further relief as is just.

Dated: April 13, 2021

Respectfully submitted,

AEROCENTURY CORP., ON BEHALF OF ITSELF
AND ITS AFFILIATED DEBTORS AND
DEBTORS-IN-POSSESSION

By: /s/ Harold M. Lyons
Harold M. Lyons
Chief Financial Officer

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

In re

AEROCENTURY CORP., *et al.*,

Debtors.¹

Chapter 11

Case No. 21-10636 (JTD)

(Jointly Administered)

Hearing Date: May 4, 2021 at 3:00 p.m. (ET)

Objection Deadline: April 27, 2021 at 4:00 p.m. (ET)

NOTICE OF APPLICATION

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' Application for an Order Authorizing the Employment and Retention of Morrison & Foerster LLC as Attorneys for the Debtors and Debtors-in-Possession Effective as of the Petition Date* (the "Application").

PLEASE TAKE FURTHER NOTICE that any objections to the Application must be filed on or before **April 27, 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 APPLICATION WILL BE HELD ON MAY 4, 2021 AT 3:00 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 APPLICATION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: April 13, 2021
Wilmington, Delaware

/s/ Joseph M. Mulvihill

Joseph M. Barry (No. 4221)

Ryan M. Bartley (No. 4985)

Joseph M. Mulvihill (No. 6061)

S. Alexander Faris (No. 6278)

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-and-

Lorenzo Marinuzzi (admitted *pro hac vice*)

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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**

In re:

AEROCENTURY CORP., *et al.*,

Debtors.¹

)
) Chapter 11
)

) Case No. 21-10636 (JTD)
)

) Jointly Administered
)

) Ref. Docket No. ____
)

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF MORRISON &
FOERSTER LLP AS ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-
POSSESSION EFFECTIVE AS OF THE PETITION DATE**

Upon the application (the “Application”)² of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), for an order approving the employment and retention of Morrison & Foerster LLP (“Morrison & Foerster”) as their attorneys effective as of the Petition Date, pursuant to sections 327(a) and 330 of title 11 of the United States Code (the “Bankruptcy Code”), rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 2014-1 and 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”), as more fully set forth in the Application; and upon consideration of the Marinuzzi Declaration and the Lyons Declaration; and the Court being satisfied, based on the representations made in the Application and the Marinuzzi Declaration, that Morrison & Foerster is “disinterested” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy, and as required under section 327(a) of the Bankruptcy Code, and that Morrison & Foerster represents

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. (0292). The Debtors’ mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

no interest adverse to the Debtors' estates with respect to the matters upon which it is to be engaged; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 1334(b) and 157 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware dated February 29, 2012; and venue before this Court being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Application and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Application having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and the Court having found that the employment and retention of Morrison & Foerster is necessary and in the best interest of the Debtors, their estates, their creditors, and all other parties in interest; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED as set forth herein.
2. The Debtors are authorized, pursuant to section 327(a) of the Bankruptcy Code, Bankruptcy Rule 2014(a), and Local Rule 2014-1, to employ and retain Morrison & Foerster as their attorneys on the terms and conditions set forth in the Application and the Marinuzzi Declaration, effective as of the Petition Date.
3. Morrison & Foerster is authorized to provide the following services:
 - a. advising the Debtors with respect to their powers and duties as debtors-in-possession in the continued management and operation of their business and property;
 - b. attending meetings and negotiating with creditors and parties in interest;
 - c. advising and assisting the Debtors in connection with any potential property dispositions, including any sale of substantially all of the Debtors' assets;

- d. advising the Debtors with respect to, and assist in the negotiation and documentation of, financing agreements and related transactions;
 - e. taking all necessary action to protect and preserve the Debtors' estates, including prosecuting actions on the Debtors' behalf, defending any actions commenced against the Debtors, and representing Debtors' interests in negotiations concerning all significant litigation in which the Debtors are involved, including, but not limited to, objections to claims filed against the Debtors or their estates;
 - f. preparing all motions, applications, answers, orders, reports, and papers necessary to the administration of the Cases;
 - g. acting on behalf of the Debtors to obtain approval of solicitation procedures, a disclosure statement, and confirmation of a chapter 11 plan;
 - h. appearing before this Court, any appellate courts, and the United States Trustee for the District of Delaware (the "United States Trustee");
 - i. performing other necessary legal services for the Debtors in connection with the Cases, including (i) analyzing the Debtors' leases and executory contracts and the assumption or assignment thereof, (ii) analyzing the validity of liens against the Debtors, and (iii) advising on corporate, litigation, and other legal matters;
 - j. taking necessary and appropriate steps to bring the Cases to a conclusion; and
 - k. advising the Debtors with respect to general corporate, SEC reporting and SEC compliance matters.
4. Morrison & Foerster shall use its reasonable efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in these Cases.
5. Morrison & Foerster shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of this Court. In connection with each of its applications for compensation and reimbursement of expenses, Morrison & Foerster shall make a reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the Revised U.S. Trustee Fee Guidelines.

6. Morrison & Foerster shall apply any remaining amounts of the Corporate Services Fee and the Advance Payment Retainer toward postpetition fees and expenses after such postpetition fees and expenses are awarded to Morrison & Foerster by order of the Court, including pursuant to interim compensation procedures approved by the Court.

7. Morrison & Foerster shall file with the Court and serve upon the United States Trustee and any official committee appointed in the Cases a notice of any changes to its hourly billing rates for attorneys or other personnel performing services for the Debtors.

8. To the extent this Order is inconsistent with the Application, the Marinuzzi Declaration, or the Lyons Declaration, the terms of this Order shall govern.

9. The Debtors are authorized to execute any additional or supplemental documents incident to the relief granted herein.

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

11. This Order shall be immediately effective and enforceable upon its entry.

12. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

EXHIBIT B

Marinuzzi Declaration

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

In re:

AEROCENTURY CORP., *et al.*,

Debtors.¹

)
) Chapter 11
)

) Case No. 21-10636 (JTD)
)

) Jointly Administered
)
)

**DECLARATION OF LORENZO MARINUZZI IN SUPPORT OF THE DEBTORS’
APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE
RETENTION AND EMPLOYMENT OF MORRISON & FOERSTER
LLP AS ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION
EFFECTIVE AS OF THE PETITION DATE**

I, Lorenzo Marinuzzi, being duly sworn, state the following under penalty of perjury:

1. I am a partner in the law firm of Morrison & Foerster LLP (“Morrison & Foerster” or the “Firm”). The Firm has offices at 250 West 55th Street, New York, New York 10019, and other domestic and international locations. I am duly authorized to make this declaration (the “Declaration”) on behalf of Morrison & Foerster. I am an attorney duly admitted and in good standing to practice before the Bar of the State of New York, the United States Court of Appeals for the Second Circuit, and the United States District Court for the Southern and Eastern Districts of New York. There are no disciplinary proceedings pending against me.

2. I submit this Declaration in support of the *Debtors’ Application for Entry of an order Authorizing the Retention and Employment of Morrison & Foerster LLP as Attorneys for the Debtors and Debtors-in-Possession, Effective as of the Petition Date* (the “Application”).² This Declaration is also intended to provide the disclosure of compensation required under section 329

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. (0292). The Debtors’ mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.

² Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Application.

of the Bankruptcy Code and Bankruptcy Rule 2016(b). Except as otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

MORRISON & FOERSTER'S QUALIFICATIONS

3. With offices in New York, Los Angeles, San Francisco, San Diego, and Washington, D.C., among other locations both domestic and in Europe and Asia, Morrison & Foerster is an internationally-recognized law firm. Morrison & Foerster's attorneys have extensive general legal experience and knowledge, and, in particular, expertise in practicing before the United States Bankruptcy Courts, nationwide. The Firm's attorneys have substantial experience in business reorganization matters, both out-of-court and under chapter 11 of the Bankruptcy Code. The professionals that will be primarily responsible for this engagement have represented debtors, as well as trustees, examiners, creditors' committees, bondholders, and other parties-in-interest, in numerous bankruptcy cases, including those of Maxus Energy Corp., Sungevity, Inc., Residential Capital, LLC, MF Global Holdings, Grupo Aeromexico, Avianca Holdings, Valaris plc, Murray Energy Holdings Co, Westmoreland Coal Company, Cloud Peak Energy Inc., Armstrong Energy, Inc., Peabody Energy Corp., Walter Energy, Inc., Patriot Coal Corp., Windstream Holdings, Inc., Global Aviation Holdings, Mesa Airgroup, Pinnacle Airlines, Inc., Republic Airways Holdings Inc., The NORDAM Group, Tops Holding II Corporation, Energy Future Holdings Corp., Avaya, Inc., 21st Century Oncology Holdings, Inc., and UCI International, LLC, among others. With Morrison & Foerster, the Debtors will have the benefit of such knowledge and experience, as well as the ability to call upon the attorneys within Morrison & Foerster with expertise in other specialized areas of law as may be needed.

4. In addition to its extensive restructuring experience, Morrison & Foerster is uniquely qualified to represent the Debtors in these Cases. Since March 2020, Morrison &

Foerster's attorneys have worked with the Debtors' management, consultants, and other professionals and, as a result, have become well-acquainted with the Debtors' history, business operations, capital and corporate structure, and related matters. I personally performed services for the Debtors during the prepetition period. Moreover, Morrison & Foerster has represented the Debtors in connection with SEC reporting and compliance matters, as well as general corporate and other matters since 1998 (and intends to continue providing such services to the Debtors postpetition). Accordingly, I submit that Morrison & Foerster is both well-qualified and uniquely well positioned to represent the Debtors in these Cases in an efficient and timely manner.

PROFESSIONAL COMPENSATION

5. If the Application is approved, Morrison & Foerster intends to apply for compensation for professional services rendered in connection with the Cases, and reimbursement of expenses incurred in connection with the Cases, subject to the Court's approval, and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court. Morrison & Foerster will also make a reasonable effort to comply with the U.S. Trustee's request for information and additional disclosures as set forth in the Revised U.S. Trustee Fee Guidelines, both in connection with the Application and any applications for compensation and reimbursement of expenses to be filed by Morrison & Foerster in the Cases.

6. Morrison & Foerster proposes to charge the Debtors its standard hourly rates for the services to be performed herein. Morrison & Foerster's hourly rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paraprofessionals and to cover fixed and routine overhead expenses. These hourly rates are subject to periodic adjustment to reflect

economic and other conditions and are consistent with the rates charged elsewhere.³ In particular, Morrison & Foerster's hourly rates for services to be rendered in the Cases range as follows:

- a. the hourly rates for partners range from \$1,025 per hour to \$1,700 per hour, based upon a variety of factors, including seniority, distinction, and expertise in one's field;
- b. the hourly rates for "of counsel" and "senior of counsel" range from \$750 per hour to \$1,650 per hour;
- c. the hourly rates for attorneys and associates range from \$585 per hour to \$1,000 per hour; and
- d. the hourly rates for paraprofessionals range from \$295 per hour to \$450 per hour.

7. The Debtors and Morrison & Foerster expect to develop a prospective budget and staffing plan to comply with the U.S. Trustee's requests for information and additional disclosures, and any other orders of the Court, recognizing that in the course of the Cases there may be unforeseeable fees and expenses that will need to be addressed by the Debtors and Morrison & Foerster.

8. In addition to the hourly rates referenced above, Morrison & Foerster customarily charges clients for actual and necessary costs of support services the Firm provides in connection with a representation, including, without limitation, court reporters, transcripts, computerized research, filing fees, photocopying charges, long distance telephone calls, facsimile transmissions, messengers, courier mail, travel, lodging, and catering for meetings. Some of these services are provided by Morrison & Foerster, in which case the charges are set by Morrison & Foerster, and others are provided by third-party service providers, in which case the charges are set by the providers. Morrison & Foerster will charge the cost of these expenses in a manner and at rates

³ In the event the hourly rates set forth herein are adjusted during the pendency of these chapter 11 cases, Morrison & Foerster will provide the Bankruptcy Court, the United States Trustee, and any official committee with written notice of such new hourly rates.

consistent with charges generally made to the Firm's other clients, as required by the Revised U.S. Trustee Fee Guidelines. All such charges for which Morrison & Foerster intends to seek payment are subject to Court approval and/or any administrative procedures established by order of the Court.

9. Morrison & Foerster has advised the Debtors that the Firm will reasonably endeavor to staff the engagement in a cost-effective manner, including utilizing the Firm's legal assistants to handle those aspects of the cases that can best be managed by legal assistants.

10. Morrison & Foerster intends to apply to this Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court. Morrison & Foerster will also make a reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the Revised U.S. Trustee Fee Guidelines.

11. Morrison & Foerster has not agreed to any variations from, or alternatives to, its standard or customary billing arrangements for this engagement. None of the professionals included in this engagement has varied his or her rates based on the geographic location of the Cases. There is no proposed arrangement between the Debtors and Morrison & Foerster for compensation to be paid in these cases. Morrison & Foerster has no agreement with any other entity to share any compensation received, nor will any such agreement be made, except as permitted under section 504(b)(1) of the Bankruptcy Code.

COMPENSATION RECEIVED BY MORRISON & FOERSTER FROM THE DEBTORS

12. As noted above, Morrison & Foerster has represented Debtor Aerocentury Corp. ("Aerocentury") in connection with SEC reporting and compliance matters, as well as general

corporate and other matters (the “Corporate and SEC Services”), since 1998. Historically, Morrison & Foerster and Aerocentury have entered into a new engagement letter each calendar year in connection with the Corporate and SEC Services. On January 5, 2021, Morrison & Foerster and Aerocentury entered into an engagement letter with respect to the Corporate and SEC Services (the “Corporate and SEC Services Engagement Letter”), pursuant to which Morrison & Foerster LLP agreed to provide designated SEC reporting services (the “SEC Reporting Services”) to Aerocentury for calendar year 2021 in exchange for a fixed \$80,000 fee payable in two equal installments. Specifically, the SEC Reporting Services entail: (a) review of Aerocentury’s Quarterly Reports on Form 10-Q, Annual Reports on Form 10-K, Current Reports on Form 8-K, proxy statement, annual report and annual meeting script; (b) review of Aerocentury’s quarterly and annual earnings press releases, and certain interim press releases; and (c) personal attendance at and preparation of the minutes of all regular meetings of Aerocentury’s board of directors as well as the annual meeting of stockholders. In accordance with the Corporate and SEC Services Engagement Letter, Morrison & Foerster charged Aerocentury its standard hourly rates for all Corporate and SEC Services other than the SEC Reporting Services.

13. The first \$40,000 installment for 2021 under the Corporate and SEC Services Engagement Letter was received by Morrison & Foerster on February 10, 2021 (the “Corporate Services Fee”) and, as of the date of this application, Morrison & Foerster still held \$11,880.00 of the Corporate Services Fee on account. As of the Petition Date, Morrison & Foerster intends to charge the Debtors its standard hourly rates for all Corporate and SEC Services including the SEC Reporting Services. The remaining amount of the Corporate Services Fee shall be treated as a retainer and will be applied to Morrison & Foerster’s postpetition fees and expenses after such

postpetition fees and expenses are awarded to Morrison & Foerster by order of the Court, including pursuant to interim compensation procedures approved by the Court.

14. In March 2020, the Debtors engaged Morrison & Foerster to provide strategic advice and to begin preparing drafts of pre-filing documents necessary for a potential restructuring of the Debtors. In March 2020, Morrison & Foerster received an advance payment of \$125,000, which was subsequently supplemented and replenished in February 2021 in the amount of \$50,000 and in March 2021 in the amount of \$20,100, for a total of \$195,100 (collectively, the “Advance Payment Retainer”). The Advance Payment Retainer was used for the professional services rendered to the Debtors and expenses incurred by Morrison & Foerster during the prepetition period. The Advance Payment Retainer was applied before the Petition Date to time spent and expenses incurred before the Petition Date. As of the Petition Date, Morrison & Foerster has been paid for all professional services and expenses rendered to the Debtors prior to the Petition Date, and held a remaining balance of the Advance Payment Retainer in the amount of \$37,038.75. The remaining amount of the Advance Payment Retainer shall be applied to Morrison & Foerster’s postpetition fees and expenses after such postpetition fees and expenses are awarded to Morrison & Foerster by order of the Court, including pursuant to interim compensation procedures approved by the Court.

15. Pursuant to Bankruptcy Rule 2016(b), Morrison & Foerster has neither shared nor agreed to share (a) any compensation it has received or that it may receive with any party or person other than the partners, associates and contract attorneys associated with Morrison & Foerster or (b) any compensation another person has received or may receive. As of the Petition Date, the Debtors did not owe Morrison & Foerster any amounts for legal services rendered before the Petition Date.

DISINTERESTEDNESS AND DISCLOSURE OF CONNECTIONS

16. In order to ascertain Morrison & Foerster’s “connections,” as that term is used in Bankruptcy Rule 2014, with the Debtors, the Debtors’ creditors, and other parties-in-interest in the Cases, Morrison & Foerster’s New Business Department, under the supervision of attorneys in the Business Restructuring & Insolvency Group, conducted an internal search to identify any “connections” with any creditors and parties-in-interest as of the Petition Date, as set forth on Schedule 1 hereto (collectively, the “Interested Parties”). This internal inquiry regarding the Interested Parties was performed by Morrison & Foerster’s New Business Department consistent with its normal and customary practices using Morrison & Foerster’s conflicts database to determine if Morrison & Foerster currently represents or formerly represented any of the Interested Parties.

17. Morrison & Foerster searched the names of the Interested Parties in a computer system containing the names of current and former clients of Morrison & Foerster. This search revealed that certain Interested Parties, or affiliates thereof, are or may be current clients of Morrison & Foerster or have been Morrison & Foerster clients within the last three years, as identified on the list attached hereto as Schedule 2.

18. Based on the results of this search, and through direct inquiries with Morrison & Foerster attorneys as necessary, except as detailed below in the Specific Disclosures section, it was determined that the representation of the Interested Parties disclosed on Schedule 2 hereto concerned matters unrelated to these Cases.

19. The status of entities listed as Interested Parties on Schedule 1 may have changed or could change during the pendency of the Cases without Morrison & Foerster’s knowledge. Morrison & Foerster will periodically review its files during the pendency of the Cases to ensure

that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, Morrison & Foerster will use reasonable efforts to identify such further developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

SPECIFIC DISCLOSURES

20. As specifically set forth below and on Schedule 2, Morrison & Foerster represents or has represented certain of the Debtors' creditors or other parties-in-interest in matters unrelated to these Cases. None of these representations is materially adverse to the interests of the Debtors or their estates.

21. Pursuant to section 327(c) of the Bankruptcy Code, Morrison & Foerster is not disqualified from acting as the Debtors' counsel merely because it previously represented or currently represents the Debtors' creditors or other parties-in-interest in matters unrelated to the Debtors or the Cases. To the extent that Morrison & Foerster is determined to have a conflict with respect to a particular client or matter, the Debtors will utilize separate conflicts counsel as necessary. In addition, to the extent necessary and appropriate, Morrison & Foerster will implement an ethical wall, screening attorneys working on any such matters from interacting with attorneys working on these cases.

22. As part of its customary practice, Morrison & Foerster is retained in cases, proceedings, and transactions involving many different parties throughout the United States and worldwide, some of whom may represent or be employed by the Debtors, claimants, and/or parties-in-interest in these Cases. It is my understanding that the entities listed below had and/or continue to have a relationship with the Debtors. Morrison & Foerster does not, however, provide services to these entities in connection with the Debtors or their estates.

23. To the best of my knowledge and information, no entity listed on Schedule 2 accounted for 1% or more of Morrison & Foerster's annual revenue for fiscal year 2020.

24. Morrison & Foerster currently represents American Airlines Inc. ("American Airlines"), which was identified by the Debtors as a UCC lien holder, in matters wholly unrelated to these Cases.

STATEMENT REGARDING U.S. TRUSTEE GUIDELINES

25. The following information is provided in response to the request for additional information set forth in the Revised U.S. Trustee Fee Guidelines in compliance with paragraph D, section 1, as follows:

Question: Did you agree to any variations from, or alternatives to, your standard or customary billing arrangements for this engagement?

Response: No.

Question: Do any of the professionals included in this engagement vary their rate based on the geographic location of the bankruptcy case?

Response: No.

Question: If you represented the client in the 12 months prepetition, disclose your billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If your billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.

Response: As disclosed above, Morrison & Foerster represented the Debtors during the 12-month period prior to the Petition Date. Subject to Morrison & Foerster's standard annual hourly rate increases, the billing rates and material terms of the prepetition engagement are the same as the rates and terms described in the Application with the exception of the SEC Reporting Services described herein. Morrison & Foerster's billing rates and material financial terms have not changed postpetition except that postpetition the SEC Reporting Services will be billed at Morrison & Foerster's standard hourly rates rather than on a fixed fee basis.

Question: Has your client approved your prospective budget and staffing plan, and, if so, for what budget period?

Response: The Debtors and Morrison & Foerster expect to develop a prospective budget and staffing plan to comply with the United States Trustee's requests for information and additional disclosures, and any other orders of the Court, recognizing that in the course of these chapter 11 cases there may be unforeseeable fees and expenses that will need to be addressed by the Debtors and Morrison & Foerster.

AFFIRMATIVE STATEMENT OF DISINTERESTEDNESS

26. Based on the conflicts search conducted to date and described herein, to the best of my knowledge and insofar as I have been able to ascertain, (a) Morrison & Foerster is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327 of the Bankruptcy Code, and does not hold or represent an interest adverse to the Debtors, and (b) Morrison & Foerster has no connection to the Debtors, their creditors or other parties-in-interest except as disclosed herein.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: April 13, 2021

By: /s/ Lorenzo Marinuzzi
Lorenzo Marinuzzi

Schedule 1

Schedule 1

List of Schedules

<u>Schedule</u>	<u>Category</u>
1(a)	Debtors
1(b)	Non-Debtor Affiliates
1(c)	Banks
1(d)	Contract Counterparties
1(e)	Employees
1(f)	Insurance Providers
1(g)	Substantial Equity Holders
1(h)	Taxing Authorities
1(i)	UCC Lien Holders
1(j)	Vendors
1(k)	Top 5 Creditors
1(l)	Judges of the United States Bankruptcy Court for the District of Delaware
1(m)	Office of the United States Trustee
1(n)	Other Potential Parties in Interest

Schedule 1(a)

Debtors

1. AeroCentury Corp.
2. JetFleet Holding Corp.
3. JetFleet Management Corp

Schedule 1(b)

Non-Debtor Affiliates

1. JetFleet Canada
2. ACY SN 15129 LLC
3. ACY SN 19002 Limited
4. ACY SC 19003 Limited

Schedule 1(c)

Banks

1. California Bank & Trust
2. Union Bank
3. Zions Bancorporation N.A. dba California Bank & Trust
4. Zions Bancorporation N.A. dba California Bank & Trust
5. California Bank & Trust

Schedule 1(d)

Contract Counterparties

1. Typhoon Investments Ltd.

Schedule 1(e)

Employees

1. Brian Ginna
2. Byron Hurey
3. Chris Hughes
4. Chris Tigno
5. Frank Pegueros
6. Glenn Roberts
7. Harold Lyons
8. Janet Ratto
9. Marilyn Jones
10. Maurice Takahashi
11. Michael Magnusson
12. Toni M. Perazzo
13. Zoya Chittum

Schedule 1(f)

Insurance Providers

1. Alliant Insurance Services, Inc.
2. Chubb PHFD
3. Chubb/Federal Insurance
4. Greenwich Insurance Company
5. Hudson Insurance Company
6. Marsh & McLennan Agency LLC
7. National Union Fire Insurance Company of Pittsburgh, Pa.
8. Travelers Casualty

Schedule 1(g)

Substantial Equity Holders

1. Arc Holdings Company LLC
2. Meridian Trust Company Limited

Schedule 1(h)

Taxing Authorities

1. California Franchise Tax Board
2. California Franchise Tax Board
3. Colorado Department of Revenue
4. Delaware Division of Revenue
5. Delaware Secretary of State
6. California Employment Development Department
7. Internal Revenue Service

Schedule 1(i)

UCC Lien Holders

1. AFS Investments 68 LLC
2. American Airlines, Inc.
3. Corporation Service Company
4. CT Corporation
5. DAC Aviation EA Limited
6. Export Development Canada
7. GOAL Verwaltungsgesellschaft mbH & Co
8. Jazz Aviation LP
9. MUFG Union Bank, N.A.
10. PNC Bank, National Association
11. Sheppard Mullin Richter & Hampton LLP
12. Silverstone Air Services Limited
13. Skyward Express Limited
14. UCC EZFile
15. UMB Bank, N.A.
16. Union Bank, N.A.
17. US Airways, Inc.
18. Vedder Price P.C.
19. Wells Fargo Equipment Finance, Inc.
20. Wells Fargo Trust Company, National Association
21. Wideroes Flyveselskap AS
22. Wilmington Trust Company

Schedule 1(j)

Vendors

1. Alliant Insurance Services, Inc.
2. CSC
3. Guardian
4. McAfee & Taft
5. MetLife
6. The Hartford
7. Thomson Reuters
8. VSP
9. 1440 Chapin Owner, LLC/Cortina
10. A.N. Deringer, Inc.
11. AAA Eagles Limousine
12. Acclivity
13. Acme Movers
14. Adobe Creative Cloud
15. Adria Airways
16. Adria Tehnika
17. Aeris Graphic Design
18. Aero Connect, LLC
19. AiCPA
20. Air Niugini Limited
21. Air Transport World
22. Air Urga
23. Aircraft and Component MRO
24. Airline Investments Ltd
25. Airline Technical Support
26. Airports Fiji Limited
27. Airservices Australia
28. Airstream
29. Airstream International Group Limited
30. Airways Corporation of New Zealand
31. Allen & Overy LLP
32. American Express
33. American Express National Bank
34. Anjarwalla and Khanna Advocates
35. APMS Aviation
36. Appellate Court Cost Center
37. Arista Business Solutions
38. Arntzen de Besche
39. Associated Communication Services, Inc.
40. AT&T
41. Atlas Air Service
42. Automation Centre

43. Avdata Pty Ltd
44. AviaConsult International
45. Aviation Assistance
46. AVIATOR.AERO
47. AVITAS
48. Avitas, Inc.
49. Avmax Aviation Services inc.
50. B. Riley Securities, Inc.
51. Barney & Barney
52. Basecamp.com
53. Bayerische Landesbank
54. BDO
55. BDO LLP UK
56. BDO USA, LLP
57. Becky Ruppel Photography
58. BNF Mills
59. Bombardier, Inc.
60. Box Inc.
61. Brigard & Urrutia
62. Brigard & Urrutia
63. British Midland International
64. Broadridge ICS
65. Burlingame Motors
66. California Department of Business Oversight
67. California Society of CPAs
68. CaliforniaChoice Benefit Administrators
69. Capstone Capital Markets
70. Carrera Motors
71. Case Furniture
72. Chamberlain, Hrdlicka, White, Williams & Martin
73. Charles Schwab & Co., Inc.
74. Chatham Hedging Advisors, LLC
75. Chiltons Auto Body
76. City of Burlingame
77. Clayton Utz
78. Cleeton Davis Court Reporters, LLC
79. Clifford High-Wo
80. Colorado Department of Revenue
81. COMCAST CALIFORNIA 800-COMCAST
82. CONAN Aviation
83. Conklin Bros. Inc.
84. Contact Air
85. Continental Stock Transfer & Trust Co.
86. Continental Stock Transfer Co.
87. Copex Air
88. CorePoint360, LLC

89. Couto Graca Associados, LDA
90. Cozen OConnor
91. Croatia Airlines
92. Crystal & Co.
93. CSC
94. CT Corporation System
95. Dallas Airmotive Inc.
96. David P. Wilson
97. Debevoise & Plimpton LLP
98. Delaware Secretary of State
99. Deluxe Business Checks and Solutions
100. Dentons PNG
101. Dentons UK and Middle East LLP
102. Department of Consumer Affairs
103. Department of Labor & Industries
104. DePinna Notaries
105. DMV Renewal
106. Dog River Design
107. Dog River Design, LLC
108. Duff & Phelps, LLC
109. Eagle Language Service S.L.
110. Embraer Aircraft Maintenance Services, Inc.
111. Emerald Media
112. Employment Development Department
113. ENDICIA 800-576-3279
114. Epsen Fuller Group, LLC
115. European Regional Airline Assoc
116. Evan M. Wallach
117. Extra Space Storage
118. FedEx
119. First Bank & Trust
120. Fokker Aircraft Services B.V.
121. Fokker Services
122. Fokker Services Asia PTE LTD
123. Fortis Advisors
124. Fortis Advisors, LLC
125. Franchise Tax Board
126. Francisco Miras Ortiz
127. Fraport
128. Fusnota d.o.o.
129. G2 Solutions, LLC
130. Gadens Lawyers
131. GC Pivotal LLC
132. GE Engine Services, Inc.
133. Georgeson Inc.
134. Gilmore Global Logistics Services

135. Glass Lewis & Co, LLC
136. Glass Lewis & Co., LLC
137. GOAL Aircraft Leasing
138. GODADDY.COM
139. Gomez-Acebo & Pombo
140. Government of the Virgin Islands
141. Green Citizen
142. Group Insurance Trust
143. Guard Dog Security Service
144. Guardian
145. H&S Aviation
146. Heli Niugini
147. Hiller Aviation
148. Hiller Aviation Museum
149. HMG Aerospace Limited
150. Hope Aero Propeller and Components
151. Huron Consulting Services LLC
152. Husch Blackwell LLP
153. Huseby Global Litigation
154. ICE Systems, Inc.
155. ICF
156. Informa Media Inc.
157. INSATAX Corp.
158. Intermedia.Net
159. Intrado Digital Media, LLC
160. INVeSHARE, Inc.
161. IR Solutions
162. Iron Mountain
163. Ishka Limited
164. Island Aviation Services
165. Issuer Direct Corporation
166. Javed Rahmat
167. Jay Abrams
168. Jet Midwest Group
169. JM Lehman Construction, Inc.
170. John Cameron Aviation
171. Jurvneshservice International Legal Services
172. K&L Gates LLP
173. Karen Rogge
174. Kennedy Van der Laan N.B.
175. Koolhaas Alphen BV
176. Kovacevic Prpic Simeunovic
177. La Belle Gourmande
178. Lasky Trade Printing
179. Law Debenture Trust Corp.
180. LexisNexis Matthew Bender

181. Lexxel Servicios Empresariales
182. Lonergan Partners, Inc.
183. Lubin, Olson & Niewiadomski LLP
184. Lufthansa CityLine
185. Lufthansa Technik
186. Maples and Calder
187. Marbridge Group
188. Marsh & McLennan Agency LLC
189. Marsh & McLennan Agency LLC
190. McAfee & Taft
191. McLagan Partners Inc.
192. McReynolds, Michael M.
193. Mediant Communications, LLC
194. Merlin Associates, Inc.
195. Merrill Communications LLC
196. MetLife
197. Mexicana MRO Services
198. Michelson Law Group
199. Miller Law Group
200. Mission Freight
201. Monarca SA de CV
202. Montrose Aircraft Leasing Ireland Limited
203. Morrison & Foerster
204. Morrison & Foerster Germany
205. Morrow Meadows
206. MP Aviation Services Co Ltd
207. MTU Maintenance
208. MTU Maintenance Lease Services
209. MUFG Bank
210. Nasdaq Corporate Solutions, LLC - LBX #11700
211. Nayak Aircraft Services Italy
212. Network Resource/Printer Assist
213. Nichols Newman
214. NNA SERVICES LLC 800-876-6827
215. Norddeutsche Landesbank
216. Normandie Graphics
217. Norton Rose Fulbright
218. Notary Public Ivan Juric
219. Notary Public Marijan Juric
220. NSMP Law Office
221. NTE Aviation
222. NYSE American LLC
223. Office Depot
224. Oriel Consult Limited
225. Oriel Consult Limited
226. Paychex Inc.

- 227. Peery & Associates, Inc.
- 228. Piedmont Propulsion Systems, LLC
- 229. PNG Air Services
- 230. PR Newswire Association LLC
- 231. Practising Law Institute
- 232. Pratt & Whitney Canada
- 233. PricewaterhouseCoopers LLP
- 234. PricewaterhouseCoopers LLP UK
- 235. PricewaterhouseCoopers Papua New Guinea
- 236. Prime Turbines
- 237. PT Oerip Wirontono
- 238. Q4 INC.
- 239. Reed Business Information
- 240. Reed Business Information Inc.
- 241. Rojs, Peljhan, Prelesnik & Partnerji
- 242. Roy E. Hahn
- 243. S&P Global Market Intelligence LLC
- 244. Saab Support and Services LLC
- 245. Safe Air Limited
- 246. SAL Solutions Group LLC
- 247. SAMCO Aircraft Maintenance
- 248. San Mateo County Tax Collector
- 249. SAS
- 250. Securities and Exchange Commission
- 251. SGI Guernsey Ltd.
- 252. Shaffers Tire & Auto
- 253. Shah, Hussain & Co.
- 254. Sheppard Mullin Richter & Hampton LLP
- 255. SierraConstellation Partners LLC
- 256. Simplex Legal LLP
- 257. Sims Funk, PLC
- 258. Skyworld Aviation
- 259. Smiths (Harlow) Aerospace Ltd
- 260. SNL Financial LC
- 261. Social Security Administration
- 262. Solarwinds MSP 855-679-0817
- 263. Solinair
- 264. Southern Cross International B.V.
- 265. Speednews
- 266. SRS Immigration, CA
- 267. Stancer, Gossin, Rose LLP
- 268. Standard Aero Limited
- 269. Standard Insurance Company
- 270. Stansbury Staffing Consultants
- 271. State Bar of California
- 272. Summit Financial Printing, LLC

- 273. Taglich Brothers, Inc.
- 274. Tax Analysts
- 275. The Hartford
- 276. The Majors Group
- 277. Thomas W. Orr
- 278. Thomson Reuters Tax & Accounting - R&G
- 279. Thuy Leslie Nguyen
- 280. T-Mobile
- 281. Toppan Vintage
- 282. Transnusa
- 283. Tri-Star Office Moving, Inc.
- 284. UMB Bank
- 285. Union Bank
- 286. Union Bank
- 287. Unique Solutions
- 288. United Financial Casualty Co.
- 289. United States Treasury
- 290. VanEps Kunneman VanDoorne
- 291. Vast Conference 888-498-9240
- 292. Vector Aerospace Asia Pte Ltd
- 293. Vector-Portland Jetport
- 294. Veriuschka Perez
- 295. Vinson & Elkins LLP
- 296. Virgin Australia
- 297. Virgin island Bureau of Internal Revenue
- 298. Vocker Kristofferson
- 299. VSP
- 300. Werner Aero Svc LLC
- 301. West LLC
- 302. WESTERN NRG INC
- 303. Wideroe
- 304. Wilmington Trust Company
- 305. Withers Bergman LLP
- 306. Withers LLP
- 307. World Fuel Services
- 308. Worldwide Aircraft Services
- 309. Worthington Aviation Parts, Inc.
- 310. Young Conaway Stargatt & Taylor, LLP

Schedule 1(k)

Top 5 Creditors

1. American Express
2. American Express National Bank
3. AT&T
4. Customers Bank
5. The IR Group

Schedule 1(l)

Judges of the United States Bankruptcy Court for the District of Delaware

1. Ashely Chan
2. John T. Dorsey
3. Karen B. Owens
4. Brendan L. Shannon
5. Laurie Selber Silverstein
6. Christopher S. Sontchi
7. Mary F. Walrath

Schedule 1(m)

Office of the United States Trustee

1. T. Patrick Tinkler
2. Lauren Attix
3. David Buchbinder
4. Linda Casey
5. Denis Cooke
6. Joseph Cudia
7. Holly Dice
8. Shakima L. Dortch
9. Timothy J. Fox, Jr.
10. Diane Giordano
11. Christine Green
12. Benjamin Hackman
13. Ramona Harris
14. Nyanquoi Jones
15. Jane Leamy
16. Hannah M. McCollum
17. Joseph McMahon
18. James R. O'Malley
19. Michael Panacio
20. Michael Panacio
21. Linda Richenderfer
22. Juliet Sarkessian
23. Richard Schepacarter
24. Edith A. Serrano
25. Rosa Sierra
26. Karen Starr
27. David Villagrana
28. Dion Wynn

Schedule 1(n)

Other Potential Parties in Interest

1. Drake Asset Management Jersey Limited

Schedule 2

NAME SEARCHED / NAME PROVIDED BY CLIENT	CATEGORY OF PARTY IN INTEREST	COMMENTS AND STATUS
AMERICAN AIRLINES INC	UCC LIEN HOLDER	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
AMERICAN EXPRESS CO	VENDOR/TOP 5 CREDITOR	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
BDO	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
BOMBARDIER INC	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
BOX INC	CONTRACT COUNTERPARTY	M&F CURRENTLY REPRESENTS THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
CALIFORNIA BANK & TRUST	BANK	M&F CURRENTLY REPRESENTS CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
CLAYTON UTZ	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
DUFF & PHELPS LLC	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
FRAPORT	VENDOR	M&F HAS IN THE PAST REPRESENTED THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
GE ENGINE SERVICES INC	VENDOR	M&F CURRENTLY REPRESENTS CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES

NAME SEARCHED / NAME PROVIDED BY CLIENT	CATEGORY OF PARTY IN INTEREST	COMMENTS AND STATUS
GUARDIAN	VENDOR	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
ICF	VENDOR	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
IRON MOUNTAIN INC	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
METLIFE	VENDOR	M&F CURRENTLY REPRESENTS CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
MTU MAINTENANCE	VENDOR	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
MUFG BANK LTD	VENDOR	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
MUFG UNION BANK NA	BANK	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
NORTON ROSE FULBRIGHT	VENDOR	M&F CURRENTLY REPRESENTS CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
PNC BANK NA	UCC LIEN HOLDER	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
PRACTISING LAW INSTITUTE	VENDOR	M&F HAS IN THE PAST REPRESENTED THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
PRATT & WHITNEY CANADA	VENDOR	M&F CURRENTLY REPRESENTS CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
PRICEWATERHOUSECOOPERS LLP	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN

NAME SEARCHED / NAME PROVIDED BY CLIENT	CATEGORY OF PARTY IN INTEREST	COMMENTS AND STATUS
		MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
STATE BAR OF CALIFORNIA	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY AND/OR CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
THOMSON REUTERS	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
VANEPS KUNNEMAN VANDOORNE	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
WELLS FARGO EQUIPMENT FINANCE INC	UCC LIEN HOLDER	M&F HAS IN THE PAST REPRESENTED THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
WELLS FARGO TRUST COMPANY NATIONAL ASSOCIATION AS TRUSTEE	UCC LIEN HOLDER	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
WEST LLC	VENDOR	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
WILMINGTON TRUST CO	UCC LIEN HOLDER	M&F CURRENTLY REPRESENTS CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
WITHERS LLP	VENDOR	M&F CURRENTLY REPRESENTS AND HAS IN THE PAST REPRESENTED CERTAIN AFFILIATES OR SUBSIDIARIES OF THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES
WORLD FUEL SERVICES CORP	VENDOR	M&F CURRENTLY REPRESENTS THIS ENTITY IN MATTERS WHOLLY UNRELATED TO THE DEBTORS' CHAPTER 11 CASES

EXHIBIT C

Lyons Declaration

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

In re:)	
)	Chapter 11
AEROCENTURY CORP., <i>et al.</i> ,)	Case No. 21-10636 (JTD)
Debtors. ¹)	Jointly Administered
)	
)	

**DECLARATION OF HAROLD M. LYONS IN SUPPORT OF THE DEBTORS’
APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE
RETENTION AND EMPLOYMENT OF MORRISON & FOERSTER
LLP AS ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION
EFFECTIVE AS OF THE PETITION DATE**

I, Harold M. Lyons, hereby submit this declaration (the “Declaration”) under penalty of perjury:

1. I am the Debtors’ Chief Financial Officer. I have reviewed and am familiar with the contents of the *Debtors’ Application for Entry of an order Authorizing the Retention and Employment of Morrison & Foerster LLP as Attorneys for the Debtors and Debtors-in-Possession, Effective as of the Petition Date* (the “Application”).²

DEBTORS’ SELECTION OF COUNSEL

2. The Debtors recognize that a comprehensive review process is necessary when selecting and managing chapter 11 counsel to ensure that bankruptcy professionals are subject to

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. (0292). The Debtors’ mailing address is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010.

² Capitalized terms used in this Declaration but not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

the same client-driven market forces, scrutiny, and accountability as professionals in non-bankruptcy engagements.

3. To that end, the Debtors have considered potential counsel based on their expertise with the relevant legal issues and in similar proceedings. Morrison & Foerster was selected because of its attorneys' vast experience in the field of business reorganizations, both out-of-court and under chapter 11 of the Bankruptcy Code, and on account of Morrison & Foerster's knowledge of the Debtors' history, business operations, capital and corporate structure, and related matters, which it acquired in the course of its services rendered to the Debtors prior to the petition date, as detailed in the Marinuzzi Declaration.

4. Since the retention of Morrison & Foerster in March 2020 to assist with bankruptcy planning, Morrison & Foerster has worked with the Debtors to determine the best and most efficient means of restructuring the Debtors' affairs. More specifically, Morrison & Foerster's prepetition work with the Debtors has given Morrison & Foerster a unique insight into the Debtors' business operations, financial challenges, and the various legal issues that may arise in the context of these chapter 11 cases. Accordingly, I believe that Morrison & Foerster is both well-qualified and uniquely able to represent the Debtors in these chapter 11 cases in an efficient and timely manner.

RATE STRUCTURE

5. The Debtors have reviewed Morrison & Foerster's rates for bankruptcy and other legal services as set forth in the Application. Based upon representations made to the Debtors by Morrison & Foerster, I understand that those rates are generally consistent with Morrison & Foerster's comparable non-bankruptcy engagements and the billing rates and terms of other

comparably skilled firms for providing similar services. Based on these representations, the Debtors believe these rates are reasonable.

COST SUPERVISION

6. The Debtors and Morrison & Foerster expect to develop a prospective budget and staffing plan for Morrison & Foerster's role as counsel to comply with the United States Trustee's requests for information and additional disclosures, and any orders of the Court, recognizing that in the course of the chapter 11 cases there may be unforeseeable fees and expenses that will need to be addressed by the Debtors and Morrison & Foerster. The Debtors further recognize their responsibility to monitor closely the billing practices of their counsel to ensure the fees and expenses paid by the estates remain consistent with the Debtors' expectations and the exigencies of the chapter 11 cases. The Debtors will continue to review the invoices that Morrison & Foerster regularly submits, and, if necessary, amend the budget and staffing plan periodically, as the cases develop.

7. The facts set forth in this Declaration are based upon my personal knowledge, my review of the relevant documents, information provided to me or verified by other executives or employees, and my personal opinion based upon my experience, knowledge, and information provided to me. I am authorized to submit this Declaration on behalf of the Debtors, and if called upon to testify, I would testify competently to the facts set forth herein.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing statements are true and correct.

Dated: April 13, 2021

By: /s/ Harold M. Lyons
Harold M. Lyons