

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re

AEROCENTURY CORP., *et al.*,

Debtors.<sup>1</sup>

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 RETENTION AND  
EMPLOYMENT OF YOUNG CONAWAY STARGATT & TAYLOR, LLP AS  
CO-COUNSEL FOR THE DEBTORS, EFFECTIVE AS OF THE PETITION DATE**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby file this application (this "Application") for the entry of an order, substantially in the form attached hereto as **Exhibit C** (the "Proposed Order"), authorizing the retention and employment of Young Conaway Stargatt & Taylor, LLP ("Young Conaway" or the "Firm") as co-counsel for the Debtors, effective as of the Petition Date (as defined below). In support of this Application, the Debtors rely upon the declaration of Joseph Barry (the "Barry Declaration"), which is attached hereto as **Exhibit A**, and submit the declaration of Harold Lyons (the "Lyons Declaration"), which is attached hereto as **Exhibit B**. 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 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 matter is a core proceeding pursuant to 28 U.S.C.

<sup>1</sup> 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.



§ 157(b), and pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), 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. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are section 327(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014 Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 2014-1.

### **BACKGROUND**

2. On March 29, 2021 (the “Petition Date”), the Debtors filed with the Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The chapter 11 cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. No trustee or examiner has been appointed in these chapter 11 cases. As of the date hereof, no creditors’ committee has been appointed.

4. Additional factual background relating to the Debtors’ business, capital structure, and the commencement of these chapter 11 cases is set forth in the *Declaration of Harold M. Lyons in Support of Chapter 11 Applications and First-Day Relief* [D.I. 2] (the “First Day Declaration”).

### **RELIEF REQUESTED**

5. By this Application, the Debtors request entry of an order authorizing the Debtors to retain and employ Young Conaway as co-counsel for the Debtors, effective as of the Petition Date.

**BASIS FOR RELIEF REQUESTED**

**A. Young Conaway's Qualifications**

6. The Debtors seek to retain Young Conaway as their bankruptcy co-counsel because of the Firm's extensive knowledge, expertise, and experience in the field of debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code. The Debtors submit that Young Conaway's knowledge, expertise, and experience practicing before the Court will enable the Firm to work in an efficient and cost-effective manner on behalf of the Debtors' estates. Additionally, in preparing for these chapter 11 cases, Young Conaway has become familiar with the Debtors' business and affairs and many of the potential legal issues that may arise in the context of these chapter 11 cases. Accordingly, the Debtors believe that Young Conaway is uniquely qualified to represent them as co-counsel in these chapter 11 cases.

7. In selecting Young Conaway, the Debtors reviewed the Firm's rates, including rates for bankruptcy services, and compared them to outside law firms that the Debtors have used in the past to determine that the rates are reasonable. Young Conaway has informed the Debtors that its current hourly rates are the Firm's standard hourly rates for work of the nature proposed herein. Young Conaway further informed the Debtors that they operate in both national and regional marketplaces for legal services in which rates are driven by multiple factors relating to the individual lawyer, his or her area of specialty, the Firm's expertise, performance, reputation, the nature of the work involved, as well as other factors.

8. The Debtors supervise all legal fees and expenses to reasonably manage costs. The Debtors have procedures and policies for reviewing fees of outside counsel, and the Debtors intend to review fees in these chapter 11 cases in accordance with such procedures and policies. The rates Young Conaway charged the Debtors in the period prior to the Petition Date are the same as

the rates Young Conaway has indicated it will charge the Debtors post-petition. Young Conaway has informed the Debtors (and discloses herein) that the Firm's hourly rates are subject to periodic adjustments to reflect economic and other conditions.

9. The Debtors recognize that it is their responsibility to closely monitor the billing practices of their counsel to ensure that the fees and expenses paid by the Debtors' estates remain consistent with the Debtors' expectations and the exigencies of these cases. As they did prepetition, the Debtors will continue to review and monitor professional fees and expense reimbursement requests for reasonableness.

**B. Payment of Fees and Expenses**

10. Young Conaway will seek Court approval of its compensation and reimbursement of its actual, necessary expenses and other charges incurred by the Firm upon the filing of appropriate applications for interim and final compensation and reimbursement pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and applicable orders of the Court. The principal attorneys and paralegal presently designated to represent the Debtors, and their current standard hourly rates, are:

<b>Timekeeper</b>	<b>Title</b>	<b>Hourly Rate</b>
Joseph M. Barry	Partner	\$885.00
Ryan M. Bartley	Partner	\$735.00
Joseph M. Mulvihill	Associate	\$575.00
S. Alexander Faris	Associate	\$485.00
Heather Smillie	Law Clerk	\$400.00
Michelle Smith	Paralegal	\$310.00

11. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals from Young Conaway may from time to time also serve the Debtors in connection with the matters described herein.

12. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate the Firm for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is the Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses approved by the client such as secretarial and other overtime. The Firm will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients. The Firm believes that it is fairer to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

13. Young Conaway was retained by the Debtors pursuant to an engagement agreement dated July 14, 2020 (the "Engagement Agreement"). Young Conaway received retainers totaling \$316,717.00 (as aggregated, the "Retainer") in connection with the planning and preparation of initial documents and the Firm's proposed postpetition representation of the Debtors. A detailed statement of Young Conaway's invoicing and payment by the Debtors is included in the Barry Declaration. Following a final reconciliation, the Debtors are holding approximately \$12,030.12 as a Retainer.

14. As set forth in the Barry Declaration, Young Conaway has not shared or agreed to share any of its compensation from the Debtors with any other person, other than as permitted by section 504 of the Bankruptcy Code.

**C. Services to be Provided**

15. The professional services that Young Conaway will render to the Debtors include, but shall not be limited to, the following:

- i. providing legal advice and services with respect to the Debtors' powers and duties as debtors in possession in the continued operation of their business, management of their property, the Local Rules, practices, and procedures, and providing substantive and strategic advice on how to accomplish the Debtors' goals in connection with the prosecution of these cases;
- ii. pursuing the sale of the Debtors' assets and approval of bid procedures related thereto;
- iii. preparing, on behalf of the Debtors, necessary applications, motions, answers, orders, reports, and other legal papers;
- iv. appearing in Court and protecting the interests of the Debtors before the Court; and
- v. performing all other legal services for the Debtors that may be necessary and proper in these proceedings as co-counsel to the Debtors in these chapter 11 cases.

16. By separate applications, the Debtors may seek Court approval for the retentions of other professionals. The Debtors also may file motions or applications to employ additional professionals throughout the duration of the case.

17. These professionals will work under the direction of the Debtors' management. The Debtors' directors and management are committed to minimizing duplication of services to reduce professional costs. To that end, the Debtors understand that Young Conaway is prepared to work closely with each professional to ensure that there is no unnecessary duplication of effort or cost.

**D. Bankruptcy Rule 2014 Disclosure**

18. As disclosed herein and in the Barry Declaration, Young Conaway has previously represented the Debtors in litigation and advisory matters. However, Young Conaway has not represented the Debtors' creditors, or any other parties-in-interest, or their respective attorneys, in any matter relating to the Debtors or their estates. Young Conaway is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code in that the Firm, its partners, counsel, and associates:

- i. are not creditors, equity security holders, or insiders of the Debtors;
- ii. are not and were not, within two (2) years before the Petition Date, directors, officers, or employees of the Debtors; and
- iii. do not have an interest materially adverse to the interests of the Debtors' estates or of any class of the Debtors' creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, any of the Debtors, or for any other reason.

19. For the above reasons, the Debtors submit that Young Conaway's employment is necessary and in the best interests of the Debtors and their estates.

**NOTICE**

20. Notice of this Motion has been provided to: (i) the U.S. Trustee; (ii) the Debtors' five (5) largest unsecured creditors; (iii) counsel to the prepetition lender; and (iv) all parties that, as of the filing of this Application, have requested notice in these chapter 11 cases 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.

WHEREFORE, the Debtors respectfully 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 13, 2021

AeroCentury Corp., *et al.*

/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.<sup>1</sup>

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 U.S. TRUSTEE; (II) THE DEBTORS' FIVE (5) LARGEST UNSECURED CREDITORS; (III) COUNSEL TO THE PREPETITION LENDER; AND (IV) ALL PARTIES THAT, AS OF THE FILING OF THIS APPLICATION, HAVE REQUESTED NOTICE IN THESE CHAPTER 11 CASES 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 Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel for the Debtors, 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.**

---

<sup>1</sup> 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)

**YOUNG CONAWAY STARGATT & TAYLOR, LLP**

1000 N. King Street

Rodney Square

Wilmington, Delaware 19801

Telephone: (302) 571-6600

Facsimile: (302) 571-1253

E-mails: jbarry@ycst.com

rbartley@ycst.com

jmulvihill@ycst.com

afaris@ycst.com

-and-

Lorenzo Marinuzzi (admitted *pro hac vice*)

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

**MORRISON & FOERSTER LLP**

250 West 55th Street

New York, NY 10019-9601

Telephone: (212) 468-8000

Facsimile: (212) 468-7900

E-mails: lmarinuzzi@mofocom

erichards@mofocom

*Proposed Counsel to the Debtors and Debtors in Possession*

**EXHIBIT A**

**Barry Declaration**

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

In re

AEROCENTURY CORP., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 19-10316 (LSS)

Jointly Administered

**DECLARATION OF JOSEPH BARRY IN SUPPORT OF THE DEBTORS’  
APPLICATION FOR AN ORDER AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF YOUNG CONAWAY STARGATT & TAYLOR, LLP AS  
CO-COUNSEL FOR THE DEBTORS, EFFECTIVE AS OF THE PETITION DATE**

I, Joseph Barry, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that:

1. I am a partner in the firm of Young Conaway Stargatt & Taylor, LLP (“Young Conaway” or the “Firm”), with offices at Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, and have been duly admitted to practice in the State of Delaware, the State of New York, the United States Bankruptcy Court for the District of Delaware, the United States Court of Appeals for the Third Circuit and the United States Supreme Court. I submit this declaration in support of *Debtors’ Application for an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel for the Debtors, Effective as of the Petition Date* (the “Application”).<sup>2</sup>

2. Young Conaway has conducted a series of searches in the Firm’s conflicts databases to identify relationships with the Debtors, their lenders, equity holders, and various other parties-in-interest in these cases (collectively, the “Interested Parties”).

---

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings given to them in the Application.

3. Based on the conflicts and connections search conducted and described herein, to the best of my knowledge, neither I, Young Conaway, nor any partner, counsel, or associate thereof, insofar as I have been able to ascertain, has any connection with the Debtors or any other parties-in-interest herein, except as stated below:

- i. In recent months, Young Conaway and certain of its partners and associates have rendered legal services to the Debtors relating to (a) their plans to seek relief under chapter 11 of the Bankruptcy Code and the preparation of the petitions and other papers initiating and prosecuting these cases and (b) certain advisory and litigation matters.
- ii. The Debtors have sought or will seek to retain, among others, Morrison & Forester LLP as co-counsel, B. Riley Securities, Inc., as investment banker, BDO USA, LLP, as tax auditor, PricewaterhouseCoopers, as tax consultant, and Kurtzman Carson Consultants, LLC as claims, noticing, and administrative agent in these chapter 11 cases. Young Conaway has in the past and/or currently does work with and/or against such professionals in connection with matters wholly unrelated to these chapter 11 proceedings.
- iii. Young Conaway may have previously represented the Interested Parties listed below, or parties who may be affiliated with such Interested Parties, in matters wholly unrelated to the Debtors and these chapter 11 cases:
  - a. Adobe Creative Cloud
  - b. Allen & Overy LLP
  - c. Alliant Insurance Services, Inc.
  - d. American Express
  - e. AT&T
  - f. Chatham Hedging Advisors, LLC
  - g. Chubb PHFD
  - h. Chubb/Federal Insurance
  - i. Cozen O'Connor
  - j. CT Corporation
  - k. State of Delaware
  - l. California Employment Development Department
  - m. Export Development Canada
  - n. GE Engine Services, Inc.
  - o. Greenwich Insurance Company
  - p. Guardian
  - q. Hudson Insurance Company
  - r. ICF Consulting
  - s. Internal Revenue Service
  - t. INVeShare, Inc.
  - u. Iron Mountain

- v. Law Debenture Trust Corp.
  - w. Merrill Communication
  - x. MetLife
  - y. MUFG Bank
  - z. MUFG Union Bank, N.A.
  - aa. Nasdaq Corporate Solutions, LLC
  - bb. National Union Fire Insurance Company of Pittsburgh, Pa.
  - cc. NYSE American LLC
  - dd. Office Depot
  - ee. Pratt & Whitney Canada
  - ff. Reed Business Information Inc.
  - gg. The Hartford
  - hh. UMB Bank
  - ii. Union Bank
  - jj. US Airways, Inc.
- iv. Young Conaway currently represents (and may in the past have represented) the Interested Parties listed below, or parties who may be affiliated with such Interested Parties, in matters wholly unrelated to the Debtors and these chapter 11 cases:
- a. Charles Schwab & Co., Inc.
  - b. Comcast California
  - c. Debevoise & Plimpton LLP
  - d. Duff & Phelps, LLC
  - e. FedEx
  - f. Marsh & McLennan Agency LLC
  - g. Norddeutsche Landesbank
  - h. PNC Bank, N.A.
  - i. T-Mobile
  - j. Wells Fargo Equipment Finance, Inc.
  - k. Wells Fargo Trust Company, N.A.
  - l. Wilmington Trust Company
  - m. World Fuel Services

4. In addition, to the best of my knowledge, information, and belief and in accordance with Bankruptcy Rule 5002, neither I, nor any attorney at Young Conaway is a relative of the United States Bankruptcy Judge assigned to these chapter 11 cases, and Young Conaway does not have a connection with the United States Bankruptcy Judge that would render the Firm's retention in these chapter 11 cases improper. Further, in accordance with Bankruptcy Rule 2014,

Young Conaway does not have any connection with the U.S. Trustee or any persons employed by the U.S. Trustee.

5. Young Conaway is continuing to review the Debtors' complete list of creditors. Based upon the Firm's review as of this date, Young Conaway has determined that it does not represent any party in these proceedings with a material adverse interest with respect to the Debtors. Young Conaway will supplement this declaration, as necessary, with additional information or disclosures in the event that additional information is developed.

6. Except as disclosed herein, Young Conaway has not represented the Debtors, their creditors, or any other parties-in-interest, or their respective attorneys, in any matter relating to the Debtors or their estates. Before the Petition Date, Young Conaway represented Debtor AeroCentury Corporation in connection with certain litigation and advisory matters. Set forth below is a summary of the payment history with respect to those matters (table on following page):

Invoice Date	Invoice Amount	Payment Date	Date Range of Services	Form of Payment
<b><i>Legal Advisory Opinion</i></b>				
5/12/2020	\$6,624.00	6/10/2020	4/20/2020 – 5/22/2020	Application of flat fee
1/31/2021	\$4,725.00	2/24/2021	1/26/2021 – 1/29/2021	Application of flat fee
<b><i>Paragon Technologies, Inc. v. AeroCentury Corp.</i></b>				
6/19/2020	\$77,600.50	6/30/2020	5/28/2020 – 6/18/2020	Wire
7/6/2020	\$5,775.68	8/20/2020	6/9/2020 – 6/24/2020	Wire
8/11/2020	\$18,366.15	9/30/2020	7/1/2020 – 7/31/2020	Wire
9/11/2020	\$11,300.47	9/30/2020	8/1/2020 – 8/31/2020	Wire
10/5/2020	\$5,342.20	10/28/2020	9/1/2020 – 9/23/2020	Wire
12/4/2020	\$2,900.50	12/23/2020	11/1/2020 – 12/4/2020	Wire

7. Young Conaway is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code in that Young Conaway, its partners, counsel, and associates:

- i. are not creditors, equity security holders, or insiders of the Debtors;
- ii. are not and were not, within two (2) years before the date of the filing of the petition, a director, officer, or employee of the Debtors; and
- iii. do not have an interest materially adverse to the interest of the Debtors’ estates 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 Debtors, or for any other reason.

8. Young Conaway was retained by the Debtors pursuant to an engagement agreement dated July 14, 2020 (the “Engagement Agreement”). Young Conaway received retainers totaling \$316,717.00 (as aggregated, the “Retainer”) in connection with the planning and preparation of initial documents and the Firm’s proposed postpetition representation of the

Debtors. In total, Young Conaway received payments from the Debtors for services rendered prior to the Petition Date as follows:

<b>Retainer Balance</b>	<b>Invoice Date</b>	<b>Invoice Amount</b>	<b>Payment Date</b>	<b>Date Range of Services</b>	<b>Form of Payment</b>
\$101,717.00	Initial retainer of \$101,717.00 received on 7/16/2020				
\$126,717.00	Supplemental retainer of \$25,000.00 received on 8/4/2020				
\$101,661.00	8/6/2020	\$25,056.00	8/11/2020	7/16/20 – 7/31/20	Application of Retainer
\$101,112.70	8/13/2020	\$548.28	10/28/2020	8/12/2020 – 8/12/2020	Application of Retainer
\$69,030.32	8/20/2020	\$32,082.40	8/25/2020	8/1/20 – 8/18/20	Application of Retainer
\$58,872.17	10/9/2020	\$10,158.15	10/28/2020	8/19/2020 – 9/9/2020	Application of Retainer
\$55,723.17	11/4/2020	\$3,149.00	12/1/2020	10/8/2020 – 10/28/2020	Application of Retainer
\$53,401.01	12/4/2020	\$2,322.16	12/4/2020	11/2/2020 – 11/27/2020	Application of Retainer
\$78,401.01	Supplemental retainer of \$25,000.00 on 1/28/2021				
\$75,861.48	1/12/2021	\$2,539.53	2/12/2021	12/7/2020 – 12/28/2020	Application of Retainer
\$35,487.16	2/8/2021	\$40,374.32	2/12/2021	1/6/2021 – 1/31/2021	Application of Retainer
\$85,487.16	Supplemental retainer of \$50,000.00 on 2/19/2021				
\$150,487.16	Supplemental retainer of \$65,000.00 on 2/23/2021				
\$77,428.21	2/28/2021	\$73,058.95	3/12/2021	2/1/2021 – 2/28/2021	Application of Retainer
\$127,428.21	Supplemental retainer of \$50,000.00 on 3/19/2020				
\$26,659.71	3/26/2021	\$100,768.50	3/26/2021	3/1/2021 – 3/25/2021	Application of Retainer

Following a final reconciliation, Young Conaway is holding approximately \$12,030.12 as a Retainer.

9. Compensation agreed to be paid by the Debtors to Young Conaway is to be for legal services rendered in connection with these chapter 11 cases. The Debtors have agreed to pay Young Conaway at the firm's standard hourly rates for the legal services rendered or to be rendered on the Debtors' behalf in connection with these cases by Young Conaway's various

attorneys and paralegals. The Debtors have also agreed to reimburse Young Conaway for its actual and necessary expenses incurred in connection with these cases.

10. Young Conaway intends to apply for compensation for professional services rendered in connection with these chapter 11 cases subject to approval of the Court and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any administrative order entered by the Court, on an hourly basis, plus reimbursement of actual, necessary expenses, and other charges incurred by Young Conaway.

11. The Firm operates in a national and regional marketplace for legal services in which rates are driven by multiple factors relating to the individual lawyer, his or her area of specialty, the firm's expertise, performance and reputation, the nature of the work involved, and other factors. The principal attorneys and paralegal designated to represent the Debtors and their current standard hourly rates are:

<b>Timekeeper</b>	<b>Title</b>	<b>Hourly Rate</b>
Joseph M. Barry	Partner	\$885.00
Ryan M. Bartley	Partner	\$735.00
Joseph M. Mulvihill	Associate	\$575.00
S. Alexander Faris	Associate	\$485.00
Heather Smillie	Law Clerk	\$400.00
Michelle Smith	Paralegal	\$310.00

12. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals may from time to time serve the Debtors in connection with the matters herein described.

13. The hourly rates set forth above are Young Conaway's standard hourly rates for work of this nature and these rates are set at a level designed to fairly compensate Young

Conaway for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is the Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses approved by the client such as secretarial and other overtime. The Firm will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients. The Firm believes that it is fairer to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

14. No promises have been received by Young Conaway, nor by any partner, counsel, or associate thereof, as to compensation in connection with these chapter 11 cases other than in accordance with the provisions of the Bankruptcy Code. Young Conaway has no agreement with any other entity to share with such entity any compensation received by either Young Conaway or any other entity in connection with these chapter 11 cases.

15. Consistent with the U.S. Trustee's *Appendix B—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 "U.S. Trustee Guidelines"), which became effective on November 1, 2013,<sup>3</sup> I state as follows:

---

<sup>3</sup> The U.S. Trustee Guidelines themselves acknowledge that "the Guidelines do not supersede local rules, court orders, or other controlling authority." While the Debtors and Young Conaway intend to work cooperatively with the U.S. Trustee to address requests for information and any concerns that may have led to the adoption of the U.S. Trustee Guidelines, neither the filing of this Declaration, nor anything contained herein, is intended to or shall be deemed to

- i. Young Conaway has not agreed to a variation of its standard or customary billing arrangements for this engagement;
- ii. None of the Firm's professionals included in this engagement have varied their rate based on the geographic location of these chapter 11 cases;
- iii. Young Conaway was retained by the Debtors for restructuring work pursuant to an engagement agreement dated July 14, 2020. The billing rates and material terms of the prepetition engagement are the same as the rates and terms described in the Application, except that a customary increase of hourly rates occurred on January 1, 2021; and
- iv. The Debtors have approved or will be approving a prospective budget and staffing plan for Young Conaway's engagement for the postpetition period as appropriate. In accordance with the U.S. Trustee Guidelines, the budget may be amended as necessary to reflect changed or unanticipated developments.

16. The professional services that Young Conaway will render to the Debtors include, but shall not be limited to, the following:

- i. providing legal advice and services with respect to the Debtors' powers and duties as debtors in possession in the continued operation of their business, management of their property, the Local Rules, practices, and procedures, and providing substantive and strategic advice on how to accomplish the Debtors' goals in connection with the prosecution of these;
- ii. pursuing a sale of the Debtors' assets and approving bid procedures related thereto;
- iii. preparing, on behalf of the Debtors, necessary applications, motions, answers, orders, reports, and other legal papers;
- iv. appearing in Court and protecting the interests of the Debtors before the Court; and
- v. performing all other legal services for the Debtors that may be necessary and proper in these proceedings as co-counsel to the Debtors in these chapter 11 cases.

---

be an admission by Young Conaway that the Firm is required to comply with the U.S. Trustee Guidelines. Young Conaway reserves any and all rights with respect to the application of the U.S. Trustee Guidelines in respect of any application for employment or compensation filed in these cases

17. The facts set forth in the Application are true and correct to the best of my knowledge, information, and belief.

Dated: April 13, 2021  
Wilmington, Delaware

/s/ Joseph Barry  
Joseph Barry

**EXHIBIT B**

**Lyons Declaration**

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

In re

AEROCENTURY CORP., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 19-10316 (LSS)

Jointly Administered

**DECLARATION OF HAROLD M. LYONS IN SUPPORT OF THE DEBTORS’  
APPLICATION FOR AN ORDER AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF YOUNG CONAWAY STARGATT & TAYLOR, LLP AS  
CO-COUNSEL FOR THE DEBTORS, EFFECTIVE AS OF THE PETITION DATE**

I, Harold M. Lyons, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that:

1. I am the Chief Financial Officer (the “CFO”) or an authorized signatory of the above-captioned affiliated debtors and debtors in possession (collectively, the “Debtors”). In my capacities with the Debtors, I have a detailed knowledge of and experience with the Debtors’ business and financial affairs. In my capacity as the Debtors’ CFO, I am responsible for implementing the Debtors’ business plans and strategies and generally overseeing the Debtors’ business operations.

2. I submit this declaration in support of the *Debtors’ Application for an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Co-Counsel for the Debtors, Effective as of the Petition Date* (the “Application”).<sup>2</sup> Except as otherwise noted, I have personal knowledge of the matters set forth herein.

---

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Application.

**The Debtors' Selection of Young Conaway as Co-Counsel**

3. As noted in the Application, the Debtors seek to retain Young Conaway as co-counsel to the Debtors. The Debtors engaged Young Conaway as co-counsel because of Young Conaway's extensive knowledge, expertise, and experience in the field of debtors' and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code. Young Conaway's knowledge, expertise, and experience practicing before the Court will enable the Firm to work in an efficient and cost-effective manner on behalf of the Debtors' estates. Additionally, in preparing for these chapter 11 cases, Young Conaway has become familiar with the Debtors' business and affairs and many of the potential legal issues that may arise in the context of these chapter 11 cases. Accordingly, the Debtors believe that Young Conaway is uniquely qualified to represent them as co-counsel in these chapter 11 cases.

**Cost Supervision**

4. Young Conaway has informed the Debtors that Young Conaway intends to charge the Debtors for services rendered in these chapter 11 cases at Young Conaway's normal hourly rates in effect at the time the services are rendered. The Debtors monitor the invoices submitted by outside counsel.

5. Young Conaway and the Debtors are in the process of developing a prospective budget and staffing plan. The Debtors recognize that in chapter 11 cases, it is possible that there may be unforeseen fees and expenses that will need to be addressed by the Debtors and Young Conaway. The Debtors also recognize that it is their responsibility to closely monitor the billing practices of Young Conaway and their other professionals to ensure that fees and expenses paid by their estates remain consistent with the Debtors' expectations taking into account the exigencies of these chapter 11 cases. To that end, the Debtors will continue to review and monitor the regular

invoices submitted by Young Conaway, and, together with Young Conaway, periodically amend the budget and staffing plans to reflect developments in the case as applicable.

6. The Debtors will monitor the fees and expense reimbursement process during these chapter 11 cases and ensure the Debtors are an active participant in that process. Recognizing that every chapter 11 case is unique, the Debtors, together with Young Conaway, will utilize the budgeting process to provide guidance on the period of time involved and the level of attorneys and professionals that will work on various matters, as well as the projection of average hourly rates for the attorneys and professionals for such matters.

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

Dated: April 13, 2021  
Wilmington, Delaware

/s/ Harold M. Lyons  
Harold M. Lyons  
Chief Financial Officer  
AeroCentury Corp., *et al.*,  
Debtors and Debtors in Possession

**EXHIBIT C**

**Proposed Order**

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

In re

AEROCENTURY CORP., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 21-10636 (JTD)

Jointly Administered

Ref. Docket No. \_\_\_\_

**ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF  
YOUNG CONAWAY STARGATT & TAYLOR, LLP AS CO-COUNSEL  
FOR THE DEBTORS, EFFECTIVE AS OF THE PETITION DATE**

Upon the application (the “Application”)<sup>2</sup> of the Debtors for entry of an order pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014 authorizing the retention and employment of Young Conaway Stargatt & Taylor, LLP (“Young Conaway” or the “Firm”) as co-counsel to the Debtors, effective as of the Petition Date, as more fully described in the Application; and upon consideration of the Barry Declaration and the Lyons Declaration; and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having jurisdiction to consider the Application and the relief requested therein 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 consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided under the particular circumstances, and it appearing that no other or further notice need be

---

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not defined herein have the meanings given to them in the Application.

provided; and this Court finding that Young Conaway is a “disinterested person,” as defined in section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code because (i) Young Conaway has no connection with the Debtors, any creditors, or other parties in interest, their respective attorneys and accountants, or the U.S. Trustee or any of its employees, except as set forth in the Barry Declaration, (ii) Young Conaway is not a creditor, equity security holder, or insider of the Debtors, (iii) none of Young Conaway’s members or employees are or were, within two (2) years of the Petition Date, a director, officer, or employee of the Debtors, and (iv) Young Conaway does not hold and has neither represented nor represents an interest materially adverse to the interests of the Debtors’ estates 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 Debtors or for any other reason; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Application is GRANTED as set forth herein.
2. In accordance with section 327(a) of the Bankruptcy Code, the Debtors are hereby authorized to retain and employ the firm of Young Conaway as their co-counsel on the terms set forth in the Application, the Barry Declaration, and the Engagement Agreement, effective as of the Petition Date.
3. Young Conaway shall be entitled to allowance of compensation and reimbursement of expenses, upon the filing and approval of interim and final applications pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other orders as this Court may direct, including, without limitation, any order of this Court

establishing procedures for interim compensation and reimbursement of professionals retained in these chapter 11 cases.

4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application and the Barry Declaration.

5. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation or implementation of this Order.