

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re :
: Chapter 11
AEROCENTURY CORP., et al., :
: Case No. 21-10636 ()
Debtors.¹ :
: (Joint Administration Requested)
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**DEBTORS’ MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING
(A) CONTINUED USE OF CASH MANAGEMENT SYSTEM; (B) MAINTENANCE OF
EXISTING BANK ACCOUNTS; AND (C) CONTINUED USE
OF EXISTING BUSINESS FORMS; AND (II) GRANTING RELATED RELIEF**

The debtors and debtors in possession in the above-captioned case (the “Debtors”) hereby submit this motion (the “Motion”), for entry of an order (the “Proposed Order”), substantially in the form annexed hereto as **Exhibit A**, pursuant to sections 105, 345, and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2015-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) authorizing the Debtors to continue (a) using the Cash Management System and Business Forms (each as defined below) and (b) maintaining the Bank Accounts (defined below); and (ii) granting related relief. To enable the Debtors to carry out the relief requested, the Debtors also request that the Court authorize all Banks (defined below) with which the Debtors maintain accounts to continue to maintain, service, and administer such accounts on behalf of the Debtors. In support of this Motion, the Debtors rely on the *Declaration*

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.



of *Harold M. Lyons in Support of Chapter 11 Petition and First-Day Applications* (the “First Day Declaration”),² which was filed contemporaneously with this Motion and is incorporated herein by reference. In further support of this Motion, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction to consider this Motion 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 is a core proceeding pursuant to 28 U.S.C. § 157(b), and the Debtors consent, pursuant to Local Rule 9013-1(f), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief requested herein are sections 105, 345, and 363 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rule 2015-2.

BACKGROUND

A. General Background

3. On the date hereof (the “Petition Date”), the Debtors each commenced a bankruptcy case (the “Chapter 11 Cases”) by filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy

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

Code. No official committees have been appointed in the Chapter 11 Case, and no request has been made for the appointment of a trustee or examiner.

4. Additional factual background relating to the Debtors' business, capital structure, and the commencement of the Chapter 11 Cases is set forth in further detail in the First Day Declaration.

B. The Debtors' Cash Management System

5. In the ordinary course of business and prior to the Petition Date, the Debtors maintain a centralized cash management system (the "Cash Management System") that utilizes three Debtor bank accounts (the "Debtor Bank Accounts") and five non-Debtor bank accounts (the "Non-Debtor Bank Accounts," and together with the Debtor Bank Accounts, the "Bank Accounts"), as described below and listed on **Exhibit B** attached hereto. Like other businesses of their size, the Debtors designed their Cash Management System to efficiently collect, transfer, and disburse funds generated through the Debtors' operations and to accurately record such collections, transfers, and disbursements as they are made.

6. The Debtors' financial activities are primarily conducted through a master account (the "Master Account") with California Bank & Trust, N.A., held by Debtor AeroCentury Corp. ("AeroCentury"). The Master Account is used to receive rents, pay operating expenses, and to fund intercompany transfers. JetFleet Management Corp. ("JMC") holds the second Debtor Bank Account at Union Bank N.A. (the "JMC Bank Account"). In the ordinary course of business, the Debtors will make disbursements from the Master Account to the JMC Bank Account to fund ordinary operating expenses, such as payroll, accounts payable, taxes, and other general corporate obligations and costs of operation. JMC also holds an account at California Bank & Trust, which is dormant.

7. The Non-Debtor Bank Accounts are held in the names of certain non-Debtor affiliates of the Debtors, and are used to receive rents and pay debts associated with each of those affiliates, and to pay certain routine business expenses of the non-Debtor affiliates.

8. In addition, the Debtors engage in intercompany transactions (the “Intercompany Transactions”) in the ordinary course of their business. Specifically, to fund the Debtors’ Canadian operations, JMC pre-funds a Canadian bank account held by a non-Debtor affiliate, 1314401 Alberta, Inc., d/b/a JetFleet Canada (the “Canadian Affiliate”), which is responsible for servicing certain aspects of the Debtors’ business in Canada. The Canadian Affiliate is responsible for payment of its own payroll, bookkeeping, and other business expenses associated with its operations.³ Such receipts and disbursements are credited or debited, as applicable, to the appropriate intercompany account. The Debtors utilize internal accounting software to facilitate the Cash Management System and maintain their books and records in a manner that allows the Debtors to monitor transfers and transactions, maintain accurate records of any permitted Intercompany Transactions, and gather account balance information.

9. The Cash Management System is a mainstay of the Debtors’ ordinary, usual, and essential business practices. The Debtors’ system provides numerous benefits, including the ability to: (a) quickly create status reports on the location and amount of funds, thereby allowing management to track and control corporate funds; (b) ensure cash availability and prompt payment of corporate, employee, and vendor related expenses; (c) reduce administrative costs by facilitating the efficient movement of funds, and (d) ensure availability of funding to the Canadian Affiliate, which performs important services for the Debtors in Canada. Any disruption of the Cash

³ The Canadian Affiliate performs services related to the administration of the Debtors’ aircraft in Canada, including, among other things, aircraft delivery, maintenance, and repossession.

Management System would confuse customers, and could result in disruptions to projected revenue at a time when such disruptions could be detrimental to the Debtors' ongoing operations and the success of these Chapter 11 Cases.

RELIEF REQUESTED

10. The Debtors hereby request entry of the Proposed Order: (i) authorizing and approving the continued use of their existing Cash Management System; (ii) granting the Debtors a waiver of certain bank account and related requirements of the U.S. Trustee (including, without limitation, the operating guidelines established by the U.S. Trustee that require debtors to close all prepetition bank accounts, open new accounts designated as debtor-in-possession accounts, and to provide new business forms and stationary) to the extent that such requirements are inconsistent with (a) the Debtors' practices in connection with their Cash Management System or (b) any action taken by the Debtors in accordance with any order granting the relief requested in this Motion or any other order entered in this Chapter 11 Case; (iii) authorizing the Debtors to continue funding the Canadian Affiliate; and (iv) granting related relief.

BASIS FOR RELIEF REQUESTED

A. Maintaining the Cash Management System Is Important to the Debtors' Operations and Chapter 11 Efforts.

11. The maintenance of the Cash Management System will help to minimize the disruption of the Chapter 11 Cases, thereby preserving and maximizing the value of the Debtors' assets for the benefit of all stakeholders.

12. The Debtors' request for authorization to continue to use the Cash Management System is consistent with section 363(c)(1) of the Bankruptcy Code, which authorizes a debtor in possession to "use property of the estate in the ordinary course of business, without notice or a hearing." 11 U.S.C. § 363(c)(1). Section 363(c)(1) is intended to provide a debtor in possession

with the flexibility to engage in the ordinary transactions required to operate its business. *See, e.g., In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992); *see also In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007). Included within the purview of section 363(c) is a debtor's ability to continue the routine transactions necessitated by its cash management system. *See Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). Nevertheless, the Debtors seek the relief requested herein out of an abundance of caution, to the extent that any aspect of the Cash Management System could be considered as outside the ordinary course of business for purposes of section 363(c).

13. Courts in this and other districts have noted that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *rev'd on other grounds*, 997 F.2d 1039 (3d Cir. 1993); *see also Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1114 (5th Cir. 1995) (finding cash management system allows a debtor “to administer more efficiently and effectively its financial operations and assets”). The United States Court of Appeals for the Third Circuit has agreed, emphasizing that requiring a debtor to maintain separate accounts “would be a huge administrative burden and economically inefficient.” *In re Columbia Gas Sys., Inc.*, 997 F.2d 1039, 1061 (3d Cir. 1993). For these reasons, the Debtors should be permitted to continue to use of the Cash Management System postpetition in the ordinary course.

14. The Debtors will maintain records of all transfers within the Cash Management System to the same extent they were recorded before the commencement of the Chapter 11 Cases. As a result, the Debtors will be able to document and record the transactions occurring within the Cash Management System for the benefit of all parties in interest.

B. The Court Should Authorize the Debtors to Maintain Existing Bank Accounts and Continue to Use Their Existing Business Forms.

15. The U.S. Trustee has set forth certain operating and reporting requirements for chapter 11 cases (the “U.S. Trustee Guidelines”) that require debtors in possession to, among other things: (i) establish one debtor-in-possession bank account for all estate monies required for the payment of taxes, including payroll taxes; (ii) close all existing bank accounts and open new debtor-in-possession accounts; (iii) maintain a separate debtor-in-possession account for cash collateral; and (iv) obtain checks that bear the designation “debtor in possession” and reference the bankruptcy case number and type of account on such checks. These requirements are designed to provide a clear line of demarcation between prepetition and postpetition claims and payments, and to help protect against the inadvertent payment of prepetition claims.

16. Enforcement of the U.S. Trustee Guidelines during the Chapter 11 Case would disrupt the Debtors’ ordinary-course financial operations. If the U.S. Trustee Guidelines are enforced, they could cause delayed payments to the Debtors’ lean workforce and cause confusion among their customers. Further, because all of the Debtor Bank Accounts are held with Banks which have entered into Uniform Depository Agreements with the U.S. Trustee, there is no risk to any estate funds. Accordingly, the Debtors respectfully request that the Court allow it to operate the Bank Accounts as they were maintained in the ordinary course of business before the Petition Date.

17. In addition, the Debtors have concurrently filed several motions seeking authorization to pay prepetition obligations in the ordinary course of business. If the Debtors were required to open new accounts, it would likely be unable to timely implement the critical relief sought in those motions. The Debtors have the ability to monitor disbursements from the Bank

Accounts to ensure that only those prepetition obligations expressly approved by the Court are paid.

18. In the ordinary course of their business, the Debtors use a variety of checks and business forms. The Debtors have the ability to print their own business forms, including without limitation, checks, letterhead, purchase orders, and invoices (collectively, the “Business Forms”), and already have some pre-printed stock Business Forms. As debtors in possession, the Debtors will include reference to the Debtors’ status as debtors in possession and the bankruptcy case number on all newly printed Business Forms as soon as it is reasonably practical to do so, and will also include such reference on all preprinted check forms. However, to minimize expenses to their estates and avoid unnecessary confusion, the Debtors believe it is appropriate to continue to use all Business Forms as such forms were in existence immediately before the Petition Date, without reference to the Debtors’ status as debtors in possession, rather than requiring the Debtors to incur the expense and delay of ordering or printing entirely new Business Forms. Pursuant to Local Rule 2015-2, in the event the Debtors need to purchase or print new check stock during the pendency of the Chapter 11 Cases, such check stock will include a legend referring to the Debtors as “Debtors in Possession” or “DIP” and the case number. Additionally, where the Debtors have the ability to print their own check stock, within fifteen (15) days of the entry of the Proposed Order, the Debtors will cause any electronically produced checks to reflect the designation “Debtors in Possession” or “DIP” and the case number.

19. The Debtors submit that parties in interest will not be prejudiced if the Debtors are authorized to continue to use their pre-existing Business Forms until their inventory of such pre-existing Business Forms is depleted. The Debtors will be sending a notice of commencement of the Chapter 11 Cases to all creditors. Most parties doing business with the Debtors undoubtedly

will be aware of their status as debtors in possession; thus, changing Business Forms immediately is unnecessary and unduly burdensome.

C. The Court Should Authorize the Banks to Continue to Maintain, Service, and Administer the Debtors' Bank Accounts in the Ordinary Course of Business.

20. The Debtors respectfully request that the Court authorize the Banks to continue to maintain, service, and administer the Bank Accounts as accounts of debtors in possession, without interruption and in the ordinary course of business. In this regard, the Banks should be authorized to receive, process, honor, and pay any and all checks, ACH payments, and other instructions, and drafts payable through, drawn, or directed on the Bank Accounts after the Petition Date.

21. The Debtors further request that the Court authorize the Banks to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH payments should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts, wires, or ACH payments are dated before or after the Petition Date. The Debtors can and will identify all prepetition checks and other forms of payment outstanding on the Petition Date and notify the Banks which checks or obligations should be honored, as authorized by the Court. The Debtors also request that, to the extent any Bank honors a prepetition check or other item drawn on any account: (i) at the direction of the Debtors; (ii) in a good-faith belief that the Court has authorized such prepetition check or item to be honored; or (iii) as a result of an innocent mistake made despite the above-described protective measures, such Bank shall not be deemed to be liable to the Debtors or their estates on account of such prepetition check or other item honored postpetition. The Debtors respectfully submit that such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a court order or otherwise.

22. The Debtors further request that the Banks be authorized to (i) honor the Debtors' directions with respect to the opening and closing of any Bank Account, and (ii) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; *provided*, in each case that the Banks shall not have any liability to any party for relying on such representations.

23. Moreover, the Debtors request that the Court authorize: (i) the Banks to charge, and the Debtors to pay or honor, both prepetition and postpetition service and other fees, costs, charges, and expenses to which the Banks are entitled under the terms and in accordance with their contractual arrangements with the Debtors; and (ii) charge-back returned items to the Bank Accounts, whether such items are dated before, on or subsequent to the Petition Date, in the ordinary course.

IMMEDIATE RELIEF IS NECESSARY

24. Pursuant to Bankruptcy Rule 6003(b), any motion seeking to use property of the estate pursuant to section 363 of the Bankruptcy Code or to satisfy prepetition claims within twenty-one days of the petition date requires the Debtors to demonstrate that such relief "is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003(b). Because of the nature of the Debtors' operations, any disruption to the Cash Management System would seriously harm the Debtors and their estates. The Debtors will have an immediate need to utilize the Cash Management System post-petition. Indeed, without the Cash Management System, payments may not be made in a timely fashion, and the Debtors would be unable to track incoming receipts. This would likely result in the refusal of essential services, thereby causing a diminution in the value of the Debtors' estates to the detriment of all parties in interest and, as a result, immediate and irreparable harm. Accordingly, the Debtors meet the "immediate and irreparable harm" standard of Bankruptcy Rule 6003(b). Accordingly, Bankruptcy Rule 6003 has been satisfied, and the relief requested herein should be granted.

WAIVER OF ANY APPLICABLE STAY

25. Pursuant to Bankruptcy Rule 6004(h), “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As set forth throughout this Motion, any disruption in, among other things, the Debtors’ ability to continue to use the Cash Management System would be detrimental to the Debtors, their creditors, and their estate, and would impair their ability to optimize their business performance at this critical time as they begins the chapter 11 process. For this reason and those set forth above, the Debtors submit that ample cause exists to justify a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent applicable to the Proposed Orders.

26. To implement the foregoing immediately, the Debtors also respectfully request a waiver of the notice requirements of Bankruptcy Rule 6004(a), to the extent they are applicable to the Proposed Orders.

RESERVATION OF RIGHTS

27. Nothing in the Proposed Order or this Motion (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates, (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any party in interest, or (iv) shall be construed as a promise to pay a claim.

NOTICE

28. The Debtors will provide notice of this motion to: (i) the United States Trustee for the District of Delaware; (ii) the holders of the five (5) largest unsecured claims against the Debtors; (iii) counsel to the prepetition lender; (iv) the United States Attorney's Office for the District of Delaware; (v) the Internal Revenue Service; (vi) the United States Securities and Exchange Commission; (vii) the Banks; and (viii) any party that requests service pursuant to Bankruptcy Rule 2002. Notice of this motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtors respectfully submit that no other or further notice is required or necessary.

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CONCLUSION

WHEREFORE, the Debtors respectfully requests entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, respectively, (i) granting the relief requested herein, and (ii) granting such other relief as is just and proper.

Dated: March 29, 2021
Wilmington, Delaware

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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**

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In re :

: Chapter 11

AEROCENTURY CORP., *et al.*, :

: Case No. 21-10636 ()

Debtors.¹ :

: (Jointly Administered)

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**ORDER (I) AUTHORIZING (A) CONTINUED USE OF CASH
MANAGEMENT SYSTEM; (B) MAINTENANCE OF EXISTING BANK
ACCOUNTS; AND (C) CONTINUED USE OF EXISTING
BUSINESS FORMS; AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the Debtors for entry of an order, pursuant to sections 105, 345, and 363 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rule 2015-2, (i) authorizing the Debtors’ continued use of the Cash Management System and the Business Forms; (ii) authorizing the Debtors to maintain the Bank Accounts; and (iii) granting related relief; and upon consideration of the First Day Declaration; and this Court having jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 1334 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 it appearing that this is a core matter pursuant to 28 U.S.C. § 157(b)(2) and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of the Chapter 11 Case and of the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given under the circumstances, and that no other or further notice

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

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

need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED, as set forth herein.
2. The Debtors are authorized, in their sole discretion, to: (i) continue operating the Cash Management System and honor any prepetition obligations related thereto; (ii) maintain existing Bank Accounts and Business Forms; (iii) maintain the ability to use debit, wire and ACH payments; and (iv) continue to deposit and invest funds in accordance with their current practices to the extent set forth herein.
3. The Debtors are further authorized, in their sole discretion, to: (i) continue to use, with the same account numbers, all of the Bank Accounts in existence as of the Petition Date, including those accounts identified on **Exhibit B** to the Motion; (ii) use, in their present form, all Business Forms, without reference to the Debtors' status as debtors in possession; (iii) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (iv) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, ACH payments, and other debits; and (v) pay any ordinary course prepetition or postpetition fees incurred in connection with the Bank Accounts and to otherwise perform their obligations under the documents governing the Bank Accounts.
4. The Banks are authorized, but not directed, to continue to maintain, service, and administer the Bank Accounts in accordance with prepetition practices as accounts of a debtor in possession, without interruption and in the ordinary course of business. In this regard, the Banks are authorized, but not directed, to receive, process, honor and pay any and all checks, ACH

payments and other instructions, and drafts payable through, drawn or directed on the Bank Accounts by holders, makers or other parties entitled to issue instructions with respect thereto on account of any claim arising (i) on or after the Petition Date or (ii) prior to the Petition Date and otherwise authorized by this Court.

5. In the course of providing cash management services to the Debtors, the Banks, without further order of this Court, are authorized, but not directed, to (i) charge, and the Debtors are authorized to pay or honor, both prepetition and postpetition service and other fees, costs, charges and expenses to which the Banks are entitled under the terms and in accordance with their contractual arrangements with the Debtors, and (ii) charge-back returned items to the Bank Accounts, whether such items are dated before, on or subsequent to the Petition Date, in the ordinary course.

6. The Debtors and the Banks are hereby authorized, but not directed, to continue to perform pursuant to the terms of any unexpired prepetition cash management agreements that may exist between them, except and to the extent otherwise directed by the terms of this Order and except as amended, modified, or supplemented by agreement between the Debtors and such Bank in the ordinary course of business.

7. Notwithstanding any other provision of this Order, the Banks are authorized, but not directed, to rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any order of this Court, and any Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order (i) at the direction of the Debtors, (ii) in a good-faith belief that this Court has authorized such prepetition check or item to be honored, or (iii) as a result of an innocent mistake made despite the above-described protective measures, shall

neither be deemed to be in violation of this Order nor be liable to the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Order.

8. The Banks are further authorized, but not directed, to accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; *provided*, in each case, that the Banks shall not have any liability to any party for relying on such representations.

9. Within fifteen (15) days of the date of entry of this Order, the Debtors shall (i) contact each Bank; (ii) provide such Bank with the Debtors' employer identification number; and (iii) identify each of the Bank Accounts held at such Bank as being held by debtors in possession in a bankruptcy case and provide the bankruptcy case number, and request that each Bank internally code each of the Bank Accounts as "debtors in possession" accounts..

10. The Debtors are authorized to use their existing Business Forms; *provided*, *however*, that once the Debtors' existing Business Forms have been used, the Debtors shall, when reordering or reprinting Business Forms, require the designation "Debtors in Possession" or "DIP" and the corresponding bankruptcy case number on all Business Forms; *provided, further*, within fifteen (15) days of entry of this Order, any electronically produced Business Forms and checks shall reflect the designation "Debtors in Possession" or "DIP" and the bankruptcy case number.

11. The Banks are authorized, but not directed, to debit the Debtors' accounts in the ordinary course of business without need for further order of this Court for: (i) all checks, items, and other payment orders drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Banks' receipt of notice of filing of the Chapter 11 Case, *provided, however*, that nothing herein shall be construed as creating a right for the payee to receive any such payment, or in any way preventing

disgorgement of such payments; (ii) all checks, automated clearing house entries, and other items deposited or credited to one of Debtors' accounts with such Bank prior to filing of the Chapter 11 Case which have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to filing of the Chapter 11 Cases; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

12. Nothing contained herein shall prevent the Debtors from closing any Bank Account(s) or opening any additional bank accounts, as it may deem necessary and appropriate, and the Banks are authorized, but not directed, to honor the Debtors' requests and to close or open such Bank Accounts or additional bank accounts, as the case may be; *provided* that notice of the opening or closure of any account shall be given to the U.S. Trustee and counsel to any statutory committee within fifteen (15) days; *provided, further*, that any new bank accounts shall be opened at a bank that is party to a Uniform Depository Agreement with the U.S. Trustee, or at a bank that is willing to immediately execute a Uniform Depository Agreement.

13. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Order (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any party in interest; or (iv) shall be construed as a promise to pay a claim.

14. The Debtors are authorized to continue engaging in Intercompany Transactions in the ordinary course of business; *provided, however*, that there shall be no intercompany loans from or to the Debtors absent further order of the Court.

15. The Debtors shall maintain accurate and detailed records of all transfers, including intercompany transfers, so that all transactions may be readily ascertained, traced, recorded properly and distinguished between prepetition and postpetition transactions.

16. Bankruptcy Rule 6003(b) has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors. The requirements of Bankruptcy Rule 6004(a) are waived under the circumstances.

17. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be effective immediately and enforceable upon its entry.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order.

19. This Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

EXHIBIT B**List of Bank Accounts**

Name on Account	Bank Name	Last Four Digits of Account Number	Type of Account
Debtor Bank Accounts			
AeroCentury Corp.	California Bank & Trust	0381	Checking
JetFleet Management Corp.	Union Bank N.A.	3864	Checking
JetFleet Management Corp.	California Bank & Trust	5247	Checking
Non-Debtor Bank Accounts			
ACY SN 19002 Limited	MUFG Bank	5239	Checking (USD)
ACY SN 19002 Limited	MUFG Bank	5221	Checking (GBP)
ACY SN 19003 Limited	MUFG Bank	5254	Checking (USD)
ACY SN 19003 Limited	MUFG Bank	5247	Checking (GBP)
JetFleet Canada	Bank of Montreal	4931	Checking