

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

In re:	Chapter 11
RAVN AIR GROUP, INC. <u>et al.</u> , ¹	Case No. 20-10755 (___)
Debtors.	(Joint Administration Requested)

**DECLARATION OF JOHN MANNION IN SUPPORT OF
CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, John Mannion, do hereby declare as follows:

1. I am Chief Financial Officer of Ravn Air Group, Inc. ("Ravn Air Group"), a corporation organized under the laws of Delaware. I serve in a similar capacity for the other above-captioned debtors (collectively with Ravn Air Group, "Ravn," the "Company," or the "Debtors") in these cases (the "Chapter 11 Cases") filed under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). I am generally familiar with the day-to-day operations of the Debtors and their affairs, books, and records.

2. On the date hereof (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's U.S. tax identification number are as follows: Ravn Air Group, Inc. (3047), Ravn Air Group Holdings, LLC (5356), JJM, Inc. (4858), HoTH, Inc. (9957), Peninsula Aviation Services, Inc. (6859), Corvus Airlines, Inc. (7666), Frontier Flying Service, Inc. (8091), and Hageland Aviation Services, Inc. (2754). The notice address for all of the Debtors is: 4700 Old International Airport Road, Anchorage, AK 99502.

3. To minimize the adverse effects of filing for bankruptcy protection on their businesses and assets, the Debtors have requested various types of “first day” relief (collectively, the “First Day Motions”). The First Day Motions seek relief intended to allow the Debtors to perform and meet those obligations necessary to fulfill their duties as debtors-in-possession. I am familiar with the contents of each First Day Motion (including the exhibits thereto), and I believe that the relief sought in each First Day Motion: (a) is necessary to enable the Debtors to maximize the value of their assets; (b) constitutes a critical element in achieving a successful resolution to these Chapter 11 Cases; and (c) best serves the Debtors’ estates and creditors’ interests.

4. I submit this declaration in support of the First Day Motions and pursuant to 28 U.S.C. § 1746. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, information supplied to me by other members of the Debtors’ management, employees, and professionals, or learned from my review of relevant documents or upon my opinion based upon my experience and knowledge of the Debtors’ operations and financial condition. If called upon to testify, I could and would testify competently to the facts set forth herein. I am authorized to submit this declaration.

5. Part I of this declaration describes the Debtors’ businesses, the circumstances surrounding the commencement of these Chapter 11 Cases, and their secured and unsecured debt. Part II summarizes the relief requested in each First Day Motion and the facts supporting those requests.

**I.
BACKGROUND**

COMPANY OVERVIEW

A. Ravn's Business

6. Ravn Air Group was formed through the combination of five well known and long-tenured Alaskan air transportation businesses in 2009, creating the largest regional air carrier and network in the state. Ravn owns and, until the COVID-19-related disruptions, operated 72 aircraft, at 21 hub airports and 73 facilities, serving 115 destinations in Alaska with up to 400 daily flights. Until the COVID-19-related disruptions, the Debtors had over 1,300 employees (non-union), and it carried over 740,000 passengers on an annual basis. The Company provides air transportation and logistics services to the passenger, mail, charter, and freight markets in Alaska, pursuant to U.S. Department of Transportation approval as three separate certificated air carriers. Two of the carriers (RavnAir ALASKA and PenAir) operate under Federal Aviation Administration (“FAA”) Part 121 certificates and the other (RavnAir CONNECT) operates under an FAA Part 135 certificate. In addition to carrying passengers, many of whom fly on Medicaid-subsidized tickets, other key customers include companies in the oil & gas industry, the seafood industry, the mining industry, and the travel and tourism industries. A corporate structure chart is attached hereto as **Exhibit A**.

7. Before the Petition Date, Ravn operated under three primary brands, RavnAir ALASKA, PenAir, and RavnAir CONNECT:

- (a) **RavnAir ALASKA**: RavnAir ALASKA (FAA certificate name “Corvus Airlines”) was founded in 1948 (f/k/a Era Aviation), and currently has a fleet of ten 37-seat De Havilland Canada DHC-8 aircraft. RavnAir ALASKA operates as a scheduled Part 121 passenger and charter carrier, while also operating passenger

flights in partnership with Alaska Airlines through codeshare, interline, and frequent flyer agreements. The airline also has interline agreements with other major international and domestic carriers including United, American, and Delta Air Lines.

- (b) PenAir: In December 2018, Ravn purchased PenAir (FAA certificate name “Peninsula Aviation Services, Inc.”) through a section 363 sale in the chapter 11 case of Peninsula Airways Inc., Case No. 17-00282-GS, in the United States Bankruptcy Court for the District of Alaska. PenAir also operates as a Part 121 carrier flying five Saab 2000 45-seat aircraft in passenger and charter service, and it also operates in partnership with Alaska Airlines through a capacity purchase agreement to serve the City of Unalaska in the Aleutian Islands, as well as codeshare, interline, and frequent flyer agreements.
- (c) RavnAir CONNECT: RavnAir CONNECT is comprised of two Part 135 carriers, Hageland Aviation Services Alaska and Frontier Flying Services (this latter certificate is currently dormant). RavnAir Connect/Hageland operates with a combined fleet of 57 aircraft – Beechcraft 1900s, Cessna 208s, PA-31 Piper Navajos, and Cessna 207s. RavnAir CONNECT is one of the largest Part 135 carriers in the U.S., and it connects Ravn’s passenger route network to over 110 smaller, rural Alaskan and Alaskan native communities. It also provides vital charter, mail, bypass mail (food and medicine), and freight delivery services to these destinations.

8. Unlike most airlines, Ravn’s revenue is diversified across its several service offerings which are essential to this massive state which has few roads and highways, and is

separated by vast mountain ranges, rivers, oceans, glaciers, and frozen tundra. Passenger service provides the largest revenue stream, generating 54% of the Company's total revenue, followed by mail and bypass mail (23%), charter (12%), freight (5%), and other (6%).

9. Ravn Air Group, Inc. is majority-owned by investment affiliates of private equity firms J.F. Lehman & Company and W Capital Partners through Ravn Air Group Holdings, LLC and certain other holding companies.

B. Prepetition Secured Facility

10. Ravn Air Group, Inc. is the borrower under that certain Credit Agreement dated as of July 31, 2015 (as amended, the "Credit Agreement"), with certain lenders (collectively, the "Prepetition Secured Lenders") and BNP Paribas, as administrative agent (the "Prepetition Administrative Agent," and, together with the Prepetition Secured Lenders, the "Prepetition Secured Parties"), with respect to a term loan of up to \$95 million and revolving loans in the aggregate amount of up to \$15 million. As of March 31, 2020, a total of approximately \$90,907,954.51 exclusive of interest and fees payable under the Credit Agreement was owing to the Prepetition Secured Parties.

11. Debtor Ravn Air Group Holdings, LLC and the other Debtors are guarantors to the Credit Agreement. Each of the Debtors have pledged substantially all of their assets to the Prepetition Secured Parties, including assets pledged to U.S. Bank, N.A., as security trustee (the "Prepetition Security Trustee") for the benefit of the Prepetition Secured Parties, pursuant to the terms of that certain Aircraft and Engine Mortgage and Aircraft Lease Agreement dated as of August 4, 2015 (all such collateral, the "Prepetition Collateral").

EVENTS LEADING UP TO CHAPTER 11

A. Seasonal Cash Flow and Impact of COVID-19

12. Because of Alaska's harsh winter climate, the Debtors' businesses are highly seasonal. Their operations tend to consume cash during the last and first quarters of each year, when they must cover capital costs and costs associated with the maintenance of their extensive route network and aircraft fleets. The business model relies heavily on cash flow received during the summer tourism season in the second and third quarters of the year, when passenger revenues are highest. Indeed, given the capital-intensive nature of the Debtors' business, strong financial results in the summer and fall months are essential to the Debtors' survival.

13. On March 12, 2020, after several months of increasing outbreaks around the world, and the World Health Organization declaring COVID-19 to be a pandemic, the Governor of Alaska announced the first case of coronavirus in Alaska on live television. Prior to that point, travel restrictions had already been instituted around the world and in the United States, which caused airlines across the country to experience substantial revenue losses as a result of decreased sales and canceled flights.

14. These same effects hit Alaska on March 12. It was at that time that airline bookings at the Company dropped dramatically, with the Company experiencing an astonishing 80-90% decrease in passenger revenue at all three of its airlines, as compared to the Company's historical results for the same period. In addition, in mid-March, the Company, along with other Alaska carriers, began receiving demands from rural hubs and villages around Alaska not to fly passengers to or from their communities. Finally, on March 20, 2020, the State of Alaska published Health Alert 9.2, issuing a strong advisory to all Alaskans to cease any non-essential in-state long distance personal, business, or medical travel. In total, this caused an

unprecedented drop in passenger traffic and passenger revenue placing Ravn in a significant negative cash flow situation.

15. By mid-March 2020, Ravn faced a liquidity crisis. On March 23rd and 27th, 2020, the Company announced two rounds of drastic flight schedule and route reductions, temporary layoffs, as well as pay cuts. Such cost-saving measures helped to conserve the Company's cash, but they were not enough to put the Company in a cash flow positive or neutral situation given the magnitude of the decline in passenger revenue relative to the cost to continue operating as a safe and compliant air carrier. As a result, Ravn very quickly found itself in a situation where it needed additional financing to generate liquidity needed to continue operating. By the end of March 2020, Ravn did not have sufficient cash to fund operations, including its payroll obligations due and payable after April 5, 2020, and it was unable to secure additional financing given the dramatic COVID-19-related reduction in passenger demand and general uncertainty about when demand would normalize in the future.

B. Ravn Pursuit of Financing and Decision to File These Chapter 11 Cases

16. In the weeks leading up to these chapter 11 filings, the Debtors sought much-needed financing from two sources: (1) its existing lenders and investors, and (2) State of Alaska and federal government relief packages in the form of grants, loans, or equity investments, particularly under the federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). First, the Debtors engaged in extensive negotiations with its existing lenders and investors about the Debtors' liquidity situation. In addition, the Debtors also sought to identify new sources of capital.

17. Through the month of March, the Debtors engaged in extensive negotiations with the Prepetition Secured Parties regarding the future of the Debtors and their operations, their ability to weather the COVID-19 pandemic with or without assistance (including grants and

loans under the CARES Act), and the willingness of the Prepetition Secured Parties to provide bridge financing in light of the foregoing. These negotiations (as well as the discussions with government officials described below) were made all the more difficult because of the inherent uncertainty regarding how long and the extent to which the current COVID-19 operating environment will last, as well as the fact that they were conducted telephonically, rather than in-person, as a result of COVID-19.

18. Separately, the Debtors also spoke with high-ranking representatives of the State of Alaska and the federal government. Unfortunately, by the end of March 2020, it became clear that any state or federal government financial assistance or other relief was not going to be available before the Debtors ran out of cash and had to suspend operations.

19. On April 3, 2020, the Debtors submitted applications for grants under the CARES Act. It is uncertain whether such applications will be granted or the timing of any such funding; however, the Debtors believe that any such government relief will be a key factor to enable the Debtors to resume operations and re-hire the employees the Debtors laid off as a result of the COVID-19-related business disruptions.

20. On April 5, 2020, prior to the filing of these Chapter 11 Cases, the Debtors laid off almost all of its remaining workforce, other than a very small number of employees necessary to the administration of these Chapter 11 Cases. In the event that government relief, under the CARES Act or otherwise, becomes available, the Debtors hope to restart operations with as many of its laid-off employees as required by the CARES Act.

21. Certain of the Prepetition Secured Parties (BNP Paribas, as administrative agent (in such capacity, the “DIP Agent”) for itself and certain other financial institutions (collectively, in their capacities as such, the “DIP Lenders” and together with the DIP Agent, collectively, the

“DIP Secured Parties”) have agreed in principle to extend credit, substantially on the terms described below (the “DIP Financing”), which financing will fund the administration of these Chapter 11 Cases and allow the Debtors to pay essential expenses, including the payroll and other employee expenses described in the Employee Wages Motion (as defined below), as well as other payments for which the Debtors seek authority in the other First Day Motions. The parties are negotiating but have not yet finalized definitive documentation. The parties anticipate entering into a credit agreement before a hearing on the First Day Motions (the “DIP Credit Agreement”).

22. The Debtors were unable to identify an investor or lender that would provide the financing necessary for the Debtors to continue operations, either as a chapter 11 debtor-in-possession or outside of bankruptcy, other than the DIP Secured Parties and the DIP Financing. Therefore, the Debtors determined that it was in the best interests of the Debtors’ estates, creditors, and other parties-in-interest to agree to the DIP Financing and file these Chapter 11 Cases.

II.

FIRST DAY MOTIONS

23. To minimize the disruption of a chapter 11 filing and maximize the value of their assets until the Debtors are able to either resume operations or monetize their assets, the Debtors have requested various types of relief in the following First Day Motions, all of which are being filed concurrently with this Declaration. For the reasons discussed below, I believe that the relief requested in each of the First Day Motions is necessary and appropriate and is in the best interest of the Debtors’ estates, creditors, and other parties-in-interest.

FINANCING MOTION²

A. Debtors' Motion for Entry of Interim and Final Orders Pursuant to 11 U.S.C. Sections 105, 361, 362, 363, 364, and 507 and Bankruptcy Rules 2002, 4001, and 6004 (I) Authorizing the Debtors to Obtain Postpetition Senior Secured Superpriority Financing, (II) Authorizing the Debtors' Limited Use of Cash Collateral, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief (the "Financing Motion")

24. By the Financing Motion, the Debtors seek for entry of an interim order and, after the final hearing, a final order: (i) authorizing the Debtors to obtain DIP Financing pursuant to the DIP Credit Agreement, together with the other agreements delivered or executed from time to time in connection therewith and the Budget; (ii) granting liens and providing superpriority administrative expense status ("DIP Superpriority Claims") to the DIP Secured Parties (defined herein); (iii) authorizing the Debtors to use Cash Collateral (defined herein) and affording adequate protection; (iv) scheduling a final hearing on the relief requested herein; and (v) granting related relief.

25. The DIP Credit Agreement is being negotiated in good faith and at arms' length by and among the Debtors, the DIP Secured Parties, and their respective professionals. Although the DIP Credit Agreement has not yet been finalized, the Debtors and the DIP Secured Parties have agreed in principle to the terms described here and in the Financing Motion. The Debtors submit that the terms thereof, the use of Cash Collateral, and all other financial accommodations that will be provided under the DIP Credit Agreement and the Orders are fair and reasonable and reflect the exercise of the Debtors' prudent business judgment consistent with its fiduciary duties. The Debtors have, in their business judgment, determined that entering into the DIP Financing will give the Debtors the financing needed to preserve their assets and the option of

² Defined terms used in the balance of this Declaration shall have the meanings ascribed to them in the motions to which the paragraphs relate.

resuming their operations throughout the State of Alaska. In addition, the Debtors have, in their business judgment, determined that the DIP Financing provides the Debtors with the only path by which they might reorganize under Chapter 11.

26. The Debtors negotiated the DIP Financing only after carefully examining all available options. These options included equity advances from existing or new investors, third-party debt financing, and financing available under the CARES Act or other governmental aid programs. In the end, the Debtors concluded that they would be unable to timely obtain a facility other than the DIP Financing on terms that afforded the Debtors liquidity for any purpose. The DIP Secured Parties have offered the only timely and viable source of funding. Accordingly, the Debtors commenced arm's length and good-faith negotiations with the DIP Secured Parties for the DIP Financing. The DIP Secured Parties would not otherwise agree to lend without the protections being afforded it under the DIP Credit Agreement.

27. After fully considering their financing options, and whether other more advantageous financing alternatives would be available to the Debtors, the Debtors exercised their business judgment and accepted the DIP Financing with the DIP Secured Parties. The DIP Financing provides significant advantages that the Debtors believe are unavailable through other sources on a timely basis.

28. The Debtors do not have the resources to maintain operations at full capacity. However, the prospect of a reorganization around the CARES Act or other rescue funding on the upside and a thoughtfully-managed wind down on the downside is essential to the Debtors' obligation to maximize the value of their assets during this trying period. The Debtors believe that they must provide various constituents, not the least of them being the citizens of the State of Alaska, with every opportunity to preserve the Debtors' businesses through Chapter 11, restore

their business, and ultimately reorganize, sell, or (if no better option can be realized) liquidate their business in the most expedient manner. The DIP Financing will provide the working capital necessary to allow the Debtors to, among other things, continue operating the business in the ordinary course of business, which in turn will help maintain value for the benefit of all creditors and parties in interest.

29. The success of these Chapter 11 cases at the outset depends on the confidence of the Debtors' constituents, which in turn depends upon the Debtors' ability to minimize the disruption of the bankruptcy filings. Approval and implementation of the DIP Financing will assure functioning of the Debtors at their existing levels and preserve the possibility of a viable airline going forward.

30. The Debtors have an immediate need to obtain the DIP Financing and use Cash Collateral to permit them, in addition to financing the administration of these Chapter 11 cases, to (i) protect the Debtors' assets; (ii) pay employee wages that accrued before the Petition Date and in the ordinary course going forward; (iii) satisfy other working capital and operational needs; and (vi) allow the Debtors to seek additional capital through the CARES Act or otherwise, all of which are necessary to preserve the Debtors' options and protect the value of the Debtors' assets.

31. Without the use of Cash Collateral and the additional liquidity, the Debtors would not be able to meet their day-to-day cash needs. If unable to meet the day-to-day cash needs, the Debtors would halt maintenance operations and abandon further financing efforts, both of which would drastically erode the overall value of the Debtors' assets and businesses. Further, the Debtors must demonstrate to their laid off and furloughed employees that they will honor their prepetition payment obligations if they have any hope of resuming operations or protecting the

value of their owned assets. Therefore, the Debtors request approval of the proposed financing on an expedited basis due to the immediate and irreparable harm that would be suffered by the Debtors' estates if the Debtors are unable to obtain the financing needed to sustain its business.

MOTIONS RELATED TO DEBTORS' OPERATIONS IN CHAPTER 11

B. Motion of the Debtors for Interim and Final Orders (I) Approving Continued Use of the Debtors' Cash Management System, Bank Accounts, and Business Forms; (II) Granting the Debtors Authority to Open and Close Bank Accounts; and (III) Authorizing Banks to Honor Certain Prepetition Transfers (the "Cash Management Motion")

32. By the Cash Management Motion, the Debtors seek interim and final orders (i) approving the continued use of the current cash management system (the "Cash Management System"), existing bank accounts (collectively the "Bank Accounts" and individually, a "Bank Account"), and business forms; (ii) authorizing, but not directing, the Debtors to open and close bank accounts; and (iii) authorizing, but not directing, all banks ("Banks") participating in the current Cash Management System to honor certain prepetition transfers.

33. As of the Petition Date, the Debtors maintain a cash management and disbursement system in the ordinary course of their operations (the "Cash Management System").

34. Attached as Exhibit A to the Cash Management Motion is a schedule of the Debtors' Bank Accounts in existence as of the Petition Date. A description of the Debtors' Bank Accounts, with the last four digits of each account number in parentheses, is set forth below.

A. First National Bank of Alaska

35. The Debtors currently have thirteen (13) open Bank Accounts with the First National Bank of Alaska ("FNBA"), of which five (5) are inactive.

36. The Debtors' main holding Bank Account, held in the name of Debtor Corvus Airlines, Inc. ("Corvus") (9216), is the Bank Account into which most of the other Bank Accounts are swept on a daily basis.

37. The Debtors have two payroll Bank Accounts at FNBA: one Bank Account in the name of Corvus (5870), which processes the payroll for Corvus, and one Bank Account in the name of Debtor Hageland Aviation Services, Inc. ("Hageland") (1044), which processes the payroll for Hageland.

38. The Debtors have four other Bank Accounts at FNBA in the name of Corvus. The first Bank Account (6513) is used for collecting all non-credit card deposits. The second Bank Account (9126) is for credit card deposits, except for a small amount of credit card deposits collected through a Wells Fargo Bank Account described below. The third Bank Account (2343) is used for processing debit card payments. The fourth Bank Account (3002) is used for processing accounts payable and miscellaneous payments for the Debtors.

39. The Debtors have one other Bank Account at FBNA, in the name of Debtor HoTH, Inc. ("HoTH") (6133), where PASI mail deposits are posted.

40. Five Bank Accounts at FNBA are inactive, although two of these Bank Accounts carry minimal balances: (i) two Bank Accounts in the name of Hageland (9213 and 2457), with a combined balance of less than \$3,000; (ii) one Bank Account in the name of Debtor JJM, Inc. ("JJM") (7297), which had been used for processing accounts payable, with no balance; (iii) one Bank Account in the name of Ravn Air Group (8213), which had been used for payments to BNP Paribas, as Prepetition Administrative Agent, with no balance; and (iv) one Bank Account in the name of PASI (9617), which had been used for PASI payroll, with no balance.

B. Wells Fargo

41. The Debtors maintain two Bank Accounts at Wells Fargo Bank, N.A. ("Wells Fargo"), both in the name of HoTH, Inc. One Bank Account (4725) is used to collect some

amounts from credit card processing as well as funding Wells Fargo Invoice Manager, through which the Debtors' accounts payable are processed.

42. The second Bank Account (3665) at Wells Fargo is used to fund a separate payroll for the Debtors' executives.

C. US Bank

43. The Debtors maintain two Bank Accounts at US Bank, N.A. ("U.S. Bank"). The first Bank Account (7782), in the name of Corvus, is used as the Airline Clearing House account for Corvus and Hageland.

44. The second Bank Account (2945) at US Bank, in the name of Debtor Peninsula Aviation Services, Inc. ("PASI"), is used as the Airline Clearing House account for PASI.

D. Postpetition Rationalization

45. Because the Debtors have suspended their operations in connection with the COVID-19-related disruptions, they anticipate that it may become necessary and appropriate to consolidate and close most of the Bank Accounts in the coming weeks. However, doing so prematurely would cause receipts to be denied or deferred, payments (including those payments that the Debtors seek authorization to make by the First Day Motions) would be rendered untimely because of administrative delays, and the efficiency and efficacy of the Debtors' efforts would be affected. Accordingly, while the Debtors will be rationalizing their cash management system, requiring them to do so immediately will cause unnecessary burden on the estate and put at risk the timely collection of cash and the timely payment of important obligations, including employee payrolls.

E. DIP Account

46. The DIP Credit Agreement and certain of the Prepetition Secured Lenders require that cash collateral and proceeds from the DIP Facility (as such term is defined in the Financing Motion) be held in Bank Accounts subject to a deposit account control agreement (“DACA”). The Debtors and the Prepetition Secured Lenders have a DACA in place with certain Bank Accounts at FNBA, and the DIP Lenders (as such term is defined in the Financing Motion) and Prepetition Secured Lenders have required that the Debtors use the FNBA Bank Accounts to hold proceeds from the DIP Facility. The Debtors understand, however, that FNBA is not an authorized depository in the District of Delaware and Region 3 of the United States Trustee Program.

47. Although Wells Fargo is an authorized depository, and the Debtors have Bank Accounts at Wells Fargo, those Bank Accounts are not currently DACA accounts. Because the negotiations of the DIP Financing continued until the eve of the filing of these Chapter 11 Cases, and the DIP Credit Agreement was not finalized until after bank hours, the Debtors did not have sufficient time prior to the filing of these Chapter 11 Cases to negotiate a DACA with Wells Fargo.

F. Cash Management System Fees

48. From time to time, and in the ordinary course of business, the Debtors incur obligations for the maintenance of the Cash Management System. These obligations primarily consist of (a) amounts owed to FNBA, Wells Fargo and US Bank for the maintenance of and services related to the Bank Accounts (“Bank Fees”), together with other fees and obligations relating to the maintenance of the Cash Management System, including the Debtors’ invoice processing system provided by Wells Fargo (together with the Bank Fees, the “Cash Management Fees”). The Cash Management Fees average approximately \$17,411 per month. The Debtors estimate that there are no accrued, unpaid, and undisputed prepetition amounts outstanding as of

the date hereof on account of the Cash Management Fees (“Cash Management Claims”), but the Debtors seek authorization to pay any Cash Management Claims up to \$17,411.

G. Business Forms

49. The Debtors use various business forms, such as checks, invoices, letterhead, and other business and marketing materials in the ordinary course of their business (“Business Forms”). Because the Business Forms were used prepetition, they do not reference the Debtors’ current status as debtors in possession. Requiring the Debtors to change existing Business Forms would unnecessarily distract the Debtors from their restructuring efforts and impose needless expenses on the estate. Thus, the Debtors request that they be authorized to use their existing Business Forms without placing a “Debtor-In-Possession” legend on each.

50. The Cash Management System is a necessary component of the Debtors’ operations and preserving the value of the Debtors’ assets. I believe that the failure to grant the relief requested in the Cash Management Motion without a 14-day stay of order would result in immediate and irreparable harm to the Debtors’ estates.

C. **Debtors’ Motion for an Order Authorizing the Debtors to Pay Prepetition Employee Wages, Benefits, and Related Items (the “Employee Wages and Benefits Motion”)**

51. By the Employee Wages and Benefits Motion, the Debtors seek entry of an order authorizing them to pay: (i) prepetition wages, salaries, overtime pay, accrued paid time off, and other accrued compensation (collectively, the “Prepetition Compensation”); (ii) unreimbursed and unpaid prepetition business expenses (collectively, the “Prepetition Business Expenses”); (iii) Prepetition Deductions (as defined below); and (iv) prepetition contributions to, and benefits under, employee benefit plans and programs (collectively, the “Prepetition Benefits”) that the Debtors later discover are outstanding.

Prepetition Compensation and Prepetition Deductions

A. Prepetition Compensation

52. With a full workforce, the Debtors employed approximately 1,300 employees. The Debtors run three separate payrolls for Hageland, Corvus, and the executive office. Depending on their respective roles, employees earn wages and compensation based on two compensation models. Prior to the filing of the Debtors' petitions, the majority of employees were paid on an hourly basis. The remaining employees were salaried. The Debtors' employees' skills, specialized knowledge, and understanding of the Debtors' operations, as well as their relationships with customers, vendors, and other third parties, are essential to the Debtors' operations.

53. As described above, in the weeks leading up to the Petition Date, the Debtors implemented several workforce reductions, the most recent of which was completed on the date hereof, shortly before the filing of the petitions. The Debtors have now reduced their workforce to 39 employees, who are necessary to work on administration of these chapter 11 cases, in the areas of accounting and finance, human resources, information technology support, and mechanics to maintain assets.

54. But for the filing of these Chapter 11 Cases and the most recent reduction in force, the Debtors' current and recently-terminated employees were scheduled to receive their next paychecks either on April 7, 2020, or April 10, 2020. These paychecks would have covered work performed from March 16, 2020 to March 31, 2020. As a result, the work the Debtors' current and former employees performed from March 16, 2020 through the Petition Date has not yet been paid.

55. For those employees who were terminated shortly before the Petition Date, the Debtors intend, if the Court grants the Employee Wages and Benefits Motion, to pay such employees their Prepetition Compensation in the final paychecks issued to them promptly upon Court approval and the Debtors' receipt of funds through the DIP Financing. The remaining employees will receive their Prepetition Compensation in the next regularly-scheduled payroll run.

B. Prepetition Deductions

56. The Debtors make deductions from their employees' paychecks to make payments on behalf of the employees for or with respect to, among other things, the Debtors' employee benefit programs and amounts due third parties on account of various federal, state or local income, FICA, Medicare, state disability, workers' compensation and other taxes for remittance to the appropriate federal, state or local taxing authority (collectively, the "Prepetition Deductions").

C. Paid Time Off Benefits

57. The Debtors also offer paid time off (the "Paid Time Off Benefits"). The Debtors have accrued approximately \$2.1 million in paid time off obligations. Because of the reduction in force implemented shortly before the filing of these Chapter 11 Cases, about \$1.7 million of this accrued amount is payable under state law in the final paychecks of the terminated employees, and the Debtors seek authority to pay all accrued Paid Time Off Benefits to such employees.

58. The Debtors wish to allow the few remaining employees to take any accrued paid time off in vacation time in order to maintain morale during this difficult time. Further, in light

of state-law obligations, the Debtors seek authority to pay accrued paid time off amounts to the remaining employees if required under applicable law, *e.g.*, upon termination.

59. The total Prepetition Compensation (including accrued Paid Time Off Benefits for terminated employees), and Prepetition Deductions that the Debtors seek authorization to pay is approximately \$6.5 million. Certain of the employees receive their wages and salary payments by check, and the amount of Prepetition Compensation that the Debtors seek authorization to pay includes undeposited payroll checks as of the Petition Date, in the estimated amount of \$63,000.

Prepetition Business Expenses

60. The Debtors customarily reimburse their employees for a variety of business expenses incurred in the ordinary course of their business, including airfare, hotels, meals during travel, other transportation expenses, postage and packaging, office supplies, fuel, and merchandise samples. To obtain reimbursement of business expenses, an employee is required to submit an expense report for approval by the applicable department head and by the accounting department. In addition, a small number of employees have access to company credit cards. In a typical month, the Debtors reimburse employees for approximately \$70,000 of expenses.

61. It is likely that certain employees have not been reimbursed for Prepetition Business Expenses incurred prior to the Petition Date. It is difficult for the Debtors to determine the exact amount of Prepetition Business Expenses that are outstanding because, among other things, employees may not have submitted reimbursement forms for all accrued expenses. The Debtors request that they be authorized to reimburse all such expenses when the reports are submitted, in order to assure such employees that they will be reimbursed for their actual out-of-pocket expenses incurred while acting within the scope of their employment. For those

employees who receive payment by check, there may also be undeposited checks relating to Prepetition Business Expenses.

62. The Debtors estimate that their obligations for Prepetition Business Expenses as of the Petition Date will not exceed \$100,000.

Prepetition Benefits

63. In the ordinary course of business, the Debtors maintain certain benefits for their employees, including the following: (a) health-related benefits, such as medical, dental, vision; and (b) voluntary benefits, such as life insurance, and short- and long-term disability insurance, and access to a 401(k) plan.

A. Health-Related Benefits

64. The Debtors provide their employees with various health-related benefits (the “Health Benefits Program”). The Debtors self-insure their Health Benefits Program, and have an agreement with Premera Blue Cross Blue Shield of Alaska to serve as a third-party claims administrator. The Debtors also maintain a stop loss insurance policy through LifeWise Assurance Company. The Debtors believe they are current on all of their obligations under the Health Benefits Program. However, out of an abundance of caution, the Debtors seek authority to pay prepetition amounts under the Health Benefits Program that may be outstanding in order to ensure that there is no disruption to employees’ health-related coverage.

B. Voluntary Benefits

65. The Debtors offer certain benefits to employees without contribution, such that the cost was passed along entirely to participants. These benefits include short- and long-term disability insurance, life insurance, and access to a 401(k) plan (to which Debtors do not match Employee contributions) (the “Voluntary Benefits”). As of the Petition Date, the Debtors have

passed along to the benefit providers all amounts withheld from employee paychecks. However, in the event that there are any prepetition Voluntary Benefits outstanding, the Debtors seek authority to pay such amounts in order to ensure that their disability and life insurance coverage and 401(k) plan access do not suffer interruption or discontinuation.

C. Social Security, Income Taxes, and Other Withholdings

66. As required by law, the Debtors and/or their payroll services routinely withhold from employees' paychecks amounts that the Debtors are required to transmit to third parties. Examples of such withholdings include Social Security, FICA, federal, state and local income taxes, healthcare payments, and similar items. Withheld funds, to the extent that they are in the Debtors' possession, constitute monies held in trust and are not property of the Debtors' bankruptcy estates. The Debtors should be authorized to continue distributing funds not beneficially owned by the Debtors.

67. The Debtors believe that the amount of Prepetition Compensation and Prepetition Benefits owing to or on account of nearly all of its current employees will not exceed the sum of \$13,650.00 allowable as a priority claim under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code (the "Section 507 Cap"), and on a per-employee basis, the outstanding Prepetition Compensation average far below the Section 507 Cap. The Debtors expect that the aggregate amount of Prepetition Compensation and Prepetition Benefits owed that exceed the Section 507 Cap will be approximately \$52,000 (which relates to ten employees). As a result, the payment of these amounts will not meaningfully deplete assets otherwise available to other general creditors.

68. The relief sought in the Employee Wages and Benefits Motion is essential to preserve the ability of the Debtors to resume operations, as well as protect the value of the

Debtors' assets. Maintaining employee goodwill and ensuring the uninterrupted availability of the employees' services will protect the going concern value of the estates and maximize the value ultimately available to creditors. In particular, the Debtors hope, in the event that government relief becomes available, to restart operations with as many of its laid-off employees as required by the CARES Act, and the Debtors believe that their ability to resume operations is the best way to maximize the value of their estates. Therefore, making sure that those laid-off employees have received all of their compensation is critical to the value of the Debtors' estates and in the best interests of the creditors.

69. Furthermore, any harm resulting from the Debtors' failure to obtain the relief requested herein would not be limited to the Debtors' estates. Because the amounts represented by Prepetition Compensation, Prepetition Benefits, and Prepetition Business Expenses (owed to employees) are needed to enable the Debtors' current and recently-terminated employees to meet their own personal obligations, they would suffer undue hardship and, in many instances, serious financial difficulties if the relief requested herein is not granted.

70. I believe that the payment of the Prepetition Compensation, the Prepetition Business Expenses, Prepetition Deductions, and Prepetition Benefits is necessary to prevent the immediate and irreparable damage to the Debtors' ability to resume operations if possible, as well as preserve the value of the Debtors' assets, that would result from a collapse of employee morale.

D. First Omnibus Motion of the Debtors for an Order Authorizing Rejection of Certain Unexpired Leases and Executory Contracts Effective as of the Petition Date (the "Lease Rejection Motion")

71. By the Lease Rejection Motion, the Debtors seek entry of an order authorizing the Debtors to reject certain unexpired leases and executory contracts (the "Leases and Executory Contracts") as of the Petition Date.

72. The Debtors are in the process of evaluating the necessity and cost efficiency of all of their leases and executory contracts. The Debtors have reviewed their fleet of leased aircraft and have considered the cost of the unexpired leases and related executory contracts in the context of the Debtors' reduced operations. The Debtors have determined that the Leases and Executory Contracts are unnecessary to the Debtors' ability to resume operations, if warranted and/or burdensome to the Debtors' estates. Accordingly, the Debtors believe that rejecting the following Leases and Executory Contracts, as described below, will be in the best interests of the Debtors, their estates and their creditors:

- (a) The leases for six Saab 2000 aircraft from certain lessors, the operation of which was unprofitable even before the negative business impact of COVID-19;
- (b) Two leases for spare engines used on the Saab 2000 aircraft;
- (c) A parts and service agreement with Rolls-Royce for service of engines on the Saab 2000 aircraft;
- (d) The lease for one Bombardier DHC-8 aircraft;
- (e) Two leases for Cessna C208B Grand Caravans; and
- (f) A lease for a spare engine used on the Cessna Grand Caravans.

73. By rejecting the Leases and Executory Contracts, the Debtors estimate that they will save approximately \$325,000 in monthly expenses.

74. Even if the Debtors' decide to resume operating their business at the prepetition level, these Leases and Executory Contracts are unnecessary and burdensome, which warrants rejection as of the Petition Date.

E. Motion of Debtors for Interim and Final Orders Establishing Adequate Assurance Procedures with Respect to the Debtors' Utility Providers (the "Utilities Motion")

75. By the Utilities Motion, the Debtors seek entry of interim and final orders (i) establishing procedures for addressing any requests that a utility company (collectively, the "Utility Companies") and each, individually, a "Utility Company") may make for additional assurance of payment; (ii) prohibiting the Utility Companies from altering, refusing or discontinuing services to, or discriminating against the Debtors; (iii) approving an adequate assurance deposit as adequate assurance of post-petition payment to the Utility Companies; and (iv) granting certain related relief.

76. The Debtors rely on utility services, including, but not limited to, telephone, internet, gas and electric, waste removal, and water (collectively, the "Utility Services") provided by the Utility Companies, including those identified on Exhibit A attached to the Utilities Motion (the "Utility Service List"), to operate their business. The Debtors estimate that their average monthly prepetition obligations to the Utility Companies on account of services rendered total approximately \$140,000. They expect that these obligations will decrease materially over the coming weeks and months.

77. The Debtors also regularly purchase fuel for their aircraft in remote Alaskan locations. In certain remote locations, the Debtors have only a single vendor to rely on for fuel (each, an "Aircraft Fuel Utility"). An Aircraft Fuel Supplier in a remote area could be considered a utility under section 366 of the Bankruptcy Code because they supply the Debtors with an essential service that they cannot easily obtain elsewhere. Because the Debtors' expectation is that their fuel needs will be substantially reduced unless and until they can resume operations, the two-week average of payments over the past year to the Aircraft Fuel Utilities has not been factored into the calculation of the Adequate Assurance Deposit.

78. Uninterrupted service from the Utility Companies is essential to maintaining the Debtors' ongoing operations and to preserving the ability for the Debtors to resume operations and maximize value for all interested stakeholders. The Debtors currently own and, until the COVID-19-related disruptions, operated over 75 aircraft and over 40 facilities serving 115 destinations in Alaska with over 400 daily flights. For the Debtors to preserve their ability to resume business operations and protect the value of their assets, they must be able to maintain their ability operate pending the administration of these Chapter 11 Cases. Any temporary or permanent discontinuation of utility services could irreparably disrupt the Debtors' business and asset management and, as a result, diminish recoveries to the Debtors' stakeholders.

79. I understand from counsel that Section 366(c)(2) of the Bankruptcy Code requires the Debtors to provide the Utility Companies with adequate "assurance of payment" within thirty days of the commencement of these cases to prevent the Utility Companies from altering, refusing or discontinuing service. The Debtors propose to provide "adequate assurance" in two ways. First, they intend to pay any postpetition obligations to the Utility Companies in a timely fashion in the ordinary course of their business. To that end, the Debtors have budgeted for the payments and will make them in the ordinary course from available cash and/or through anticipated access to the DIP Facility.

80. Second, the Debtors propose to deposit, as adequate assurance of payment, approximately \$70,000 into a newly created, segregated, interest-bearing account (the "Adequate Assurance Deposit") within 20 days of the Petition Date. The Adequate Assurance Deposit equals approximately two weeks of the Debtors' estimated utility expenses, excluding the Aircraft Fuel Utilities. The Adequate Assurance Deposit, together with the Debtors' ability to pay for future utility services in the ordinary course of business (collectively, the "Proposed

Adequate Assurance”), constitutes adequate assurance of future payment to the Utility Companies.

81. It is imperative that the Utility Providers continue to provide utility services in the ordinary course of business. Failure to do so would likely result in immediate and irreparable harm to the Debtors’ operations and assets. The Adequate Assurance Deposit and the Adequate Assurance Procedures will provide the Debtors with the ability to maintain continued utility service and prevent immediate and irreparable damage to the Debtors’ operations and assets.

F. Motion of the Debtors for Interim and Final Orders Authorizing the Debtors to Pay Certain Prepetition Taxes (the “Taxes Motion”)

82. By the Taxes Motion, the Debtors seek the entry of interim and final orders authorizing, but not directing, the Debtors to pay prepetition sales taxes, business license fees, employee withholding taxes, and any other taxes, fees, and governmental obligations for which there may be personal liability for officers and directors (collectively, the “Prepetition Taxes”) and granting certain related relief.

The Taxing Authorities

83. In the ordinary course of their business, the Debtors incur or collect and remit the Prepetition Taxes, which include, without limitation, (i) property taxes, (ii) sales taxes, (iii) business license fees, and (iv) certain other taxes. The Debtors owe the Prepetition Taxes to various taxing authorities (collectively, the “Taxing Authorities”). The Debtors estimate that, as of the Petition Date, the total amount of Prepetition Taxes owed to the Taxing Authorities does not exceed approximately \$320,000 in the aggregate.

A. Property Taxes

84. Prior to the filing of these Chapter 11 Cases, the Debtors operated in multiple locations throughout Alaska as well as several other states. The Debtors must pay annual property taxes to various jurisdictions on both real and personal property.

B. Sales Taxes

85. In the ordinary course of business, the Debtors collect and remit to certain Taxing Authorities a variety of sales taxes, freight excise taxes, and other similar taxes in connection with sales to their customers (collectively, the "Sales Taxes"). Specifically, the Debtors are required to make estimated quarterly payments on certain excise taxes. The Debtors did not make an estimated quarterly payment of \$320,000 for the first quarter of 2020, which was due on March 25, 2020; however, the Debtors believe that, after reconciling the refunds issued with respect to travel cancellations in the last month due to the COVID-19 pandemic, the final amount of excise taxes owing for the first quarter of 2020 will be near \$0.

C. Business License Fees

86. Certain municipal and county governments require businesses to obtain business licenses and pay corresponding business license fees (the "Business License Fees"). The Debtors are subject to such Business License Fees in three local jurisdictions. The Debtors are not aware of any outstanding unpaid Business License Fees owing to the Taxing Authorities as of the Petition Date. However, based on past experience, it is possible that business license fees that are owing have not been communicated to the Debtors. Accordingly, the Debtors request additional authority to pay any prepetition obligations for business licenses as necessary to continue operations as Prepetition Taxes.

D. Other Taxes

87. Many federal, state and local Taxing Authorities impose personal liability on directors and/or responsible officers of entities responsible for collecting or paying certain taxes or fees in the event that such taxes or fees are not paid by the Debtors. Thus, if any such taxes or fees remain unpaid, the Debtors' directors and responsible officers may be subject to lawsuits or even criminal prosecution on account of nonpayment during the pendency of these chapter 11 cases. Such lawsuits or proceedings would constitute a significant distraction for the Debtors' directors and responsible officers at a time when they should be focused on the Debtors' efforts to preserve and maximize value for all stakeholders.

88. Although the Debtors believe that all taxes and fees for which the Debtors' directors and/or responsible officers may be personally liable are described herein, it is possible that other prepetition obligations, which carry similar liability, may be uncovered by the Debtors subsequent to the filing of this motion. To the extent that such prepetition obligations exist, the Debtors seek authority to treat them as Prepetition Taxes as that term is defined and used in the Taxes Motion and pay them as they are discovered or arise.

89. Payment of the Prepetition Taxes is essential to the Debtors' chapter 11 cases for at least three reasons. First, if such taxes are not paid, state and local Taxing Authorities may refuse to issue good standing certificates, which are often required in securities and financing transactions, and may refuse to take other actions requested of them by the Debtors during their chapter 11 cases. The inability to obtain these documents may diminish value and impair the Debtors' ability to resume operations, to the detriment of all stakeholders. Second, the Debtors believe that some of these state and local Taxing Authorities may initiate audits if the Debtors fail to pay the Prepetition Taxes promptly. Such audits would further divert Debtors' attention

and resources from administering these chapter 11 cases. Third, the Debtors' directors and officers may be subject to personal liability in the event the Prepetition Taxes are not paid to the appropriate Taxing Authorities. At a minimum, this would cause distractions and potentially diminish the Debtors' value.

90. I believe that immediate entry of an order authorizing, but not directing, the payment of the Prepetition Taxes without a fourteen-day stay is necessary to prevent immediate and irreparable damage to the Debtors' operations and postpetition value.

G. Motion of the Debtors for Interim and Final Orders Authorizing the Payment of Prepetition Insurance Obligations (the "Insurance Motion")

91. By the Insurance Motion, the Debtors seek entry of interim and final orders authorizing, but not directing, the Debtors to pay the Prepetition Insurance Obligations and the Immediate Post-Petition Insurance Obligations (as defined herein) and to modify the automatic stay imposed by section 362 of the Bankruptcy Code to permit employees to proceed with their claims under any of the Debtors' workers' compensation programs (the "Workers' Compensation Program").

The Insurance Programs³

92. In connection with the operation of their businesses, the Debtors maintain compensation and multiple property and liability insurance programs, which provide the Debtors with insurance coverage for claims relating to, among other things, workers' compensation, aircraft hull losses and liability, automobile losses and liability, and directors' and officers' liability (collectively, the "Insurance Programs") through different insurance carriers (the

³ The Debtors provide health insurance for their employees through a self-insurance program with a third-party administrator. The Debtors have a separate stop loss insurance policy that provides backstop coverage for the self-insurance program. These programs and policies are referenced in the Employee Wage Motion. The Debtors seek certain relief with respect to such programs and policies by the Employee Wage Motion.

“Insurance Carriers”). While the Debtors have suspended their business operations as a result of COVID-19, the employees and personnel who remain with the Debtors are essential to the process of preserving the value of the Debtors’ assets, and the continuation of the Insurance Programs is necessary to maximize the value of the Debtors’ estates and preserve the ability of the Debtors to resume operations.

93. The Debtors are required to pay, either directly or through the Debtors’ insurance broker, premiums for coverage under the Insurance Programs noted above, including under the Debtors’ Workers’ Compensation Program (collectively, the “Insurance Premiums”). The Insurance Premiums are based upon a fixed rate established and billed by each Insurance Carrier. The premiums for most of the Insurance Programs are determined annually and are paid at the inception of each policy, on a monthly basis, or pursuant to the terms of the applicable insurance premium financing agreement. The Debtors seek authorization to satisfy these obligations as they become due in the ordinary course of business.

94. As of the Petition Date, approximately \$1.26 million was outstanding under the Debtors’ insurance financing arrangement, which covers the Debtors’ Regional Airline Hull & Liability Insurance and the Debtors’ Workers Compensation and Employer Liability coverage (the “Insurance Financing”) (collectively, and together with any other prepetition obligations arising under the Insurance Programs, in a total amount not to exceed \$1,500,000, the “Prepetition Insurance Obligations”). The Debtors seek authorization to satisfy the Prepetition Insurance Obligations.

95. The Debtors have another premium payment due on April 15, 2020, in the amount of \$750,000 (the “Immediate Post-Petition Insurance Obligations,” and, together with the Prepetition Insurance Obligations, the “Insurance Obligations”).

96. As an operator of commercial aviation services, maintenance of adequate insurance coverage is vital to preservation of the Debtors' assets. As a result, the continuation of the Insurance Programs is necessary for the Debtors to preserve the ongoing value of their operations and maximize the value of their estates for the benefit of all stakeholders. I believe that immediate entry of an interim order granting the Insurance Motion without a fourteen-day stay is necessary to prevent immediate and irreparable damage to the Debtors' operations and postpetition value.

APPLICATION RELATING TO PROFESSIONAL RETENTION

H. Debtors' Application for Appointment of Stretto as Claims and Noticing Agent ("Claims Agent Retention Application")

97. By the Claims Agent Retention Application, the Debtors seek entry of an order appointing Stretto ("Stretto")⁴ as claims and noticing agent ("Claims and Noticing Agent") in the Debtors' chapter 11 cases effective as of the Petition Date.

98. Although the Debtors have not yet filed their schedules of assets and liabilities, they anticipate that there will be thousands of entities to be noticed. In view of the number of anticipated claimants and the complexity of the Debtors' business, I believe that the appointment of a claims and noticing agent is in the best interests of both the Debtors' estates and their creditors.

99. The Debtors obtained and reviewed engagement proposals from two other court-approved claims and noticing agents to ensure selection through a competitive process. Moreover, the Debtors submit, based on all engagement proposals obtained and reviewed, that Stretto's rates are competitive and reasonable given Stretto's quality of services and expertise.

⁴ Stretto is the trade name of Bankruptcy Management Solutions, Inc., and its subsidiaries.

The terms of Stretto’s retention are set forth in the Engagement Agreement attached to the Claims Agent Retention Application.

MOTIONS RELATED TO ADMINISTRATION OF DEBTORS’ CHAPTER 11 CASES

I. Motion of Debtors for Entry of an Order Directing the Joint Administration of the Debtors’ Chapter 11 Cases (the “Joint Administration Motion”)

100. By the Joint Administration Motion, the Debtors seek an order directing the joint administration of the Debtors’ chapter 11 cases and the consolidation thereof for procedural purposes only, and granting certain related relief.

101. Specifically, the Debtors respectfully request that the Court maintain one file and one docket for the Debtors’ Cases under the case of Ravn Air Group, Inc. and that the Cases be administered under the following consolidated caption (the “Proposed Caption”):

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

<p>In re:</p> <p>RAVN AIR GROUP, INC. <i>et al.</i>,¹</p> <p>Debtors.</p>	<p>Chapter 11</p> <p>Case No. 20-10755 (___)</p> <p>(Jointly Administered)</p>
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¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s U.S. tax identification number are as follows: Ravn Air Group, Inc. (3047), Ravn Air Group Holdings, LLC (5356), JJM, Inc. (4858), HoTH, Inc. (9957), Peninsula Aviation Services, Inc. (6859), Corvus Airlines, Inc. (7666), Frontier Flying Service, Inc. (8091), and Hageland Aviation Services, Inc. (2754). The notice address for all of the Debtors is 4700 Old International Airport Road, Anchorage, AK 99502.

102. The Debtors also request that a docket entry, substantially similar to the following, be entered on the docket in the chapter 11 cases of each of the Debtors other than Ravn Air Group, Inc.:

An order has been entered in this case in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware directing the procedural consolidation and joint administration

of the chapter 11 cases of: Ravn Air Group, Inc. (3047), Ravn Air Group Holdings, LLC (5356), JJM, Inc. (4858), HoTH, Inc. (9957), Peninsula Aviation Services, Inc. (6859), Corvus Airlines, Inc. (7666), Frontier Flying Service, Inc. (8091), and Hageland Aviation Services, Inc. (2754). The docket of Ravn Air Group, Inc. in Case No. 20-10755 (____) should be consulted for all matters affecting this case.

103. The joint administration of the Cases will have several benefits, including (a) permitting the Clerk of the Court to utilize a single general docket for these cases and combine notices to creditors of the Debtors' respective estates and other parties in interest; (b) avoiding the need for duplicative notices, motions and applications, thereby saving time and expense; (c) enabling parties in interest to have a single point of reference for all matters relevant to these Cases; (d) significantly reducing the volume of pleadings that otherwise would be filed with the Clerk of this Court; (e) rendering the completion of various administrative tasks less costly; and (f) minimizing the number of unnecessary delays associated with the administration of separate chapter 11 cases.

Remainder of page intentionally left blank.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Anchorage, Alaska on April 5, 2020.



John Mannion

EXHIBIT A

Corporate Structure Chart

Ravn Air Group
(March 2020)

