

Judge Kevin Gross  
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05-31-2010

FILED  
2010 JUN -7 AM 10:21  
US BANKRUPTCY COURT  
DISTRICT OF DELAWARE

Subject: Aventine Renewable Energy Holdings, Inc. Case No. 09-11214

In reference to case docket 1004 filed by the US Trustee. I feel **HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL** should be disqualified from this case and a new POR be submitted with the input from a shareholders committee. The US Trustee only recommended disgorgement of fees, but that does not address the injustices against the original share holders. I would like to point out two items that indicate the current plan is unfair and was written with only the bond holders in mind.

1. The recent 10q filed by AVR dated 5-17-2010 shows the new value of Property, plant and equipment, net 208,833,000.00. The Predecessor shows the same Property, plant and equipment, net valued at 587,103,000.00. That's a difference of 379,970,000.00. Where did this shareholders equity go? If the old company understated the value of the plants and equipment Why is the SEC not investigating. How is an investor supposed to value a company if the numbers reported to the SEC are in question?
2. The back stoppers loan agreement Stated "In addition, on the Effective Date, approximately 1,710,000 shares of Common Stock ("Noteholder New Equity") were issued to holders of the Old 10% Notes that subscribed to the sale of the Notes. Consistent with the Confirmation Order and applicable law, the Company relied on Section 4(2) of the Securities Act to exempt from the registration requirements of the Securities Act the issuance of the Noteholder New Equity. The Company received an aggregate of approximately \$98 million for the sale of the Noteholder New Equity and Notes, which were sold together on a combined basis as a unit. The Company intends to use the net proceeds from the issuance of the Notes and Noteholder New Equity to fund payments required to be made pursuant to the Plan, and for working capital and general corporate purposes "It's My understanding that for the approx 100 million dollar loan which they are receiving 13% interest The back stoppers are also receiving 1,710,000 shares of stock. The last trade price as of 5-28-2010 was 37.50. So not only are they getting 13 percent interest and their principle back but a bonus of  $1,710,000 \times 37.50 = 64,125,000$ . Over 64 Million dollars worth of stock for a 100 million dollar loan which will be paid back with interest. What Company in their right mind would make a loan like this? Would they not be better off to have just sold the stock and not taken out the loan?

Respectfully

Ted Black

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