

Alan Daniel Betensley, MD  
981 Ann Street  
Birmingham, Michigan 48009  
phone: 313-205-9189  
email: [abetensl@hfhs.org](mailto:abetensl@hfhs.org)

June 5, 2010

re: Aventine Bankruptcy Case 09-11214-KG

The Honorable Judge Kevin Gross  
824 Market Street  
3<sup>rd</sup> Floor  
Wilmington, DE 19801

2010 JUN 10 PM 9:57  
CLERK OF COURT  
U.S. BANKRUPTCY COURT  
DISTRICT OF DELAWARE

Honorable Judge Gross,

I am a former Aventine Renewable Energy Holdings, Inc. ("Aventine", symbol AVRNQ) stockholder. I am a current holder of the Warrants under the terms of Aventine's Plan of Reorganization ("The Plan"). I am writing in reference to Delaware Bankruptcy Court Case No. 09-11214-KG. I have previously objected to the employment of Houlihan, Lokey, Howard, and Zukin Capital, Inc. (HLHZ) as Financial Advisor and Investment Banker to the Debtors (Case Docket No. 788).

As outlined in Case Docket No. 1004, HLHZ willfully failed to disclose their relationships with multiple entities with interests in the Debtors' Chapter 11 Cases which would be adverse to the Debtors as to the matter on which HLHZ is to be employed.

On account of the willful nondisclosure by HLHZ of relationships on multiple levels with Whitebox Advisors and Brigade Leveraged Capital Structures Fund, I object to the following:

A. filing of voluntary petition for Chapter 11

*The filing was based upon advice from HLHZ dating as early as November 4, 2008, at which time the debtors were unequivocally solvent. Continuation of construction depleting all cash reserves despite soft ethanol margins and inability to obtain alternative financing, during the period of advisorship by HLHZ, made the ultimate filing for Chapter 11 protection inevitable.*

B. Employment of HLHZ as financial advisor and investment banker to the debtors

*At the time of application, according to later testimony, HLHZ had built "ethical walls" preventing transmission of information between the HLHZ Advisors of Aventine and the HLHZ Advisors of Whitebox and Brigade. Also, at the time of application, HLHZ stated that this employment should be granted because they DID NOT have relationships with multiple entities with interests in the Debtors' Chapter 11 Cases which would be adverse to the Debtors as to the matter on which HLHZ is to be employed. In order to build the "ethical walls" that were already in place, they clearly must have been aware of the relationships and therefore they willfully chose not to disclose this information.*

C. Approval of Disclosure Statement

*The HLHZ valuation of Aventine was an integral part of the disclosure statement. The Welsh objections (Case Docket Nos. 1002, 1001, 738, 619) and the Shirley objections (Case Docket Nos. 813, 776, 644, 629) thoroughly expose the gross inaccuracy of the HLHZ valuation. Assuming competence on the part of HLHZ, the only reason for this gross inaccuracy is fraud.*

D. Approval of Plan of Reorganization

*The HLHZ valuation of Aventine was an integral part of the POR. The Welsh objections and the Shirley objections thoroughly expose the gross inaccuracy of the HLHZ valuation. Assuming competence on the part of HLHZ, the only reason for this gross inaccuracy is fraud.*

E. HLHZ Application for Compensation and Reimbursement of Expenses

*HLHZ willfully failed to disclose multiple conflicts of interest. Beginning in November, 2008, they advised Aventine on a course leading to exhaustion of their cash reserves and ultimate filing for Chapter 11 protection. They grossly undervalued Aventine's assets in order to obtain maximal recovery by their clients, Whitebox and Brigade who are not debtors, but unsecured creditors. HLHZ has requested compensation for their advisement of the DEBTORS, not the UNSECURED CREDITORS. They cannot be paid the remainder of their invoice, they should return the monies already paid, and they should be further penalized for their actions.*

Sincerely,



Alan Daniel Betensley, MD

Copies to:

Mark S. Kenney, Esq.  
Office of the United States Trustee  
844 King Street, Room 2207  
Lockbox #35  
Wilmington, DE 19801

Mr. Alan Maza  
U.S. Securities and Exchange Commission  
3 World Financial Center  
17th Floor  
New York, NY 10281

Roberta A. DeAngelis  
Acting United States Trustee, Region 3  
833 Chestnut Street  
Suite 500  
Philadelphia, PA 19107

U.S. Securities and Exchange Commission  
Office of Investor Education and Advocacy  
100 F Street, N.E.  
Washington, DC 20549-0213

Executive Office for U.S. Trustees  
Criminal Enforcement Unit  
20 Massachusetts Avenue, NW  
Washington, DC 20530