

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Aventine Renewable Energy Holdings, Inc., a
Delaware Corporation et al.,

Debtors.

Chapter 11

Case No. 09-11214 (KG)

Jointly Administered

**NINTH MONTHLY FEE APPLICATION OF JEFFERIES & COMPANY, INC.,
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
FOR REIMBURSEMENT OF EXPENSES AS INVESTMENT BANKER TO THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS,
FOR THE PERIOD JANUARY 1, 2010 THROUGH JANUARY 31, 2010**

Name of Applicant:

Jefferies & Company, Inc.

Authorized to Provide Professional
Services to:

The Official Committee of Unsecured
Creditors

Date of Retention:

June 24, 2009, nunc pro tunc to April 23,
2009

Period for which Compensation and
Reimbursement are sought:

January 1, 2010 through January 31, 2010

Amount of Compensation sought
as actual, reasonable and necessary
(80% of \$125,000.00):

\$100,000.00

Amount of Compensation held back:

\$25,000.00

Amount of Expense Reimbursement
sought as actual, reasonable and necessary: \$256.47

This is a(n) x interim final fee application.

Jefferies & Company, Inc. (“Jefferies”), has today filed this Ninth Monthly Fee Application (the “Application”) for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Financial Advisor to Official Committee of Unsecured Creditors (the “Committee”), for the period January 1, 2010 through January 31, 2010 (“Application Period”) under section 328(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), *nunc pro tunc* to the April 23, 2009 (as defined herein), and granting waiver of compliance with the information requirements relating to compensation requests set forth in Rule 2016-2(d) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) in accordance with Local Rule 2016-2(h), to the extent requested herein. In support of this Application, Jefferies represents as follows:

JURISDICTION

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On April 7, 2009 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been requested or appointed in these chapter 11 cases.

JEFFERIES RETENTION

3. In accordance with the Court's order entered on June 24, 2009 granting Jefferies' retention effective April 23, 2009 (the "Retention Order"), Jefferies shall be excused from maintaining time records as set forth in Local Rule 2016 in connection with the services rendered pursuant to the Engagement Letter; instead, Jefferies shall be permitted to maintain summary time records in half-hour increments in connection with the services to be rendered pursuant to the Engagement Letter beginning on April 23, 2009. During the Application Period, Jefferies professionals expended time for services as illustrated in Exhibit C.

4. During the Application Period, Jefferies performed significant services on behalf of the Committee, including, but not limited to:

- Becoming familiar with, to the extent Jefferies deems appropriate, and analyzing, the business, operations, properties, financial condition and prospects of the Debtors;

- Advising the Committee on the current state of the “restructuring market”;
- Assisting and advising the Committee in examining and analyzing any strategy potential or proposed restructuring, amending, redeeming or otherwise adjusting the Debtors’ outstanding indebtedness or overall capital structure, whether pursuant to a plan of reorganization, any sale under section 363 of chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”), a liquidation, or otherwise (a “Transaction”), including, where appropriate, assisting the Committee in developing its own strategy for accomplishing a Transaction;
 - Assisting and advising the Committee in evaluating and analyzing the proposed implementation of any Transaction, including the value of the securities or debt instruments, if any, that may be issued in any such Transaction;
 - Assisting and advising the Committee in evaluating potential financing transactions by the Debtors;
 - Assisting and advising the Committee on tactics and strategies for negotiating with other stakeholders;
 - Attending multiple meetings and conference calls of the Committee and Debtors with respect to matters on which Jefferies has been engaged to advise the Committee hereunder;
 - Preparing weekly reports to the Committee on matters related to the Debtors performance and the ethanol industry in general; and
 - Rendering such other financial advisory services as may from time to time be agreed upon by the Committee and Jefferies, including, but not limited to,

providing expert testimony, and other expert and financial advisory support related to any threatened, expected, or initiated litigation.

5. Jefferies Group is a global investment banking firm with broad activities covering trading in equities, convertible securities and corporate bonds in addition to its investment banking and financial advisory practice. With more than 80,000 customer accounts around the world, it is possible that one of its clients or a counter-party to a security transaction may hold a claim or otherwise is a party-in-interest in these chapter 11 cases. Furthermore, as a major market maker in equity securities as well as a major trader of corporate bonds and convertible securities, Jefferies regularly enters into securities transactions with other registered broker-dealers as a part of its daily activities. Some of these counter-parties may be creditors of the Debtors. Jefferies believes none of these business relationships constitute interests materially adverse to the Debtors herein with respect to matters upon which Jefferies is to be employed, and none are in connection with these cases.

FEE PROCEDURE ORDER

6. On May 4, 2009, the Court entered the Interim Compensation Procedures Order, which sets forth the procedures for interim compensation and reimbursement of expenses for all professionals in these cases.

7. In particular, the Interim Compensation Procedures Order provides that upon the expiration of fifteen (15) days after the service of a monthly interim fee application, a Professional (as defined in the Interim Compensation Procedures Order)

may file a Certificate of No Objection with the Court, after which the Debtors are authorized to pay such Professional an amount equal to the lesser of (a) 80 percent of the fees and 100 percent of the expenses requested in such monthly interim fee application and (b) 80 percent of the fees and 100 percent of the expenses not subject to an objection.

RELIEF REQUESTED

8. Jefferies seeks monthly allowance of fees for professional services rendered to the Committee during the Application Period in the amount of \$100,256.47, representing 80% of the total monthly fee (\$125,000.00), and reimbursement of expenses incurred in connection with the rendition of such services in the amount of \$256.47.

9. Although Jefferies, in line with market convention, does not bill by the hour, Jefferies does seek to track hours in an effort to provide certain restructuring clients with visibility into restructuring professional hours expended. Accordingly, Jefferies estimates that its restructuring professionals expended a total of 142 hours during the Application Period. Moreover, Jefferies' record of restructuring professional hours excludes time spent by other employees of the company, including for example, employees with capital markets or relevant industry expertise outside of the restructuring group, who have allocated time to these cases from time to time.

10. The fees charged by Jefferies during the Application Period have been billed in accordance with the Retention Application, Jefferies' approved engagement letter with the Committee dated as of April 23, 2009 (the "Engagement Letter"), and the Interim Compensation Procedures Order, and is comparable to those fees charged by Jefferies for professional services rendered in similar bankruptcy and

non-bankruptcy related matters. Such fees are reasonable based upon the customary compensation charged by similarly skilled practitioners in comparable bankruptcy cases and non-bankruptcy transactions in the competitive national financial advisory market.

11. Annexed hereto as Exhibit "A" is Jefferies' invoice for the Application Period.

12. Annexed hereto as Exhibit "B" is a schedule specifying categories of expenses for which Jefferies is seeking reimbursement and the total amount of expenses requested in each such expense category.

13. Annexed hereto as Exhibit "C" is a summary of Jefferies' time records for the Application Period. As set forth in the Retention Application, it is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys and other professionals who are compensated on an hourly basis. Jefferies' restructuring professionals, when formally retained in chapter 11 cases and when required by local rules, do, and in these cases have, kept time records describing their general daily activities, the identity of restructuring professionals who performed such activities, and the estimated amount of time expended on such activities on a daily basis. Jefferies' restructuring personnel do not maintain their time records on a "project category" basis. For Jefferies to recreate the time for its restructuring personnel and require its non-restructuring personnel to record their time as prescribed by the Local Rules would be, in each case, unduly burdensome and time consuming.

14. There is no agreement or understanding between Jefferies and any other person, other than members of the firm, for the sharing of compensation to be received for services rendered in these cases.

NOTICE

15. This Application has been provided to the Notice Parties pursuant to the Interim Compensation Procedures Order. Jefferies submits that no other or further notice need be provided.

WHEREFORE, pursuant to the terms of the Interim Compensation Procedures Order and the Retention Order, Jefferies requests payment for services rendered on behalf of the Committee during the Application Period in the total amount of \$125,256.47, and immediate payment of \$100,256.47 representing 80% of the total monthly fees (\$100,000.00) plus 100% of expenses incurred (\$256.47).

Dated: March 5, 2010

JEFFERIES & CO., INC.

By: 

Alexander V. Rohan
Senior Vice President

520 Madison Avenue, 7th Floor
New York, NY 10022
(212) 707-6476

Financial Advisor to the Official
Committee of Unsecured Creditors

VERIFICATION

Alexander V. Rohan, after being duly sworn according to law, deposes and says:

- a) I am a professional with the applicant firm, Jefferies & Company, Inc.
- b) I am familiar with the work performed on behalf of the Committee by the professionals and paraprofessionals in the firm.
- c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. L.R. 2016-2, and submit that the Application substantially complies with such rule and Interim Compensation Procedures Order.

Dated: March 5, 2010

JEFFERIES & CO., INC.

By: 

Alexander V. Rohan
Senior Vice President
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New York, NY 10022
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Financial Advisor to the Official
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