ZETTA JET RECEIVES COMMITMENT FOR $8.5 MILLION POST-PETITION FINANCING FROM SCOUT AVIATION II, LLC

News / Business aviation, Finance

Zetta Jet, a global leader in private international, business and luxury air travel, announced today that its existing lessor Scout Aviation II, LLC ("Scout Aviation") has committed to provide up to $8.5 million in post-petition financing. The financing, subject to Bankruptcy Court approval, will enable the Company to satisfy customary obligations associated with the daily operations of its business, including the timely payment for aircraft usage, fuel, post-petition goods and services, employee wages and other obligations.

"With the help of my advisors, the management team and I have been working on a business plan to restore the company to profitability," said Zetta Jet's Chapter 11 Trustee Jonathan King. "We have already begun restructuring our aircraft fleet to operate more efficiently and otherwise reduce redundant costs. Now with funding in place, the company will have financial resources to implement that plan and sufficient liquidity to fund the Company through a competitive sale process culminating in emergence under a plan of reorganization. Through this process, we hope to preserve and harvest the going concern value of Zetta Jet to maximize recoveries for the Company's stakeholders, continue to provide a superior product for our valued customers for years to come, and minimize any disruption to our employees, vendors and other constituents."

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As described in the financing term sheet, Scout Aviation will sponsor the Company's restructuring plan, acting as a stalking horse bidder. As required under Chapter 11, Zetta Jet will establish a sale process, which will be subject to approval by the Bankruptcy Court, and it intends to file a motion seeking approval of bidding procedures shortly. The Company hopes to emerge from Chapter 11 in February 2018.

"Scout Aviation has been a good business partner to the Company and this financing commitment demonstrates its continued confidence in the Company, the exceptional experience Zetta Jet provides travelers worldwide, and its ability to achieve its potential," King said. "I also want to recognize the hard work and dedication of management, led by co-founders Matthew Walter and James Seagrim, and all the Zetta Jet employees that have worked tirelessly to ensure that the Company has had no service interruptions and maintained its ARGUS Platinum rating as well as Wyvern Wingman and IS-BAO safety ratings throughout the restructuring process."

The Company said that it filed a motion yesterday in the U.S. Bankruptcy Court for the Central District of California, seeking interim approval in November to use up to $4.5 million of the $8.5 million financing commitment with final approval of the full amount of the financing commitment in December.

Mr. King is represented by Michael B. Cox and David Fowkes at Seabury Consulting Group and John K. Lyons, Robbin L. Itkin, and Stuart Brown at DLA Piper LLP (US).

Scout Aviation II, LLC is represented by Dawn M. Coulson at Epps & Coulson, LLP.

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