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8 Proposed Attorney for

9 ARADIGM CORPORATION

10 Debtor and Debtor-in-Possession

11 UNITED STATES BANKRUPTCY COURT

12 NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

13 In re

14 ARADIGM CORPORATION

CASE NO. 19-40363 WJL

Chapter 11

15 **SUPPLEMENTAL DECLARATION OF**
16 **BENNETT G. YOUNG IN SUPPORT OF**
17 **APPLICATION OF DEBTOR AND**
18 **DEBTOR IN POSSESSION FOR ORDER**
19 **AUTHORIZING THE EMPLOYMENT OF**
20 **JEFFER MANGELS BUTLER &**
21 **MITCHELL LLP AS GENERAL**
22 **BANKRUPTCY COUNSEL TO THE**
23 **DEBTOR**

24 Date: March 6, 2019
25 Time: 10:30 a.m.
26 Judge: William J. Lafferty

27 I, Bennett G. Young, do hereby declare and state as follows:

28 1. I am an attorney admitted to practice in the State of California and the United States District Courts for the Central, Eastern, Northern and Southern Districts of California and am a partner in the law firm of Jeffer Mangels Butler & Mitchell LLP ("JMBM"). The matters set forth herein are made of my own personal knowledge and, if called and sworn as a witness, I could and would testify competently thereto. Capitalized terms used in this declaration and not specifically defined herein shall have the meaning ascribed to such terms in the Application.

2. This supplemental declaration is made in support of the application for JMBM to be

1 employed as general bankruptcy counsel to Aradigm Corporation, debtor and debtor in possession
2 herein, and is in accordance with Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy
3 Procedure.

4 3. A true and complete copy of the engagement agreement between the Debtor and
5 JMBM is attached as Exhibit A. The engagement agreement is JMBM's standard form engagement
6 agreement. Paragraph 5 of the engagement agreement provides that the Debtor grants JMBM a
7 security interest in all retainers held by JMBM. Paragraph 13 of the engagement agreement advises
8 the Debtor of its right to independent counsel.

9 4. JMBM was initially retained by Debtor on or about October 23, 2018 to advise the
10 Debtor regarding certain contingency planning. JMBM was paid an initial retainer of \$2,500 on or
11 about October 23, 2018. As of January 1, 2019 there was \$136.12 remaining in JMBM's trust
12 account.

13 5. On January 29, 2019, JMBM was paid an additional retainer in the amount of
14 \$2,500. On February 6, 2019, JMBM was paid an additional retainer in the amount of \$10,000.

15 6. On February 13, 2019, JMBM billed the Debtor \$2,669 for services rendered during
16 January 2019 and deducted that amount from its trust account.

17 7. On February 13, 2019, JMBM was paid an additional retainer in the amount of
18 \$251,717. On February 15, 2019, JMBM billed the Debtor \$20,258.21 for services rendered during
19 February 2019 and deducted that amount from its trust account.

20 I declare under penalty of perjury under the laws of the United States of America that the
21 foregoing is true and correct and that this declaration is being executed this 8th day of March 2019,
22 at San Francisco, California.

23 /s/ Bennett G. Young
24 BENNETT G. YOUNG