



JEFFER MANGELS BUTLER & MITCHELL LLP
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The following constitutes the order of the Court.
Signed: March 20, 2019

William J. Lafferty, III
William J. Lafferty, III
U.S. Bankruptcy Judge

Proposed Attorney for
ARADIGM CORPORATION
Debtor and Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

In re
ARADIGM CORPORATION

CASE NO. 19-40363 WJL

Chapter 11

**ORDER AUTHORIZING EMPLOYMENT
OF JEFFER MANGELS BUTLER &
MITCHELL LLP AS BANKRUPTCY
COUNSEL TO DEBTOR AND DEBTOR
IN POSSESSION**

Judge: William J. Lafferty

On February 22, 2019, Debtor filed an Application to Employ Counsel (dkt. no. 14) and the Declaration of Bennett G. Young in support thereof (dkt. no.14-1). The Court held a hearing on the Application on March 6, 2019 and on March 8, 2019 Counsel filed the Supplemental Declaration of Bennett G. Young in support of the Application (dkt. no. 29). There being no opposition, and for good cause shown, the Court hereby **ORDERS** as follows:

1. Debtor is authorized to employ Jeffer Mangels Butler & Mitchell LLP ("Counsel") as its general bankruptcy counsel.
2. Counsel shall place the unearned balance of any initial retainer in Counsel's trust account. Notwithstanding any agreement to the contrary, fees may not be considered earned until work is performed at Counsel's normal hourly rate. Counsel may draw funds out of the trust account as they are earned for services benefitting the estate only. No order of Court is necessary.

3. Counsel shall accept no further funds from Debtor beyond the initial retainer without an authorizing court order.
4. All funds paid to Counsel in connection with the representation approved pursuant to this order are subject to review and final approval by the Court.
5. Any terms contained in Counsel's engagement agreement with the Debtor that are contrary to the Bankruptcy Code or Rules are void.
6. Counsel shall file applications for approval of fees and expenses in accordance with 11 U.S.C. § § 326-331 (as applicable); Fed. R. Bankr. Proc. 2016 (a), 2002 (a), (c), and (k); B.L.R. 9014-1 (b) (1); and the Northern District's Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees (available on the court website at <http://www.canb.uscourts.gov/>). Fee applications that do not comply with the foregoing authority may be denied.
7. The terms of this order may be modified only upon notice to all creditors and the U.S. Trustee, and only after an actual hearing, regardless of whether there is any opposition.

* * * END OF ORDER * * *

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COURT SERVICE LIST

All parties will be served via e-filing notifications