

AEROCENTURY CORP
Form PRRN14A
April 01, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Preliminary Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

AeroCentury Corp.
(Name of Registrant as Specified In Its Charter)

Lee G. Beaumont
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
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- (2) Form, Schedule or Registration Statement No.:
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Lee G. Beaumont
2090 Centro Street, East

Tiburon, California 94920

[•], 2015

To My Fellow AeroCentury Corp. Stockholders:

I am furnishing this proxy statement and the accompanying **GOLD** proxy card to stockholders of AeroCentury Corp. (the *Company*) in connection with my solicitation of proxies to be used at the Company's 2015 annual meeting of stockholders (the *Annual Meeting*). The Annual Meeting is scheduled to be held on Thursday, May 7, 2015, at 12:00 p.m. at the Hiller Aviation Museum, 601 Skyway Road, San Carlos, California. This proxy statement and the accompanying **GOLD** proxy card are first being furnished to stockholders on or about [•], 2015.

At the Annual Meeting, I am seeking election to the board of directors of the Company (the *Board*). I am using this proxy statement to solicit proxies from holders of the Company's common stock, par value \$0.001 per share (the *Common Stock*), to vote for my election to the Board, and to vote on the other proposals identified in this proxy statement. As one of the Company's largest stockholders, I would represent a strong, independent voice on the Board. As a director, I will be committed to acting in the best interests of all of the stockholders of the Company, and I urge you to vote your **GOLD** proxy card to elect me to the Board.

Only stockholders of record at the close of business on March 16, 2015 (the *Record Date*) are entitled to attend and vote at the Annual Meeting and any adjournments or postponements thereof. Stockholders of record at the close of business on the Record Date will be entitled to one vote at the Annual Meeting for each share of Common Stock held on the Record Date with regard to each matter to be voted upon.

Whether or not you plan to attend the Annual Meeting, I urge you to vote for my election to the Board by signing, dating and returning the enclosed **GOLD** proxy card in the postage-paid envelope, or by voting via the Internet or telephone. I URGE YOU *NOT* TO RETURN ANY WHITE PROXY CARD SENT TO YOU BY THE COMPANY. Please note that if you submit a WHITE proxy card to **WITHHOLD** your vote with respect to any of the Company's nominees, that submission will *not* cause your shares to be counted as a vote **FOR** me, and will revoke any prior **GOLD** proxy card that you may have submitted. If you want to vote for me, use only the **GOLD** card.

Also, if you hold your shares of Common Stock in a stock brokerage account or by a bank or other nominee, only they can exercise voting rights with respect to your shares and only upon receipt of your specific instructions. Accordingly, it is critical that you promptly contact the person responsible for your account and give instructions to vote the **GOLD** proxy card.

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If you have any questions or require any assistance in executing your proxy, please call my proxy solicitor, D.F. King & Co., Inc. (DF King) at (800) 859-8511.

Sincerely,

Lee G. Beaumont

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**2015 ANNUAL MEETING OF STOCKHOLDERS
OF
AEROCENTURY CORP.**

To Be Held on May 7, 2015

PROXY STATEMENT OF LEE G. BEAUMONT

I am furnishing this proxy statement and the accompanying **GOLD** proxy card to stockholders of AeroCentury Corp. (the *Company*) in connection with my solicitation of proxies to be used at the Company's 2015 annual meeting of stockholders (the *Annual Meeting*). The Annual Meeting is scheduled to be held on Thursday, May 7, 2015. Only stockholders of record at the close of business on March 16, 2015 (the *Record Date*) are entitled to attend and vote at the Annual Meeting and any adjournments or postponements thereof.

I am soliciting your proxy for the Annual Meeting (and any adjournments or postponements thereof) for the following purposes:

1. To vote FOR my election to the board of directors of the Company (the *Board*);
2. To vote AGAINST, in an advisory (non-binding) vote, the Company's executive compensation as disclosed in the proxy statement filed by the Company on March 13, 2015;
3. To vote FOR the ratification of the selection of BDO USA, LLP as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2015; and
4. To transact such other business as may properly come before the Annual Meeting (and any adjournments or postponements thereof).

I am not aware of any other matters to be brought before the Annual Meeting other than as set forth in this proxy statement. Should any other matters be brought before the Annual Meeting, the proxies identified in the **GOLD** proxy card will vote the shares that they have been authorized to represent in accordance with their discretion. I am making this solicitation on behalf of myself, and not on behalf of the Board or management of the Company.

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I am not seeking the authority to vote for, and will not vote for, the election of Mr. Thomas W. Orr as a director of the Company. Stockholders who vote on the enclosed **GOLD** proxy card will have the opportunity to vote for the other candidate nominated by the Company for the two seats on the Board that are up for election at the Annual Meeting. This gives stockholders who want to vote for me the ability to use the **GOLD** proxy card to vote for an additional candidate to fill the second seat.

For your information, the mailing address of the principal executive office of the Company is 1440 Chapin Avenue, Suite 310, Burlingame, CA 94010. According to the Company, as of the Record Date, there were 1,543,257 shares of common stock outstanding. I am the beneficial owner of 150,950 of those shares.

I URGE YOU TO SIGN, DATE AND RETURN THE **GOLD** PROXY CARD IN FAVOR OF MY ELECTION TO THE BOARD.

I URGE YOU *NOT* TO SIGN ANY WHITE PROXY CARD SENT TO YOU BY THE COMPANY. IF YOU HAVE ALREADY DONE SO, YOU MAY REVOKE YOUR PROXY BY DELIVERING A LATER-DATED **GOLD** PROXY CARD IN THE ENCLOSED POSTAGE-PREPAID ENVELOPE, BY EXECUTING A VOTE VIA THE INTERNET OR TELEPHONE, OR BY VOTING IN PERSON AT THE ANNUAL MEETING.

IF YOU HOLD YOUR SHARES OF COMMON STOCK IN A STOCK BROKERAGE ACCOUNT OR BY A BANK OR OTHER NOMINEE, ONLY THEY CAN EXERCISE VOTING RIGHTS WITH RESPECT TO YOUR SHARES AND ONLY UPON RECEIPT OF YOUR SPECIFIC INSTRUCTIONS. ACCORDINGLY, I URGE YOU TO PROMPTLY CONTACT THE PERSON RESPONSIBLE FOR YOUR ACCOUNT AND GIVE INSTRUCTIONS TO VOTE THE **GOLD** PROXY CARD.

**Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to Be Held on Thursday, May 7, 2015
This proxy statement and the GOLD proxy card are available at
[https:// \[\]](https:// [])**

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IMPORTANT

Your vote is important, no matter how many shares you own. I urge you to sign, date and return the enclosed GOLD proxy card today to vote FOR my election to the Board.

- If your shares are registered in your own name, please use the **GOLD** proxy card to vote by signing and dating the enclosed **GOLD** proxy card and returning it in the enclosed postage-paid envelope today.
- If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of the shares, and these proxy materials are being forwarded to you by your broker or bank. If you have received a **GOLD** voting instruction form, you can vote in one of the following ways:
 - By signing, dating and mailing the voting instruction form in the enclosed pre-paid envelope;
 - By telephone by calling the telephone number provided and following the instructions; or
 - By Internet using the instructions included with your materials.

If a **GOLD** voting instruction form has not been provided, you must call your broker or bank and give the person responsible for your account instructions about how you would like them to vote on your behalf.

Because only your latest dated proxy card will count, we urge you not to return any proxy card you receive from the Company. Even if you return a **WHITE** proxy card marked **WITHHOLD** as a protest, it will revoke any **GOLD** proxy card you may have previously sent to us. Remember, you can vote for me only on the **GOLD** proxy card. So please make certain that the latest dated proxy card you return is the **GOLD** proxy card.

If you have any questions, require assistance in voting your **GOLD** proxy card, or need additional copies of my proxy materials, please contact:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

Toll-free: (800) 859-8511

Banks and brokers: (212) 269-5550

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REASONS FOR THE SOLICITATION AND INFORMATION ABOUT LEE G. BEAUMONT

I am one of the largest stockholders of the Company, beneficially owning approximately 9.8% of the outstanding shares as described herein. I have spent my entire 34-year career in finance, aviation maintenance, and aircraft / aircraft engine leasing and trading. **As a significant stockholder, my interests are aligned with my fellow stockholders and I desire first and foremost to help stockholders unlock the value of their investment in the Company.** I believe that the Company's financial difficulties (discussed below) will continue without fundamental changes in the Company's business and significant modifications to the Company's corporate governance practices.

According to public filings, all management of the Company is performed by Jet Fleet Management Corp. (JMC), a company controlled by a husband and wife team the Chief Executive Officer of the Company (CEO) and the Chief Financial Officer of the Company (CFO), respectively. JMC has a lucrative 20-year management agreement (the JMC Agreement) with the Company that was not negotiated at arms-length. According to the Company's annual reports, during 2014, 2013 and 2012, JMC was paid \$6,028,900 (net of the \$1.2 million waiver discussed below); \$5,740,700; \$5,491,200 in management fees, asset acquisition fees and re-marketing fees, respectively. Over the lifetime of the JMC Agreement (since 1998), JMC has been paid approximately \$60 million in fees. Further, the Company has acknowledged that this structure creates conflicts of interest for the CEO and CFO as owners of JMC and as officers and directors of the Company.

On March 3, 2015 and (after I announced I would solicit proxies for election of the Board), the Company announced a one-time waiver of the \$1.2 million management fee for JMC relating to the 4th quarter of 2014 (but did not address whether it charged other fees during the quarter). With a reported net income for the 4th quarter of 2014 of \$0.5 million, the Company would have incurred a loss for the quarter without such waiver. In fact, the Company acknowledged in the Company Proxy Statement that it waived the fee to enable the Company to comply with certain financial covenants contained in its credit facility. My learned opinion that the rates charged by JMC for the services rendered are far too high given the Company's relatively small aircraft / aircraft engine leasing portfolio size and limited portfolio transactions. I believe the excessive fees being paid for management services and other structural arrangements at the Company not only hurt stockholder value and entrench management but are also contrary to basic principles of good corporate governance. Therefore, it is imperative that the Board immediately seek to modify the terms of the JMC Agreement and any related arrangements (including the payment of asset acquisition fees and remarketing fees to JMC in addition to the management fees) to be more beneficial to the Company and the stockholders. The Board must actively explore the elimination of any outside management firm when the JMC Agreement expires in 2018. It would be my intent to encourage the independent board members to propose the restructuring of the JMC Agreement and/or open the management of the portfolio to a competitive bid in order to ensure stockholders are receiving the best value for the lease portfolio management in this market.

According to my review of the Company's annual reports and the Company's stock prices and independent research reports, the Company's stock price has traded since at least 2012 at a substantial discount to book value, which is particularly disheartening given that the broad market, and more specifically the airline industry, has never enjoyed a more prosperous period. At March 16, 2015, the stock price was approximately 60% of book value. According to an independent research report by The Street Ratings dated March 22, 2015, as compared to other companies in the industry and the overall market, the Company's return on equity significantly trails that of both the industry average and the S&P 500. In my opinion, the Company's stock price has also suffered due to the Company having record high levels of aircraft and engines off-lease for extended periods of time. In my view, the Company's announcement of new lease transactions on December 16, 2014 failed to ameliorate the situation as the stock price continued to decline for several weeks thereafter. An independent research report by ConvergeX Group dated March 24, 2015 shows that the five-year historical earnings per share growth rate has declined -7.8%. Ostensibly, I believe the Company has not promulgated long-term strategy for improved financial condition that resonates with stockholders, since as of March 22, 2015, the stock price is down by 33.47% compared to where it was a year ago.

Even if the Company was able to significantly retool its business model, I believe it is unlikely that the stockholders would be able to unlock the value of their equity because of the low volume of trading activity in the Common Stock that has persisted for many years. In my opinion, the

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low trading volume for the Company is due in part to the existence of a stockholder rights agreement, and excessive fees being paid to JMC that is overly reducing the Company's net income. I would encourage the board to move to rationalize JMC's fees bringing them back to industry standards and work to remove the stockholder rights agreement. In addition to the complex suite of anti-takeover mechanisms (including a poison pill and staggered board structure) that could deter potential acquirers, the JMC Agreement contains a termination fee that cannot be waived by the Board and, according to the Company Proxy Statement, would be \$13,333,169 if the JMC Agreement had been terminated on February 1, 2015. By way of comparison, the market capitalization of the Company as of March 27, 2015 is \$18.05 million. I do not believe that a party would be willing to acquire the Company with the JMC Agreement in place. Further, JMC effectively controls whether the Company is sold because if JMC does not approve of a sale transaction, JMC will be entitled to receive penalties appearing to exceed \$9 million.

I believe the Board should form a committee consisting solely of independent directors to review all strategic alternatives available to the Company, including the sale of the Company. I had previously stated that I believe the value of the Company would best be realized through a sale of the Company. On December 5, 2014, a company that I control made a proposal to enter into a merger agreement with the Company to exchange all of the outstanding Common Stock for \$12.50 per share in cash, which price represented a premium of approximately 50% to the closing price of the Common Stock on December 3, 2014. The Company declined such proposal. On January 9, 2015, I even agreed to consider increasing the proposal if the outside directors would agree in good faith to negotiate. I received no response whatsoever and the offer was withdrawn on January 14, 2015. Therefore, I decided the best way to increase stockholder value was to seek representation on the Board. For a description of my other prior business dealings with the Company, please refer to Annex A of this proxy statement.

If elected, I understand I have an obligation to act in the best interests of the Company and its stockholders in accordance with my duties as a director. I am not seeking control of the Board at the 2015 Annual Meeting. If elected, I would be only one of six Directors and would not be able to adopt resolutions or otherwise cause the Board to act. However, I intend to be able to actively engage other Board members in full discussion of the issues facing the Company and attempt to resolve such issues in a constructive manner. I believe that the attributes, skills

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and qualifications that I have obtained through my extensive experience in finance, aviation maintenance, and aircraft / aircraft engine leasing and trading will provide the Board and the Company with valuable industry knowledge and management experience. I believe I can affect positive change for the Company and will bring a fresh and independent perspective to the strategic review process.

Among the corporate governance practices I believe should be addressed are the following:

1. Establish a nominating committee of the Board consisting solely of independent directors with the authority to make (not just recommend) nominations to the Board;
2. Modify the executive officer positions as such that the CEO and CFO positions are not held by a husband and wife as is currently the case with Mr. Crispin and Ms. Perazzo. It should be noted that the CEO and CFO are the officers who are required to certify the Company's quarterly and annual filings pursuant to the Sarbanes-Oxley Act.
3. Terminate the Stockholder Rights Agreement, dated December 1, 2009 (the "Stockholder Rights Agreement"), which restricts stockholder ownership above 15% without the Board's permission, or alternatively submit the Stockholder Rights Agreement to stockholder approval as soon as practicable;
4. Establish an Executive Committee of the Board which consists of persons other than the CEO and CFO as is presently the case;
5. Advocate that the Board immediately seek to modify the terms of the JMC Agreement and any related arrangements to be more beneficial to the Company and the stockholders, address conflicts of interest created by the JMC Agreement, and actively explore the elimination of any outside management firm when the JMC Agreement expires in 2018; and
6. The independent directors (or a committee thereof), should undertake procedures to review and verify all fees and any other payments made by the Company to JMC and provide reasonably detailed information to the stockholders regarding the calculation of such payments.

There are two seats up for election. I intend to use the proxies given to me to vote for myself and for the one candidate nominated by the Board other than Mr. Thomas W. Orr.

For the reasons described in detail above, I represent the superior candidate when compared with Mr. Thomas W. Orr.

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For these reasons, I urge you to vote your **GOLD** proxy card to elect me to the Board.

* * *

Additional information about me, including information about my background and my beneficial ownership of the Company's securities, is set forth under the section of this proxy statement titled "Proposal 1: Election of Directors" and in *Annex A* and *Annex B* to this proxy statement, each of which is incorporated herein by reference. Except as set forth in this proxy statement (including in *Annex A* or *Annex B*):

- I am not, nor within the past year have I been, a party to any contract, arrangement or understanding with any persons with respect to any securities of the Company, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profits, divisions of losses or profits, or the giving or withholding of proxies;
- I am not, nor within the past year have I been, a party to, and neither I nor my family members have had a direct or indirect material interest with respect to, any transaction or series of similar transactions since the beginning of the Company's last fiscal year to which the Company or any of its subsidiaries was or is a party, in which the amount involved exceeds \$120,000;

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- I have not been convicted in a criminal proceeding nor am I a named subject of a pending criminal proceeding (excluding traffic violations and similar misdemeanors) during the past ten years; and

- I do not have any arrangement or understanding with any person with respect to any future employment by the Company or its affiliates or with respect to any future transactions to which the Company or any of its affiliates will or may be a party.

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PROPOSAL 1: ELECTION OF DIRECTORS

According to the preliminary proxy statement filed by the Company on March 13, 2015, as amended by the preliminary proxy statement filed by the Company on March 27, 2015 (the *Company Proxy Statement*), two of the Company's six directors will be elected at the Annual Meeting. The term of office of a person elected as a director at the Annual Meeting will continue until the 2018 Annual Meeting of Stockholders or until the director's resignation, or removal or successor has been elected.

As stated in the Company Proxy Statement, directors of the Company will be elected on a plurality basis, meaning the two nominees who receive the greatest number of votes "For" at the Annual Meeting will be elected.

About this Solicitation

Pursuant to this proxy statement, I am soliciting proxies from holders of Common Stock to vote for my election as a director at the Annual Meeting. I intend to use this proxy to vote for myself and for the candidate nominated by the Board other than Mr. Thomas W. Orr.

As discussed above in the section titled "Reasons for the Solicitation and Information about Mr. Beaumont," I believe you should give me your proxy for the following reasons, among others:

- As a significant stockholder, my interests are aligned with my fellow stockholders and I desire first and foremost to help stockholders unlock the value of their investment in the Company. While I previously sought to acquire the Company, such proposal has been rescinded given the Company's lack of response. Therefore, I am seeking election to the Board as an alternative means to increase the Company's stock price and have no current conflicts of interest. If elected, I will act only in the best interests of the stockholders. I have no current intentions to make another proposal to acquire the Company, but if I determine to move forward with an offer in the future, I would recuse myself from any Board proceeding regarding such offer.

- I believe that the attributes, skills and qualifications that I have obtained through my extensive experience in finance, aviation maintenance, and aircraft / aircraft engine leasing and trading will provide the Board and the Company with valuable industry knowledge and management experience.

- I will bring a fresh and independent perspective to the strategic review process, especially in regards to the JMC Agreement and Stockholder Rights Agreement.

Please refer to the Company Proxy Statement for the backgrounds and qualifications of the Company's nominees, and certain other information about them. There is no assurance that either of the Company's nominees will serve as a director if I am elected.

I am not seeking the authority to vote for, and will not vote for, Mr. Thomas W. Orr.

Additional Information About Me

I am currently the President and Chief Executive Officer of BeauTech Power Systems, LLC, a Texas limited liability company (BPS) formed in September 2011 that is primarily engaged in the ownership, leasing and sale of jet turbine engines and parts. I have been involved in BPS inception. Prior to BPS, I established and managed BeauTech Consulting, Inc., which was primarily engaged in the sale of jet turbine engines and marketing of jet turbine leases for clients, including the Company (see Annex A to this proxy statement). From 2006 to 2008, I served as Chief Operating Officer at Willis Lease Finance Corporation (WLFC-NSDQ) in Novato, California. There, I managed a \$900 million aircraft engine lease portfolio, with complete responsibility for earnings, portfolio management, operations and return on equity. I was also responsible for strategic planning and new business development. In connection with my duties, I prepared financial materials for the board of directors and was actively involved in every board meeting. From 2004 to 2006, I worked as an acquisition consultant at The Carlyle Group in Washington, DC, and from 1987 to 2004, I worked at Standard Aero Limited, where I served as President for four of those years. At Standard Aero, I was responsible for \$400 million in sales and a staff of about 1,100. I had complete responsibility for annual earnings, asset management and return on invested capital. There, I was also a member of the Dunlop Standard Aerospace Group Executive Team. During my stint at Standard Aero, I also served as Executive Director of Large Engine Product Unit, Director of Finance, and Task Force Leader. From 1982 to 1987, I served as a Manager at Coopers and Lybrand in Winnipeg, Manitoba.

I received my Bachelor of Science, Pre-Masters of Science and Bachelor of Commerce from University of Manitoba. I became a Chartered Accountant after graduating from Canadian Institute of Chartered Accountants. I am also a graduate of the Stanford Executive Program.

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I believe that the attributes, skills and qualifications that I have obtained through my extensive experience in finance, aviation maintenance, and aircraft / aircraft engine leasing and trading will provide the Board and the Company with valuable industry knowledge and management experience.

I am 57 years old, and I consent to serving as a director if I am elected. I am independent within the meaning of independence as set forth in the NYSE MKT Company Guide.

*Use Your **GOLD** Card*

The accompanying **GOLD** proxy card will be voted in accordance with your instructions. You may specify that your shares should be voted **FOR** me, or you may **WITHHOLD** authority to vote for me. I am not seeking authority to vote for, and will not vote for, Mr. Thomas W. Orr. If you do not want your shares to be voted for the Company's other nominee either, you may also withhold authority to vote for him by writing his name on the proxy card in the space provided.

If you hold your shares of common stock in a stock brokerage account or by a bank or other nominee, only they can exercise voting rights with respect to your shares and only upon receipt of your specific instructions. Accordingly, I urge you to use your voting instruction form, or otherwise promptly contact the person responsible for your account, and give them instructions to vote the **GOLD** proxy card.

According to the Company Proxy Statement, the election of a director by stockholders shall be determined by a plurality of the votes cast by the stockholders of record entitled to vote at the election present in person or represented by proxy, and the nominees receiving the greatest number of affirmative votes of the shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting will be elected, provided a quorum is present. According to the Company Proxy Statement, abstentions and broker non-votes will not be counted toward a nominee's total. According to the Company Proxy Statement, because brokers or other nominees who hold shares in street name do not have discretionary voting authority over such shares in an election of directors, shares held in street name will not be voted in this election for a director unless the holder specifically instructs the holder's brokers or other nominees on how to vote.

If no instructions are given with respect to this proposal and the **GOLD** proxy card is returned, the **GOLD** proxy card will be voted **FOR** me and **FOR** the Company's nominee other than Mr. Thomas W. Orr.

**I RECOMMEND THAT YOU VOTE *FOR* THE ELECTION OF
LEE G. BEAUMONT TO THE BOARD**

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PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

According to the Company Proxy Statement, the Company is requesting advisory approval of the compensation of the Company's named executive officers as disclosed in the compensation table and the narrative discussion set forth in the Company Proxy Statement. This non-binding advisory vote is commonly referred to as a "say on pay" vote and is required to be conducted pursuant to Section 14A of the Securities Exchange Act of 1934, as amended. According to the Company Proxy Statement, because the Company receives management services from JMC, the Company has no employees and does not pay any compensation to its named executive officers. Instead, according to the Company Proxy Statement, the named executive officers of the Company are compensated in their capacities as employees of JMC.

About this Solicitation

Pursuant to this proxy statement, I am soliciting proxies from holders of Common Stock to vote against the compensation of the Company's named executive officers as described in the Company Proxy Statement. I intend to use this proxy to vote against the compensation of the Company's named executive officers as described in the Company Proxy Statement.

As discussed above in the section titled "Reasons for the Solicitation and Information about Mr. Beaumont," I believe you should give me your proxy for the following reasons, among others:

- In my opinion, the excessive fees being paid for management services and other structural arrangements at the Company not only hurt stockholder value and entrench management but are also contrary to basic principles of good corporate governance.
- It is imperative that the Board immediately seek to modify the terms of the JMC Agreement and any related arrangements to be more beneficial to the Company and the stockholders and actively explore the elimination of any outside management firm when the JMC Agreement expires in 2018.

Please carefully review the information concerning compensation paid by JMC to the Company's named executive officers beneath the caption "Executive Compensation" in the section of the Company Proxy Statement entitled "Information Regarding the Company's Directors and Officers."

*Use Your **GOLD** Card*

I recommend that you vote **AGAINST** the compensation of the Company's named executive officers as described in the Company Proxy Statement. You may vote against the compensation of the Company's named executive officers as described in the Company Proxy Statement by marking the proper box on the **GOLD** proxy card, or, if you hold your shares in a stock brokerage account or by a bank or other nominee, by using your voting instruction form to instruct them how to vote your shares on the **GOLD** proxy card. If no instructions are given with respect to

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this proposal and the **GOLD** proxy card is returned, the **GOLD** proxy card will be voted **AGAINST** the compensation of the Company's named executive officers as described in the Company Proxy Statement. According to the Company Proxy Statement, the proposal on approval of executive compensation will be approved in a non-binding advisory vote if the votes cast in favor exceed the votes cast against approval. According to the Company Proxy Statement, abstentions and broker non-votes will not be counted as either a vote For or Against Proposal 2. According to the Company Proxy Statement, because brokers or other nominees who hold shares in street name do not have discretionary voting authority over such shares in such non-routine matters, shares held in street name will not be voted on this advisory vote on executive compensation unless the holders specifically instruct their brokers or other nominees on how to vote.

I RECOMMEND THAT YOU VOTE AGAINST THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THE COMPANY PROXY STATEMENT

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PROPOSAL 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

According to the Company Proxy Statement, the Company will solicit proxies to ratify the selection of BDO USA, LLP (*BDO*) by the Board as independent registered public accounting firm to audit the accounts and records of the Company for the fiscal year ending December 31, 2015.

I recommend that you vote **FOR** this proposal. You may vote on the ratification of the selection of BDO by marking the proper box on the **GOLD** proxy card, or, if you hold your shares through a brokerage firm or bank, by using your voting instruction form to instruct them how to vote your shares on the **GOLD** proxy card. If no instructions are given with respect to this proposal and the **GOLD** proxy card is returned, the **GOLD** proxy card will be voted **FOR** the ratification of the selection of BDO. According to the Company Proxy Statement, ratification of the Company's selection of independent registered public accounting firm will require the affirmative vote of a majority of the shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting, provided a quorum is present. According to the Company Proxy Statement, as a result, abstentions will have the same effect as votes against the proposals. According to the Company Proxy Statement, due to my competing solicitation, the vote on this proposal is considered non-routine. According to the Company Proxy Statement, because brokers or other nominees who hold shares in street name do not have discretionary voting authority over such shares in such non-routine matters, shares held in in street name would not be voted on this proposal unless the holders specifically instruct their brokers or other nominees on how to vote.

**I RECOMMEND THAT YOU VOTE *FOR* THE RATIFICATION OF THE SELECTION OF
BDO USA, LLP**

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VOTING PROCEDURES

According to the Company Proxy Statement, only holders of record of shares of Common Stock as of the close of business on the Record Date are entitled to notice of, and to vote at, the Annual Meeting and at any adjournments or postponements thereof. According to the Company Proxy Statement, as of the Record Date of March 16, 2015, there were 1,543,257 shares of Common Stock outstanding, and each stockholder is entitled to one vote for each share of Common Stock held as of the Record Date on all matters presented at the Annual Meeting.

As explained in the detailed instructions on your **GOLD** proxy card, there are four ways you may vote your shares of Common Stock:

- Sign, date and return the **GOLD** proxy card in the postage-paid envelope. I recommend that you vote using the **GOLD** proxy card even if you plan to attend the Annual Meeting in person;
- Vote via the Internet by following the voting instructions on the **GOLD** proxy card;
- Vote by telephone by following the voting instructions on the **GOLD** proxy card; or
- Vote in person by attending the Annual Meeting. Note, however, if you hold your shares of Common Stock through a brokerage firm or bank, you must obtain a legal proxy from such custodian in order to vote in person at the Annual Meeting.

If you are the beneficial owner of shares held in a stock brokerage account or by a bank or other nominee on the Record Date, such institution should provide you with information regarding the methods by which you can direct such institution to vote your shares. Your brokerage firm or bank should send you a **GOLD** voting instruction card to be completed, signed, dated and returned by a date in advance of the Annual Meeting, and/or information on how to communicate your voting instructions to them by telephone or over the Internet.

If you are the beneficial owner of shares held through a brokerage firm or bank, I encourage you to promptly provide instructions to such institution to vote your shares in accordance with the **GOLD** proxy card. This ensures that your shares will be voted at the Annual Meeting.

If you give me your proxy, your shares will be voted in the manner you indicate. You may specify whether your shares should be voted FOR my election, or whether you WITHHOLD authority for your shares to be voted for my election. You may also indicate that you wish to WITHHOLD authority for your shares to be voted for the Company's nominee other than Mr. Thomas W. Orr. You may also specify whether your shares should be voted FOR or AGAINST each of the other proposals. If you sign, date and return the **GOLD** proxy card without indicating your instructions, your shares will be voted as follows:

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- FOR the election to the Board of Lee G. Beaumont and the Company's nominee other than Mr. Thomas W. Orr;
- AGAINST the compensation of the Company's named executive officers as described in the Company Proxy Statement; and
- FOR the ratification of the selection of BDO USA, LLP as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2015.

With respect to matters other than those set forth above that may properly come before the Annual Meeting, or at any postponement or adjournment thereof, I will vote the shares I have been authorized to represent in accordance with my discretion.

Broker Non-Votes and Required Votes

If you hold your shares of Common Stock through a bank, broker or other nominee (commonly referred to as holding your shares in street name) and do not provide voting instructions to the record holder of the shares, your shares of Common Stock will not be voted on any proposal on which your bank, broker or other nominee does not have discretionary authority, under applicable rules, to vote. Accordingly, if your shares of Common Stock are

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held in street name, your bank, broker or other nominee has enclosed a voting instruction card with this proxy statement. I strongly encourage you to vote your shares of Common Stock in favor of my election to the Board by following the instructions provided on the voting instruction card.

According to the Company Proxy Statement, the election of a director by stockholders (Proposal 1) shall be determined by a plurality of the votes cast by the stockholders of record entitled to vote at the election present in person or represented by proxy, and the nominees receiving the greatest number of affirmative votes of the shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting will be elected, provided a quorum is present. Abstentions and broker non-votes will not be counted toward a nominee's total. According to the Company Proxy Statement, because brokers or other nominees who hold shares in street name do not have discretionary voting authority over such shares in an election of directors, shares held in street name will not be voted in this election for a director unless the holder specifically instructs the holder's brokers or other nominees on how to vote. According to the Company Proxy Statement, the proposal on approval of executive compensation (Proposal 2) will be approved in a non-binding advisory vote if the votes cast in favor exceed the votes cast against approval. According to the Company Proxy Statement, abstentions and broker non-votes will not be counted as either a vote For or Against Proposal 2. According to the Company Proxy Statement, because brokers or other nominees who hold shares in street name do not have discretionary voting authority over such shares in such non-routine matters, shares held in street name will not be voted on this advisory vote on executive compensation unless the holders specifically instruct their brokers or other nominees on how to vote. According to the Company Proxy Statement, ratification of the Company's selection of independent registered public accounting firm (Proposal 3) will require the affirmative vote of a majority of the shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting, provided a quorum is present. According to the Company Proxy Statement, as a result, abstentions will have the same effect as votes against the proposals. According to the Company Proxy Statement, due to my competing solicitation, the vote on this proposal is considered non-routine. According to the Company Proxy Statement, because brokers or other nominees who hold shares in street name do not have discretionary voting authority over such shares in such non-routine matters, shares held in street name would not be voted on this proposal unless the holders specifically instruct their brokers or other nominees on how to vote.

Revocation of Proxies

You may revoke or change your proxy instructions at any time prior to the vote at the Annual Meeting by:

- submitting a properly executed, subsequently dated **GOLD** proxy card that will revoke all prior proxy cards, including any **WHITE** proxy cards that you may have submitted to the Company;
- providing instructions by telephone or via the Internet as to how you would like your shares of Common Stock voted;
- attending the Annual Meeting and withdrawing your proxy by voting in person (although attendance at the Annual Meeting will not in and of itself constitute revocation of a proxy); or

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- delivering written notice of revocation to either Lee G. Beaumont c/o D.F. King at 48 Wall Street, New York, NY 10005 or to the Company (to the attention of Toni Perazzo, Secretary) at 1440 Chapin Avenue, Suite 310, Burlingame, California 94010.

Although a revocation is effective if delivered to the Company, I request that either the original or a copy of any revocation be faxed to me c/o D.F. King at [•] or mailed to me c/o D.F. King, 48 Wall Street, New York, NY 10005, so that I will be aware of all revocations. You may also call D.F. King at (800) 859-8511 and they will assist you with sending a copy of the revocation.

IF YOU PREVIOUSLY SIGNED AND RETURNED A WHITE PROXY CARD TO THE COMPANY, I URGE YOU TO REVOKE IT BY (1) MARKING, SIGNING, DATING AND RETURNING THE **GOLD** PROXY CARD, (2) PROVIDING INSTRUCTIONS BY TELEPHONE OR VIA THE INTERNET AS TO HOW YOU WOULD LIKE YOUR SHARES OF COMMON STOCK VOTED IN ACCORDANCE WITH THE **GOLD** PROXY CARD, (3) ATTENDING THE ANNUAL MEETING AND VOTING IN PERSON OR (4) DELIVERING A WRITTEN NOTICE OF REVOCATION TO ME.

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Other Matters to be Considered at the Annual Meeting

Except as set forth above, I am not aware of any other matters to be brought before the Annual Meeting. Should other matters properly be brought before the Annual Meeting, the attached **GOLD** proxy card, when duly executed, will give me discretionary authority to vote on all such other matters and on all matters incident to the conduct of the Annual Meeting. In furtherance of the foregoing, should the Board, management or any other stockholder bring before the Annual Meeting any proposal to adjourn the Annual Meeting, the attached **GOLD** proxy card, when duly executed, will give me the discretionary authority to vote on such adjournment proposal.

Execution and delivery of a proxy by a record holder of shares of Common Stock will be presumed to be a proxy with respect to all shares held by such record holder unless the proxy specifies otherwise.

SOLICITATION OF PROXIES

I have entered into an agreement with D.F. King to help conduct my proxy solicitation, for which D.F. King will receive a fee not to exceed \$[•], together with reimbursement for its reasonable out-of-pocket expenses, and will be indemnified against certain liabilities and expenses. Proxies may be solicited from individuals, banks, brokers, custodians, nominees, other institutional holders and other fiduciaries in person and by mail, phone, publication and electronic means. I will request such individuals and institutions to forward all solicitation materials to the beneficial owners of the shares of Common Stock they hold of record. I will reimburse these record holders for their reasonable out-of-pocket expenses in so doing. It is anticipated that D.F. King will employ up to [•] persons to solicit the Company's stockholders for the Annual Meeting.

Total costs related to this solicitation of proxies are expected to be approximately \$[•], of which approximately \$[•] has been expended to date. I will pay the costs of this solicitation of proxies, including the cost of preparing, assembling and mailing this proxy material to stockholders. If I am successful, I intend to seek reimbursement of these costs from the Company.

ADDITIONAL INFORMATION

Please refer to the Company Proxy Statement for the following information:

- the date by which proposals of stockholders intended to be presented at the 2016 annual meeting of stockholders must be received by the Company in order to be included in the Company's proxy materials for that meeting;
- the date by which the submission of nominees of stockholders intended to be nominated as directors at the 2016 annual meeting of stockholders must be received by the Company in order to be included in the Company's proxy materials for that meeting;

- information regarding the securities of the Company held by the Company's directors, nominees, executive officers and beneficial holders of more than five percent of the Common Stock (although information about my ownership is also included on *Annex B*), and
- information concerning the Company's compensation policies and compensation paid or payable to the Company's executive officers and directors.

I take no responsibility for the accuracy or completeness of any information or statements contained in the Company Proxy Statement, including any such information or statements appearing herein.

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ANNEX A

ADDITIONAL INFORMATION ABOUT MR. BEAUMONT

Related Person Transactions

In August 2009, I entered into an agreement (the *Assignment Agreement*) with the Company in which I assigned to the Company my rights to purchase certain aircraft engines from an unrelated third party seller for approximately \$900,000. I first began purchasing Common Stock in 2011. In January 2012, I became a related person with respect to the Company due to my acquisition on the open market of shares representing over 5% of the Company's Common Stock. I received the second and the third final installments of \$66,700 due under the Assignment Agreement from the Company in the years ended December 31, 2011 and 2012. I also received approximately \$445,000 in fees paid by JMC in connection with placement of the engines with new or renewing lessees. While from time to time, I have discussed certain business transactions with the Company, the transactions listed above are the only transactions that have been consummated.

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ANNEX B

**BENEFICIAL OWNERSHIP IN, AND TRANSACTIONS IN SECURITIES OF,
THE COMPANY DURING THE PAST TWO YEARS**

As of March 18, 2015, I beneficially own 150,950 shares of Common Stock, representing approximately 9.8% of the Company's outstanding shares of Common Stock. My business address is at 2090 Centro Street, East Tiburon, California 94920.

I have purchased or sold shares of Common Stock within the past two years, as set forth below:

Date	Transaction	Number of Shares
3/20/2013	Purchase	100
3/28/2013	Purchase	200
4/4/2013	Sale	300
4/5/2013	Sale	1,085
4/8/2013	Purchase	85
4/10/2013	Sale	154
4/11/2013	Sale	2,100
4/12/2013	Sale	3,746
4/15/2013	Sale	770
5/2/2013	Purchase	200
5/3/2013	Purchase	1,100
5/6/2013	Purchase	100
5/7/2013	Purchase	100
5/9/2013	Sale	230
5/10/2013	Purchase	50
5/13/2013	Purchase	100
5/14/2013	Sale	2,990
5/17/2013	Sale	2,000
5/20/2013	Sale	774
5/23/2013	Purchase	100
5/24/2013	Sale	400
5/28/2013	Purchase	100
5/31/2013	Purchase	100
6/3/2013	Purchase	100
6/4/2013	Purchase	200
6/6/2013	Purchase	300
6/12/2013	Sale	300
6/19/2013	Purchase	100
6/20/2013	Sale	25
6/26/2013	Sale	52
6/26/2013	Purchase	200
7/1/2013	Sale	2,000
7/15/2013	Sale	1,309
7/15/2013	Purchase	100
7/16/2013	Sale	3,200
7/17/2013	Sale	1,900

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7/17/2013	Purchase	200
7/19/2013	Sale	2,000

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7/22/2013	Sale	6,720
7/23/2013	Sale	620
7/24/2013	Sale	2,898
7/24/2013	Purchase	100
7/25/2013	Sale	3,062
7/26/2013	Sale	1,890
7/29/2013	Sale	110
7/29/2013	Sale	3,000
7/30/2013	Sale	4,000
8/1/2013	Sale	4,336
8/2/2013	Sale	2,350
8/6/2013	Sale	915
8/8/2013	Purchase	301
8/9/2013	Purchase	100
8/12/2013	Purchase	200
8/13/2013	Purchase	100
8/14/2013	Purchase	100
8/19/2013	Sale	300
8/19/2013	Purchase	100
8/20/2013	Purchase	100
8/22/2013	Purchase	100
8/23/2013	Purchase	100
8/26/2013	Purchase	100
8/29/2013	Purchase	100
8/30/2013	Purchase	100
9/5/2013	Purchase	300
9/10/2013	Purchase	100
9/12/2013	Sale	379
9/13/2013	Sale	1,305
9/17/2013	Sale	5,316
9/17/2013	Purchase	100
9/18/2013	Purchase	100
9/19/2013	Sale	200
9/25/2013	Sale	3,883
9/27/2013	Sale	125
10/9/2013	Sale	254
10/16/2013	Sale	790
10/17/2013		1,348
10/18/2013	Sale	1,250
10/21/2013	Sale	1,250
10/22/2013	Sale	6,250
10/25/2013	Sale	620
10/29/2013	Purchase	100
10/29/2013	Sale	395
10/31/2013	Purchase	100
11/5/2013	Sale	3,435
11/8/2013	Sale	100
11/11/2013	Purchase	200
11/12/2013	Purchase	100
11/18/2013	Purchase	100

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11/19/2013	Purchase	100
11/21/2013	Purchase	500
11/22/2013	Purchase	6,100
11/26/2013	Purchase	5,000
11/27/2013	Purchase	200
12/3/2013	Purchase	100
12/4/2013	Purchase	200
12/5/2013	Purchase	100
12/6/2013	Purchase	200
12/9/2013	Purchase	100
1/3/2014	Purchase	1,200
1/7/2014	Purchase	100
1/9/2014	Purchase	100
1/14/2014	Purchase	1,914
1/15/2014	Purchase	786
1/16/2014	Purchase	400
1/17/2014	Purchase	100
1/21/2014	Purchase	100
1/30/2014	Sale	600
2/5/2014	Purchase	1,246
2/6/2014	Purchase	754
2/7/2014	Purchase	1,404
2/10/2014	Purchase	100
2/10/2014	Purchase	3,496
2/11/2014	Purchase	2,200
2/12/2014	Purchase	965
2/13/2014	Purchase	135
2/14/2014	Purchase	2,700
2/18/2014	Purchase	300
2/19/2014	Purchase	600
2/20/2014	Purchase	200
3/4/2014	Purchase	900
3/6/2014	Purchase	100
3/12/2014	Purchase	6,900
3/13/2014	Purchase	2,000
3/17/2014	Purchase	1,843
3/18/2014	Purchase	1,157
3/19/2014	Purchase	3,000
3/20/2014	Purchase	1,300
3/21/2014	Purchase	100
3/24/2014	Purchase	200
3/25/2014	Purchase	100
4/4/2014	Purchase	300
4/10/2014	Purchase	200
4/11/2014	Purchase	200
4/14/2014	Purchase	606
4/15/2014	Purchase	294
4/16/2014	Purchase	400
4/17/2014	Purchase	1,300
4/22/2014	Purchase	1,100

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4/23/2014	Purchase	1,300
4/24/2014	Purchase	100
4/28/2014	Purchase	100
4/29/2014	Purchase	100
4/30/2014	Purchase	400
5/1/2014	Purchase	100
5/6/2014	Purchase	100
5/19/2014	Purchase	500
5/20/2014	Purchase	100
5/22/2014	Purchase	1,200
5/28/2014	Purchase	100
5/29/2014	Purchase	1,800
5/30/2014	Purchase	1,000
6/2/2014	Purchase	200
6/6/2014	Purchase	1,000
6/9/2014	Purchase	300
6/11/2014	Purchase	1,000
6/12/2014	Purchase	1,100
6/13/2014	Purchase	219
6/16/2014	Purchase	281
6/18/2014	Purchase	900
6/20/2014	Purchase	100
6/23/2014	Purchase	100
7/1/2014	Purchase	100
7/7/2014	Purchase	100
8/25/2014	Purchase	100
8/26/2014	Purchase	100
8/27/2014	Purchase	100
9/2/2014	Purchase	100
9/3/2014	Purchase	100
9/15/2014	Purchase	100
10/6/2014	Sale	2,810
10/17/2014	Purchase	110
10/20/2014	Purchase	100
10/23/2014	Purchase	100
10/28/2014	Purchase	200
11/19/2014	Sale	1,550
2/4/2015	Purchase	150
2/5/2015	Purchase	100
2/9/2015	Purchase	100
2/10/2015	Purchase	100
2/11/2015	Purchase	100
2/17/2015	Purchase	100
2/19/2015	Purchase	100
3/13/2015	Purchase	100
3/16/2015	Purchase	100

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Lee G. Beaumont c/o D.F. King

48 Wall Street, New York, NY 10005

VOTE BY INTERNET [•]

Use the Internet to transmit your voting instructions up until [•]. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

VOTE BY PHONE [•]

Use any touch-tone telephone to transmit your voting instructions up until [•]. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope that has been provided or return it to Lee G. Beaumont c/o D.F. King at 48 Wall Street, New York, NY 10005.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS
FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

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GOLD PROXY CARD

Lee G. Beaumont strongly recommends that you vote FOR him election to the Board in Proposal 1:

1.	To elect Lee G. Beaumont to the Board	For	Withhold
	Nominee: (01) Lee G. Beaumont	o	o

Two directors will be elected at the Annual Meeting. Mr. Beaumont intends to use this proxy to vote FOR him election as a director and FOR the election of the candidate who has been nominated by the Company other than Mr. Thomas W. Orr. The names, backgrounds and qualifications of the Company's nominees, and certain other information about them, can be found in the Company Proxy Statement. There is no assurance that either of the Company's nominees will serve as a director if Mr. Beaumont is elected.

Note: Mr. Beaumont is not seeking authority to vote for, and will not vote for, Mr. Thomas W. Orr. If you do not wish for your shares to be voted for the Company's other nominee, you may withhold authority to vote for him by writing his name on the line below.

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Lee G. Beaumont recommends that you vote AGAINST Proposal 2:		For	Against	Abstain
2.	To approve the compensation of the Company's named executive officers as described in the Company Proxy Statement.	o	o	o
Lee G. Beaumont recommends that you vote FOR Proposal 3:				
3.	To ratify the selection of BDO USA, LLP as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2015.	o	o	o

NOTE: To transact such other business as may properly come before the reconvened Annual Meeting or any other adjournment or postponement of the Annual Meeting.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized person.

Signature (PLEASE SIGN WITHIN BOX)	Date	Signature (Joint Owners)	Date
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AEROCENTURY CORP.

Annual Meeting of Stockholders

May 7, 2015 at 12:00 p.m. local time

This gold proxy is solicited by Lee G. Beaumont

The Board of Directors of AeroCentury Corp. is not soliciting this proxy

The undersigned hereby constitutes and appoints Lee G. Beaumont and Richard Grubaugh, and each of them, with full power to act without the other, as attorney, agent and proxy, with full power of substitution, to represent and vote all of the shares of common stock of AeroCentury Corp. (the Company) which the undersigned is entitled to vote at the annual meeting of stockholders (the Annual Meeting) of the Company in such manner as the persons named as proxies herein may determine on any matters which may properly come before the Annual Meeting or any adjournments thereof and to vote on the matters set forth on the reverse side as directed by the undersigned. The Annual Meeting is scheduled to be held on Thursday, May 7, 2015. The undersigned hereby revokes any proxies previously given.

THIS PROXY WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN, WILL BE VOTED FOR THE ELECTION OF LEE G. BEAUMONT AND FOR THE ELECTION OF THE NOMINEE OF THE COMPANY OTHER THAN MR. THOMAS W. ORR, AGAINST PROPOSAL 2, AND FOR PROPOSAL 3. EACH PERSON NAMED AS A PROXY HEREIN IS AUTHORIZED TO VOTE IN HIS OR HER DISCRETION UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENTS THEREOF.

Continued and to be signed on reverse side
