UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report: **November 6, 2013**

Willis Lease Finance Corporation
(Exact Name of Registrant as Specified in Charter)

Delaware	001-15369	68-0070656
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

773 San Marin Drive, Suite 2215
Novato, California 94998
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(415) 408-4700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Item 8.01 Other Events.

Willis Lease Finance Corporation (the "Company") previously disclosed, in its report on Form 10-Q filed on November 7, 2013, that the Company entered into an Asset Purchase Agreement for the purchase of certain assets from related party, J.T. Power. On November 6, 2013, the Company issued a news release announcing the acquisition of most of J.T. Power's inventory of aviation material and aircraft engine assets, as well as the Company's launch of a new, wholly-owned subsidiary, Willis Aeronautical Services, Inc., in connection with that acquisition.

A copy of the news release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This Amendment No. 1 amends the Current Report on Form 8-K filed on November 12, 2013 to provide the financial information required by Item 9.01 of Form 8-K, which was omitted from the initial filing as permitted under Items 9.01(a)(4) and 9.01(b)(2) of Form 8-K.

Item 9.01 Financial Statements & Exhibits.

(a) Financial statements of business acquired

Attached hereto as Exhibit 99.2 and incorporated herein by reference are the audited consolidated financial statements and related notes of JT Power, LLC and subsidiaries for the year ended December 31, 2012.

Attached hereto as Exhibit 99.3 and incorporated herein by reference are the audited consolidated financial statements and related notes of JT Power, LLC and subsidiaries for the year ended December 31, 2011.

Attached hereto as Exhibit 99.4 and incorporated herein by reference are the unaudited condensed consolidated statements of income, owners' equity(deficiency), cash flows and related notes of JT Power, LLC and subsidiaries for the nine months ended September 30, 2013 and 2012 and balance sheets as of September 30, 2013 (unaudited) and December 31, 2012.

(b) Pro forma financial information

Attached hereto as Exhibit 99.5 and incorporated herein by reference, we are furnishing the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2013 and for the fiscal year ended December 31, 2012 and the unaudited pro forma condensed combined balance sheet as of September 30, 2013.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of Marcum LLP.
23.2	Consent of AKT LLP.
99.1	Press Release issued by Willis Lease Finance Corporation, dated November 6, 2013.
99.2	Audited consolidated financial statements and related notes of JT Power as of and for the year ended December 31, 2012.
99.3	Audited consolidated financial statements and related notes of JT Power as of and for the year ended December 31, 2011.
99.4	Unaudited condensed consolidated statements of income, owners' equity(deficiency), cash flows and related notes of JT Power as of and for the nine months ended September 30, 2013 and 2012 and balance sheets as of September 30, 2013 (unaudited) and December 31, 2012.
99.5	Unaudited pro forma condensed combined income statement for the nine months ended September 30, 2013 and the fiscal year ended December 31, 2012 and unaudited condensed combined balance sheet as of September 30, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated January 14, 2014

WILLIS LEASE FINANCE CORPORATION

By: /s/ Bradley S. Forsyth
Bradley S. Forsyth
Senior Vice President and
Chief Financial Officer

Exhibit 23.1

INDEPENDENT ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Current Report of Willis Lease Finance Corporation on Form 8-K/A (Amendment No. 1) of our report dated April 30, 2013 with respect to our audit of the consolidated financial statements of JT Power, LLC as of December 31, 2012 and for the year ended December 31, 2012.

/s/ Marcum LLP

Marcum LLP
West Palm Beach, FL
January 14, 2014

Exhibit 23.2

INDEPENDENT ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Current Report of Willis Lease Finance Corporation on Form 8-K/A (Amendment No. 1) of our report dated July 13, 2012 with respect to our audit of the consolidated financial statements of JT Power, LLC as of December 31, 2011 and for the year ended December 31, 2011.

/s/ AKT LLP

AKT LLP
Carlsbad, CA
January 14, 2014

Exhibit 99.1

The Cereghino Group
Corporate Investor Relations
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Willis Lease
Power to Spare – Worldwide®

NEWS RELEASE

CONTACT: Brad Forsyth
Chief Financial Officer
(415) 408-4700

Willis Lease Launches Total Aftermarket Support Solution; Forms Aviation Materials and Services Subsidiary

NOVATO, CA – November 6, 2013 – Willis Lease Finance Corporation (NASDAQ: WLFC), the premier independent jet engine lessor in the commercial finance sector, today announced the launch of Willis Aeronautical Services, Inc. ("WASI"), a new wholly-owned subsidiary which will provide 'end-of-life' solutions for aviation materials and services related to aircraft engines. In conjunction with the formation of WASI, Willis Lease acquired most of the assets and hired the team of professionals from JT-Power, LLC ("JT-Power"), a leader in supplying aftermarket material and services to the aviation industry. The new subsidiary will be based in the former JT-Power facility in Boynton Beach, Florida.

"The launch of WASI positions Willis Lease at the forefront of providing end-of-life solutions for the growing supply of surplus aircraft, while solidifying its premier position in the engine leasing business," said Charles F. Willis IV, Chairman and CEO. "Vertical integration at aviation leasing firms, combining aftermarket sales and trading of engine material, is becoming commonplace in our industry, as demonstrated by Lufthansa Technik AG's recent announced 15% investment in AeroTurbine, an end-of-life solutions subsidiary of International Lease Finance Corporation. We see this as an opportunity to better manage the full lifecycle of our assets, enhance the returns on our engine portfolio and create incremental value for our shareholders. We are pleased to welcome the JT-Power staff to our team and look forward to expanding our services to customers at both firms."

Willis Lease acquired most of JT-Power's inventory of aviation material and aircraft engine assets for a total consideration of $5.9 million. Included in the purchased assets are approximately $3.0 million in inventories. The purchase price was established by analysis of other similar transactions in the market, third party evaluations of inventory acquired, and a third party business valuation from a leading expert in the aviation industry. The transaction is expected to be accretive to earnings.

"Historically, we have paid third parties 20-25% of the remaining value of an engine to disassemble it and sell the parts," said Donald A. Nunemaker, President. "Engine material has significant value, even after an engine can no longer be economically overhauled and used on an aircraft. The creation of WASI, coupled with JT-Power's assets and experienced professionals, gives us the capability to better control the processes and the costs associated with managing, not just our own end-of-life engines, but also those of our customers."

Industry veteran Ian McDonald, currently President of JT-Power, will become President of WASI and lead the new subsidiary. "Our services will be focused initially on narrow body and wide body engines consisting of CFMI, Pratt & Whitney, Rolls Royce, International Aero Engines and General Electric aircraft and engines" said McDonald. "Having worked with the JT-Power team for many years, I am confident our expertise will complement the professionals at Willis Lease and help both companies offer customers more cost effective solutions for both engine leasing and aircraft fleet material needs, all in one place."

About Willis Lease Finance Corporation

Willis Lease Finance Corporation leases spare commercial aircraft engines and aircraft to commercial airlines, aircraft engine manufacturers, air cargo carriers and maintenance, repair and overhaul facilities worldwide. These leasing activities are integrated with the purchase and resale of used and refurbished commercial aircraft engines and aircraft. Willis Lease has one of the largest and most diverse engine portfolios in the industry, with more than $1 billion US in total assets.

Note: Transmitted on GlobeNewswire on November 6, 2013, at 2:00 p.m. PDT.

Exhibit 99.2

JT POWER GROUP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

INDEPENDENT AUDITORS' REPORT

To the Member
JT Power Group
Boynton Beach, FL

Report on the Financial Statements

We have audited the accompanying consolidated balance sheet of JT Power Group as of December 31, 2012 and the related consolidated statements of operations, owner's deficiency and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of JT Power Group as of December 31, 2012, and the consolidated results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses from operations, has an owner's deficiency and has significant amounts of non recourse debt in default. Management's plans in regard to these matters are also described in Note 2. Our opinion is not modified with respect to this matter.

/s/ Marcum LLP
West Palm Beach, FL
April 30, 2013

JT POWER GROUP

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2012

Assets		
Current Assets		
Cash	$ 490,709	
Restricted cash	209,547	
Accounts receivable, net of allowance for doubtful accounts of approximately $6,699,000	1,685,509	
Inventories	3,706,240	
Repair costs on consignment inventories	722,257	
Current portion of due from related party	60,000	
Total Current Assets		$ 6,874,262
Property and Equipment, Net		135,896
Deposits		63,873
Due from Related Party, Net of Current Portion		258,966
Investment in Affiliate, at Cost		97,291
Total Assets		$ 7,430,288

The accompanying notes are an integral part of these consolidated financial statements.

JT POWER GROUP

CONSOLIDATED BALANCE SHEET (CONTINUED)

DECEMBER 31, 2012

Liabilities and Owner's Deficiency		
Current Liabilities		
Accounts payable and accrued expenses	$ 1,498,461	
Due to affiliate	748,327	
Customer deposits	300,000	
Due to primary creditor	13,549,247	
Current portion of capital lease obligation	5,962	
Current portion of related party note payable	108,955	
Total Current Liabilities		$ 16,210,952
Related Party Note Payable, Net of Current Portion		1,115,483
Capital Lease Obligation Net of Current Portion		14,469
Deferred Rent Liability		355,523
Total Liabilities		17,696,427
Owner's Deficiency		
Noncontrolling Interest	27,596	
Members' Deficiency	(10,293,735)	
Total Owner's Deficiency		(10,266,139)
Total Liabilities and Owner's Deficiency		$ 7,430,288

The accompanying notes are an integral part of these consolidated financial statements.

JT POWER GROUP

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

Revenues		
Jet engines, airframes and parts	$ 3,906,382	
Consignment	3,733,490	
Total Revenues		$ 7,639,872
Cost of Sales		
Jet engines, airframes and parts	4,020,674	
Inventory valuation adjustment	6,192,298	
Repair costs on consignment inventories	2,208,506	
Total Cost of Sales		12,421,478
Gross Margin Deficit		(4,781,606)
Operating Costs and Expenses		
Loss on impairment of property and equipment	7,526,252	
Salaries and benefits	1,402,760	
Rent	668,861	
Consulting	334,814	
Insurance	318,221	
Provision for bad debt	263,096	
Miscellaneous and moving expenses	258,336	
Travel and entertainment	222,677	
Legal	148,581	
Shipping and handling	119,598	
Accounting	90,937	
Utilities	73,746	
Office expenses	68,999	
Computer	61,086	
Depreciation	52,500	
Taxes	34,609	
Repairs and maintenance	34,023	
Bank charges	27,187	
Advertising	14,664	
Commissions	8,224	
Total Operating Costs and Expenses		$ 11,729,171

The accompanying notes are an integral part of these consolidated financial statements.

JT POWER GROUP

CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Loss from Operations		$ (16,510,777)
Other Income (Expense)		
Gain on forgiveness of debt	$ 29,549,948	
Loss on disposal of property and equipment	(9,221)	
Interest expense	(746,132)	
Interest expense - related party	(63,560)	
Other income	276,487	
Total Other Income (Expense)		29,007,522
Net Income		12,496,745
Net Income Attributable to Noncontrolling Interest in Variable Interest Entity		27,596
Net Income Attributable to JT Power, LLC and Subsidiaries		$ 12,469,149

The accompanying notes are an integral part of these consolidated financial statements.

JT POWER GROUP

CONSOLIDATED STATEMENT OF OWNERS' DEFICIENCY

FOR THE YEAR ENDED DECEMBER 31, 2012

	Members' Deficiency	Noncontrolling Interest	Total
Balance - December 31, 2011	$ (21,880,501)	$ —	$ (21,880,501)
Deconsolidation of AMI on January 1, 2012	(219,901)	—	(219,901)
Net income	12,469,149	27,596	12,496,745
Distributions	(662,482)	—	(662,482)
Balance - December 31, 2012	$ (10,293,735)	$ 27,596	$ (10,266,139)

The accompanying notes are an integral part of these consolidated financial statements.

JT POWER GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows From Operating Activities		
Net income		$ 12,496,745
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Loss on impairment of property and equipment	$ 7,526,252	
Inventory valuation adjustment	6,192,298	
Depreciation	52,500	
Provision for bad debt	263,096	
Loss on disposal of property and equipment	9,221	
Gain on forgiveness of debt	(29,549,948)	
Deferred rent	255,523	
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Restricted cash	(57,971)	
Accounts receivable	2,246,416	
Inventories	678,275	
Repair costs on consignment inventories	1,068,003	
Deposits and prepaid expenses	30,353	
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,121,330)	
Due to affiliate related to consignment sales	748,327	
Deferred rent liability	100,000	
Total Adjustments		(11,558,985)
Net Cash and Cash Equivalents Provided By Operating Activities		937,760
Cash Flows From Investing Activities		
Increase in due from related party	(1,614)	
Acquisition of property and equipment	(47,083)	
Investment in affiliate	(97,291)	
Net Cash and Cash Equivalents Used In Investing Activities		(145,988)

The accompanying notes are an integral part of these consolidated financial statements.

JT POWER GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash Flows From Financing Activities		
Member distributions	$ (662,482)	
Principal payments on capital lease obligation	(5,076)	
Principal payments on related party note payable	(77,562)	
Net Cash and Cash Equivalents Used in Financing Activities		$ (745,120)
Net Increase in Cash and Cash Equivalents		46,652
Cash and Cash Equivalents - Beginning		444,057
Cash and Cash Equivalents - Ending		$ 490,709
Supplemental Disclosures of Cash Flow Information		
Income tax paid		$ —
Interest paid		$ 661,804
Non-Cash Investing and Financing Activities		
Deconsolidation of AMI		$ 219,901
Transfer of property and equipment to inventories		$ 855,000
Repayment of amount due to primary creditor with proceeds from sale of inventories		$ 995,000
Payment of fixed asset acquisitions by primary creditor		$ 261,556
Property and equipment financed through capital lease obligation		$ 25,507
Repayment of amount due to primary creditor using proceeds from collection on receivables		$ 722,646

The accompanying notes are an integral part of these consolidated financial statements.

JT POWER GROUP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF THE BUSINESS

JT Power, LLC ("JT Power") commenced operations on January 26, 2004 under the laws of the State of California as a limited liability company. During 2012, the Company moved its headquarters from Poway, California to Boynton Beach, Florida. As of December 31, 2012, JT Power's wholly owned subsidiaries include:

- JT Power Megatron 10, LLC
- JT Power Megatron 12, LLC
- JT Power Megatron 14, LLC
- JT Power Megatron 16, LLC
- JT Power Daedalus 1, LLC
- JT Power Daedalus 2, LLC
- JT Power Daedalus 3, LLC
- AWPW1, LLC

The Company through its wholly owned subsidiaries supplies products and services to the global aviation and aerospace industry. The Company focuses primarily on selling jet engine parts.

REPORTING ENTITY

The consolidated financial statements of JT Power Group include the accounts of JT Power, its wholly owned subsidiaries and AW Aviation Investments, LLC ("AW Aviation"), a commonly owned affiliate required to be consolidated in accordance with generally accepted accounting principles (collectively the "Company"). All significant intercompany transactions and balances have been eliminated in consolidation.

DECONSOLIDATION OF SUBSIDIARY

The Company maintained a 51% interest in Aviation Management, Inc. ("AMI") as of December 31, 2011. On January 1, 2012, JT Power assigned its 51% interest in Aviation Management, Inc. to its managing member individually and no longer maintained an ownership interest in AMI. Accordingly, the Company's investment in AMI is recorded as deconsolidation of Aviation Management Inc. in the accompanying consolidated statement of deficiency. Amounts due from AMI are recorded as due from related party on the accompanying consolidated balance sheet (see Note 6).

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONSOLIDATION OF VARIABLE INTEREST ENTITY

The Company follows guidance which requires an enterprise to perform an analysis to determine whether the enterprise's variable interest or interests give it a controlling financial interest in a variable interest entity. This analysis identifies the primary beneficiary of a variable interest entity as the enterprise that has (i) the power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance, and (ii) the obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. In addition, this guidance (i) requires ongoing assessments of whether an entity is the primary beneficiary of a variable interest entity, (ii) eliminates the quantitative approach for determining the primary beneficiary of a variable interest entity, (iii) and amends certain guidance for determining whether an entity is a variable interest entity.

JT Power purchases inventories and pays certain costs on behalf of AW Aviation, an affiliate under common control. In addition, AW Aviation does not have any employees and any sales to customers are generated through JT Power. AW Aviation meets the definition of a variable interest entity and JT Power is the primary beneficiary, thereby in accordance with the consolidation accounting guidance, AW Aviation is included in the Company's consolidated financial statements.

AW Aviation assets consist of accounts receivable, inventories and investments in affiliate totaling approximately $816,000 as of December 31, 2012. AW Aviation does not have any liabilities as of December 31, 2012.

REVENUE RECOGNITION

Revenue is recognized when all of the following conditions exist: (i) persuasive evidence of an arrangement exists (ii) delivery has occurred (iii) the sales price is fixed or determinable and (iv) collectability is reasonably assured. Revenue is recognized based on the shipping terms as agreed to by the customer. The Company does not offer a right of return.

Consignment revenues represent fees earned on sales of consigned inventories maintained by the Company. Fees earned vary based on the respective consignment agreement and certain repair costs incurred on behalf of the consignor are recognized in revenue and cost of sales prior to calculating the consignment fee, as defined.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

The consignment agreements expire at various times through 2015 and include renewal terms as defined in the respective agreement. Approximately $317,000 was due to consignors as of December 31, 2012 which is presented in accounts payable and accrued expenses in the accompanying consolidated balance sheet.

INVENTORIES

Inventories consist primarily of jet engines, airframes and parts and are valued at the lower of cost, with cost determined using the specific identification method, or market. The Company regularly reviews inventory on hand and writes down to its net realizable value any inventory believed to be impaired.

During 2012, the Company recorded charges of approximately $6,192,000 to write down inventories to their estimated net realizable value as of December 31, 2012. The impairment charge is recorded in cost of sales as inventory valuation adjustment on the accompanying consolidated statement of operations.

REPAIR COSTS ON CONSIGNMENT INVENTORIES

Repair costs incurred on consignment inventories on behalf of the consignor are capitalized and recorded as repair costs on consignment inventories in the accompanying consolidated balance sheet. When consigned jet engine parts are shipped to the customer, any repair costs associated with the part are reduced from repair costs on consignment inventories and charged to cost of sales in the accompanying consolidated statement of operations.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized on the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Maintenance and repairs are expensed as incurred; expenditures that enhance the value of property or extend their useful lives are capitalized. When assets are sold or returned, the cost and the related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in operations.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-LIVED ASSETS

The Company evaluates its long-lived assets for possible impairment whenever circumstances indicate that the carrying amount of the asset, or related group of assets, may not be recoverable from estimated future cash flows in accordance with accounting guidance. If circumstances suggest the recorded amounts cannot be recovered, based upon estimated future undiscounted cash flows, the carrying values of such assets are reduced to fair value.

Prior to the year ended December 31, 2012, the Company leased jet engines and aircraft under operating lease agreements which was recorded in property and equipment in the accompanying consolidated balance sheet. The Company conducted an impairment evaluation and the remaining engines and aircraft were determined to be impaired resulting in an impairment charge of approximately $7,526,000 for the year ended December 31, 2012 which is presented in loss on impairment of property and equipment in the consolidated statement of operations.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk are cash and cash equivalents and accounts receivable.

CASH AND CASH EQUIVALENTS

The Company maintains its cash and cash equivalents with financial institutions which balances from time to time, may exceed the federally insured limits. Federally insured limits are $250,000 for interest and non-interest bearing deposits. At December 31, 2012, approximately $307,000 was in excess of federally insured limits.

ACCOUNTS RECEIVABLE

The Company does business and extends credit based on an evaluation of the customers' financial condition, generally without requiring collateral. Exposure to losses on receivables is expected to vary by customer due to the financial condition of each customer. The Company monitors exposure to credit losses and maintains allowances for anticipated losses considered necessary under the circumstances.

INCOME TAXES

For federal income tax purposes, the Company is not subject to income taxes in any jurisdiction. The managing member is responsible for the tax liability, if any, related to the Company's taxable income. For state income tax purposes, California law requires a minimum annual tax of $800 in addition to a fee based on total revenue. The Company and its subsidiaries have net operating losses to offset any income tax expense in the current year, accordingly, no provision for state income taxes is made in the consolidated financial statements.

The Company has concluded that JT Power, its wholly owned subsidiaries and AW Aviation are pass-through entities and there are no uncertain tax positions that would require recognition in the consolidated financial statements. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the Company's tax returns for three years from the date of filing and the current and prior three years remain subject to examination as of December 31, 2012.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING LEASES

Rent expense for operating leases which contain escalating rental clauses and certain rent abatement provisions and incentives is recorded on a straight-line basis over the lease term. The difference between rent expense and rent paid is recorded as a deferred rent liability in the accompanying consolidated balance sheet. The deferred rent liability was approximately $356,000 as of December 31, 2012.

ADVERTISING COSTS

Advertising costs are charged to expense as incurred. Total advertising costs were approximately $15,000 for the year ended December 31, 2012.

SHIPPING AND HANDLING

Shipping and handling costs are charged to expense as incurred and amounted to approximately $120,000 for the year ended December 31, 2012 which is presented in shipping and handling expenses in the accompanying consolidated statement of operations.

SUBSEQUENT EVENTS

The Companies have evaluated subsequent events through April 30, 2013, which is the date the consolidated financial statements were available to be issued.

NOTE 2 —LIQUIDITY AND PROFITABILITY CONSIDERATIONS

OVERVIEW

As reflected in the accompanying consolidated balance sheet, the Company had owner's deficiency of approximately $10,300,000 and a working capital deficiency of approximately $9,300,000 primarily related to approximately $13,600,000 due to its primary creditor ("Primary Creditor") (see Note 5) as of December 31, 2012. The Company is currently in default under the amounts Due to Primary Creditor. The amounts Due to Primary Creditor are non-recourse to the general credit of JT Power, LLC.

NOTE 2 —LIQUIDITY AND PROFITABILITY CONSIDERATIONS (CONTINUED)

OVERVIEW (CONTINUED)

During the year ended December 31, 2012, Primary Creditor forgave the following amounts due under certain notes payable agreements:

	Amount
JT Power Megatron 9, LLC	$ 6,987,885
JT Power Megatron 10, LLC	5,643,275
JT Power Megatron 12, LLC	15,068,238
JT Power Megatron 14, LLC	1,390,951
JT Power Megatron 16, LLC	459,599
Gain on Forgiveness of Debt	$ 29,549,948

All assets in JT Power Megatron 9, LLC were sold during the year and proceeds from the sales were used to pay down the outstanding amount Due to Primary Creditor. The remaining balance was forgiven by Primary Creditor during 2012. In addition, during the year ended December 31, 2012, the Company collected the outstanding financed receivable on JT Power Megatron 15, LLC and proceeds were used to pay off the amount Due to Primary Creditor. These entities were legally dissolved in late 2012.

In addition, during the year ended December 31, 2011, Primary Creditor foreclosed on certain wholly owned subsidiaries of the Company and assets from the foreclosed entities became the property of Primary Creditor and are being sold on a consignment basis through the Company. During the year ended December 31, 2012, net sales from this consigned inventory totaled approximately $688,000 and receipts from the sales were used to pay certain operating costs of the Company.

Management's plans with regard to these matters encompass the following actions:

EQUITY CAPITAL

The Company's business plan includes raising additional funds from its managing member or through certain other parties to provide working capital and expansion of its business operations.

NOTE 2 —LIQUIDITY AND PROFITABILITY CONSIDERATIONS (CONTINUED)

RESTRUCTURING OF AMOUNTS DUE TO PRIMARY CREDITOR

The Company is currently in negotiations with Primary Creditor to purchase all Primary Creditor related inventories and settle the outstanding amounts Due to Primary Creditor. Management expects the settlement will be finalized during the year ended December 31, 2013 and believes the settlement provides the Company excess liquidity and will restore the positive equity position of the Company.

PROFITABILITY

During the year ended December 31, 2012, the Company incurred additional costs as a result of the relocation of its headquarters from California to Boynton Beach, Florida. Management believes the full effects from the move, including reduced operating costs related to rent, payroll, utilities and taxes, will provide for increased profitability in the future.

SUMMARY

Management believes that the actions presently being taken by the Company will provide sufficient liquidity for the Company to continue to execute its business plan. However, there can be no assurances that management's plans will be achieved.

NOTE 3 — PROPERTY AND EQUIPMENT, NET

	Amount	Estimated Useful Lives
Furniture and fixtures	$ 200,225	5-7 years
Computer equipment and software	151,955	3 years
	352,180	
Less: accumulated depreciation	(216,284)	
Property and Equipment, Net	$ 135,896	

Depreciation expense was approximately $53,000 for the year ended December 31, 2012.

NOTE 4 —RESTRICTED CASH

The Company is required to maintain bank accounts (the “Control Accounts”) under the control of its Primary Creditor. Customer payments are deposited directly into the Control Accounts and used to pay consignor fees and interest and principal on the notes payable. Approximately $210,000 was in restricted cash as of December 31, 2012.

NOTE 5 — DUE TO PRIMARY CREDITOR

The amounts due to JT Power’s primary creditor (“Primary Creditor”) as of December 31, 2012 include the following which are non recourse to the general credit of JT Power.

The Company is in default under the JT Power Megatron 12, LLC note payable agreement and outstanding principal and interest totaling $15,068,238 was forgiven by Primary Creditor as of December 31, 2012 (see Note 2). The remaining balance no longer accrues interest, is due on demand and is secured by certain inventories and the outstanding insurance settlement (see Note 7).	$	1,323,507
The Company is in default under the JT Power Megatron 10, LLC note payable agreement and outstanding principal and interest totaling $5,643,275 was forgiven by Primary Creditor as of December 31, 2012 (see Note 2). The remaining balance no longer accrues interest, is due on demand and is secured by certain inventories.		375,000
The Company is in default under the JT Power Megatron 14, LLC note payable agreement and outstanding principal and interest totaling $1,390,951 was forgiven by Primary Creditor as of December 31, 2012 (see Note 2). The remaining balance no longer accrues interest and is due on demand.		3,843,738
The Company is in default under the JT Power Megatron 16, LLC note payable agreement and outstanding principal and interest totaling $459,599 was forgiven by Primary Creditor as of December 31, 2012 (see Note 2). The remaining balance no longer accrues interest and is due on demand.		1,156,262
Subtotal (Forward)	$	6,698,507

NOTE 5 — DUE TO PRIMARY CREDITOR

Subtotal (Forward)	$	6,698,507
The Company is in default under the JT Power Daedalus 3, LLC note payable agreement and outstanding principal and interest are due on demand (see Note 2). Interest accrues at 13% per annum. The note payable is secured by the assets of JT Power Daedalus 3, LLC and contains certain cross default provisions with the other Daedalus entities as defined.		1,412,916
The Company is in default under the JT Power Daedalus 2, LLC note payable agreement and outstanding principal and interest are due on demand (see Note 2). Interest accrues at 13% per annum. The note payable is secured by the assets of JT Power Daedalus 2, LLC and contains certain cross default provisions with the other Daedalus entities as defined.		3,923,098
The Company is in default under the JT Power Daedalus 1, LLC note payable agreement and outstanding principal and interest are due on demand (see Note 2). Interest accrues at 13% per annum. The note payable is secured by substantially all of the assets of JT Power Daedalus 1, LLC and contains certain cross default provisions with the other Daedalus entities as defined.		92,053
Service Fee Advances and Accounts Payable		1,282,276
Interest Payable		140,397
Total Due to Primary Creditor	$	13,549,247

NOTE 6 — RELATED PARTY TRANSACTIONS

DUE FROM AVIATION MANAGEMENT, INC.

The Company does business with Aviation Management, Inc. ("AMI"), an entity with common ownership which qualifies as a variable interest entity (see Note 1). The managing member individually, not the Company, bears exposure to losses and maintains control over AMI and therefore the managing member is determined to be the primary beneficiary of the variable interest entity. Accordingly, AMI was not consolidated in accordance with generally accepted accounting principles and accounting guidance. Approximately $319,000 was due from AMI as of December 31, 2012 which is presented as due from related party on the accompanying consolidated balance sheet.

NOTE 6 — RELATED PARTY TRANSACTIONS (CONTINUED)

WILLIS LEASING FINANCE CORPORATION CONSIGNMENT AGREEMENT

The Company maintains inventory of five engines for Willis Leasing Finance Corporation ("WLFC") under consignment agreements (the "consignment agreements"). The President and CEO of WLFC is a relative of the Company's managing member and the managing member is also a board member of WLFC. Pursuant to the consignment agreements, the Company receives a commission, as defined, for selling inventories on behalf of WLFC which is recorded as consignment revenues on the accompanying consolidated statement of operations. For the year ended December 31, 2012 consignment revenue related to the sale of WLFC inventories totaled approximately $22,000. Approximately $500 was due from WLFC related to consignment sales as of December 31, 2012.

In accordance with the consignment agreements, the Company guaranteed net proceeds of $4,000,000 to be paid to WLFC over a consecutive four year period ended December 31, 2011. The Company did not meet the minimum guarantee as of December 31, 2011 and accordingly recorded the shortfall totaling approximately $1,302,000 as of December 31, 2011.

In March 2012, the Company entered into the Omnibus Amendment to the Engine Consignment Agreements (the "Amendment") and agreed to pay the shortfall over a five year period. Payments of $45,000 including interest at a rate of 6% per annum are payable quarterly with outstanding principal and interest due in March 2017. The Company incurred interest expense on its related party note payable of approximately $64,000 for the year ended December 31, 2012. Future maturities of the related party note payable are as follows:

For the Year Ended December 31,	Amount
2013	$ 108,955
2014	115,638
2015	122,736
2016	130,267
2017	746,842
Total	$ 1,224,438

In addition, pursuant to the Amendment, the Company agreed to guarantee proceeds from future sales of consigned inventories totaling approximately $223,000 through March 2017.

NOTE 6 — RELATED PARTY TRANSACTIONS (CONTINUED)

WILLIS LEASING FINANCE CORPORATION CONSIGNMENT AGREEMENT (CONTINUED)

If the amount received from sales under the Amendment is less than $223,000, the difference will be added to the final payment due under the related party note payable. Approximately $153,000 is remaining under the guarantee as of December 31, 2012.

AWJR1, LLC CONSIGNMENT AGREEMENT

The Company maintains a consignment agreement with AWJR1, LLC ("AWJR1"), an entity under common ownership. Pursuant to the consignment agreement, the Company receives a commission, as defined, for selling inventories on behalf of AWJR1 which is recorded as consignment revenues on the accompanying consolidated statement of operations. For the year ended December 31, 2012 consignment revenue related to the sale of AWJR1 inventories totaled approximately $122,000. Approximately $2,900 was due from AWJR1 as of December 31, 2012.

INVESTMENT IN AFFILIATE, AT COST

On October 3, 2012 AW Aviation and BasePoint Aviation II, LLC ("BasePoint") entered into a Limited Liability Company Operating Agreement (the "Agreement") and formed AWBP, LLC. In accordance with the Agreement, AW Aviation and BasePoint agreed to purchase 10 jet engines for a purchase price of $2,950,000. Capital for the acquisition was provided by BasePoint and BasePoint is required to provide additional capital contributions not to exceed $300,000. AW Aviation maintains the inventories of AWBP, LLC in its warehouse, pays certain costs related to the tear down and repair of the engines on behalf of AWBP, LLC and is entitled to a management fee as defined. BasePoint maintains control over AWBP, LLC and is deemed to be the primary beneficiary of the variable interest entity (see Note 1), accordingly AWBP, LLC is not consolidated in the accompanying consolidated financial statements.

The Company owns 3% of AWBP, LLC at December 31, 2012. As such, the investment is carried at cost and reviewed for impairment annually.

The Company's investment in AWBP, LLC as of December 31, 2012 was approximately $97,000 which is presented as investment in affiliate on the accompanying consolidated balance sheet. Management fees earned by AW Aviation on sales of AWBP, LLC inventories were approximately $32,000 for the year ended December 31, 2012 which are presented in consignment revenues in the accompanying consolidated statement of operations. Approximately $748,000 was due to AWBP, LLC as of December 31, 2012 related to sales of consigned inventories which is presented as due to affiliate on the accompanying consolidated balance sheet. Approximately $640,000 has been paid to AWBP subsequent to year end.

NOTE 7 — COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

During the year ended December 31, 2012, the Company leased office and warehouse space in Poway, California. On August 22, 2012, the Company entered into an early termination agreement with the landlord and agreed to settle the remaining payments due under the remaining lease term net of its security deposit totaling approximately $172,000 which is recorded in rent expense on the accompanying consolidated statement of operations. Payments of $10,728 are payable through January 1, 2014.

In September 2011, the Company entered into a lease agreement for 30,000 square feet of office and warehouse space in Boynton Beach, Florida. The agreement provides for a $100,000 lease incentive payment for moving expenses incurred from the relocation of its warehouse and office space from Poway, California, includes certain rent abatement provisions and requires monthly payments of $13,125 adjusted annually, as defined, through September 2019.

In June 2012, the Company amended the lease agreement expanding its leased space by approximately 9,600 square feet. The amendment contains certain rent abatement and escalation provisions and requires payments of $4,200 beginning in March 2013. Future minimum payments are estimated as follows:

For the Year Ended December 31,		**Amount**
2013	$	335,000
2014		230,000
2015		226,000
2016		233,000
2017		240,000
Thereafter		425,000
Total	$	1,689,000

NOTE 7 — COMMITMENTS AND CONTINGENCIES (CONTINUED)

OPERATING LEASES (CONTINUED)

Rent expense including the early termination settlement was approximately $669,000 for the year ended December 31, 2012.

CAPITAL LEASE OBLIGATION

The Company leases computer equipment requiring monthly payments of approximately $600 under a capital lease obligation expiring in March 2016. The net book value of these capital lease assets are summarized in Note 4. Future minimum payments under capital leases are approximately $6,000, $6,400, $6,800 and $1,200 for the years ended December 31, 2013, 2014, 2015 and 2016, respectively net of interest of approximately $2,300.

INSURANCE SETTLEMENT

In 2009, an aircraft owned by the Company and operated by an unrelated third party was damaged. The damage was insured by the third party's insurance carrier and the Company was entitled to proceeds from the insurance claim totaling approximately $808,000 of which $647,000 was received subsequent to year end. The claim was settled during 2013, accordingly income from insurance proceeds will be recorded during the year ended December 31, 2013. Proceeds will be used to pay down the outstanding amount Due to Primary Creditor (see Note 5).

NOTE 8 — MAJOR CUSTOMER

For the year ended December 31, 2012, approximately 20% of gross revenue was from one customer. Approximately $702,000 was due from this customer at December 31, 2012.

Exhibit 99.3

JT POWER, LLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

INDEPENDENT AUDITORS' REPORT

To the Member
JT Power, LLC and Subsidiaries
Poway, California

We have audited the accompanying consolidated balance sheet of JT Power, LLC and Subsidiaries as of December 31, 2011, and the related consolidated statements of operations and changes in member's equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of JT Power, LLC's and Subsidiaries' management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of JT Power, LLC and Subsidiaries as of December 31, 2011, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 13 to the consolidated financial statements, JT Power, LLC and Subsidiaries are implementing financial strategies to eliminate non-productive assets with their related debt and streamline operations.

/s/ AKT LLP
Carlsbad, California
July 13, 2012

JT POWER, LLC AND SUBSIDIARIES
Consolidated Balance Sheet
December 31, 2011

ASSETS		
Current Assets:		
Cash	$	449,490
Restricted cash		151,576
Accounts receivable, net of allowance for doubtful accounts of $6,848,030		5,755,777
Inventory		8,567,278
Repair costs on consignment inventory		1,790,260
Current portion of net investment in sales-type and direct financing leases		85,993
Deposits and prepaid expenses		94,226
Total Current Assets		16,894,600
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation		10,405,108
Goodwill		415,360
		10,820,468
	$	27,715,068
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Accounts payable	$	2,557,939
Advances payable		1,238,874
Current portion of notes payable		43,473,836
Interest payable		192,346
Lease deposits payable		851,549
Accrued expenses		56,586
Total Current Liabilities		48,371,130
Notes Payable, net of current portion		1,224,439
		49,595,569
Member's Equity		(21,880,501)
	$	27,715,068

See accompanying notes to consolidated financial statements.

JT POWER, LLC AND SUBSIDIARIES
Consolidated Statement of Operations and Changes in Member's Equity
Year Ended December 31, 2011

Revenues:	
Jet engine part sales	$ 10,106,145
Cost of goods sold	7,849,984
Gross Profit	2,256,161
Gain on interest abatement	6,136,466
Consignment sales	2,598,229
Lease revenue	1,776,351
Gain on debt foreclosure	1,280,672
Other	812,392
Interest income	386,752
	12,990,862
	15,247,023
Expenses:	
Loss on impairment of property and equipment	2,798,827
Salaries and benefits	1,851,006
Consignment guarantee	1,302,000
Write-down loss on inventory	1,114,783
Rent	644,076
Commissions	561,748
Consulting	413,363
Shipping and handling	247,087
Management and brokerage fees	220,389
Travel and entertainment	209,254
Insurance	195,547
Bad debts, net of recoveries of $180,707	148,618
Aircraft maintenance and repairs	146,110
Miscellaneous	141,091
Legal	100,462
Utilities	93,066
Accounting	76,857
Office expenses	75,517
Advertising	11,270
Computer	3,200
	4,892,752
Interest expense	3,630,086
Depreciation	576,226
Income before Income Taxes	686,440
Income Tax Expense	95,360
Net Income	591,080
Member's Equity, beginning	(21,904,747)
Member Distributions	(566,834)
Member's Equity, ending	$ (21,880,501)

See accompanying notes to consolidated financial statements.

JT POWER, LLC AND SUBSIDIARIES
Consolidated Statement of Cash Flows
Year Ended December 31, 2011

Cash Flows from Operating Activities:		
Net income	$	591,080
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on impairment of property and equipment		2,798,827
Loss on write-down of inventory		1,114,783
Depreciation		576,226
Loss on disposal of property and equipment		16,716
Gain on debt foreclosure		(1,280,672)
Gain on interest abatement		(6,136,466)
Changes in operating assets and liabilities:		
Accounts receivable, net		(1,160,523)
Inventory		4,120,859
Repair costs on consignment inventory		(1,165,213)
Investment in sales-type and direct financing leases		955,007
Deposits and prepaid expenses		20,000
Accounts payable		618,953
Advances payable		595,122
Interest payable		(814,563)
Lease deposits payable		(185,000)
Accrued expenses		38,826
Net Cash Provided by Operating Activities		703,962
Cash Flows Used by Investing Activities:		
Purchases of property and equipment		(16,321)
Cash Flows from Financing Activities:		
Member distributions		(566,834)
Proceeds from notes payable		2,065,295
Payments on notes payable		(4,592,660)
Net Cash Used by Financing Activities		(3,094,199)
Net Decrease in Cash		(2,406,558)
Cash, beginning		3,007,624
Cash, ending	$	601,066
Cash consists of the following:		
Cash	$	449,490
Restricted cash		151,576
	$	601,066
Supplemental Disclosures of Cash Flow Information:		
Income tax paid	$	97,940
Interest paid	$	4,444,649

See accompanying notes to consolidated financial statements.

Note 1 — Organization and Summary of Significant Accounting Policies

Nature of Operations

JT Power, LLC (Company) supplies products and services to the global aviation and aerospace industry. The Company focuses primarily on selling and leasing jet engines and selling jet engine parts. The Company commenced operations on January 26, 2004 (Inception).

The following entities (Subsidiaries) were formed on various dates from Inception through 2011:

- JT Power Optimus Prime, LLC
- JT Power Optimus Prime 2, LLC
- JT Power Optimus Prime 3, LLC
- JT Power Optimus Prime 4, LLC
- JT Power Megatron 1, LLC
- JT Power Megatron 2, LLC
- JT Power Megatron 3, LLC
- JT Power Megatron 4, LLC
- JT Power Megatron 5, LLC
- JT Power Megatron 6, LLC
- JT Power Megatron 7, LLC
- JT Power Megatron 8, LLC
- JT Power Megatron 9, LLC
- JT Power Megatron 10, LLC
- JT Power Megatron 11, LLC
- JT Power Megatron 12, LLC
- JT Power Megatron 13, LLC
- JT Power Megatron 14, LLC
- JT Power Megatron 15, LLC
- JT Power Megatron 16, LLC
- JT Power Megatron 17, LLC
- JT Power - AMI, LLC
- JT Power Daedalus 1, LLC
- JT Power Daedalus 2, LLC
- JT Power Daedalus 3, LLC

The purpose of the Subsidiaries is to facilitate the operations resulting from separate engine and aircraft acquisitions and provide consulting for the industry. The Subsidiaries' support is mainly from revenues received from businesses in the United States of America.

A limited liability company (LLC) is a statutorily established legal entity containing features of both corporations and partnerships. Except as provided by law, the member is not personally liable for any debts or losses in excess of the amount of capital contributions.

Principles of Consolidation

The consolidated financial statements include the accounts of JT Power, LLC and its Subsidiaries (collectively the Companies). All significant intercompany accounts and transactions have been eliminated.

Accounts Receivable

Accounts receivable arise in the normal course of business. Interest is charged as specified in lease agreements. It is the policy of management to review the outstanding accounts receivable and interest receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful amounts.

Inventory

Inventory consists primarily of jet engine parts and is valued at the lower of cost (first-in, first-out method) or market.

Note 1 — Organization and Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment purchases are stated at cost. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the related assets of three to 12 years. Expenditures for major renewals and betterments that extend the useful lives of the assets are capitalized. Expenditures for maintenance and repairs are charged against operations.

Goodwill

Goodwill relates to the acquisition of JT Power — AMI, LLC. Goodwill is measured for impairment when the Companies determine that it is more likely than not that its fair value is less than its carrying amount. During the year ended December 31, 2011, the fair value of goodwill was determined to be greater than the carrying amount, therefore goodwill is not impaired.

Advertising Costs

The cost of advertising is expensed as incurred.

Income Taxes

For federal income tax purposes, income or loss is that of the individual member, not the Companies. Accordingly, no provision for federal income taxes is made in the consolidated financial statements. For state income tax purposes, California law requires a minimum annual tax of $800 in addition to a fee based on total revenue. Accordingly, a provision for state income taxes is made in the consolidated financial statements.

Accounting for Uncertain Tax Positions

The Companies adhere to the accounting standards regarding "Accounting for Uncertain Tax Positions." These accounting standards provide detailed guidance for financial statement recognition, measurement and disclosure of uncertain tax positions. They require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be substantiated under examination.

The Companies file income tax returns in the United States and various state and local jurisdictions. With few exceptions, the Companies' federal income tax returns for the years prior to 2007 are no longer subject to examination by tax authorities. State and local jurisdictions have statutes of limitation that generally range from three to five years.

Shipping and Handling Costs

Shipping and handling costs are classified as operating expenses in the consolidated statements of income and changes in member's equity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The Companies define fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Companies apply fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying value of cash, receivables, and payables approximates fair value as of December 31, 2011, due to the relative short maturities of these instruments.

Note 1 — Organization and Summary of Significant Accounting Policies, continued

Subsequent Events

The Companies have evaluated subsequent events through July 13, 2012, which is the date the consolidated financial statements were available to be issued.

Note 2 — Restricted Cash

The Companies are required to maintain bank accounts (Control Accounts) under the control of their primary creditor (“Primary Creditor”). Customer payments are deposited directly into the Control Accounts and used to pay consignor fees and interest and principal on the notes payable.

Note 3 — Net Investment in Sales-Type and Direct Financing Leases

The Companies lease jet engines and aircraft to businesses throughout the world. The Companies’ leases are classified as direct financing leases and sales-type leases, which expire in 2012. The components of the Companies’ investment in direct financing and sales-type leases as of December 31, 2011 are as follows:

Minimum lease payments	$	86,638
Less: unearned income		(645)
		85,993
Less: current portion		(85,993)
	$	—

Minimum lease payments do not include contingent rentals that may be received under certain leases of engines and aircraft based on usage in excess of specified amounts. The Companies’ policy is to defer recognition of such contingent rentals until the specified usage levels are met. No contingent rental income was earned on sales-type or direct financing leases during the year ended December 31, 2011.

Unearned income is amortized to interest income by the interest method using a constant periodic rate over the lease term.

Minimum lease receipts at December 31, 2011 are due as follows:

Year ending December 31,	Minimum Lease Payments	Unearned Income	Total
2012	$ 86,638	$ (645)	$ 85,993
Thereafter	—	—	—
	$ 86,638	$ (645)	$ 85,993

Note 4 — Lessor Operating Leases

The Companies lease jet engines and aircraft to others under operating lease agreements with terms primarily of 12 to 36 months.

Equipment on operating leases and property held for leases consist of the following as of December 31, 2011:

Jet engines and aircraft	$ 7,115,107
Less: accumulated depreciation	(1,802,866)
	$ 5,312,241

Leases ongoing at December 31, 2011 extend through December 2013 and are based on daily and hourly usage fees with no minimum requirements.

The above equipment is part of the assets being foreclosed upon as further described in Note 13.

Note 5 — Property and Equipment

Property and equipment consist of the following as of December 31, 2011:

Assets in foreclosure (see note 13)	$ 12,072,096
Office furniture and equipment	306,347
	12,378,443
Less: accumulated depreciation	(1,973,335)
	$ 10,405,108

Note 6 — Impairment of Assets

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable based on the undiscounted future cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified.

In 2011, several engines and an airframe (collectively Aircraft) were determined to be damaged or unserviceable. As a result of the assessed condition of the Aircraft, the Company conducted an impairment evaluation, which resulted in an approximate $2.8 million impairment charge for the Aircraft. These charges are classified in the caption “Loss on impairment of property and equipment” within operating expenses.

Management reviews inventory when circumstances indicate the market value may be lower than the carrying costs. If the market value of the inventory is valued lower than cost, a write-down to market value is recorded. Fair values are determined based on quoted market values and management’s assessment.

In 2011, the costs of three inventory lots were determined to be greater than market value. As a result of the assessed condition and marketability of the inventory lots, the Companies conducted an evaluation which resulted in an approximate $1.1 million impairment charge for the lots. These charges are classified in the caption “Write-down loss on inventory” within operating expenses.

Note 7 — Notes Payable

Notes payable consist of the following as of December 31, 2011:

Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matures June 15, 2013.	$ 16,243,168
Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matures February 15, 2012.	7,491,819
Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matured October 15, 2011. Interest will continue to accrue until note is paid in full.	6,018,275
Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matured March 15, 2011. Interest will continue to accrue until note is paid in full.	5,677,775
Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matures March 15, 2012 and June 15, 2012.	4,536,349
Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matured September 15, 2009. Interest will continue to accrue until the note is paid in full.	1,707,972
Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matures February 15, 2012.	1,576,256
Willis Lease Finance Corporation, quarterly payments of $45,000 including interest at 6% annually, with a final payment equal to the unpaid principal balance as of March 2017.	1,302,000
Due to Primary Creditor, secured by inventory and equipment, variable monthly payments including interest at 13%, matures March 15, 2012 and June 15, 2012.	140,128
Crown Credit Company, secured by equipment, monthly payments of $194, no stated interest, matures April 2013.	2,907
Crown Credit Company, secured by equipment, monthly payments of $114, no stated interest, matures April 2013.	1,626
	44,698,275
Less current portion	(43,473,836)
	$ 1,224,439

Note 7 — Notes Payable, continued

Principal payments of notes payable at December 31, 2011 are due as follows:

Year ending December 31,		
2012	$	43,473,836
2013		108,955
2014		115,641
2015		122,737
2016		130,268
Thereafter		746,838
	$	44,698,275

Note 8 — Lessee Operating Leases

The Companies lease office and warehouse space in Poway, California under an agreement that expires January 31, 2014. The lease provides for a security deposit of $24,252 and monthly lease payments ranging from $12,509 to $25,101. In February 2008, the Companies entered into a lease for office space in Delray Beach, Florida that expires in March 2013. The lease provides for a security deposit of $3,000 and monthly lease payments ranging from $3,195 to $3,296. In June 2009, the Companies entered into a lease for computer equipment and IT support that expires in June 2012. The monthly lease payments are $4,500. In September 2011, the Companies entered into a lease for office and warehouse space in Boynton Beach, Florida under an agreement that begins in March 2012 and expires in September 2019. The space will serve as the primary office of the Companies effective March 2012. The lease provides for a security deposit of $45,000 and monthly lease payments ranging from $13,125 to $15,225.

Total rent expense related to the above leases for the year ended December 31, 2011 was approximately $426,000.

Minimum lease payments as of December 31, 2011 are due as follows:

Year ending December 31,		
2012	$	402,490
2013		473,747
2014		198,534
2015		178,421
2016		177,599
Thereafter		501,405
	$	1,932,196

Note 9 — Related Party Transactions

The Companies maintain inventory of four engines for a relative of the Companies' president under consignment agreements. Under these agreements, the Companies guaranteed net proceeds of $4,000,000 to be paid to the consignor over a consecutive four year period ending January 2012. Total consignment income for the sale of this inventory for the year ended December 31, 2011 was $20,125. Total due to the Companies for sales related to this inventory at December 31, 2011 was $11,156. Total due to consignor at December 31, 2011 was $16,215. The Companies incurred a shortfall of guaranteed consignment proceeds of $1,302,000 for the four years ended December 31, 2011. The Companies and Consignor agreed the shortfall would be paid over a five year period in quarterly installments of $45,000 inclusive of interest at a rate of 6% commencing June 2012, with a final payment equal to the unpaid principal due March 2017.

The Companies leased jet engines to an airline that is partially owned by the Companies' president under a sales-type lease which expires in 2012. See Note 3 for details of this sales type lease.

Note 10 — Commitments

Commitment

On January 1, 2007 JT Power AMI, LLC (AMI) acquired a 100% interest in Aviation Management, LLC (Aviation). Under the purchase agreement between AMI and Aviation, AMI was obligated to fulfill employment contracts to Aviation's owners and employees through 2011. The total obligation of $164,622 was paid in full as of December 31, 2011.

Note 11 — Concentration of Credit Risk

Cash

The Companies maintain their cash in bank deposit accounts that are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000 per depositor or certain non-interest bearing accounts that are fully insured by the FDIC. The Companies have not experienced any losses in their bank deposit accounts and believe they are not exposed to any significant credit risk on cash.

Customers

As of and for the year ended December 31, 2011, approximately 30% of revenues were from two customers and 44% of accounts receivable, net of allowance for doubtful accounts, was from two customers.

Note 12 — Foreclosure

Management of the Companies has worked with their primary creditor ("Primary Creditor"), to foreclose on underperforming JT Power Optimus Prime and Megatron entities and consign the assets back to the Companies under a three year Consignment and Asset Management Agreement. As a result of the foreclosures in 2011, the Companies recognized an approximate $1.3 million gain. In addition, Primary Creditor abated interest on the remaining Megatron entities, resulting in an approximately $6.1 million gain.

As of December 31, 2011 the following entities were foreclosed:

- JT Power Optimus Prime, LLC
- JT Power Optimus Prime 2, LLC
- JT Power Optimus Prime 3, LLC
- JT Power Optimus Prime 4, LLC
- JT Power Megatron 1, LLC
- JT Power Megatron 3, LLC
- JT Power Megatron 4, LLC
- JT Power Megatron 5, LLC
- JT Power Megatron 6, LLC
- JT Power Megatron 7, LLC
- JT Power Megatron 8, LLC
- JT Power Megatron 11, LLC
- JT Power Megatron 13, LLC
- JT Power Megatron 17, LLC

Note 12 — Foreclosure, continued

The foreclosure in 2011 included the following noncash investing and financing activities:

Notes payable discharged	$ 20,117,067
Interest payable discharged	1,743,749
Lease payable assumed	121,296
Accounts receivable assumed	(637,693)
Inventory assumed	(17,523,469)
Equipment, net of accumulated depreciation, assumed	(2,540,278)
Gain recognized	$ 1,280,672

Note 13 — Financial Strategy

As shown in the accompanying consolidated financial statements, the Companies recorded a net profit of approximately $591,000 during the year ended December 31, 2011. As of that date, the Companies' current liabilities exceeded current assets by approximately $31 million and total liabilities exceeded total assets by approximately $22 million.

As shown in Note 12, the Companies are working with the lender to foreclose on underperforming entities. As of December 31, 2011, the lender was not able to complete all of the anticipated foreclosures. The Companies continue to work with Primary Creditor to foreclose the remaining Megatron entities. Management believes these foreclosures, once finalized, will restore the positive equity position of the Companies. As of December 31, 2011, this includes the following assets:

Inventory	$ 1,562,858
Jet engines and aircraft, net of accumulated depreciation	10,212,912
	$ 11,775,770

The notes payable due to Primary Creditor as of December 31, 2011 related to these assets was as follows:

Current portion of notes payable	$ 37,139,010

Assets from the foreclosed entities became the property of Primary Creditor and are being sold on a consignment basis through the Companies. These foreclosures have streamlined the operations of JT Power, LLC and Subsidiaries and management expects the Companies will continue to be profitable as a result.

Exhibit 99.4

JT POWER GROUP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS FOR NINE MONTHS ENDED

SEPTEMBER 30, 2013 & 2012:

INCOME
OWNERS' EQUITY (DEFICIENCY)
CASH FLOWS

&

BALANCE SHEETS AS OF

SEPTEMBER 30, 2013 (UNAUDITED) & DECEMBER 31, 2012

JT POWER, LLC AND SUBSIDIARIES
Consolidated Balance Sheets

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
Current assets:		
Cash & cash equivalents	$ 175,384	$ 490,709
Restricted cash	262,124	209,547
Accounts receivable, net of allowances of $15,991 and $6,699,000 at September 30, 2013 and December 31, 2012, respectively	1,629,735	1,685,509
Inventory	3,291,186	3,706,240
Repair costs on consignment inventory	686,540	722,257
Deposits and prepaid expenses	86,574	—
Due from related party	60,000	60,000
Total current assets	6,191,542	6,874,262
Property & equipment, net of accumulated depreciation of $235,681 and $216,284 at September 30, 2013 and December 31, 2012, respectively	93,038	135,896
Investments	280,547	97,291
Long term deposits	48,069	63,873
Due from related party, net of current portion	201,516	258,966
Total assets	$ 6,814,712	$ 7,430,288
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,849,255	$ 1,498,461
Due to affiliate	544,672	748,327
Due to primary creditor	12,723,441	13,549,247
Deposits payable	—	300,000
Current portion of capital lease obligation	5,962	5,962
Current portion of related party note payable	113,932	108,955
Total current liabilities	15,237,262	16,210,952
Notes payable, net of current portion	1,029,402	1,115,483
Capital lease obligation, net of current portion	10,450	14,469
Deferred rent	255,863	355,523
Total liabilities	16,532,977	17,696,427
Noncontrolling interest	205,945	27,596
Members' equity (deficiency)	(9,924,210)	(10,293,735)
Total liabilities and members' equity (deficiency)	$ 6,814,712	$ 7,430,288

The accompanying notes are an integral part of these condensed consolidated financial statements.

JT POWER, LLC AND SUBSIDIARIES
Consolidated Statements of Income (Loss)
(Unaudited)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
OPERATING REVENUE		
Jet engine sales	$ 4,706,157	$ 3,716,163
Cost of goods sold	2,775,346	1,667,229
Gross profit on jet engine sales	1,930,811	2,048,934
Consignment commissions	1,055,628	1,090,610
Interest income	115	954
Other revenue	—	162,933
Total operating revenue	2,986,554	3,303,431
OPERATING EXPENSES		
Interest expense	570,211	610,656
Depreciation expense	42,858	39,375
Selling, general, and administrative	1,798,787	2,992,919
Total operating expenses	2,411,856	3,642,949
Net income (loss) before income taxes	574,698	(339,518)
Income tax expense (benefit)	—	—
Net income (loss)	574,698	(339,518)
Net income attributable to noncontrolling interest	178,349	3,000
Net income (loss) attributable to JTP	$ 396,349	$ (342,518)

The accompanying notes are an integral part of these condensed consolidated financial statements.

JT POWER, LLC AND SUBSIDIARIES
Consolidated Statement of Owners' Equity (Deficiency)
Nine Months Ended September 30, 2013 and 2012
(Unaudited)

	Members' Deficiency	Noncontrolling Interest	Total
Balances at December 31, 2011	$ (21,880,501)	$ —	$ (21,880,501)
Net income (loss)	(342,518)	3,000	(339,518)
Distributions, net of contributions of $131,780	(282,648)	—	(282,648)
Deconsolidation of AMI	(219,901)	—	(219,901)
Balances at September 30, 2012	$ (22,725,568)	$ 3,000	$ (22,722,568)
Balances at December 31, 2012	(10,293,735)	27,596	(10,266,139)
Net income	396,349	178,349	574,698
Distributions, net of contributions of $255,695	(26,824)	—	(26,824)
Balances at September 30, 2013	$ (9,924,210)	$ 205,945	$ (9,718,265)

The accompanying notes are an integral part of these condensed consolidated financial statements.

JT POWER, LLC AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30, 2013	2012
Net cash provided by operating activities	$ 1,269,716	$ 2,245,456
Cash flows from investing activities:		
Change in due from related party	57,450	(321,524)
Acquisition of property and equipment	—	(74,717)
Investment in affiliate, net of distributions	(183,256)	(30,636)
Net cash used in investing activities	(125,806)	(426,877)
Cash flows from financing activities:		
Principal payments on capital lease obligation	(4,019)	(49,172)
Member contributions	255,695	131,780
Member distributions	(282,519)	(414,428)
Principal payments on payable to primary creditor	(1,347,288)	(1,392,538)
Principal payments on related party note payable	(81,104)	(51,322)
Net cash used in financing activities	(1,459,235)	(1,775,679)
Increase/ (Decrease) in cash and cash equivalents	(315,325)	42,900
Cash and cash equivalents at beginning of period	490,709	444,057
Cash and cash equivalents at end of period	$ 175,384	$ 486,957

The accompanying notes are an integral part of these condensed consolidated financial statements.

JT POWER, LLC AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
Nine Months Ended September 30, 2013 and 2012

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

JT Power, LLC and subsidiaries (the "Company") provides 'end of life' solutions for aviation materials and services related to aircraft engines and specializes predominantly in aftermarket engine parts sales. Customers are located primarily in North America, Europe and Asia.

Principles of Consolidation and Basis of Financial Statement Presentation

The Consolidated Financial Statements include the Company and all majority-owned subsidiaries in which the Company has a controlling financial interest. Significant intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of Company management, all adjustments, consisting of normal recurring adjustments, necessary to state fairly the financial position, results of operations and cash flows were recorded. The results of operations for the nine month period ended September 30, 2013 are not necessarily indicative of the operating results for a full year or of future operations.

Certain information and footnote disclosure normally included in financial statements presented in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The accompanying condensed financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's financial statements for the year ended December 31, 2012.

2. SUBSEQUENT EVENTS

Subsequent events have been evaluated for recognition and disclosure through January 14, 2014, which is the date the condensed consolidated financial statements were issued.

On October 22, 2013, the Company reached a settlement agreement with its primary creditor to settle substantially all outstanding debts between the two parties for approximately $1.0 million in consideration comprised of cash and related receivables. Prior to the settlement agreement, the amounts due to the creditor totaled approximately $12.7 million.

On November 6, 2013, substantially all of the assets of the Company were acquired by Willis Lease Finance Corporation (NASDAQ: WLFC) for total consideration of $5.6 million. The purchase consideration consisted of $4.5 million in cash and forgiveness $1.1 million of debts due to WLFC.

Exhibit 99.5

Willis Lease Finance Corporation and Subsidiaries
Unaudited Pro Forma Financial Information

The accompanying pro forma condensed combined Income Statements for the year ended December 31, 2012 and for the nine months ended September 30, 2013 (unaudited) and the unaudited pro forma condensed combined Balance Sheet as of September 30, 2013 have been prepared as if Willis Lease Finance Corporation's ("WLFC", "we", "our") acquisition of most of the assets of JT Power, LLC and subsidiaries ("JTP") had occurred on January 1, 2012.

The pro forma information provided in this filing reflects preliminary estimates and assumptions based on information available at the time of preparation, including items expected to have a continuing impact on the combined results, such as increased amortization expense on acquired intangible assets, higher levels of interest expense and elimination of all transactions between WLFC and JTP. The pro forma statements do not include the impacts of any revenue, cost, or other operating synergies that may result from the acquisition.

The pro forma financial statements do not purport to represent what the results of operations actually would have been had the acquisition been completed at the dates indicated. In addition, these statements do not purport to project the future financial position or operating results of the combined company.

WILLIS LEASE FINANCE CORPORATION
AND SUBSIDIARIES
Pro Forma Condensed Combined Balance Sheet
As of September 30, 2013
(in thousands, except per share data)
(unaudited)

	WLFC (a)	JTP (b)	Pro Forma Adjustments (c)		Pro Forma Combined
ASSETS					
Cash and cash equivalents	$ 4,028	$ 175	$ —		$ 4,203
Restricted cash	38,003	262	(262)	4(v)	38,003
Equipment held for operating lease, less accumulated depreciation of $250,938	1,015,588	—	—		1,015,588
Equipment held for sale	31,506	—	(705)	4(i)(b)	30,801
Spare parts inventory	—	3,291	314	4(ii)	3,605
Operating lease and spare parts related receivables, net of allowances of $427 and $15 for WLFC and JTP, respectively	5,082	1,630	—		6,712
Investments	18,072	281	—		18,353
Property, equipment & furnishings, less accumulated depreciation of $8,523 and $236 for WLFC and JTP, respectively	4,994	93	—		5,087
Equipment purchase deposits	1,369	—	—		1,369
Intangible assets	—	—	1,160	Note 3	1,160
Goodwill	—	—	375	4(vi)	375
Other assets	20,779	1,083	—		21,862
Total assets	$ 1,139,421	$ 6,815	$ 882		$ 1,147,118
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Accounts payable and accrued expenses	$ 12,877	$ 2,666	$ —		$ 15,543
Liabilities under derivative instruments	301	—	—		301
Deferred income taxes	82,608	—	—		82,608
Notes payable	744,300	13,867	(1,143)	4(i)(a)	748,771
			4,471	4(iv)	
			(12,724)	4(v)	
Maintenance reserves	76,579	—	—		76,579
Security deposits	12,535	—	—		12,535
Unearned lease revenue	3,740	—	—		3,740
Total liabilities	932,940	16,533	(9,396)		940,077
Shareholders' equity:					
Common stock ($0.01 par value, 20,000,000 shares authorized; 8,492,948 shares issued and outstanding at September 30, 2013)	85	—	—		85
Paid-in capital in excess of par	44,950	—	—		44,950
Noncontrolling interest	—	206	(206)	4(iii)	—
Retained earnings	161,984	(9,924)	10,484	4(v)	162,544
Accumulated other comprehensive loss, net of income tax benefit of $251	(538)	—	—		(538)
Total shareholders' equity	206,481	(9,718)	10,278		207,041
Total liabilities and shareholders' equity	$ 1,139,421	$ 6,815	$ 882		$ 1,147,118

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

WILLIS LEASE FINANCE CORPORATION
AND SUBSIDIARIES
Pro Forma Condensed Combined Income Statement
For the Year Ended December 31, 2012
(in thousands, except per share data)
(unaudited)

	WLFC (a)	JTP (b)	Pro Forma Adjustments (c)		Pro Forma Combined
REVENUE					
Lease rent revenue	$ 94,591	$ —	$ —		$ 94,591
Maintenance reserve revenue	41,387	—	—		41,387
Gain (loss) on sale of leased equipment	5,499	(9)	—		5,490
Loss on jet engine part sales	—	(114)	—		(114)
Consignment commissions	—	1,525	—		1,525
Other revenue	6,613	277	—		6,890
Total revenue	148,090	1,679	—		149,769
EXPENSES					
Depreciation expense	52,591	53	—		52,644
Amortization of intangible	—	—	232	1	232
Write-down of equipment	5,874	7,526	—		13,400
Write-down of inventory	—	6,192	—		6,192
General and administrative	34,551	4,150	—	Note 4	38,701
Technical expense	7,006	—	—		7,006
Net finance costs:					
Interest expense	31,749	810	110	2(i)	32,612
			(57)	2(ii)	
Interest income	(80)	—	57	2(iii)	(23)
Gain on debt foreclosure		(29,549)	—		(29,549)
Loss on debt extinguishment and derivatives termination	15,462	—	—		15,462
Total net finance costs	47,131	(28,739)	110		18,502
Total expenses	147,153	(10,818)	342		136,677
Earnings from operations	937	12,497	(342)		13,092
Earnings from joint ventures	1,759	—	—		1,759
Income before income taxes	2,696	12,497	(342)		14,851
Income tax expense	(1,161)	(4,749)	130	3(i)(ii)	(5,780)
Net income	$ 1,535	$ 7,748	$ (212)		$ 9,071
Income allocable to noncontrolling interest	—	28	—		28
Preferred stock dividends	2,493	—	—		2,493
Preferred stock redemption costs	2,835	—	—		2,835
Net income (loss) attributable to common shareholders	$ (3,793)	$ 7,720	$ (212)		$ 3,715
Basic earnings (loss) per common share:	$ (0.45)	—	—		$ 0.44
Diluted earnings (loss) per common share:	$ (0.43)	—	—		$ 0.42
Average common shares outstanding	8,490	—	—		8,490
Diluted average common shares outstanding	8,791	—	—		8,791

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

WILLIS LEASE FINANCE CORPORATION
AND SUBSIDIARIES
Pro Forma Condensed Combined Income Statement
For the Nine Months Ended September 30, 2013
(in thousands, except per share data)
(unaudited)

	WLFC (a)	JTP (b)	Pro Forma Adjustments (c)		Pro Forma Combined
REVENUE					
Lease rent revenue	$ 75,016	$ —	$ —		$ 75,016
Maintenance reserve revenue	29,908	—	—		29,908
Gain on sale of leased equipment	3,556	—	—		3,556
Gain on jet engine part sales	—	1,931	—		1,931
Consignment commissions	—	1,056	—		1,056
Other revenue	2,729	—	—		2,729
Total revenue	111,209	2,987	—		114,196
EXPENSES					
Depreciation expense	43,563	43	—		43,606
Amortization of Intangible	—	—	174	1	174
Write-down of equipment	6,268	—	—		6,268
General and administrative	24,265	1,799	—	Note 4	26,064
Technical expense	10,423	—	—		10,423
Net finance costs:					
Interest expense	28,984	570	82	2(i)	29,582
			(54)	2(ii)	
Interest income	—	—	54	2(iii)	54
Total net finance costs	28,984	570	82		29,636
Total expenses	113,503	2,412	256		116,171
Earnings (loss) from operations	(2,294)	575	(256)		(1,975)
Earnings from joint ventures	3,186	—	—		3,186
Income before income taxes	892	575	(256)		1,211
Income tax benefit (expense)	8,181	(219)	97	3(i)(ii)	8,060
Net income (loss)	$ 9,073	$ 357	$ (159)		$ 9,271
Income allocable to noncontrolling interest	—	178	—		178
Preferred stock dividends	—	—	—		—
Net income attributable to common shareholders	$ 9,073	$ 179	$ (159)		$ 9,093
Basic earnings per common share:	$ 1.12	—	—		$ 1.12
Diluted earnings per common share:	$ 1.09	—	—		$ 1.09
Average common shares outstanding	8,091	—	—		8,091
Diluted average common shares outstanding	8,332	—	—		8,332

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

Willis Lease Finance Corporation and Subsidiaries
Notes to Unaudited Pro Forma Condensed Combined Financial Statements

Note 1: Basis of Pro Forma Presentation

On November 6, 2013, WLFC paid approximately $4.5 million in cash, net of $1.1 million in amounts owed by JTP to WLFC, pursuant to the Asset Purchase Agreement (the “Purchase Agreement”) to acquire most of the assets of JTP. The cash portion of approximately $4.5 million was funded with cash on hand and funds drawn from an existing revolving credit facility. JTP is a recognized participant in the aircraft and aircraft engine part-out industry. We anticipate that the combination of our leasing products and the JTP suite of services will allow us to further establish our aviation leasing business as a strategic partner for the aviation industry worldwide.

Note 2: Pro Forma Columns

The columns included in the unaudited pro forma condensed combined statements of operations are as follows:

(a) Represents WLFC’s historical consolidated Income Statements for the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively, and Balance Sheet as of September 30, 2013.

(b) WLFC has the same fiscal year as JTP. Financial information for JTP for the year ended December 31, 2012 and the nine months ended September 30, 2013 has been used in preparation of the pro forma financial statements.

The unaudited Balance Sheet and Income Statement as of and for the nine months ended September 30, 2013 were obtained from JTP’s accounting records. The monthly statements for the period January 31 through September 30, 2013 formed the basis for the unaudited Income Statement activity for the nine months September 30, 2013 included in Exhibit 99.4 to this Current Report on Form 8-K/A.

The JTP financial information for the year ended December 31, 2012 was obtained from the audited Income Statement for the year ended December 31, 2012 included in Exhibit 99.2.

Certain line items from JTP’s historical consolidated Income Statement have been reclassified to conform to the WLFC presentation format.

(c) Represents the pro forma adjustments for the JTP acquisition, as follows:

(1) Adjustment to reflect a net increase in amortization expense of $0.23 million and $0.17 million for the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively, as a result of Intangible asset amortization expense associated with the fair value allocated to JTP’s intangible assets in the current transaction, as described in Note 3 below.

(2) Adjustment to reflect a net increase in interest expense of $0.05 million and $0.03 million for the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively. The additional interest expense is comprised of the following parts:

(i) A drawdown of approximately $4.5 million on our existing revolving line of credit used to fund the JTP acquisition, which incurred interest expense at a rate of 3.2 percent during the period, but which was partially offset by a savings on commitment fees for unused funds under the revolving line of credit, resulting in additional interest expense of $0.11 million and $0.08 million in 2012 and 2013, respectively.

(ii) A reduction to interest expense which eliminates intercompany interest paid by JTP to WLFC of $0.06 million and $0.05 million in 2012 and 2013, respectively.

(iii) An adjustment to eliminate the corresponding interest income resulting from interest paid by JTP to WLFC of $0.06 million and $0.05 million for 2012 and 2013, respectively, has been recorded as a reduction to interest income for the relevant periods.

(3) Adjustments to apply the applicable statutory tax rates based on the nature of the adjustments and their deductibility for tax purposes resulting from the following:

(i) Tax effect of the pro forma adjustments.

(ii) WLFC has historically and will continue to file as a corporate taxpayer taxed at standard corporate tax rates. JTP has historically been treated as a disregarded entity for tax purposes with no separate tax obligation and will be taxed as a corporate taxpayer as part of the WLFC combined filing going forward. We have presented historic tax expense for JTP herein in the "JTP (b)" column, not the "Pro Forma Adjustments (c)" column to reflect the tax expense that would have been allocable to JTP had our companies been combined as of the reporting dates.

(4) Balance sheet adjustments to give effect to the acquisition as if it had occurred as of September 30, 2013. Refer to Note 3 below for the preliminary purchase price allocation resulting from the transaction as of November 6, 2013:

(i) Adjustments to eliminate intercompany debt related balances:

(a) Adjustment to reflect the $1.1 million of guaranteed proceeds on consigned parts forgiven as part of the total $5.6 million in purchase consideration paid to JTP by WLFC upon closing. The guarantee had been structured as a note payable to WLFC.

(b) Adjustment to remove the $0.7 million balance of the consignment guarantee due from JTP on WLFC's books. Refer to Note 3 below for further discussion of this matter and its impact on goodwill.

(ii) The $0.3 million increase in spare parts inventory relates to the recording of the inventories at fair value. The fair value of inventories was determined based upon an income method approach taking into consideration types and quantities of inventories acquired, market demand and management's assumptions regarding the life-span of and cost to sell such inventories. It is estimated that the inventories will be charged to JTP's cost of goods sold as parts are sold over approximately the next three years.

(iii) As a result of the acquisition, all assets of the consolidated entity for which JTP recorded as noncontrolling interest were acquired by WLFC. As of the date of acquisition there are no parties which hold a noncontrolling interest in any subsidiaries of JTP, and as such, the noncontrolling interest balance has been eliminated.

(iv) Adjustment to record the drawdown on WLFC's revolving credit facility of $4.5 million to fund the cash portion of the $5.6 million purchase price.

(v) Adjustment to record the net effect of the pro forma adjustments included and to eliminate retained earnings of JTP, including the extinguishment of notes as part of a change in capital structure subsequent to September 30, 2013, but prior to the acquisition date. This was achieved through the settlement discussed in Note 5 below. The restricted cash balance associated with the notes has also been eliminated. There was no debt assumed by WLFC as a result of the acquisition.

(vi) Adjustment to record goodwill of $0.38 million. Refer to the preliminary purchase price allocation in Note 3 below for further detail regarding the assets acquired, liabilities assumed and resulting goodwill in the acquisition.

Note 3: Purchase Price Allocation

The purchase price allocation for this acquisition is considered preliminary and may change upon completion of the determination of the fair value of assets acquired and liabilities assumed. The following table summarizes the initial purchase price allocation as of November 6, 2013, the date of acquisition (in thousands):

Assets:		
Spare parts inventory	$	3,360
Operating lease and spare parts related receivables		1,720
Intangible assets		1,160
Other assets		619
Goodwill		375
Cash and cash equivalents		299
Investments		241
Property and equipment		87
Total assets		7,861
Liabilities:		
Accounts payable and accrued expenses		2,685
Total liabilities		2,685
Purchase price *	$	5,176

* Per the Purchase Agreement, the purchase price to acquire most of the assets of JTP totaled $5.6 million. Of the total purchase price, $1.1 million was in the form of the forgiveness of a consignment guarantee due from JTP. As the guarantee had been included on the books of WLFC for $0.7 million, the $0.4 million differential between the amount owed by JTP and the amount booked by WLFC was treated as a reduction to the purchase price paid by WLFC for accounting purposes, effectively reducing the amount paid by WLFC to $5.2 million. As a result, the goodwill arising from the transaction was correspondingly reduced by $0.4 million.

Note 3: Purchase Price Allocation, continued

The $1.2 million of intangible assets acquired consists of $0.9 million of consignment partner relationships and $0.3 million of customer relationships. These intangible assets will be amortized over their expected useful lives, ranging from 4 to 6 years.

Note 4: Non-recurring Items

The unaudited pro forma condensed combined Income Statements have not been adjusted for nonrecurring charges resulting from the acquisition. WLFC incurred approximately $0.1 million in acquisition related expenses comprised mostly of legal, regulatory, and other professional fees, the majority of which were recorded after September 30, 2013, and as such, did not affect the financial statements presented in this disclosure.

Note 5: Subsequent Events

On October 22, 2013, subsequent to the period for which pro forma financial information is presented, but before the acquisition date, JTP reached an agreement with its primary creditor to settle all outstanding debts, totaling $12.7 million at September 30, 2013. JTP paid $1.0 million in total consideration to settle all obligations to its primary creditor. Refer to 4(v) in Note 2 above which describes the pro forma adjustments made eliminating this debt balance. WLFC assumed no debt in the acquisition of JTP.