

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:) **Chapter 11**
)
ARCAPITA BANK B.S.C.(c), et al.,) **Case No. 12-11076 (SHL)**
) **(Jointly Administered)**
Debtors.)

**ORDER AUTHORIZING RETENTION OF
FTI CONSULTING, INC. AS FINANCIAL ADVISOR
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Upon the application (the "Application") of the Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for an order pursuant to section 1103 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), authorizing them to retain FTI Consulting, Inc., together with its wholly owned subsidiaries, agents, independent contractors and employees ("FTI") as financial advisor; and upon the Affidavit of Samuel E. Star in support of the Application; and due and adequate notice of the Application having been given; and it appearing that no other notice need be given; and it appearing that FTI is not representing any adverse interest in connection with these cases; and it appearing that the relief requested in the Application is in the best interest of the Committee; after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Application be, and it hereby is, granted; and it is further

ORDERED that the capitalized terms not defined herein shall have the meanings ascribed to them in the Application; and it is further

ORDERED that in accordance with section 1103 of the Bankruptcy Code, the Committee is authorized to employ and retain FTI as of April 12, 2012 as their financial advisor

on the terms set forth in the Application; and it is further

ORDERED that FTI shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court; and it is further

ORDERED, that FTI shall provide ten (10) days' notice to the Debtors, the United States Trustee, and the Committee in connection with any increase in the hourly rates listed in the Application to retain FTI; and it is further

ORDERED that, FTI is entitled to reimbursement of actual and necessary expenses, including legal fees related to this retention application and future fee applications as approved by the Court; and it is further

ORDERED that, whereas the Committee has also retained Houlihan Lokey Capital, Inc. ("Houlihan") as financial advisor and investment banker, FTI and Houlihan will coordinate on the services they are providing to the Committee to ensure that there is no unnecessary duplication of services by either firm during the pendency of these chapter 11 cases. The services that FTI provides to the Committee shall remain separate and distinct from the services that Houlihan provides to the Committee. FTI shall be principally responsible for providing to the Committee financial analyses of the Debtors' liquidity, cash activities, cash control, intercompany activities, as well as tax-related advice, claims analysis and a review of potential avoidance actions, all subject to the Committee's specific authorization and direction. Houlihan will be primarily responsible for advising the Committee on the financial and strategic elements of the Debtors' business plan (including an assessment of all investments, proposed deal funding, relevant valuations and the viability of a stand-alone plan of reorganization),

potential merger and acquisition transactions, and financing alternatives for the Debtors, including exit financing. Should the Committee request FTI and/or Houlihan to render such other services as it may deem necessary that may vary from those services described in this paragraph, FTI and Houlihan will undertake to coordinate such services to ensure that there remains no unnecessary duplication of services; and it is further

ORDERED that any material expansion of the scope of services as may be requested by the Committee and agreed to by FTI shall be subject to separate approval by Court order; and it is further

ORDERED that the following indemnification provisions are approved:

- a. subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, FTI for any claims arising from, related to, or in connection with the services to be provided by FTI as specified in the Application, but not for any claim arising from, related to, or in connection with FTI's post-petition performance of any other services other than those in connection with the engagement, unless such post-petition services and indemnification therefore are approved by this Court; and
- b. the Debtors shall have no obligation to indemnify FTI for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen primarily from FTI's bad faith, gross negligence or willful misconduct, (ii) settled prior to a judicial determination as to FTI's bad faith, gross negligence or willful misconduct, but determined by this Court, after notice and a hearing

pursuant to subparagraph (c) infra, to be a claim or expense for which FTI is not entitled to receive indemnity under the terms of the Application; and

- c. if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing this chapter 11 case, FTI believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification obligations under the Application, including, without limitation, the advancement of defense costs, FTI must file an application in this Court, and the Debtors may not pay any such amounts to FTI before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by FTI for indemnification, and not as a provision limiting the duration of the Debtors' obligation to indemnify FTI; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising or related to the implementation of this order.

Dated: June 29, 2012

/s/ Sean H. Lane
HONORABLE SEAN H. LANE