

**HEARING DATE AND TIME:** April 17, 2012 at 11:00 a.m. (Eastern Time)

**OBJECTION DEADLINE:** April 10, 2012 at 12:00 p.m. (Eastern Time)

**GIBSON, DUNN & CRUTCHER LLP**

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Proposed Attorneys for the Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>IN RE:</b>	:	<b>Chapter 11</b>
	:	
<b>ARCAPITA BANK B.S.C.(c), et al.,</b>	:	<b>Case No. 12-11076 (SHL)</b>
	:	
<b>Debtors.</b>	:	<b>Jointly Administered</b>
	:	
-----X	:	

**DEBTORS' MOTION FOR ORDER ESTABLISHING PROCEDURES  
FOR INTERIM COMPENSATION AND REIMBURSEMENT OF  
EXPENSES FOR PROFESSIONALS AND COMMITTEE MEMBERS**

Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the "*Debtors*"), submit this motion (the "*Motion*") for entry of an order substantially in the form annexed hereto as *Exhibit A* pursuant to sections 105(a) and 331 of title 11 of the United States Code (the "*Bankruptcy Code*") establishing procedures for interim compensation and reimbursement of expenses for professionals and any members ("*Committee Members*") of an official committee formed by the United States Trustee (a "*Committee*"). In support thereof, the Debtors respectfully represent:

**BACKGROUND**

1. On the March 19, 2012 (the "*Petition Date*"), each of the Debtors commenced cases (the "*Chapter 11 Cases*") under chapter 11 of the Bankruptcy Code. The

Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or an examiner in these Chapter 11 Cases. No official committee has yet been appointed by the Office of the United States Trustee.

2. Founded in 1996, Arcapita, through its Debtor and non-Debtor subsidiaries (collectively, with Arcapita, the “*Arcapita Group*”), is a leading global manager of Shari’ah-compliant alternative investments and operates as an investment bank. Arcapita is not a domestic bank licensed in the United States, nor does it have a branch or agency in the United States as defined in section 109(b)(3)(B) of the Bankruptcy Code. Arcapita is headquartered in Bahrain and is regulated under an Islamic wholesale banking license issued by the Central Bank of Bahrain. In addition to its Bahrain headquarters, the Arcapita Group, together with the other Debtors and their non-Debtor Subsidiaries, has offices in Atlanta, London, Hong Kong, and Singapore in addition to its Bahrain headquarters. The Arcapita Group’s principal activities include investing for its own accounts and providing investment opportunities to third-party investors in conformity with Islamic Shari’ah rules and principles. The Arcapita Group also derives revenue from managing assets for its third party investors.

3. The Arcapita Group has approximately \$7 billion in assets currently under management. As of the Petition Date, on a consolidated basis, the Arcapita Group owns assets valued at approximately \$3.06 billion<sup>1</sup> and has liabilities of approximately \$2.55 billion. Approximately \$1.1 billion of the Debtors’ prepetition liabilities are comprised of that certain murabaha, Shari’ah-compliant syndicated facility, issued on March 28, 2007, which matured on

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<sup>1</sup> This includes Arcapita’s beneficial interest in assets under management.

March 28, 2012.<sup>2</sup>

**JURISDICTION AND VENUE**

4. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

**RELIEF REQUESTED**

5. The Debtors seek entry of an order, pursuant to sections 105(a) and 331 of the Bankruptcy Code: (a) establishing an orderly, regular process for interim approval and payment of compensation and reimbursement of expenses for attorneys and other professionals whose services are authorized by this Court pursuant to sections 327, 328, or 1103 of the Bankruptcy Code and who will be required to file applications for allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code; and (b) establishing a procedure for reimbursement of reasonable out-of-pocket expenses (excluding attorneys' fees) incurred by any Committee Member.

**PROPOSED COMPENSATION AND REIMBURSEMENT PROCEDURES**

6. Given the number of professionals likely to be retained in the Chapter 11 Cases, the Debtors believe that the implementation of orderly procedures for interim monthly payment of professional fees and expenses would ease the administration of these bankruptcy estates.<sup>3</sup> Such procedures will permit the Debtors to monitor closely the costs of administration,

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<sup>2</sup> A description of the Debtors' business and the reasons for filing these Chapter 11 Cases is set forth in the Declaration of Henry A. Thompson in Support of the Debtors' Chapter 11 Petitions and First Day Motions and in Accordance with Local Rule 1007-2 [Docket. No. 6] (the "*Thompson Declaration*").

<sup>3</sup> Contemporaneously herewith, the Debtors have filed a *Motion for an Order Pursuant to Sections 105(a), 327, 328, and 330 of the Bankruptcy Code Authorizing Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Business*, pursuant to which other professionals may be retained. Such professionals will not be required to file individual retention applications and will be paid in full without the need for court approval, subject to certain monthly and aggregate caps on fee payments. Any

maintain more control of their cash flow, and implement efficient cash management procedures.

7. Accordingly, the Debtors seek entry of an order, in accordance with the standing General Order M-412 of the Bankruptcy Court for the Southern District of New York (amending General Order M-388) by Chief Bankruptcy Judge Arthur J. Gonzalez (the “**Standing Order**”), establishing procedures for managing compensation and reimbursement of expenses of professionals pursuant to sections 105(a) and 331 of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

8. In conformity with the Standing Order, the Debtors propose that the Court adopt the following procedures with respect to the payment of compensation and reimbursement of expenses of professionals and Committee Members (the “**Compensation Procedures**”):

(a) On or before the 20th day of each month following the month for which compensation is sought, each professional seeking compensation shall serve a monthly statement (the “**Monthly Statement**”), by email or overnight delivery, on (i) Arcapita Bank B.S.C.(c), Arcapita Building, Bahrain Bay, P.O. Box 1406, Manama, Kingdom of Bahrain (Attn: Henry Thompson); (ii) Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166 (Attn: Michael A. Rosenthal, Esq., Janet M. Weiss, Esq., and Matthew K. Kelsey, Esq.); (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21<sup>st</sup> Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); (iv) counsel for any Committee appointed in the Chapter 11 Cases; and (v) any other party the Court may designate (each a “**Notice Party**” and collectively, the “**Notice Parties**”).

(b) On or before the 20th day of each month following the month for which compensation is sought (the “**Monthly Statement Filing Deadline**”), each professional seeking compensation shall file the Monthly Statement with the Court; however, a courtesy copy need not be delivered to chambers. The Compensation Procedures do not alter the fee application requirements set forth in sections 330 and 331 of the Bankruptcy Code. Professionals are required to serve and file interim and final applications for approval of fees and expenses in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules for the United States Bankruptcy Court of the Southern District of New York (the “**Local Rules**”);

(c) Each Monthly Statement must contain a list of the individuals and their respective titles (*e.g.*, attorney or paralegal) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a

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ordinary course professional seeking payment of fees and disbursement of expenses exceeding the monthly or aggregate cap will be required to file interim and final fee applications.

reasonably detailed breakdown of the disbursements incurred,<sup>4</sup> and contemporaneously maintained time entries for each individual in increments of time set forth in each professional's engagement letter and the order approving such engagement;

(d) Each Notice Party shall have 14 days after the receipt of a Monthly Statement to review such Monthly Statement and, in the event that such Notice Party has an objection to the compensation or reimbursement sought in a particular Monthly Statement, such Notice Party shall, by no later than the 35th day following the month for which compensation is sought (the "**35 Day Period**"), file with the Court and serve upon the professional whose Monthly Statement is objected to, and the other Notice Parties, a written notice (the "**Notice of Objection to Fee Statement**") setting forth the nature of the objection and the amount of fees or expenses to which the recipient objects; provided, however, the 35 Day Period with respect to any Monthly Statement that is filed and served after the Monthly Statement Filing Deadline shall be extended by the number of days that have elapsed between the Monthly Statement Filing Deadline and the filing of such Monthly Statement;

(e) At the expiration of the 35 Day Period (including any extensions thereof in accordance with paragraph (d)), the Debtors shall promptly pay 80% of the fees and 100% of the expenses identified in each Monthly Statement to which no Notice of Objection to Fee Statement has been filed and served in accordance with paragraph (d);

(f) If a Notice of Objection to Fee Statement is filed with respect to a particular Monthly Statement, the Debtors shall withhold payment of that portion of the Monthly Statement to which such Notice of Objection to Fee Statement is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e) unless the professional whose statement is objected to seeks an order from the Court, upon notice and a hearing, directing payment to be made;

(g) If the parties to an objection are able to resolve their dispute following the filing of a Notice of Objection to Fee Statement, and if the party whose Monthly Statement was the subject of the objection files a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors shall promptly pay, in accordance with paragraph (e), that portion of the Monthly Statement that is no longer subject to an objection but in no event greater than 80% of the total fees requested;

(h) All objections that are not resolved by the parties or Court order shall be preserved and presented to the Court at the next interim or final fee application hearing to be determined by the Court (*see* paragraph (j), below);

(i) The service of a Notice of Objection to Fee Statement in accordance with paragraph (d) above shall not prejudice the objecting party's right to object to any fee

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<sup>4</sup> No professional shall seek reimbursement of an expense which would otherwise not be allowed pursuant to the Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 dated January 30, 1996.

application made to the Court in accordance with the Bankruptcy Code on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a Monthly Statement shall not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code;

(j) Approximately every 120 days, but no more than every 150 days, each of the professionals shall serve and file with the Court, in accordance with General Order M-399 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)), an application for interim or final Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code (as the case may be), of the compensation and reimbursement of expenses requested;

(k) Any professional who fails to file an application seeking approval of compensation and expenses previously paid pursuant to the Compensation Procedures (1) shall be ineligible to receive further monthly payments of fees or expenses as provided herein until such application for interim or final Court approval and allowance has been filed with the Court, and (2) may be required to disgorge any fees paid since retention or the last fee application, whichever is later;

(l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Statement shall not disqualify a professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court;

(m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any professionals; and

(n) Counsel for a Committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of professionals, collect and submit statements of expenses, with supporting vouchers, from its Committee Members; provided, however, that such Committee's counsel ensures that these reimbursement requests comply with the Court's Administrative Orders dated June 24, 1991 and April 21, 1995.

9. The Debtors request that the amount of fees and disbursements sought in any Monthly Statement or fee application be stated in the currency in which such fees and disbursements are to be paid, *provided* that if such stated amount is denominated in a currency other than U.S. dollars, such statement is to be accompanied by a statement of the equivalent amount of U.S. dollars, using the conversion rate in effect at the time of the applicable Monthly Statement or fee application, for the sole purpose of approximating the amount of such fees and

disbursements in U.S. dollars. The Debtors further request authorization to pay retained professionals in currencies other than U.S. dollars, in accordance with their agreements with such professionals.

10. All fees and expenses paid to professionals under the Compensation Procedures are subject to disgorgement until final allowance by the Court.

11. The Debtors also request that, in lieu of serving full copies of any interim and/or final fee application (collectively, the “*Applications*”), the Court limit service of Applications to the Notice Parties. The Debtors further request that the parties on the Master Service List (defined below), excluding the Notice Parties, shall be entitled to receive only notice of hearings on the Applications (the “*Hearing Notices*”). Serving the Applications and the Hearing Notices in this manner will permit the parties most active in the Chapter 11 Cases to review and object to the professionals’ fees and will save unnecessary duplications and mailing expenses.

**BASIS FOR RELIEF REQUESTED**

12. Section 331 of the Bankruptcy Code provides, in relevant part, as follows:

A trustee, an examiner, a debtor’s attorney, or any professional person employed under section 327 or 1103 of this title may apply to the Court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title. . . .

11 U.S.C. § 331.

13. Section 105(a) of the Bankruptcy Code provides, in relevant part, as follows:

The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title. No provision of this title . . . shall be construed to preclude the

court from, sua sponte, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules . . . .

11 U.S.C. § 105(a).

14. Procedures for compensating and reimbursing court-approved professionals have been established in other large chapter 11 cases. Appropriate factors to consider include “the size of [the] reorganization cases, the complexity of the issues involved, and the time required on the part of the attorneys for the debtors in providing services necessary to achieve a successful reorganization of the debtors . . . .” *In re Int’l Horizons, Inc.*, 10 B.R. 895, 897 (Bankr. N.D. Ga. 1981). The Debtors submit that the procedures sought herein are appropriate considering the above factors.

15. The proposed Compensation Procedures are similar to those established in other chapter 11 cases in this District. *See, e.g., In re AMR Corporation, Case No. 11-15463 (SHL) (Bankr. S.D.N.Y. Jan. 31, 2012) [Docket No. 958]; In re Almatris, B.V., Case No. 10-12308 (MG) (May 27, 2010) [Docket No. 150]; In re Frontier Airlines Holdings, Inc., Case No. 08-11298 (RDD) (Bankr. S.D.N.Y. May 2, 2008) [Docket No. 195]; In re Dana Corp., Case No. 06-10354 (BRL) (Bankr. S.D.N.Y. Mar. 29, 2006) [Docket No. 732]; In re Calpine Corp., Case No. 05-60200 (BRL) (Bankr. S.D.N.Y. Jan. 25, 2006) [Docket No. 617].*<sup>5</sup>

16. Approval of the Compensation Procedures would permit the Court and all other parties to effectively monitor the fees and expenses incurred by the professionals retained in these cases. The Debtors submit that the efficient administration of the Chapter 11 Cases will be significantly aided by establishing the foregoing interim compensation and expense reimbursement procedures. Accordingly the relief sought is in the best interests of the Debtors,

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<sup>5</sup> The Debtors have not annexed copies of the unreported orders cited herein because of their size. Copies of these orders, however, are available upon request of the Debtors’ counsel, including at the hearing to consider the Motion.



their estates and their creditors.

**NOTICE**

17. No trustee, examiner, or official committee of unsecured creditors has been appointed in the Chapter 11 Cases. The Debtors have provided notice of filing of the Motion by electronic mail, facsimile and/or overnight mail to: (i) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.), (ii) Kasowitz Benson Torres & Friedman LLP, 1633 Broadway, New York, New York 10019 (Attn: David Friedman, Esq. and David Mark, Esq.) as attorneys for Euroville, S.a.r.l., (iii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq.), as attorneys for Midtown Acquisitions, LLC and (iv) all parties listed on the Master Service List established in these Chapter 11 Cases. A copy of the Motion is also available on the website of the Debtors' notice and claims agent, GCG, Inc., at [www.gcginc.com/cases/arcapita](http://www.gcginc.com/cases/arcapita).

**NO PRIOR REQUEST**

18. No prior motion for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: New York, New York  
April 2, 2012

Respectfully submitted,

/s/ Michael A. Rosenthal

Michael A. Rosenthal (MR-7006)  
Janet M. Weiss (JM-5460)  
Matthew K. Kelsey (MK-3137)  
**GIBSON, DUNN & CRUTCHER LLP**  
200 Park Avenue  
New York, New York 10166-0193  
Telephone: (212) 351-4000  
Facsimile: (212) 351-4035

**PROPOSED ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION**

HEARING DATE AND TIME: April 17, 2012 at 11:00 a.m. (Eastern Time)

OBJECTION DEADLINE: April 10, 2012 at 12:00 p.m. (Eastern Time)

**GIBSON, DUNN & CRUTCHER LLP**

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Proposed Attorneys for the Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>IN RE:</b>	:	<b>Chapter 11</b>
	:	
<b>ARCAPITA BANK B.S.C.(c), et al.,</b>	:	<b>Case No. 12-11076 (SHL)</b>
	:	
<b>Debtors.</b>	:	<b>Jointly Administered</b>
	:	
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**NOTICE OF HEARING ON DEBTORS' MOTION FOR ORDER ESTABLISHING  
PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT OF  
EXPENSES FOR PROFESSIONALS AND COMMITTEE MEMBERS**

PLEASE TAKE NOTICE that a hearing on the annexed motion, dated April 2, 2012 (the "*Motion*") of Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the "*Debtors*") will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court for the Southern District of New York (the "*Bankruptcy Court*"), One Bowling Green, New York, New York, 10004, on **April 17, 2012 at 11:00 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion (the “**Objections**”) shall be filed electronically with the Court on the docket of *In re Arcapita Bank B.S.C.(c), et al.*, Ch. 11 Case No. 12-11076 (SHL) (the “**Docket**”), pursuant to the Case Management Procedures approved by this Court<sup>1</sup> and the Court's General Order M-399 (available at <http://nysb.uscourts.gov/orders/orders2.html>), by registered users of the Court's case filing system and by all other parties in interest on a 3.5 inch disk, preferably in portable document format (“**PDF**”), Microsoft Word, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and served in accordance with General Order M-399 on (i) proposed counsel for the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, New York, 10166 (Attn: Michael A. Rosenthal, Esq., Janet M. Weiss, Esq. and Matthew K. Kelsey, Esq.); (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21<sup>st</sup> Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); (iii) Kasowitz Benson Torres & Friedman LLP, 1633 Broadway, New York, New York 10019 (Attn: David Friedman, Esq. and David Mark, Esq.) as attorneys for Euroville, S.a.r.l.; and (iv) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq.), as attorneys for Midtown Acquisitions, LLC so as to be received no later than **April 10, 2012 at 12:00 p.m. (Eastern Time)** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to

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<sup>1</sup> See Order (A) Waiving the Requirement That Each Debtor File a List of Creditors and Equity Security Holders and Authorizing Maintenance of Consolidated List of Creditors in Lieu of a Matrix; (B) Authorizing Filing of a

the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard.

Dated: New York, New York  
April 2, 2012

/s/ Michael A. Rosenthal  
Michael A. Rosenthal (MR-7006)  
Janet M. Weiss (JW-5460)  
Matthew K. Kelsey (MK-3137)  
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PROPOSED ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION

**EXHIBIT A**  
**Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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IN RE: : **Chapter 11**  
: :  
ARCAPITA BANK B.S.C.(c), *et al.*, : **Case No. 12-11076 (SHL)**  
: :  
Debtors. : **Jointly Administered**  
: :  
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**ORDER GRANTING DEBTOR’S MOTION FOR ORDER ESTABLISHING  
PROCEDURES FOR INTERIM COMPENSATION AND REIMBURSEMENT  
OF EXPENSES FOR PROFESSIONALS AND COMMITTEE MEMBERS**

Upon consideration of the motion (the “*Motion*”)<sup>1</sup> of Arcapita Bank B.S.C.(c) (“*Arcapita*”) and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “*Debtors*” and each, a “*Debtor*”), for entry of an order establishing procedures for interim compensation and reimbursement of expenses for professionals and committee members; and the Court having found that it has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of Debtors’ estates, their creditors, and other parties in interest; and notice of the Motion and the opportunity for a hearing on the Motion having been appropriate under the particular circumstances; and the Court having reviewed the Motion and having considered the statements in support of the relief requested therein at a hearing before the Court (the “*Hearing*”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED:**

1. The Motion is granted to the extent set forth herein.

2. Except as may otherwise be provided in orders of the Court, all professionals in these cases may seek monthly compensation in accordance with the following procedures (the “*Compensation Procedures*”):

(o) On or before the 20th day of each month following the month for which compensation is sought, each professional seeking compensation shall serve a monthly statement (the “*Monthly Statement*”), by email or overnight delivery, on (i) Arcapita Bank B.S.C.(c), Arcapita Buliding, Bahrain Bay, P.O. Box 1406, Manama, Kingdom of Bahrain (Attn: Henry Thompson); (ii) Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166 (Attn: Michael A. Rosenthal, Esq., Janet M. Weiss, Esq., and Matthew K. Kelsey, Esq.); (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21<sup>st</sup> Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); (iv) counsel for any Committee appointed in the Chapter 11 Cases; and (v) any other party the Court may designate (each a “*Notice Party*” and collectively, the “*Notice Parties*”).

(p) On or before the 20th day of each month following the month for which compensation is sought (the “*Monthly Statement Filing Deadline*”), each professional seeking compensation shall file the Monthly Statement with the Court; however, a courtesy copy need not be delivered to chambers. This Order does not alter the fee application requirements set forth in sections 330 and 331 of the Bankruptcy Code. Professionals are required to serve and file interim and final applications for approval of fees and expenses in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules for the United States Bankruptcy Court of the Southern District of New York (the “*Local Rules*”);

(q) Each Monthly Statement must contain a list of the individuals and their respective titles (*e.g.*, attorney or paralegal) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the disbursements incurred,<sup>2</sup> and contemporaneously maintained time entries for each individual in increments of time set forth in each professional’s engagement letter and the order approving such engagement;

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<sup>2</sup> No professional shall seek reimbursement of an expense which would otherwise not be allowed pursuant to the Court’s Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 dated January 30, 1996.



(r) Each Notice Party shall have 14 days after the receipt of a Monthly Statement to review such Monthly Statement and, in the event that such Notice Party has an objection to the compensation or reimbursement sought in a particular Monthly Statement, such Notice Party shall, by no later than the 35th day following the month for which compensation is sought (the “**35 Day Period**”), file with the Court and serve upon the professional whose Monthly Statement is objected to, and the other Notice Parties, a written notice (the “**Notice of Objection to Fee Statement**”) setting forth the nature of the objection and the amount of fees or expenses to which the recipient objects; provided, however, the 35 Day Period with respect to any Monthly Statement that is filed and served after the Monthly Statement Filing Deadline shall be extended by the number of days that have elapsed between the Monthly Statement Filing Deadline and the filing of such Monthly Statement;

(s) At the expiration of the 35 Day Period (including any extensions thereof in accordance with paragraph (d)), the Debtors shall promptly pay 80% of the fees and 100% of the expenses identified in each Monthly Statement to which no Notice of Objection to Fee Statement has been filed and served in accordance with paragraph (d);

(t) If a Notice of Objection to Fee Statement is filed with respect to a particular Monthly Statement, the Debtors shall withhold payment of that portion of the Monthly Statement to which such Notice of Objection to Fee Statement is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e) unless the professional whose statement is objected to seeks an order from the Court, upon notice and a hearing, directing payment to be made;

(u) If the parties to an objection are able to resolve their dispute following the filing of a Notice of Objection to Fee Statement, and if the party whose Monthly Statement was the subject of the objection files a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors shall promptly pay, in accordance with paragraph (e), that portion of the Monthly Statement that is no longer subject to an objection but in no event greater than 80% of the total fees requested;

(v) All objections that are not resolved by the parties or Court order shall be preserved and presented to the Court at the next interim or final fee application hearing to be determined by the Court (*see* paragraph (j), below);

(w) The service of a Notice of Objection to Fee Statement in accordance with paragraph (d) above shall not prejudice the objecting party’s right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a Monthly Statement shall not be a waiver of any kind or prejudice that party’s right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code;

(x) Approximately every 120 days, but no more than every 150 days, each of the professionals shall serve and file with the Court, in accordance with General Order M-399 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)), an application for interim or

final Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code (as the case may be), of the compensation and reimbursement of expenses requested;

(y) Any professional who fails to file an application seeking approval of compensation and expenses previously paid under this Order (1) shall be ineligible to receive further monthly payments of fees or expenses as provided herein until such application for interim or final Court approval and allowance has been filed with the Court, and (2) may be required to disgorge any fees paid since retention or the last fee application, whichever is later;

(z) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Statement shall not disqualify a professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court;

(aa) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any professionals; and

(bb) Counsel for a Committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of professionals, collect and submit statements of expenses, with supporting vouchers, from its Committee Members; provided, however, that such Committee's counsel ensures that these reimbursement requests comply with the Court's Administrative Orders dated June 24, 1991 and April 21, 1995.

3. In any Monthly Statement or Application, the amount of fees and disbursements sought shall be stated in the currency in which such fees and disbursements are to be paid. If any Monthly Statement or Application states the amount of fees and disbursements sought in currency other than U.S. dollars, such Monthly Statement or Application shall also state, for the sole purpose of approximating the amount of such fees and disbursements in U.S. dollars, the equivalent U.S. dollar amount of fees and disbursements sought using the conversion rate in effect at the time of the applicable Monthly Statement or Application.

4. The Debtors are authorized to pay retained professionals in currencies other than U.S. dollars, in accordance with their agreements with such professionals. For the avoidance of

doubt, the Debtors are also authorized to pay retained professionals in U.S. dollars, in accordance with their agreements with such professionals.

5. The first fee application period shall be the period beginning on the Petition Date, and ending on April 30, 2012. All fee application periods thereafter shall begin on the first day of each calendar month and end on the last day of such month.

6. The Debtors shall include all payments to professionals or Committee Members on their monthly operating reports, detailed so as to state the amount paid to each.

7. All time periods set forth in this Order shall be calculated in accordance with Rule 9006(a) of the Bankruptcy Rules.

8. Service of Applications shall be limited to the Notice Parties. The Debtors shall serve the Hearing Notices on the Master Service List.

9. All fees and expenses paid to professionals under the Compensation Procedures are subject to disgorgement until final allowance by the Court.

10. Notice of any Application shall be sufficient if served on the Notice Parties.

11. All other parties that have filed a notice of appearance with the Clerk of this Court and requested notice of pleadings in the Chapter 11 Cases shall be entitled to receive only notice of hearings on the Applications.

12. This Court shall retain jurisdiction with respect to any and all matters arising from or related to the interpretation or implementation of this Order.

Dated: New York, New York  
\_\_\_\_\_, 2012

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THE HONORABLE SEAN H. LANE  
UNITED STATES BANKRUPTCY JUDGE