

**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.	:	
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**SUMMARY SHEET FOR SEVENTH MONTHLY FEE STATEMENT OF KPMG
LLP, AS VALUATION ADVISOR TO THE DEBTORS, FOR ALLOWANCE AND
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED FROM OCTOBER 1, 2012 THROUGH OCTOBER 31, 2012**

NAME OF APPLICANT:	KPMG LLP (UK)
TIME PERIOD:	October 1, 2012 through and including October 31, 2012
ROLE IN THIS CASE:	Valuation Advisor to the Debtors
CURRENT APPLICATION:	Total Fees Requested: (discounted) \$ 20,315.50
	Total Expenses Requested: \$ 8,854.84
THIS APPLICATION IS AN:	<u> X </u> Monthly ___ Interim ___ Final Application

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SOUTHERN DISTRICT OF NEW YORK**

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: **Chapter 11**
In re: :
: **Case No. 12-11076 (SHL)**
ARCAPITA BANK B.S.C.(c), et al., :
: **Debtors.**
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**SEVENTH MONTHLY FEE STATEMENT OF KPMG LLP,
AS VALUATION ADVISOR TO THE DEBTORS, FOR ALLOWANCE AND
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES
INCURRED FROM OCTOBER 1, 2012 THROUGH OCTOBER 31, 2012**

KPMG LLP in the United Kingdom (“KPMG UK”), part of KPMG Europe LLP, a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative, as valuation advisor to Arcapita Bank B.S.C.(c) (“Arcapita Bank”), Arcapita LT Holdings Limited (“ALTH”), and Arcapita Investment Holdings Limited (“AIHL,” and collectively with Arcapita Bank and ALTH, the “Debtors”) in the above-captioned cases, files this Seventh Monthly Fee Statement for Compensation and Reimbursement of Expenses (the “Fee Statement”) pursuant to sections 327(a) and 330 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the Southern District of New York, the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases M-389 (Nov. 25, 2009), the United States Trustee Guidelines for Reviewing Applications for

Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. Section 330 issued by the Executive Office of the United States Trustee's Guidelines, and this Court's Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and Committee Members, dated May 18, 2012 [Docket No.159] (the "Interim Compensation Order"), for the allowance of interim compensation for professional services performed by KPMG UK for the period October 1, 2012 through October 31, 2012 (the "Compensation Period"), in the amount of \$20,315.50 and for reimbursement of expenses incurred in connection with the rendition of such services in the aggregate of \$8,854.84 and respectfully represents:

BACKGROUND

1. On March 19, 2012 (the "Petition Date"), the Debtors and certain of their affiliates filed voluntary petitions for relief pursuant to Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). Since that date, the Debtors have continued in possession of their business and property as debtors-in-possession in accordance with sections 1107(a) and 1108 of the Bankruptcy Code.

2. On April 5, 2012, the United States Trustee for the Southern District of New York appointed an Official Committee of Unsecured Creditors [Docket No. 60] (the "Committee") pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors' chapter 11 cases.

3. The Debtors selected KPMG UK as their Valuation Advisor because of, among other things, the firm's depth of experience and ability to handle restructuring valuation issues in a complex, global-scale business environment in bankruptcy reorganizations and other restructurings.

4. On July 20, 2012, the Court approved KPMG UK's retention as valuation advisor to the Debtor [Docket No. 335] (the "Retention Order") *nunc pro tunc* to March 19, 2012.

KPMG'S FEES AND EXPENSES

5. By this Fee Statement, KPMG UK requests: (i) allowance of monthly compensation of professional fees totaling \$20,315.50 and payable in accordance with the Interim Compensation Order in the amount of eighty-percent (80%) or \$16,252.40;¹ and (ii) reimbursement of one hundred percent (100%) of expenses incurred in connection with the rendition of such services in the aggregate of \$8,854.84.

6. A list of the individuals and their respective titles who provided services during the Compensation Period, their respective billing rates, the aggregate hours spent by each individual is annexed hereto as Exhibit A. A summary of hours and fees incurred by category is annexed hereto as Exhibit B. KPMG UK maintains contemporaneous records of the time expended for the professional services and expenses related hereto performed in connection with these chapter 11 cases. A copy of such time records are annexed hereto as Exhibits D1 – D5. The fees applied for herein reflect an agreed discount of approximately 30% to ordinary and customary KPMG UK rates.

7. Attached hereto as Exhibit C and incorporated herein by reference, is a detailed description of the actual and necessary expenses incurred by KPMG UK in

¹ KPMG UK and the Debtors are negotiating a fee cap in respect of certain aspects of KPMG's services. However, such fee cap does not relate to services performed during the Compensation Period.

connection with its employment with the Debtors during the Compensation Period.² As set forth on Exhibit C1, KPMG UK seeks reimbursement of actual and necessary expenses incurred by KPMG UK during the Compensation Period in the aggregate amount of \$8,854.84. These expenses are reasonable and necessary in light of the size and complexity of the Debtors' cases.

8. KPMG UK respectfully submits that the amounts applied for herein for professional services rendered on behalf of the Debtors in these cases to date are fair and reasonable given: (i) the time expended; (ii) the nature and extent of the services performed at the time at which such services were rendered; (iii) the value of such services; and (iv) the costs of comparable services other than in these chapter 11 cases.

9. The time and labor expended by KPMG UK during the Compensation Period has been commensurate with the size and complexity of these cases. In rendering these services, KPMG UK has made every effort to maximize the benefit to the Debtors' estates and to leverage staff appropriately in order to minimize duplication of effort. In addition, KPMG UK has used reasonable efforts to coordinate, with the assistance of the Debtors, with the Debtors' other retained professionals to avoid the unnecessary duplication of services.

10. During the Compensation Period, KPMG UK provided a focused range of professional services as requested by the Debtors. KPMG UK respectfully submits that

² Certain of the expenses sought herein were incurred prior to the Compensation Period, but were received and/or processed during the Compensation Period. Accordingly, by this Seventh Fee Statement, KPMG UK seeks payment of such expenses.

these services: (i) were necessary and beneficial to the successful and prompt administration of these cases; and (ii) have been provided in a cost efficient manner.

11. Except as permitted pursuant to section 504(b) of the Bankruptcy Code and the Retention Order, KPMG UK has not shared, or agreed to share, any compensation received as a result of this case with any person, firm or entity. Except as permitted pursuant to the Retention Order, there is no agreement or understanding between KPMG UK and any other person for the sharing of compensation to be received for the services rendered in these cases.

RESERVATION

12. To the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Compensation Period, but were not processed prior to the preparation of this Fee Statement, KPMG UK reserves the right to request additional compensation for such services and reimbursement of such expenses in a future fee statement or application. Furthermore, KPMG UK reserves the right to seek final approval of the fees requested herein.

CONCLUSION

WHEREFORE, KPMG UK respectfully requests that it be paid \$20,315.50 (and payable in accordance with the Interim Compensation Order in the amount of eighty-percent (80%) or \$16,252.40) as compensation for professional services rendered during the Compensation Period and reimbursement of actual and necessary expenses totaling \$8,854.84 pursuant to the terms of the Interim Compensation Order.

Dated: November 20, 2012
London, England



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EXHIBIT A

Arcapita Bank B.S.C. (c)
Summary Of Hours and Fees Incurred By Professional
October 1, 2012 through October 31, 2012

Professional	Position	Hours Billed	Hourly Rate	Fees Billed
Fletcher, David	KPMG UK Partner	5.3	\$ 950	\$ 5,035.00
Lawrence, Jason	KPMG UK Director	5.8	\$ 840	\$ 4,872.00
Harrower, Andrew	KPMG UK Manager	13.5	\$ 550	\$ 7,425.00
Sellers, Monica	KPMG US Manager	0.6	\$ 550	\$ 330.00
Tatum, Pamela Renea	KPMG US Senior Associate	8.7	\$ 305	\$ 2,653.50
Total Hours and Fees		33.9		\$ 20,315.50
Fees				\$ 20,315.50
Out of Pocket Expenses				\$ 8,854.84
Subtotal of Fees and Out of Pocket Expenses				\$ 29,170.34
less Holdback Adjustment (20% of Fees)				\$ (4,063.10)
Net Requested Fees & Out of Pocket Expenses				\$ 25,107.24
Hourly Blended Rate		599.28		

EXHIBIT B

Arcapita Bank B.S.C. (c)

Summary of Hours and Fees Incurred by Category
October 1, 2012 through October 31, 2012

<u>Category</u>	<u>Exhibit</u>	<u>Hours</u>	<u>Fees</u>
Valuation - Methodology Services	D1	-	\$ -
Valuation - Business Plan Review Services	D2	-	\$ -
Retention Preparation	D3	-	\$ -
Fee Application Preparation	D4	20.6	\$ 9,198.50
Advisor Discussions	D5	13.3	\$ 11,117.00
	Total	33.9	\$ 20,315.50

EXHIBIT C

Arcapita Bank B.S.C. (c)

Summary of Out of Pocket Expenses

October 1, 2012 through October 31, 2012

<u>Category</u>	<u>Amount</u>
Airfare	\$ -
Lodging	\$ -
Meals	\$ -
Ground Transportation	\$ -
Miscellaneous	\$ 8,854.84
Total	\$ 8,854.84

EXHIBIT C1

Arcapita Bank B.S.C. (c)
Detail of Out of Pocket Expenses
October 1, 2012 through October 31, 2012

Name	Date	Description	Amount
		Airfare Subtotal	<u>\$ -</u>
		Lodging Subtotal	<u>\$ -</u>
		Meals Subtotal	<u>\$ -</u>
		Ground Transportation Subtotal	<u>\$ -</u>
Accounts Payable	12-Oct-12	Professionals services rendered by Willkie Farr through September 30, 2012 in connection with the Arcapita retention.	\$ 3,636.54
Accounts Payable	20-Nov-12	Professionals services rendered by Willkie Farr through October 31, 2012 in connection with the Arcapita retention.	\$ 5,218.30
		Miscellaneous Subtotal	<u>\$ 8,854.84</u>
		Total Out of Pocket Expenses	<u><u>\$ 8,854.84</u></u>

EXHIBIT D1

Arcapita Bank B.S.C. (c)
Valuation - Methodology Services
October 1, 2012 through October 31, 2012

Name	Date	Description	Hours	Rate	Amount
		Total Valuation - Methodology Services	<u><u>0.0</u></u>		<u><u>\$ -</u></u>

EXHIBIT D3

Arcapita Bank B.S.C. (c)
Retention Preparation
October 1, 2012 through October 31, 2012

<u>Name</u>	<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
		Total Retention Preparation	<u>0.0</u>		<u>\$ -</u>

EXHIBIT D4

Arcapita Bank B.S.C. (c)
Fee Application Preparation
October 1, 2012 through October 31, 2012

Name	Date	Description	Hours	Rate	Amount
Tatum, Pamela Renea	04-Oct-12	Compiling September fee statement with most recent task descriptions received, to include new data and update fee statement exhibits.	2.7	\$ 305	\$ 823.50
Tatum, Pamela Renea	05-Oct-12	Continue compiling September fee statement with most recent task descriptions received, to include new data and update fee statement exhibits.	1.9	\$ 305	\$ 579.50
Tatum, Pamela Renea	08-Oct-12	Continue compiling September fee statement with most recent task descriptions received, to include new data and update fee statement exhibits.	0.8	\$ 305	\$ 244.00
Tatum, Pamela Renea	09-Oct-12	Prepare the September fee statement and incorporate most recent task descriptions received into the exhibits.	0.9	\$ 305	\$ 274.50
Tatum, Pamela Renea	10-Oct-12	Continue to prepare the September fee statement and incorporate most recent task descriptions received into the exhibits.	0.5	\$ 305	\$ 152.50
Harrower, Andrew	10-Oct-12	Initial draft of narrative in support of the sixth KPMG fee application.	1.5	\$ 550	\$ 825.00
Tatum, Pamela Renea	11-Oct-12	Prepare the September fee statement and related documents and forward to the Manager for approval.	1.2	\$ 305	\$ 366.00
Harrower, Andrew	11-Oct-12	Analyzing and preparing a summary of the fees and expenses incurred to date to share with the Arcapita management team.	2.5	\$ 550	\$ 1,375.00
Sellers, Monica	17-Oct-12	Incorporate most recent information into monthly fee application prior to its finalization.	0.4	\$ 550	\$ 220.00
Tatum, Pamela Renea	18-Oct-12	Prepare the expense exhibit and forward the September fee statement to A. Harrower (KPMG UK) for review.	0.7	\$ 305	\$ 213.50
Sellers, Monica	19-Oct-12	Incorporate most recent information into fee application prior to its finalization.	0.2	\$ 550	\$ 110.00
Harrower, Andrew	19-Oct-12	Review of September fee application data, further preparation of fee application data in order to comply with SDNY guidelines.	2.8	\$ 550	\$ 1,540.00
Harrower, Andrew	19-Oct-12	Final review of sixth fee application narrative; submission of narrative to GDC for review and updating narrative based on feedback provided.	2.1	\$ 550	\$ 1,155.00

EXHIBIT D4

Arcapita Bank B.S.C. (c)
Fee Application Preparation
October 1, 2012 through October 31, 2012

Name	Date	Description	Hours	Rate	Amount
Harrower, Andrew	19-Oct-12	Finalization of the September fee statement hours and narratives and submission of fee statement to GDC for filing with the SDNY.	2.4	\$ 550	\$ 1,320.00
Total Fee Application Preparation			20.6		\$ 9,198.50

EXHIBIT D5

Arcapita Bank B.S.C. (c)
Advisor Discussions
October 1, 2012 through October 31, 2012

Name	Date	Description	Hours	Rate	Amount
Lawrence, Jason	04-Oct-12	Preparation of hold harmless letters for the release of reports to the financial and legal advisers of potential new dip providers	2.1	\$ 840	\$ 1,764.00
Fletcher, David	08-Oct-12	Partner review, revision and final signing of the Silverpoint Hold Harmless letter and company authorization letter, in order to facilitate release of the KPMG valuation reports to the potential DIP financing / equity provider.	0.9	\$ 950	\$ 855.00
Lawrence, Jason	10-Oct-12	Preparation of additional hold harmless letters for new DIP providers (confidential).	1.8	\$ 840	\$ 1,512.00
Fletcher, David	11-Oct-12	Partner review and signing of multiple hold harmless letters and company authority to release letters in order to release valuation reports to potential DIP financing and equity providers.	0.5	\$ 950	\$ 475.00
Harrower, Andrew	11-Oct-12	Drafting multiple hold harmless letters and company authority to release letters in order to provide the KPMG valuation reports to multiple potential DIP finance / equity providers.	2.2	\$ 550	\$ 1,210.00
Fletcher, David	12-Oct-12	Partner review, revision and final signing of the Goldman Sachs Hold Harmless letter and company authorization letter, in order to facilitate release of the KPMG valuation reports to the potential DIP financing / equity provider.	1.5	\$ 950	\$ 1,425.00
Fletcher, David	18-Oct-12	Reviewing and drafting correspondence following several press releases regarding the KPMG valuation work.	1.1	\$ 950	\$ 1,045.00
Fletcher, David	24-Oct-12	Review of emails from Alvarez & Marsal related to fees, reviewing related analysis in order to assess the KPMG fee position.	0.8	\$ 950	\$ 760.00
Lawrence, Jason	25-Oct-12	Preparation of hold harmless letters for the release of reports to the financial and legal advisers of potential new dip providers	1.9	\$ 840	\$ 1,596.00
Fletcher, David	29-Oct-12	Drafting email correspondence to Alvarez & Marsal relating to questions raised on KPMG fees.	0.5	\$ 950	\$ 475.00
Total Advisor Discussions			13.3		\$ 11,117.00