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*Bahraini Counsel for Official Committee of
Unsecured Creditors of Arcapita Bank B.S.C.(c), et al.*

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

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	:	
In re:	:	Chapter 11
	:	
ARCAPITA BANK B.S.C.(c), <u>et al.</u>,	:	Case No. 12-11076 (SHL)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**SECOND APPLICATION OF HASSAN RADHI & ASSOCIATES,
BAHRAINI COUNSEL TO OFFICIAL COMMITTEE OF
UNSECURED CREDITORS, FOR INTERIM APPROVAL AND ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED DURING PERIOD FROM
AUGUST 1, 2012 THROUGH AND INCLUDING OCTOBER 31, 2012**

Name of applicant:	<u>Hassan Radhi & Associates</u>
Role in case:	<u>Bahraini Counsel to Official Committee of Unsecured Creditors</u>
Date of retention:	<u>Order entered on June 29, 2012, retaining Hassan Radhi & Associates <i>nunc pro tunc</i> to April 16, 2012</u>
Period for which compensation and reimbursement are sought:	<u>August 1, 2012 – October 31, 2012</u>
Amount of compensation requested:	\$6,032.00 (100%)
Amount of expense reimbursement requested:	\$0.00

This is an: X interim _____ final application.
This is the second interim fee application filed by Hassan Radhi & Associates in these cases.

Name	Year First Admitted to Practice	Hours Billed in Current Application	Hourly Rate	Total Fees Sought in Application (100%)
A. Jalil Al Aradi	2004	8.0	\$754	\$6,032.00

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AUGUST 1, 2012 THROUGH AND INCLUDING OCTOBER 31, 2012**

TO THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE:

Hassan Radhi & Associates (“HR&A”), Bahraini Counsel to the Official
Committee of Unsecured Creditors (the “Committee”) of Arcapita Bank B.S.C.(c) (“Arcapita”)
and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the
“Debtors”)¹, hereby submits its application (the “Application”), pursuant to sections 330 and 331
of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the

¹ The Debtors in these chapter 11 cases are Arcapita Bank B.S.C.(c), Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, WindTurbine Holdings Limited, AEID II Holdings Limited, RailInvest Holdings Limited, and Falcon Gas Storage Company, Inc. The location of the Debtors’ corporate headquarters is Arcapita Building, Bahrain Bay, P.O. Box 1406, Manama, Kingdom of Bahrain.

“Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on November 25, 2009 and effective December 4, 2009 (together, the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines,” and together with the Local Guidelines, the “Guidelines”), and the Order Granting Debtors’ Motion for Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members, dated May 18, 2012 (the “Interim Compensation Order”), for interim approval and allowance of compensation for professional services rendered during the period from August 1, 2012 through and including October 31, 2012 (the “Second Interim Compensation Period”) and in support thereof respectfully represents as follows:

I.
INTRODUCTION

A. Background

1. Bankruptcy Filing. On March 19, 2012 (the “Petition Date”), Arcapita and five of its affiliates commenced the above-captioned chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York (the “Court”). On April 30, 2012, Falcon Gas Storage Co., Inc. (“Falcon”) commenced a case under chapter 11 of the Bankruptcy Code. The Debtors’ chapter 11 cases have been consolidated for procedural purposes and are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the chapter 11 cases.

2. Creditors' Committee. On April 5, 2012, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the Committee.²

3. Jurisdiction. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the chapter 11 cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code. Pursuant to the Local Guidelines, a certification regarding compliance with the Guidelines is attached hereto as Exhibit A.

B. Retention of HR&A and Billing History

4. Authorization for HR&A's Retention. On June 29, 2012, pursuant to the Order Under 11 U.S.C. § 1103 and Fed. R. Bankr. P. 2014 and 5002 and S.D.N.Y. LBR 2014-1, Authorizing Retention and Employment of Hassan Radhi & Associates as Bahraini Counsel to Official Committee of Unsecured Creditors of Arcapita Bank B.S.C.(c), et al., effective as of April 16, 2012 [Docket No. 287] (the "Retention Order"), the Court authorized HR&A's retention as counsel for the Committee in these cases. The Retention Order authorized HR&A to receive compensation pursuant to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Guidelines, the Interim Compensation Order and the local rules and orders of this Court.

5. First Interim Compensation Period. On August 15, 2012, HR&A filed the First Application of Hassan Radhi & Associates, Bahraini Counsel to Official Committee of Unsecured Creditors, for Interim Approval and Allowance of Compensation for Services

² The Committee is currently comprised of the following entities: (i) Arcsukuk (2011-1) Limited c/o BNY Mellon Corporate Trustee Services Limited; (ii) Barclays Bank PLC; (iii) Central Bank of Bahrain; (iv) Commerzbank AG; (v) National Bank of Bahrain B.S.C.(c); and (vi) VR Global Partners, L.P.

Rendered and Reimbursement of Expenses Incurred During Period From April 16, 2012 Through and Including July 31, 2012 [Docket No. 401] (the “First Interim Fee Application”). In the First Interim Fee Application, HR&A requested interim approval and allowance of compensation for professional services rendered during the period from April 16, 2012 through and including July 31, 2012 in the amount of \$3,930.20.

6. On September 24, 2012, the Court entered an order [Docket No. 503] granting the First Interim Fee Application and authorizing the Debtors to pay to HR&A \$3,144.16, which amount represents 80% of compensation sought under the First Interim Fee Application.³ As of the date hereof, HR&A has received \$3,144.16 on account of the First Interim Fee Application.

7. HR&A has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases.

8. No promises have been received by HR&A or any member thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

II. **APPLICATION**

9. By this Application, HR&A seeks interim allowance of compensation for professional services rendered by HR&A, as Bahraini counsel for the Committee, during the Second Interim Compensation Period.

10. Specifically, in this Application, HR&A seeks approval of \$6,032.00 for legal services rendered on behalf of the Committee during the Second Interim Compensation Period. HR&A has taken all possible measures to reduce its fees in these cases given the overall amount of professional fees incurred.

11. The fees sought by this Application reflect an aggregate of 8.0 hours of attorney and paraprofessional time spent and recorded in performing services for the Committee during the Second Interim Compensation Period, at a blended average hourly rate of \$754.

12. HR&A rendered to the Committee all services for which compensation is sought solely in connection with these cases and in furtherance of the duties and functions of the Committee.

13. HR&A maintains computerized records of the time expended in the rendering of the professional services required by the Committee. These records are maintained in the ordinary course of HR&A's practice. For the convenience of the Court and parties in interest, a billing summary for services rendered during the Second Interim Compensation Period is attached as part of the cover sheet, setting forth the name of each attorney and paraprofessional for whose work on these cases compensation is sought, each attorney's year of bar admission, the aggregate of the time expended by each such attorney or paraprofessional, the hourly billing rate for each such attorney or paraprofessional at HR&A's current billing rates, and an indication of the individual amounts requested as part of the total amount of compensation requested. In addition, set forth in the billing summary is additional information indicating whether each

³ In accordance with the Interim Compensation Order, this payment authorization reflects a 20% "holdback" (the "Holdback") of the amount of compensation originally sought in the First Interim Fee Application. At the hearing on the First Interim Fee Application, the Court indicated that it would consider an application to release the Holdback in connection with the retained professionals' next interim fee application. Consequently, HR&A is seeking the release of the Holdback in connection with this Application.

attorney is a partner or associate, the number of years each attorney has held such position and each attorney's area of concentration. The compensation requested by HR&A is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

14. HR&A also maintains computerized records of all expenses incurred in connection with the performance of professional services. A billing summary for expenses incurred during the Second Interim Compensation Period is attached as part of the cover sheet, setting forth the amounts for which reimbursement is sought by type of expense.

III.
SUMMARY OF PROFESSIONAL SERVICES RENDERED

15. As HR&A was retained for a limited purpose, specifically, in connection with certain issues of Bahraini law, its services have reasonably been allocated to a single billing category. The following summary is intended only to highlight key services rendered by HR&A during the Second Interim Compensation Period on behalf of the Committee, and is not meant to be a detailed description of all of the work performed. Detailed descriptions of the day-to-day services provided by HR&A and the time expended performing such services in each project billing category are attached hereto as Exhibit B.

16. During the Second Interim Compensation Period, HR&A attorneys advised the Committee with respect to all aspects of Bahraini law, particularly in connection with, among other matters, (i) employment issues arising at the Debtors' Bahraini offices, including the rights of terminated employees, (ii) real estate in the Kingdom of Bahrain owned and/or leased by the Debtors, (iii) the duties of the directors of an insolvent company and (iv) a creditor's right to set off mutual debts.

IV.
ALLOWANCE OF COMPENSATION

17. The professional services rendered by HR&A have required a high degree of professional competence and expertise to address, with skill and dispatch, the numerous issues requiring evaluation and action by the Committee. The services rendered to the Committee were performed efficiently, effectively and economically, and the results obtained to date have benefited not only the members of the Committee, but also the unsecured creditors of each of the Debtors' estates.

18. The allowance of interim compensation for services rendered and reimbursement of expenses in chapter 11 cases is expressly provided for in section 331 of the Bankruptcy Code:

Any professional person . . . 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 . . . as is provided under section 330 of this title.

19. With respect to the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person "reasonable compensation for actual, necessary services rendered[.]" Section 330(a)(3), in turn, provides that:

In determining the amount of reasonable compensation to be awarded to . . . [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time which the service was rendered toward the completion of, a case under this title;

- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

20. In the instant case, HR&A respectfully submits that the services for which he seeks compensation in this Application were necessary for, and beneficial to, the functioning of the Committee and the unsecured creditors of the Debtors' estates, and were consistently performed in a timely manner, commensurate with the complexity, importance, and nature of the issues involved. The total time spent by HR&A during the Second Interim Compensation Period was 8 hours, which has a fair market value of \$6,032.00. Whenever possible, HR&A sought to minimize the costs of its services to the Committee by performing the work more efficiently and by minimizing disbursements.

V.

EXPENSES

21. HR&A has incurred no out-of-pocket expenses in connection with representing the Committee during the Second Interim Compensation Period.

VI.

NOTICE

22. No trustee or examiner has been appointed in the chapter 11 cases. Pursuant to the Interim Compensation Order, notice of this Application has been served upon:
(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, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.) and (iv) the Committee, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq. and Evan R. Fleck, Esq.). HR&A submits that, in light of the relief requested herein, no other or further notice need be provided.

VII.

CONCLUSION

WHEREFORE, HR&A respectfully requests that the Court enter an order:

- (a) allowing HR&A interim compensation for professional services rendered as counsel for the Committee during the Second Interim Compensation Period in the amount of \$6,032.00;
- (b) authorizing and directing the Debtors to pay (to the extent not previously paid in accordance with the Interim Compensation Order) to HR&A \$5,611.04, which is an amount equal to (i) the \$786.04 Holdback, plus (ii) \$4,825.00, which represents the unpaid portion of 80% of HR&A's fees for legal services rendered during the Second Interim Compensation Period; and (c) granting such further relief as is just.

Dated: Manama, Kingdom of Bahrain
November 27, 2012

HASSAN RADHI & ASSOCIATES

By: /s/ A. Jalil Al Aradi

A. Jalil Al Aradi
605 Diplomat Tower
Diplomat Area
Manama, Kingdom of Bahrain
Telephone: (00973) 1753-5252
Bahraini Counsel for Official Committee of Unsecured
Creditors of Arcapita Bank B.S.C.(c), et al.

Exhibit A

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

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

**CERTIFICATION UNDER GUIDELINES FOR
FEES AND DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF SECOND
APPLICATION OF HASSAN RADHI & ASSOCIATES, BAHRAINI COUNSEL
TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR INTERIM
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED DURING
PERIOD FROM AUGUST 1, 2012 THROUGH AND INCLUDING OCTOBER 31, 2012**

Pursuant to the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on November 25, 2009 and effective December 4, 2009 (together, the “Local Guidelines”), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “U.S. Trustee Guidelines” and, together with the Local Guidelines, the “Guidelines”), the undersigned, a member of the firm Hassan Radhi & Associates (“HR&A”), Bahraini counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Arcapita Bank B.S.C.(c) and its affiliated debtors in possession in the above-captioned cases (collectively, the “Debtors”)¹, hereby certifies with respect to HR&A’s second application for allowance of compensation for services rendered,

¹ The Debtors in these chapter 11 cases are Arcapita Bank B.S.C.(c), Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, WindTurbine Holdings Limited, AEID II Holdings Limited, RailInvest Holdings Limited, and Falcon Gas Storage Company, Inc. The location of the Debtors’ corporate headquarters is Arcapita Building, Bahrain Bay, P.O. Box 1406, Manama, Kingdom of Bahrain.

dated November 27, 2012 (the “Application”), for the period of August 1, 2012 through and including October 31, 2012 (the “Second Interim Compensation Period”) as follows:

1. I am the professional designated by HR&A in respect of compliance with the Guidelines.

2. I make this certification in support of the Application, for interim compensation and reimbursement of expenses for the Second Interim Compensation Period, in accordance with the Local Guidelines.

3. In respect of section A.1 of the Local Guidelines, I certify that:

a. I have read the Application.

b. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Guidelines.

c. Except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates in accordance with practices customarily employed by HR&A and generally accepted by HR&A’s clients.

d. In providing a reimbursable service, HR&A does not make a profit on that service, whether the service is performed by HR&A in-house or through a third party.²

4. With respect to section A.3 of the Local Guidelines, I certify that: (a) the Debtors; (b) the chair of the Committee and (c) the Office of the United States Trustee for the Southern District of New York will be provided with a copy of the Application concurrently with the filing thereof and will have at least 14 days to review such Application prior to any objection deadline with respect thereto.

² The cost of expenses HR&A is seeking reflects any discounted rates based on volume or other discounts which HR&A anticipates receiving from certain outside vendors; however, HR&A does not perform a retrospective reconciliation of any “year-end” adjustments (positive or negative) to the actual discounted cost of such expenses.

Dated: New York, New York
November 27, 2012

By: /s/ A. Jalil Al Aradi
A. Jalil Al Aradi

Exhibit B

HASSAN RADHI & ASSOCIATES
Description of Legal Services
August 1, 2012 through October 31, 2012
ISSUES RELATED TO BAHRAINI LAW

Date	Description	Hours	Name
8/5/2012	Conference call on open case issues.	0.9	Alaradi, Jalil
8/28/2012	Conference call on pledge rights.	1.1	Alaradi, Jalil
9/4/2012	Research re attachments.	0.5	Alaradi, Jalil
9/4/2012	Conference call re attachments.	0.5	Alaradi, Jalil
9/5/2012	Conference call re attachments.	1.3	Alaradi, Jalil
9/5/2012	Attend court hearing telephonically.	0.8	Alaradi, Jalil
10/31/2012	Conference call on constructive trusts.	2.9	Alaradi, Jalil