

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

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

**SUMMARY SHEET FOR THIRD INTERIM FEE APPLICATION 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 NOVEMBER 1, 2012 THROUGH MARCH 31, 2013**

NAME OF APPLICANT:	KPMG LLP (UK)
AUTHORIZED TO PROVIDE SERVICES TO:	Debtors and Debtors in Possession
ROLE IN THESE CASES:	Valuation Advisor to the Debtors
DATE OF RETENTION:	Effective as of March 19, 2012
PERIOD FOR WHICH COMPENSATION IS SOUGHT:	November 1, 2012 through and including March 31, 2013
AMOUNT OF INTERIM COMPENSATION SOUGHT:	Total Fees Requested (discounted): \$14,150.50
AMOUNT OF INTERIM EXPENSE REIMBURSEMENT:	Total Expenses Requested: \$17,793.38
THIS APPLICATION IS AN:	<input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Interim <input type="checkbox"/> Final Application

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SOUTHERN DISTRICT OF NEW YORK**

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ARCAPITA BANK B.S.C.(c), et al.,	:	
	:	Case No. 12-11076 (SHL)
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**THIRD INTERIM FEE APPLICATION 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 NOVEMBER 1, 2012 THROUGH MARCH 31, 2013**

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

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, submits this Third Interim Fee Application
for Compensation and Reimbursement of Expenses (the “Application”) for the allowance
of interim compensation for professional services performed by KPMG UK for the period
November 1, 2012 through March 31, 2013 (the “Application Period”), and respectfully
represents:

JURISDICTION

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 330 and 331 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 Administrative Order Re Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, dated January 29, 2013 (the “Guidelines”).

BACKGROUND

2. 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 Bankruptcy Code. Since that date, the Debtors and their affiliated 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.

3. 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] pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

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

19, 2012. 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.

KPMG UK FEES AND EXPENSES

5. By this Application, KPMG UK respectfully requests that the Court authorize interim allowance of compensation for professional services rendered by KPMG UK for the Debtors during the Application Period in the amount of \$14,150.50. KPMG UK professionals expended a total of 28 hours for which compensation is requested. KPMG UK’s request for compensation is broken down as follows:

	Requested		Paid		
Date / Docket No.	Requested Fees	Requested Expenses	Fees Paid to Date	Expenses Paid to Date	Amount Outstanding
April 22, 2013 [Docket No. 997]	\$14,150.50	\$17,793.38	\$0.00	\$0.00	\$31,943.88
Total	\$14,150.50	\$17,793.38	\$0.00	\$0.00	\$31,943.88

6. In light of the amount of compensation and reimbursement of expenses sought in this Application Period, KPMG UK did not file separate monthly fee statements covering the Application Period. Rather, in order to minimize costs, contemporaneously with the filing of this Application, KPMG UK filed a consolidated monthly fee statement for the period November 1, 2012 through March 31, 2013.

7. Pursuant to 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”), the cumulative 20% hold-back to date, totaling \$79,530.57 (\$2,830.10 for the Application

Period, and \$76,700.46 for the period July 1, 2012 through October 31, 2012 (the “Second Interim Compensation Period”)) remains unpaid.

SUMMARY OF SERVICES

8. KPMG UK has provided such services as were necessary and appropriate in order to advise the Debtors in the course of these chapter 11 cases. The full scope and breadth of the services rendered are reflected in the monthly fee statements, which were provided to the Notice Parties (as defined in the Interim Compensation Order) and incorporated herein.

9. Set forth below is a summary of the services KPMG UK rendered to the Debtors during the Application Period.

Retention and Fee Application Preparation

Fee application preparation services - the billing procedures required by the Guidelines differ from KPMG UK’s normal billing procedures, and as such, this case has required significant effort to (a) compile and review summary schedules of fees incurred, (b) draft the schedules included in the monthly fee statements, and (c) draft and revise the narrative, certification and schedules in the interim fee applications.

10. In addition, during the Application Period, KPMG UK has engaged in discussions with third-parties and provided support in respect of valuation services provided to date. A list of the individuals and their respective titles who provided services during the Application Period, their respective billing rates, and 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 and payment requested hereby is further limited as set forth more fully in footnote 1 supra.

ACTUAL AND NECESSARY DISBURSEMENTS OF KPMG UK

11. As set forth in Exhibit C and as detailed in Exhibit C1, KPMG UK has disbursed or been billed for \$17,793.38 as expenses incurred in providing professional services during the Application Period.¹

THE REQUESTED COMPENSATION AND REIMBURSEMENT OF EXPENSES SHOULD BE ALLOWED

12. The allowance of interim compensation for services rendered and reimbursement of expenses incurred in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

[A]ny professional person employed under section 327 . . . 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.

11 U.S.C. § 331.

13. Concerning the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the court may award to a professional person, “reasonable compensation for actual, necessary services rendered by the . . . professional person . . . and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330. The Congressional intent and policy expressed in section 330 of the Bankruptcy

¹ KPMG UK’s standard practice is to treat certain expenses as having been incurred when such obligations are recorded and reflected as payable in KPMG UK’s accounting system. Accordingly, KPMG UK reserves its right to seek at a later date compensation for expenses incurred during the Application Period that may not have been posted as of yet and thus are not included herein.

Code is to provide for adequate compensation to continue to attract qualified and competent practitioners to bankruptcy cases.

14. 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.

15. The time and labor expended by KPMG UK during the Application 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.

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

17. 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

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

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CONCLUSION

WHEREFORE, KPMG UK respectfully requests that this Court enter an order:

(i) allowing KPMG UK interim compensation from the Debtors for services rendered from November 1, 2012 through March 31, 2013 in the amount of \$14,150.50, inclusive of the holdback amount of \$2,830.10;

(ii) awarding KPMG UK reimbursement of actual, necessary expenses incurred in connection with the rendition of such services in the amount of \$17,793.38;

(iii) authorizing and directing the Debtors to pay KPMG UK \$31,943.88, which, subject to footnote 1 above, represents 100% of fees for services rendered during the Application Period and 100% of expenses associated with such services the amount of fees that remain unpaid;

(iv) authorizing and directing the Debtors to pay KPMG UK payment of the outstanding holdback amount for the Second Interim Compensation Period in the amount of \$76,700.47; and

(d) such other and further relief as may be just and proper.

Dated: April 22, 2013
London, England



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Fax: +44 20 7311 8806

**UNITED STATES BANKRUPTCY COURT
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**CERTIFICATION PURSUANT TO ADMINISTRATIVE ORDER M-447
REGARDING AMENDED GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN SOUTHERN DISTRICT
OF NEW YORK BANKRUPTCY CASES**

I, Gareth Williams certify as follows:

1. I am a partner of KPMG LLP (“KPMG UK” or “Applicant”), part of KPMG Europe LLP, a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. KPMG UK is 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.

2. I submit this certification in conjunction with KPMG UK’s application, dated April 22, 2013 (the “Third Application”), for KPMG UK’s third interim allowance of fees and reimbursement of expenses in these cases for the period from November 1, 2012 through March 31, 2013, inclusive (the “Compensation Period”).

3. I am one of the professionals designated by KPMG UK with responsibility for KPMG UK's compliance in these cases with the Administrative Order Regarding Amended Guidelines For Fees And Disbursements For Professionals In Southern District Of New York Bankruptcy Cases (the "Administrative Order").

4. I have read KPMG UK's Third Application and, to the best of my knowledge, information and belief formed after reasonable inquiry (except as stated herein or in the Third Application): (i) the fees and disbursements sought in the Third Application fall within the Administrative Order; (ii) except to the extent the fees and disbursements are prohibited by the Administrative Order, the fees and disbursements sought are billed at or below the rates and in accordance with practices customarily employed by KPMG UK and generally accepted by its clients; and (iii) in providing a reimbursable expense, KPMG UK does not make a profit on the service, whether the reimbursable expense is performed by KPMG UK or through a third-party.

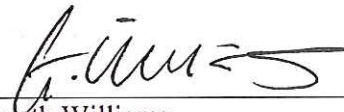
5. The Notice Parties (as defined in the Interim Compensation Order)² have been or will be served with KPMG UK's monthly fee statement that form the basis for the Third Application in accordance with the procedures set forth in the Interim Compensation Order.

² Capitalized terms not otherwise defined herein have the meanings given to them in the Application.

6. A copy of the Third Application has been or will be provided to the Notice Parties at least 14 days before the hearing on the Third Application.

7. KPMG UK has sought to keep its fees and expenses at a reasonable level and to utilize professional services and incur expenses as necessary to competently assist the Debtors.

Dated: April 22, 2013
London, England



Gareth Williams
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Tel: +44 20 7694 3297
Fax: +44 20 7311 8806

EXHIBIT A

Arcapita Bank B.S.C. (c)
Summary Of Hours and Fees Incurred By Professional
November 1, 2012 through March 31, 2013

<u>Professional</u>	<u>Position</u>	<u>Current Hours Billed</u>	<u>Hourly Rate</u>	<u>Fees Billed</u>
Harrower, Andrew	KPMG UK Manager	22.3	\$550	\$ 12,265.00
Sellers, Monica	KPMG US Manager	0.6	\$550	\$ 330.00
Tatum, Pamela R.	KPMG US Senior Associate	5.1	\$305	\$ 1,555.50
Total Hours and Fees		28.0		\$ 14,150.50
Fees				\$ 14,150.50
Out of Pocket Expenses				\$ 17,793.38
Subtotal of Fees and Out of Pocket Expenses				\$ 31,943.88
less Holdback Adjustment (20% of Fees)				\$ (2,830.10)
Net Requested Fees & Out of Pocket Expenses				\$ 29,113.78
Hourly Blended Rate		\$ 505.38		

EXHIBIT B

Arcapita Bank B.S.C. (c)
Summary of Hours and Fees Incurred by Category
November 1, 2012 through March 31, 2013

<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	28.0	\$ 14,150.50
Advisor Discussions	D5	-	\$ -
	Total	28.0	\$ 14,150.50

EXHIBIT C

Arcapita Bank B.S.C. (c)
Summary of Out of Pocket Expenses
November 1, 2012 through March 31, 2013

<u>Category</u>	<u>Amount</u>
Meals	\$ -
Ground Transportation	\$ -
Miscellaneous	\$ 17,793.38
Total	\$ 17,793.38

EXHIBIT C1

Arcapita Bank B.S.C. (c)
Detail of Out of Pocket Expenses
November 1, 2012 through March 31, 2013

Name	Date	Description	Amount
		Meals Subtotal	<u>\$ -</u>
		Ground Transportation Subtotal	<u>\$ -</u>
Accounts Payable	15-Jan-13	Professionals services rendered by Willkie Farr through December 31, 2012 in connection with the Arcapita retention including assistance with fee applications.	\$ 4,370.38
Accounts Payable	30-Jan-13	Professionals services rendered by Willkie Farr through May 31, 2012 in connection with the Arcapita retention, including assistance with indemnification related issues and fee applications.	\$ 13,423.00
		Miscellaneous Subtotal	<u>\$ 17,793.38</u>
		Total Out of Pocket Expenses	<u><u>\$ 17,793.38</u></u>

EXHIBIT D1

Arcapita Bank B.S.C. (c)
Valuation - Methodology Services
November 1, 2012 through March 31, 2013

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

EXHIBIT D3

Arcapita Bank B.S.C. (c)
Retention Preparation
November 1, 2012 through March 31, 2013

<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
November 1, 2012 through March 31, 2013

Name	Date	Description	Hours	Rate	Amount
Harrower,Andrew	5-Oct-12	Drafting hold harmless and authority to release letters in order to provide KPMG valuation reports to potential new DIP finance providers.	1.3	\$ 550	\$ 715.00
Harrower,Andrew	1-Nov-12	Drafting hold harmless and authority to release letters in order to provide KPMG valuation reports to potential new DIP finance providers.	0.9	\$ 550	\$ 495.00
Tatum, Pamela R.	12-Nov-12	Compiling October fee statement with most recent task descriptions received, to include new data and update fee statement exhibits.	1.4	\$ 305	\$ 427.00
Tatum, Pamela R.	12-Nov-12	Prepare the October fee statement and related documents and forward to the Manager for review.	0.7	\$ 305	\$ 213.50
Harrower,Andrew	12-Nov-12	Reviewing billing detail for inclusion in the seventh fee application	2.5	\$ 550	\$ 1,375.00
Sellers, Monica	14-Nov-12	Revise fee statement with most recent information received.	0.2	\$ 550	\$ 110.00
Tatum, Pamela R.	15-Nov-12	Continue to incorporate information received into the October fee statement exhibits and forward to Manager for final review.	0.8	\$ 305	\$ 244.00
Harrower,Andrew	15-Nov-12	Reviewing billing detail for inclusion in the seventh fee application.	1.9	\$ 550	\$ 1,045.00
Sellers, Monica	16-Nov-12	Incorporate most recent details received into fee statement.	0.4	\$ 550	\$ 220.00
Tatum, Pamela R.	16-Nov-12	Prepare Consolidated Exhibits for the period July 1, 2012 through October 31, 2012.	0.9	\$ 305	\$ 274.50
Tatum, Pamela R.	16-Nov-12	Prepare the Second Interim fee application for the period of July 1, 2012 through October 31, 2012.	1.0	\$ 305	\$ 305.00
Tatum, Pamela R.	16-Nov-12	Finalize the Second Interim fee application for the period of July 1, 2012 through October 31, 2012 and forward to the UK Manager to file.	0.3	\$ 305	\$ 91.50
Harrower,Andrew	16-Nov-12	Draft Seventh fee application supporting narrative and incorporate final numbers in to the narrative, review of exhibits	2.1	\$ 550	\$ 1,155.00
Harrower,Andrew	20-Nov-12	Updating the seventh fee application narratives following feedback from GDC, finalizing and submitting the consolidated seventh fee application.	2.7	\$ 550	\$ 1,485.00
Harrower,Andrew	20-Nov-12	Emails to GDC regarding the seventh KPMG fee application.	0.9	\$ 550	\$ 495.00

EXHIBIT D4

Arcapita Bank B.S.C. (c)
Fee Application Preparation
November 1, 2012 through March 31, 2013

Name	Date	Description	Hours	Rate	Amount
Harrower,Andrew	20-Nov-12	Initial review of time and supporting UK time entries for the second interim KPMG fee application.	2.2	\$ 550	\$ 1,210.00
Harrower,Andrew	21-Nov-12	Initial review of consolidated UK and US time in the second interim fee application, updating narratives where necessary.	2.1	\$ 550	\$ 1,155.00
Harrower,Andrew	23-Nov-12	Draft second interim fee application supporting narrative and incorporate final numbers in to the narrative, review of exhibits	2.6	\$ 550	\$ 1,430.00
Harrower,Andrew	27-Nov-12	Updating the second interim fee application narratives following feedback from GDC, finalizing and submitting the consolidated seventh fee application.	2.2	\$ 550	\$ 1,210.00
Harrower,Andrew	27-Nov-12	Emails to GDC regarding the second KPMG interim fee application.	0.9	\$ 550	\$ 495.00
Total Fee Application Preparation			28.0		14,150.50

EXHIBIT D5

Arcapita Bank B.S.C. (c)
Advisor Discussions
November 1, 2012 through March 31, 2013

<u>Name</u>	<u>Date</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
		Total Advisor Discussions	<u>0.0</u>		<u>\$ -</u>