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*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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<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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**THIRD INTERIM APPLICATION OF MILBANK, TWEED, HADLEY &  
M<sup>c</sup>CLOY LLP FOR APPROVAL AND ALLOWANCE OF  
COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED**

Name of applicant:	<u>Milbank, Tweed, Hadley &amp; M<sup>c</sup>Cloy LLP</u>
Authorized to provide professional services to:	<u>Official Committee of Unsecured Creditors</u>
Date of retention:	<u>Order entered on June 29, 2012, retaining Milbank nunc pro tunc to April 10, 2012</u>
Period for which compensation and reimbursement are sought:	<u>November 1, 2012 – March 31, 2013</u>
Amount of compensation requested:	<u>\$6,101,159.00 (100%)</u>
Amount of expense reimbursement requested:	<u>\$229,389.84 (100%)</u>

This is an:   X   interim \_\_\_\_\_ final application.

This is the third interim fee application filed by Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP in these cases.

**THIRD INTERIM FEE APPLICATION OF MILBANK, TWEED, HADLEY & McCLOY LLP  
AS COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF ARCAPITA BANK B.S.C.(C), ET AL.  
(NOVEMBER 1, 2012 – MARCH 31, 2013)**

<b>Name</b>	<b>Position; Experience</b>	<b>Hourly Rate<sup>1</sup></b>	<b>Total Hours</b>	<b>Total Compensation</b>
Dennis Dunne	Financial Restructuring Partner at Milbank for 15 years; admitted in 1991.	\$1,160	181.30	\$210,308.00
		\$1,140	133.60	\$152,304.00
		\$580*	43.80	\$25,404.00
		\$570*	41.10	\$23,427.00
John Dewar	Global Project Finance Partner at Milbank for 5 years; admitted in 1991.	\$1,160	27.80	\$32,248.00
		\$1,125	29.00	\$32,625.00
Wilbur Foster	Financial Restructuring Partner at Milbank for 22 years; admitted in 1982.	\$1,160	7.20	\$8,352.00
Thomas Janson	Global Corporate Partner at Milbank for 11 years; admitted in 1985.	\$1,160	3.50	\$4,060.00
		\$1,075	4.30	\$4,622.50
Jane Morgan	Global Corporate Partner at Milbank for 2 years; admitted in 1997.	\$1,160	130.50	\$151,380.00
		\$1,125	33.40	\$37,575.00
Stuart Harray	Global Corporate Partner At Milbank for 6 years; admitted in 1993.	\$1,125	.20	\$225.00
Robert Jay Moore	Financial Restructuring Partner at Milbank for 16 years; admitted in 1977.	\$1,125	.40	\$450.00
Andrew Walker	Tax Partner at Milbank for 11 years; admitted in 1995.	\$1,160	1.50	\$1,740.00
		\$1,075	.80	\$860.00
Paul Wessel	Tax Partner at Milbank for 6 years; admitted in 1988.	\$1,075	1.60	\$1,720.00
Andrew Leblanc	Litigation Partner at Milbank for 7 years; admitted in 1998.	\$1,160	44.20	\$51,272.00
		\$1,030	12.70	\$13,081.00
		\$580*	5.00	\$2,900.00

<sup>1</sup> Due to firm-wide rate increases that were implemented as of January 1, 2013, certain Milbank attorneys and paraprofessionals have billed at two different hourly rates during the Third Interim Compensation Period. As such, the first number in this column corresponds to the individual's hourly billing rate for the period from January 1, 2013 through March 31, 2013, while the second number corresponds to the individual's hourly billing rate for the period from November 1, 2012 through December 31, 2012.

\* Non-working travel time is billed at 50% of standard hourly rates.

<b>Name</b>	<b>Position; Experience</b>	<b>Hourly Rate<sup>1</sup></b>	<b>Total Hours</b>	<b>Total Compensation</b>
Nicholas James Angel	Financial Restructuring Partner at Milbank for 4 years; admitted in 1989.	\$1,100	1.80	\$1,980.00
Albert Pisa	Alternative Investments Partner at Milbank for 9 years; admitted in 1997.	\$1,030	27.40	\$28,222.00
Abhilash Raval	Financial Restructuring Partner at Milbank for 6 years; admitted in 1997.	\$975 \$487.5*	28.30 15.00	\$27,592.50 \$7,312.50
Russell Kestenbaum	Tax Partner at Milbank for 6 years; admitted in 1997.	\$950	2.50	\$2,375.00
Evan Fleck	Financial Restructuring Partner at Milbank for 3 years; admitted in 2002.	\$1,000 \$900 \$500* \$450*	476.60 299.00 44.50 17.00	\$476,600.00 \$269,100.00 \$22,250.00 \$7,650.00
Patrick Holmes	Global Leveraged Finance Of Counsel at Milbank for 12 years; admitted in 1977.	\$1,045 \$995	3.30 1.20	\$3,448.50 \$1,194.00
Dennis O'Donnell	Financial Restructuring Of Counsel at Milbank for 6 years; admitted in 1992.	\$960 \$910	91.80 197.30	\$88,128.00 \$179,543.00
Lena Mandel	Senior Attorney at Milbank for 11 years; admitted in 1990.	\$810 \$795	83.30 51.10	\$67,473.00 \$40,624.50
Brian Kelly	Special Counsel at Milbank; admitted in 2001.	\$780 \$750	1.00 1.50	\$780.00 \$1,125.00
Katherine Soanes	Global Corporate Associate at Milbank for 8 years; admitted in 1996.	\$750	2.80	\$2,100.00
Cindy Chen Delano	Financial Restructuring Associate at Milbank for 2 years; admitted in 2005.	\$735	51.40	\$37,779.00
Peter Newman	Financial Restructuring Associate at Milbank for 9 years; admitted in 2005.	\$780 \$735	350.90 108.20	\$273,702.00 \$79,527.00
Shepard Liu	Global Project Finance Associate at Milbank for 3 years; admitted in 2006.	\$755	34.00	\$25,670.00
Adrian Yeo	Global Securities Associate for 6 years; admitted in 2001.	\$735	3.30	\$2,425.50
Patrick Marecki	Litigation Associate at Milbank for 8 years; admitted in 2006.	\$755 \$720	135.80 28.20	\$102,529.00 \$20,304.00

<b>Name</b>	<b>Position; Experience</b>	<b>Hourly Rate<sup>1</sup></b>	<b>Total Hours</b>	<b>Total Compensation</b>
Kim Shah	Global Corporate Associate at Milbank for 2 years; admitted in 2006.	\$755	11.00	\$8,305.00
Daniel Wayte	Global Corporate Associate at Milbank for 1 year; admitted in 2005.	\$755	3.50	\$2,642.50
Nicholas Bassett	Litigation Associate at Milbank for 7 years; admitted in 2007.	\$740 \$695	90.10 32.90	\$66,674.00 \$22,865.50
Arif Mawany	Global Corporate Associate at Milbank for 3 years; admitted in 2006.	\$740 \$695	65.90 2.70	\$48,766.00 \$1,876.50
Melanie Ann McLaughlin	Financial Restructuring Associate at Milbank for 3 years; admitted in 2008.	\$725 \$675	77.70 21.90	\$56,332.50 \$14,782.50
Thomas Thiel	Global Corporate Associate at Milbank for 5 years; admitted in 2009.	\$700	25.20	\$17,640.00
George Esposito	Global Corporate Associate at Milbank for 5 years; admitted in 2009.	\$700	24.70	\$17,290.00
Andrew H. Everett II	Global Corporate Associate at Milbank for 5 years; admitted in 2009.	\$700 \$650	247.40 108.00	\$173,180.00 \$70,200.00
Peter Heller	Global Corporate Associate at Milbank for 5 years; admitted in 2009.	\$700	93.60	\$65,520.00
Nicholas Kamphaus	Financial Restructuring Associate at Milbank for 2 years; admitted in 2009.	\$700 \$650	414.20 326.50	\$289,940.00 \$212,225.00
Roger Lee	Financial Restructuring Associate at Milbank for 5 years; admitted in 2009.	\$700 \$650	476.30 161.00	\$333,410.00 \$104,650.00
David Mollo-Christensen	Tax Associate at Milbank; admitted in 2009.	\$650	3.40	\$2,210.00
Mark L. Rockefeller	Litigation Associate at Milbank for 2 years; admitted in 2012.	\$700 \$650	44.50 34.60	\$31,150.00 \$22,490.00
Anna Thomander	Financial Restructuring Associate at Milbank for 5 years; admitted in 2009.	\$700 \$650	37.60 27.30	\$26,320.00 \$17,745.00
Nicholas Venditto	Global Corporate Associate at Milbank for 5 years; admitted in 2009.	\$700	62.90	\$44,030.00

<b>Name</b>	<b>Position; Experience</b>	<b>Hourly Rate<sup>1</sup></b>	<b>Total Hours</b>	<b>Total Compensation</b>
Denise Barnes	Litigation Associate at Milbank for 4 years; admitted in 2010.	\$680	164.50	\$111,860.00
		\$625	27.10	\$16,937.50
Julia Fish	Alternative Investments Associate at Milbank for 4 years; admitted in 2010.	\$625	19.90	\$12,437.50
Peter Edworthy	Litigation Associate at Milbank for 1 year; admitted in 2009.	\$680	4.70	\$3,196.00
Bradley Friedman	Financial Restructuring Associate at Milbank for 4 years; admitted in 2010.	\$680	445.60	\$303,008.00
		\$625	185.10	\$115,687.50
		\$340*	2.60	\$884.00
Andrew Morton	Financial Restructuring Associate at Milbank for 4 years; admitted in 2010.	\$680	172.10	\$117,028.00
Brian Murphy	Global Corporate Associate at Milbank for 4 years; admitted in 2010.	\$625	2.00	\$1,250.00
Nehal Siddiqui	Global Corporate Associate at Milbank for 4 years; admitted in 2010.	\$680	56.10	\$38,148.00
		\$625	2.90	\$1,812.50
Eluard Alegre	Financial Restructuring Associate at Milbank for 3 years; admitted in 2011.	\$645	130.40	\$84,108.00
		\$570	70.40	\$40,128.00
Christina Totino	Litigation Associate at Milbank for 3 years; admitted in 2011.	\$570	7.60	\$4,332.00
Greta Ulvad	Financial Restructuring Associate at Milbank for 2 years; admitted in 2011.	\$645	428.60	\$276,447.00
		\$570	300.10	\$171,057.00
Jordan Lacy	Global Corporate Associate at Milbank for 2 years; admitted in 2012.	\$585	171.90	\$100,561.50
		\$470	107.20	\$50,384.00
Andrew Tsang	Financial Restructuring Associate at Milbank for 2 years; admitted in 2012.	\$585	212.00	\$124,020.00
		\$470	213.60	\$100,392.00
Kevin Bagley	Global Corporate Associate at Milbank for 1 year; admitted in 2013.	\$480	54.10	\$25,968.00
Munib Hussain	Global Project Finance Associate at Milbank for 2 years; admitted in 2012.	\$470	29.00	\$13,630.00
Jonathan Keen	Financial Restructuring Associate at Milbank for 2 years; admitted in 2011.	\$470	5.70	\$2,679.00

<b>Name</b>	<b>Position; Experience</b>	<b>Hourly Rate<sup>1</sup></b>	<b>Total Hours</b>	<b>Total Compensation</b>
Charlotta Chung	Financial Restructuring Associate at Milbank for 1 year; admitted in 2013.	\$480	107.80	\$51,744.00
		\$295	60.60	\$17,877.00
James Ebberson	Global Corporate Associate at Milbank for 1 year; admitted in 2013.	\$480	133.90	\$64,272.00
		\$295	79.30	\$23,393.50
Brett Lowe	Litigation Associate at Milbank; admission pending.	\$295	11.40	\$3,363.00
Abayomi Ayandipo	Case Manager	\$275	11.10	\$3,052.50
Charmaine Thomas	Legal Assistant	\$220	62.60	\$13,772.00
		\$210	28.00	\$5,880.00
Jacqueline Brewster	Legal Assistant	\$205	7.40	\$1,517.00
John Peter Kaytrosh	Legal Assistant	\$175	26.60	\$4,655.00
		\$165	10.00	\$1,650.00
Rohan S. Kazi	Legal Assistant	\$175	59.00	\$10,325.00
		\$165	31.20	\$5,148.00
Gabriele Zsebi	Librarian	\$240	4.80	\$1,152.00
		\$230	.40	\$92.00
Yaxun Wang	Translator	\$200	15.00	\$3,000.00
Maria Smilen	File Clerk	\$130	.60	\$78.00
<b>Total</b>		<b>\$708.21 (blended rate)<sup>2</sup></b>	<b>8,614.90 hours</b>	<b>\$6,101,159.00</b>

<sup>2</sup> The blended rate excluding paraprofessionals is \$723.28 per hour.

**THIRD INTERIM FEE APPLICATION OF MILBANK, TWEED, HADLEY & M<sup>C</sup>LOY LLP  
AS COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF ARCAPITA BANK B.S.C.(C), ET AL.  
(NOVEMBER 1, 2012 – MARCH 31, 2013)**

<b>ACTIVITY</b>	<b>HOURS</b>	<b>FEES</b>
Asset Sales	495.20	\$343,238.00
Automatic Stay	39.30	\$21,876.50
Bahrain Issues	104.80	\$84,198.50
Business Plan Review	.80	\$520.00
Cash Management	58.00	\$42,910.00
Cayman Proceedings	37.50	\$27,668.00
Claims Analysis and Estimation	228.90	\$146,662.00
Committee Administration	287.20	\$197,499.00
Committee Meetings	592.50	\$483,610.00
Committee Retention Applications	6.30	\$3,200.00
Communication with Creditors & Website	219.10	\$138,431.50
Court Hearings	142.90	\$99,436.50
Debtor-in-Possession Meetings and Communications	51.70	\$47,436.00
DIP Financing	252.60	\$189,057.00
Disclosure Statement	109.90	\$77,141.00
Employee Issues	61.10	\$41,889.50
Exclusivity Issues	27.90	\$17,297.50
Executory Contracts	24.80	\$9,907.50
Exit Financing	.70	\$796.00
Fee Applications - Other	43.30	\$27,195.00
File, Docket and Calendar Maintenance	96.20	\$39,198.50
Investments and Portfolio Companies	2,148.50	\$1,377,263.50
Insurance Matters	13.20	\$8,775.50
Intercompany Issues	219.00	\$167,642.00
Islamic Finance Issues	4.80	\$3,206.00
Litigation	85.30	\$61,873.50
Milbank Fee Statements and Applications	240.50	\$151,626.50



<b>ACTIVITY</b>	<b>HOURS</b>	<b>FEES</b>
Real Estate Matters	55.80	\$35,442.50
Reorganization Plan	1,368.80	\$1,166,186.00
Retention of Professionals	1.30	\$885.00
Rule 2004 Examinations	171.40	\$126,649.50
Secured Creditor Issues	142.60	\$102,829.00
Substantive Consolidation	26.70	\$17,490.00
Tax Issues	3.10	\$3,154.00
Travel	169.00	\$89,827.50
Voidable Transfers	1,084.20	\$749,140.50
<b>Total</b>	<b>8,614.90</b>	<b>\$6,101,159.00</b>

**THIRD INTERIM FEE APPLICATION OF MILBANK, TWEED, HADLEY & M<sup>C</sup>CLOY LLP  
AS COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF ARCAPITA BANK B.S.C.(C), ET AL.  
(NOVEMBER 1, 2012 – MARCH 31, 2013)**

<b>DISBURSEMENTS</b>	<b>AMOUNT</b>
Airfreight	\$190.06
Cab Fares	\$14,125.37
Computer Database Research	\$88,501.93
Mail/Messenger	\$651.53
Meals	\$7,747.00
Photocopies/Printing	\$13,679.35
Telephone	\$17,594.67
Travel	\$86,899.93
<b>TOTAL DISBURSEMENTS</b>	<b><u>\$229,389.84</u></b>

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*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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<b>In re:</b>	:	<b>Chapter 11</b>
	:	
<b>ARCAPITA BANK B.S.C.(c), et al.,<sup>3</sup></b>	:	<b>Case No. 12-11076 (SHL)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**THIRD INTERIM APPLICATION OF MILBANK, TWEED, HADLEY &  
M<sup>c</sup>CLOY LLP FOR APPROVAL AND ALLOWANCE OF  
COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES INCURRED**

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

Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP (“Milbank”), counsel to the Official  
Committee of Unsecured Creditors (the “Committee”) of Arcapita Bank B.S.C.(c) (“Arcapita”)  
and its affiliated debtors in possession in the above-captioned cases (collectively, the “Debtors”),  
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

<sup>3</sup> 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.

“Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”), the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, effective February 5, 2013 (together with Local Rule 2016-1, the “Local Guidelines”), to the extent applicable, 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 [Docket No. 159] (the “Interim Compensation Order”), for interim approval and allowance of (a) compensation for professional services rendered to the Committee from November 1, 2012 through and including March 31, 2013 (the “Third Interim Compensation Period”), and (b) reimbursement of expenses incurred in connection with such services; 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 this Court. On April 30, 2012, Falcon Gas Storage Co., Inc. (“Falcon”) commenced its 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.<sup>4</sup>

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.

4. Status of Chapter 11 Cases. On February 8, 2013, the Debtors filed the Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 826] (the "Plan") and the Disclosure Statement in Support of the Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 827] (the "Disclosure Statement"). On April 16, 2013, the Debtors filed the First Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 981] (the "Amended Plan") and First Amended Disclosure Statement in Support of the First Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 983] (the "Amended Disclosure Statement"). The public docket of the chapter 11 cases indicates that the Debtors have filed all monthly operating reports

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<sup>4</sup> 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.

to date. As of March 31, 2013, the Debtors reported \$84,827,757.00 in available cash and cash equivalents on hand or on deposit. See Monthly Operating Report for the Period From March 1, 2013 to March 31, 2013 [Docket No. 979]. Neither the Committee nor Milbank has independently verified (nor does this Application provide) the additional information described in section A.2 of the Local Guidelines.

**B. Retention of Milbank and Billing History**

5. Authorization for Milbank's Retention. On June 29, 2012, the Court issued the Order Under 11 U.S.C. § 1103 and Fed. R. Bankr. P. 2014 and 5002, Authorizing Retention and Employment of Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP as Counsel to Official Committee of Unsecured Creditors of Arcapita Bank B.S.C.(c), et al., Effective as of April 10, 2012 [Docket No. 289] (the "Retention Order"), authorizing Milbank's retention as counsel for the Committee in these cases. The Retention Order authorized Milbank 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.

6. First Interim Compensation Period. On August 16, 2012, Milbank filed its First Interim Application of Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP for Approval and Allowance of Compensation for Services Rendered and for Reimbursement of Expenses [Docket No. 420] (the "First Interim Fee Application"). In the First Interim Fee Application, Milbank requested interim approval and allowance of (a) compensation for professional services rendered during the period from April 11, 2012 through and including July 31, 2012 (the "First Interim Compensation Period") in the amount of \$4,245,724.00, and (b) reimbursement of its actual and necessary expenses incurred in connection with such services, in the amount of \$100,691.80.

7. 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 Milbank \$4,220,724.00, which reflected (a) a voluntary reduction of \$25,000.00 by Milbank of the fees requested for the First Interim Compensation Period after discussions with the U.S. Trustee and (b) a 20% holdback (the “First Holdback”) of the amount of fees sought in the First Interim Fee Application, in the amount of \$849,144.80. Following the Court’s entry of an order granting the Second Interim Fee Application (as defined below), Milbank received payment on account of the First Holdback.

8. Second Interim Compensation Period. On November 27, 2012, Milbank filed its Second Interim Application of Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP for Approval and Allowance of Compensation for Services Rendered and for Reimbursement of Expenses [Docket No. 666] (the “Second Interim Fee Application”). In the Second Interim Fee Application, Milbank requested interim approval and allowance of (a) compensation for professional services rendered during the period from August 1, 2012 through and including October 31, 2012 (the “Second Interim Compensation Period”) in the amount of \$3,459,030.50, and (b) reimbursement of its actual and necessary expenses incurred in connection with such services, in the amount of \$93,952.41.

9. On December 21, 2012, the Court entered an order [Docket No. 748] granting the Second Interim Fee Application and authorizing the Debtors to pay to Milbank \$2,747,224.40, which reflected (a) a voluntary reduction of \$25,000.00 by Milbank of the fees requested for the Second Interim Compensation Period after discussions with the U.S. Trustee and (b) a 20% holdback (the “Second Holdback”) of the amount of fees sought in the Second Interim Fee Application, in the amount of \$686,806.10. As a result, Milbank has received 80%

of its fees and 100% of the expenses sought in the Second Interim Fee Application. At the hearing on the Second 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 applications.

10. Third Interim Compensation Period. In accordance with the Interim Compensation Order, Milbank submitted the following monthly fee statements (each, a "Fee Statement") seeking interim compensation and reimbursement of expenses during the Third Interim Compensation Period:

- (a) On December 20, 2012, Milbank filed and served on the Notice Parties (as defined in the Interim Compensation Order) its eighth fee statement for the period from November 1, 2012 through and including November 30, 2012 [Docket No. 739] (the "Eighth Fee Statement"). The Eighth Fee Statement sought (i) allowance of \$1,147,443.00 as compensation for services rendered and (ii) reimbursement of \$25,823.21 in expenses. As of the date hereof, Milbank has received a total of \$943,777.61, which represents payment of (x) 80% of Milbank's fees; and (y) 100% of the expenses incurred pursuant to the Eighth Fee Statement.
- (b) On January 23, 2013, Milbank filed and served on the Notice Parties its ninth fee statement for the period from December 1, 2012 through and including December 31, 2012 [Docket No. 797] (the "Ninth Fee Statement"). The Ninth Fee Statement sought (i) allowance of \$883,573.50 as compensation for services rendered and (ii) reimbursement of \$61,013.49 in expenses. As of the date hereof, Milbank has received a total of \$767,872.29, which represents payment of (x) 80% of Milbank's fees; and (y) 100% of the expenses incurred pursuant to the Ninth Fee Statement.
- (c) On February 25, 2013, Milbank filed and served on the Notice Parties its tenth fee statement for the period from January 1, 2013 through and including January 31, 2013 [Docket No. 868] (the "Tenth Fee Statement"). The Tenth Fee Statement sought (i) allowance of \$923,395.00 as compensation for services rendered and (ii) reimbursement of \$73,798.97 in expenses. As of the date hereof, Milbank has received a total of \$812,514.97, which represents payment of (x) 80% of Milbank's fees; and (y) 100% of the expenses incurred pursuant to the Tenth Fee Statement.
- (d) On March 26, 2013, Milbank filed and served on the Notice Parties its eleventh fee statement for the period from February 1, 2013 through and including February 28, 2013 [Docket No. 948] (the "Eleventh Fee Statement"). The



Eleventh Fee Statement sought (i) allowance of \$1,132,029.00 as compensation for services rendered and (ii) reimbursement of \$22,504.49 in expenses. As of the date hereof, Milbank has received a total of \$928,127.69, which represents payment of (x) 80% of Milbank's fees; and (y) 100% of the expenses incurred pursuant to the Eleventh Fee Statement.

- (e) On April 22, 2013, Milbank filed and served on the Notice Parties its twelfth fee statement for the period from March 1, 2013 through and including March 31, 2013 (the "Twelfth Fee Statement," and collectively with the Eighth, Ninth, Tenth and Eleventh Fee Statements, the "Third Interim Period Fee Statements"). The Twelfth Fee Statement sought (i) an allowance of \$2,014,718.50 as compensation for services rendered and (ii) the reimbursement of \$46,249.68 in expenses. As of the date hereof, Milbank has not received any payments in connection with the Twelfth Fee Statement.

11. In accordance with the Interim Compensation Order and as reflected in the foregoing summary, in the Third Interim Period Fee Statements, Milbank has requested an aggregate amount of \$6,330,548.84, and has received \$3,452,292.56.

12. Attached hereto as Exhibit B is a summary of the amounts requested during the Third Interim Compensation Period and amounts (if any) that remain due and outstanding as of the date hereof.

13. Milbank 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.

14. No promises have been received by Milbank 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**

15. By this Application, Milbank seeks interim allowance of (a) compensation for professional services rendered by Milbank, as counsel for the Committee, during the Third

Interim Compensation Period, (b) reimbursement of expenses incurred by Milbank in connection with such services, and (c) authorization for the Debtors to release the Holdback.

16. Specifically, Milbank seeks approval of \$6,101,159.00 as compensation for legal services rendered on behalf of the Committee during the Third Interim Compensation Period and \$229,389.84 for reimbursement of expenses incurred in connection with the rendering of such services, for a total award of \$6,330,548.84.<sup>5</sup>

17. Pursuant to the Interim Compensation Order, Milbank has received payment for the Third Interim Compensation Period in the total amount of \$3,452,292.56. Milbank seeks further payment of \$2,344,830.58 pursuant to this Application. This amount consists of (a) the \$686,806.10 Second Holdback plus (b) \$1,658,024.48, which represents the unpaid portion of 80% of Milbank's fees for legal services rendered and 100% of Milbank's expenses incurred during the Third Interim Compensation Period. The remaining 20% of Milbank's fees for legal services rendered during the Third Interim Compensation Period represents a holdback for which Milbank will seek payment in a subsequent interim or final application for compensation.

18. The fees for which approval is sought by Milbank in this Application reflect an aggregate of 8,614.90 hours of attorney and paraprofessional time spent and recorded in performing services for the Committee during the Third Interim Compensation Period, at a blended average hourly rate of \$708.21 for both professionals and paraprofessionals. The blended hourly rate for professionals only is \$723.28.

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<sup>5</sup> The foregoing amounts reflect certain voluntary reductions of Milbank's fees. However, Milbank reserves the right to seek the allowance of all or a portion of such reduced fees at a later date.

19. Milbank 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.

20. Milbank 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 Milbank's practice. For the convenience of the Court and parties in interest, a billing summary for services rendered during the Third Interim Compensation Period is attached as part of the cover sheet to this Application, 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 amount of time expended by each such attorney or paraprofessional, the hourly billing rate for each such attorney or paraprofessional at Milbank's then applicable billing rate, 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 attorney is a partner, of counsel, senior attorney or associate, the number of years each attorney has held their current position and each attorney's area of concentration. The compensation requested by Milbank is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

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

**III.**  
**SUMMARY OF PROFESSIONAL SERVICES RENDERED**

22. To provide an orderly summary of the services rendered on behalf of the Committee by Milbank, and in accordance with the Guidelines, Milbank has established the following separate project billing categories in connection with these cases:

00100	Adequate Protection Issues
00200	Asset Sales
00300	Automatic Stay Enforcement & Litigation
00400	Bahrain Issues
00500	Business Plan Review and Analysis
00600	Cash Management
00700	Cayman Proceedings Issues
00800	Claims Analysis and Estimation
00900	Committee Administration
01000	Committee Meetings
01100	Committee Retention Applications
01200	Communication with Creditors & Website
01300	Corporate Matters
01400	Court Hearings
01500	Debtor-in-Possession Meetings and Communications
01600	Project Finance and Infrastructure
01700	DIP Financing
01800	Disclosure Statement
01900	Employee Issues
02000	Environmental Issues
02100	Estimation Issues
02200	Exclusivity Issues
02300	Executory Contracts
02400	Exit Financing
02500	Fee Applications - Other
02600	File, Docket & Calendar Maintenance
02700	Investments and Portfolio Companies
02800	Insurance Matters
02900	Intellectual Property Issues
03000	Intercompany Issues
03100	Islamic Finance Issues
03200	Litigation
03300	Milbank Fee Statements and Applications
03400	Other Foreign Proceedings Issues
03500	Other International Matters
03600	Private Equity Issues
03700	Real Estate Matters
03800	Reclamation Issues

03900	Regulatory Issues
04000	Reorganization Plan
04100	Reporting Requirements
04200	Retention of Professionals
04300	Rule 2004 Examinations
04400	SEC Investigations and Securities Litigation
04500	Secured Creditor Issues
04600	Substantive Consolidation
04700	Tax Issues
04800	Travel Time
04900	Utilities Matters
05000	Vendor/Customer Issues
05100	Voidable Transfers and Other Potential Claims

23. The following summary is intended only to highlight key services rendered by Milbank in certain project billing categories where Milbank has expended a considerable number of hours 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 Milbank and the time expended performing such services in each project billing category were attached to and filed as exhibits to the Third Interim Period Fee Statements. Such detailed descriptions show that Milbank was heavily involved in the performance of services for the Committee on a daily basis, including night and weekend work, often under extreme time constraints, to meet the needs of the Committee in these cases.

**A. Asset Sales**

24. **EuroLog IPO**. During the First and Second Interim Compensation Periods, Milbank worked with the other professional advisors in connection with the Debtors' proposal to monetize three groups of portfolio companies (all owned by subsidiaries of the Debtors) which own, develop and/or operate a range of European real estate assets, together with the associated group management company (the "IPO Assets"). The proposed IPO would have resulted in the IPO Assets being transferred to a newly incorporated company that would offer its

shares for sale to institutional investors in an initial public offering (the “EuroLog IPO”). The Debtors decided on October 31, 2012, not to proceed with the EuroLog IPO. During the Third Interim Compensation Period, Milbank considered various issues that resulted from the withdrawal of the EuroLog IPO, including, among other things, its impact on the Debtors’ liquidity and alternative monetizations for the IPO Assets.

25. In addition, Milbank advised the Committee with respect to the Debtors’ request to lend funds to certain of their affiliates who own the IPO Assets to pay professional fees incurred by Linklaters LLP, KPMG LLP, and Freshfields Bruckhaus Deringer LLP in connection with EuroLog IPO [Docket No. 872] (the “IPO Fees Motion”). On the Committee’s behalf, Milbank drafted and filed an objection to the IPO Fees Motion [Docket No. 893] (the “IPO Fees Objection”). In connection with the IPO Fees Objection, Milbank attorneys prepared for and conducted depositions of representatives from each of the IPO Professionals and the Debtors. Additionally, Milbank continued negotiations with the Debtors and their advisors to attempt to settle the disputes surrounding the IPO Fees Motion.

26. **Other Asset Sales.** In addition to the EuroLog IPO, Milbank attorneys reviewed proposed sales or other dispositions of certain of the Debtors’ other assets. For example, Milbank reviewed, summarized, and advised the Committee with respect to the Debtors’ motion (the “Sunrise Sale Motion”) to approve the sale by their indirect non-debtor subsidiary, Assisted Living First Euro Investments Ltd., of its 80% interest in a certain joint venture.

**B. Automatic Stay Enforcement & Litigation**

27. During the Third Interim Compensation Period, Milbank attorneys researched and analyzed issues regarding the application of the automatic stay extraterritorially,

in connection with competing legal and/or regulatory proceedings. Additionally, Milbank attorneys reviewed and commented on the proposed order granting the motion of Tide Natural Gas Storage I, LP and Tide Natural Gas Storage II, LP (together, “Tide”) to lift the automatic stay, which the Court entered on February 28, 2013 [Docket No. 873].

**C. Bahrain Issues**

28. During the Third Interim Compensation Period, Milbank, along with the Committee’s Bahraini counsel, Hassan Radhi & Associates (“Hassan Radhi”), assessed the impact, direct or indirect, of the civil and corporate law of the Kingdom of Bahrain on the issues arising in the chapter 11 cases.

29. In particular, Milbank attorneys worked with Hassan Radhi to analyze the enforceability of U.S. court orders in Bahrain, examine the corporate structure of the Debtors’ investment in land located in Lusail City, Qatar and the implications of such structure, and evaluate the Debtors’ proposed post-reorganization corporate structure. Additionally, Milbank attorneys worked with Hassan Radhi to consider the going-forward regulation of the reorganized Debtors and to discuss the relevant considerations with the Committee.

**D. Cash Management**

30. During the Third Interim Compensation Period, Milbank continued to negotiate with the Debtors a series of consensual interim cash management orders setting forth a vetting process for proposed transfers of cash by any of the Debtors to other Debtor and non-Debtor entities, which process included the Debtors’ submission of periodic budgets and the funding of portfolio investments on an as-needed basis. Milbank, along with the Committee’s other professionals, has taken a central role in reviewing the Debtors’ proposed budgets and

negotiating modifications with the Debtors in certain instances to ensure that the interests of the Debtors' unsecured creditors are protected.

31. Also during the Third Interim Compensation Period, Milbank attorneys researched, analyzed and drafted memoranda regarding issues in connection with the recovery of certain funds that Arcapita had placed with three Bahraini banks prior to the Petition Date.

**E. Cayman Proceedings Issues**

32. During the Third Interim Compensation Period, Milbank attorneys, working together with the Committee's local Cayman counsel, Walkers Global ("Walkers"), provided guidance to the Committee with respect to a number of Cayman legal matters.

33. More specifically, Milbank negotiated with the joint provisional liquidators (the "JPLs") of AIHL, and their counsel, a "common interest" agreement, setting forth the terms on which the parties agreed that the sharing of privileged communications among counsel for each would not break confidentiality and invalidate the privilege. Milbank and Walkers also worked together to consider various alternatives for approaching the Cayman court to request enforcement of the terms of a confirmed chapter 11 plan. Additionally, Milbank and Walkers analyzed potential claims for breach of fiduciary under Cayman law against various individuals for acts taken prior to institution of the Cayman provisional liquidation proceeding with respect to AIHL (the "Cayman Proceeding").

**F. Claims Analysis and Estimation**

34. During the Third Interim Compensation Period, Milbank attorneys researched, analyzed, and drafted a memorandum regarding issues in connection with the potential imposition of a constructive trust on the proceeds of the sale and leaseback of interests in the Debtors' property in Lusail City, Qatar. Milbank attorneys also researched and drafted a



memorandum regarding the potential subordination of Tide's claims against Falcon under section 510(b) of the Bankruptcy Code. In connection therewith, Milbank attorneys reviewed the briefs filed by the Debtors and Tide, among other parties, on the issue of subordination. Finally, Milbank researched issues relating to whether certain administrative expense claims against the Debtors can be disallowed or equitably subordinated.

35. Also during the Third Interim Compensation Period, Milbank attorneys reviewed and summarized Milbank's recommendations with respect to the Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bank. P. 3007 Approving Claim Objection Procedures (the "Claim Objection Procedures Motion") [Docket No. 757]. Milbank attorneys also reviewed and provided comments to the order on the Claim Objection Procedures Motion, which was entered on January 18, 2013 [Docket No. 785].

**G. Committee Administration**

36. During the Third Interim Compensation Period, Milbank prepared the documents necessary for the efficient administration of the Committee's affairs, including memoranda analyzing matters requiring the Committee's attention.

37. Milbank also implemented a protocol for the allocation of the numerous tasks involved in ensuring that the Committee is kept apprised of all aspects of these cases in a timely manner without duplication of effort. This protocol includes (a) meetings among Milbank's team members and between Milbank and other Committee professionals, and (b) the maintenance of rolling task lists, calendar notifications and project calendars on a daily basis. Additionally, Milbank has established a system whereby (x) all substantive court filings are reviewed, on a real-time basis, to provide the Committee with a comprehensive summary and analysis of each material document filed in these cases, and (y) news articles regarding these

cases are reviewed and summarized for the Committee, as needed.

38. Milbank has also communicated frequently with the Debtors in order to obtain the information required to enable the Committee to independently assess the soundness of the Debtors' various business decisions. Milbank's efforts in establishing the Committee's administration in an efficient manner has ensured that the Committee will have the logistical tools necessary to effectively carry out its fiduciary responsibilities to the unsecured creditors of each of the Debtors.

#### **H. Committee Meetings**

39. The Committee continued to hold weekly telephonic meetings during the Third Interim Compensation Period. Prior to each such meeting, Milbank (in consultation with the Committee's financial advisors) prepared an agenda for discussion. Milbank also prepared and distributed for the Committee's prior review various related materials prepared by the Committee's professionals. During each Committee meeting, Milbank discussed with the Committee all significant case developments that had occurred since the previous meeting and assisted the Committee in formulating a position with respect to each matter. Milbank and the Committee's financial advisors also prepared agendas and materials for weekly telephonic meetings with Barclays Bank PLC, the chair of the Committee, to discuss case developments and Committee administration.

40. Through telephonic Committee meetings and numerous other communications with the Committee's members, Milbank has assisted the Committee in (a) fulfilling its obligations to the unsecured creditors of each of the Debtors' estates and (b) making informed decisions regarding the numerous issues that have arisen in the chapter 11 cases.

41. In accordance with the Committee's by-laws, Milbank recorded minutes during each of the Committee meetings conducted during the Third Interim Compensation Period. The Committee meeting minutes identify the Committee members (and their counsel) in attendance at the particular meeting, describe agenda items discussed and the related Committee resolutions, and set forth the results of all votes taken by the Committee members with respect to particular issues, if any.

**I. Communications with Creditors & Website**

42. During the Third Interim Compensation Period, and in accordance with the Court-approved information-sharing protocol (the "Creditor Information Protocol"), the Committee was required to (x) provide creditors with access to information and (y) solicit and receive comments from creditors. Pursuant to the Creditor Information Protocol, Milbank has established and is maintaining a website (the "Committee Website") to help the Committee to communicate with creditors. Milbank attorneys have drafted the content populating the Committee Website, including, among many other things, (a) general information about the Debtors' chapter 11 cases, including adversary proceedings, (b) highlights of significant events in the chapter 11 cases, (c) summaries of important documents and filings, and (d) answers to frequently asked questions.

43. Additionally, during the Third Interim Compensation Period, many creditors lodged inquiries with Milbank regarding the chapter 11 cases via telephone and by e-mail. In accordance with the Creditor Information Protocol, Milbank attorneys responded to all such inquiries. Moreover, Milbank attorneys held in-person meetings with certain creditors holding significant claims against the Debtors.

**J. Court Hearings**

44. During the Third Interim Compensation Period, Milbank attorneys prepared for and appeared at a number of court hearings, including the regularly scheduled omnibus hearings and various special hearings and case conferences. To prepare for each hearing, among other things, Milbank attorneys reviewed and analyzed pleadings and related documents and correspondence, conducted factual and legal research, discussed various issues with the Committee's financial advisors and the Debtors' advisors, prepared memoranda for the Committee summarizing the matters to be heard at each hearing, identifying the issues raised and providing recommendations for the Committee's response to each such matter and, in certain instances, prepared responsive pleadings, exhibits, argument and cross-examination outlines. Following each hearing, Milbank promptly advised the Committee of the pertinent rulings.

**K. Debtor-in-Possession Meetings and Communications**

45. Throughout the Third Interim Compensation Period, Milbank attorneys were in frequent communications with the Debtors' advisors, including through numerous conference calls. Milbank regularly reviewed with the Debtors matters that affected the Committee's constituency. Milbank also drafted and sent the Debtors' advisors various correspondence detailing outstanding diligence requests and the need for the improved sharing of information to enable the Committee to better evaluate case issues.

46. Milbank, together with the Debtors' advisors, also coordinated an in-person meeting in New York among the Debtors, the Committee, and their respective professionals. During the meeting, the parties discussed case strategy, including the Debtors' plan of reorganization, potential go-forward management constructs, and other issues of significant concern to the Debtors and their unsecured creditors.

**L. DIP Financing**

47. During the Third Interim Compensation Period, Milbank attorneys, along with the Committee's financial advisors, engaged in numerous discussions and negotiations with the Debtors' counsel and financial advisors, as well as potential lenders and their advisors, with respect to the Debtors' efforts to obtain debtor-in-possession financing ("DIP Financing"). In particular, Milbank reviewed, analyzed and advised the Committee with respect to the Debtors' supplement to their motion for authority to enter into a DIP commitment letter (the "DIP Supplement"), which sought approval of a commitment letter with Fortress Credit Corp. ("Fortress"). Due to the Committee's dissatisfaction with the size and pricing of the Fortress commitment, as proposed in the DIP Supplement, Milbank and the Committee's financial advisors continued negotiations with the Debtors, Fortress and other lenders in an effort to obtain a superior DIP proposal. Following negotiations at the courthouse immediately prior to the hearing on the DIP Supplement, Milbank and counsel for the Debtors and Fortress reached an agreement on DIP Financing that resolved the Committee's concerns – a result which the Court, the Debtors, and the Committee believed to be in the best interest of the Debtors' estates.

48. In connection with the Fortress commitment, Milbank attorneys reviewed and commented on the various DIP-related documents, including the master *murabaha* agreement, investment agency agreement, and guarantee, focusing on, among other things, the unique issues implicated by Shari'ah law, and attended multiple court hearings regarding interim and final approval of the proposed Fortress transaction.

**M. Disclosure Statement**

49. On February 8, 2013, the Debtors filed the Disclosure Statement in Support of the Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors

Under Chapter 11 of the Bankruptcy Code [Docket No. 827] (the “Disclosure Statement”) and a motion for an order approving the Disclosure Statement [Docket No. 828] (the “Disclosure Statement Motion”). During the Third Interim Compensation Period, Milbank attorneys reviewed and analyzed the Disclosure Statement, providing extensive comments to the Debtors. Further, Milbank attorneys reviewed and summarized for the Committee objections to the Disclosure Statement Motion that were filed by various constituencies.

50. Also during the Third Interim Compensation Period, Milbank began drafting, on the Committee’s behalf, an objection to the Disclosure Statement Motion. In connection therewith, Milbank attorneys researched various issues regarding the adequacy of the Debtors’ disclosures in the Disclosure Statement and the standards to be applied by the Court in determining whether to approve the Disclosure Statement.

**N. Employee Issues**

51. During the Third Interim Compensation Period, Milbank attorneys reviewed and analyzed the Debtors’ request to modify certain key performance indicators with respect to the Debtors’ Key Employee Incentive Program.

52. Also during the Third Interim Compensation Period, Milbank attorneys analyzed the Debtors’ employment agreements with members of senior management to determine the scope of restrictions on competition with the Debtors contained in those employment agreements, as well as the enforceability of these provisions in Bahrain and elsewhere.

53. Milbank attorneys additionally evaluated a potential settlement between one of its non-Debtor subsidiaries and a former employee. The settlement required funding from

the Debtors, so Milbank carefully examined whether such funding would be in the best interests of the Debtors' unsecured creditors.

54. Finally, during the Third Interim Compensation Period, Milbank attorneys reviewed and discussed with the Debtors the proposed treatment of employees, including senior management, under the Debtors' proposed plan of reorganization.

**O. Exclusivity Issues**

55. During the Third Interim Compensation Period, Milbank researched, analyzed and advised the Committee with respect to issues raised by the Debtors' motions for extensions of the exclusive periods for the filing of, and solicitation of acceptances for, their chapter 11 plan(s) [Docket Nos. 701, 728, 759, 770, 806, and 911].

**P. Executory Contracts**

56. During the Third Interim Compensation Period, Milbank worked with the Committee's other professional advisors to analyze issues arising from certain of the Debtors' executory contracts. Milbank attorneys reviewed and analyzed certain Cayman contracts and the legal issues arising from the potential assignment of such contracts.

**Q. Fee Applications - Other**

57. During the Third Interim Compensation Period, Milbank professionals coordinated the filing and service of monthly fee statements for the Committee's financial advisors. Milbank also reviewed the monthly fee statements of the Debtors' professionals for, among other purposes, compliance with the Interim Compensation Order and the Guidelines.

58. Also during the Third Interim Compensation Period, Milbank attorneys assisted in the preparation and filing of interim fee applications for certain of the Committee's

foreign professionals, including Hassan Radhi, its Bahraini counsel, and Walkers, its Cayman counsel.

**R. File, Docket & Calendar Maintenance**

59. During the Third Interim Compensation Period, Milbank paraprofessionals maintained internal filing, record-keeping, docket-monitoring and calendaring systems in order to organize and keep track of the documents filed in these cases and the Cayman Proceeding, ongoing projects and upcoming deadlines. Milbank attorneys also monitored the docket on a real-time basis, calendared critical dates, and summarized and circulated substantive pleadings to the internal Arcapita team. These summaries enabled Milbank to stay abreast of developments in these cases, and facilitated the assignment of projects.

**S. Investments and Portfolio Companies**

60. During the Third Interim Compensation Period, Milbank attorneys reviewed, analyzed, and summarized documents relating to the Debtors' various investments and portfolio companies, including structure and investment charts, loan documents, credit agreements, organizational documents, shareholder agreements, proxies, management and administration agreements, intercreditor agreements, and correspondence with investors. Milbank also researched and analyzed the corporate governance of, and drafted change of control analyses for, the Debtors' various investments and portfolio companies. Milbank attorneys also monitored the Debtors' electronic dataroom for additional diligence with respect to such investments and portfolio companies.

61. Milbank advised the Committee with respect to legal issues arising from the funding or sale of certain of the Debtors' investments and portfolio companies, as well as potential liabilities in the event of non-funding.



**T. Intercompany Issues**

62. During the Third Interim Compensation Period, Milbank investigated matters related to intercompany claims among Arcapita Bank and its affiliates. Specifically, Milbank analyzed the treatment of the intercompany claims between Arcapita Bank and (a) AIHL; (b) Arcapita LT Holdings Limited; and (c) various other non-debtor affiliates. In connection therewith, Milbank had numerous discussions with the Committee's financial advisors regarding the treatment of intercompany claims, including in connection with a potential plan of reorganization and the potential impact of distributions in the Cayman Proceeding and the chapter 11 cases.

63. Milbank attorneys analyzed the intercompany claims and transfers of Arcapita and performed related legal research. In particular, Milbank performed a detailed investigation of the potential for the recharacterization of certain intercompany transfers as equity, which included both legal analysis and a factual analysis of the trial balances of various Debtors and non-Debtor entities. Milbank discussed its findings and legal analysis separately with the Committee, the Debtors' advisors, and advisors to the *ad hoc* group of AIHL claim holders.

**U. Litigation**

64. During the Third Interim Compensation Period, Milbank prepared for, participated in, and summarized for the Committee the mediation between Tide and Falcon over the issue of ownership of certain escrowed funds arising out of the sale of Falcon's interest in NorTex Gas Storage Company, LLC to Tide.

65. Also during the Third Interim Compensation Period, Milbank reviewed, researched, and analyzed Tide's motion to convert Falcon's chapter 11 case into a chapter 7 case

or, in the alternative, to appoint a trustee in Falcon's chapter 11 case (the "Motion to Convert") [Docket No. 900]. Milbank attorneys advised the Committee with respect to the issues raised by, and its recommendations with respect to, the Motion to Convert.

**V. Milbank Fee Statements and Applications**

66. During the Third Interim Compensation Period, Milbank professionals and paraprofessionals carefully reviewed draft fee statements to redact privileged, confidential and other non-public information. Milbank served its fee statements as required by the Interim Compensation Order.

67. Also during the Third Interim Compensation Period, Milbank professionals and paraprofessionals drafted and filed the Second Interim Fee Application, and began to prepare this Application, compiling time entries entered by Milbank attorneys and paraprofessionals by project billing categories and summarizing the work performed in each category.

**W. Real Estate Matters**

68. During the Third Interim Compensation Period, Milbank worked closely with the Committee's other professional advisors to analyze potential strategies with respect to the structure and terms of the Debtors' real estate investments. Milbank regularly updated the Committee as to the status of the foregoing through electronic mail and telephonic meetings.

69. In particular, during the Third Interim Compensation Period, Milbank attorneys, on behalf of the Committee, continued their comprehensive review of the sale-leaseback transactions entered into by the Debtors with respect to real property in Lusail City, Qatar and Arcapita's headquarters building in Bahrain, including a review and analysis of the transaction documents and numerous legal issues arising therefrom. In addition, Milbank

attorneys reviewed documents and legal issues arising from the Debtors' termination of an outstanding lease of American Pad & Paper, one of the Debtors' former portfolio investments that has been monetized. With the assistance of the Committee's financial advisors, Milbank prepared for the Committee detailed analyses of many of the foregoing issues.

**X. Reorganization Plan**

70. During the Third Interim Compensation Period, Milbank attorneys expended considerable time and effort in helping to craft a plan of reorganization acceptable to both the Debtors and their unsecured creditors. In connection with this process, Milbank attorneys have worked throughout the Third Interim Compensation Period, including by attending in-person meetings with the Committee, the Debtors, and other constituencies in New York, London, Frankfurt, and Manama; holding regular telephonic meetings of the Committee, as well as a large number of additional meetings, both with the full Committee or with a sub-group thereof; drafting various plan-related proposals, particularly with respect to the disposition of the Debtors' portfolio investments and the corporate governance of the reorganized Debtors; reviewing the Debtors' and their affiliates' myriad agreements to determine the appropriate structure a plan should take and the reasonable compromises that could be reached with respect to various issues; and performed legal research on novel areas of law relevant to plan considerations.

71. In formulating the standalone plan, numerous issues needed to be resolved, including the structure of distributions to be made under the plan, a procedure for disposing of the Debtors' portfolio investments in a controlled manner, a going-forward corporate governance structure for the liquidating entity, a working management structure for the Debtors' assets (including whether such management would be retained in-house or outsourced),

the status of any potential claims the Debtors might retain against third parties and the appropriate party to prosecute any such claims, and regulatory and enforcement issues involving foreign jurisdictions, particularly Bahrain and the Cayman Islands.

72. Through the diligent efforts of Milbank and the other professionals working in these chapter 11 cases, the terms of a plan of reorganization, agreeable to both the Debtors and the Committee, were substantially in place by the end of the Third Interim Compensation Period.

**Y. Rule 2004 Examinations**

73. During the Third Interim Compensation Period, because the Committee did not receive satisfactory responses to its informal requests, Milbank attorneys, on behalf of the Committee, drafted and filed a motion to require the Debtors to produce certain information regarding third-party investors in the Debtors' portfolio investments pursuant to Bankruptcy Rule 2004 [Docket No. 843] (the "2004 Motion"). Following the Debtors' objection, Milbank also prepared a reply and coordinated a declaration from the Committee's Bahraini counsel in support of the 2004 Motion. Ultimately, following a hearing on the 2004 Motion, the Committee and the Debtors were able to reach a consensual resolution for the Debtors to provide information subject to agreed confidentiality requirements, and the Committee stipulated to the voluntary dismissal of the 2004 Motion.

**Z. Secured Creditor Issues**

74. During the Third Interim Compensation Period, Milbank continued to advise the Committee on issues related to Standard Chartered Bank ("SCB"), a prepetition secured lender under two of the Debtors' *murabaha* facilities. While many issues had been resolved pursuant to a settlement stipulation approved by the Court in the Second Interim

Compensation Period (the “SCB Stipulation”), particularly with respect to the EuroLog IPO, Milbank attorneys worked with the Committee’s other advisors and the Debtors to address issues arising from, or left unresolved by, the SCB Stipulation.

**AA. Substantive Consolidation**

75. During the Third Interim Compensation Period, Milbank attorneys researched and drafted a memorandum for the Committee regarding the doctrine of substantive consolidation. Milbank further analyzed issues raised by the intersection of substantive consolidation and *Shari’ah* law.

**BB. Voidable Transfers and Other Potential Claims**

76. During the Third Interim Compensation Period, Milbank continued to devote substantial time to researching and evaluating potential claims on behalf of the Debtors’ estates, including avoidance action claims. Due to the short timeline proposed for the filing of a plan and the related negotiations, avoidance actions have been addressed in the chapter 11 cases on an expedited basis, and, due to this time limitation, Milbank continued to be the driving force behind considerable diligence in connection with potential avoidance actions.

77. In particular, Milbank continued working with the Committee’s financial advisors to, among other objectives, (a) analyze previously identified categories of pre- and postpetition transfers potentially subject to avoidance and recovery; (b) analyze the prepetition financial condition of the Debtors to determine whether the Debtors were insolvent and/or undercapitalized during any period for purposes of pursuing preference and constructive fraudulent transfer claims; (c) investigate and analyze in greater depth particular transfers identified as potential avoidance targets; (d) analyze potential legal issues that might arise in

connection with the pursuit of any avoidance actions, including issues related to potential foreign defendants; and (e) develop potential litigation strategies.

78. Milbank analyzed various categories of potentially voidable transfers based on information provided by the Debtors' advisors and contained in the schedules of assets and liabilities and statements of financial affairs (collectively, the "SOFAs"), including payments to insiders and vendors, and transfers made in connection with investors and investment companies. Milbank corresponded extensively with the Committee's financial advisors, as well as with counsel and financial advisors to the Debtors, to discuss various types of prepetition transfers made by the Debtors, the prepetition financial condition of the Debtors, and various issues relating to the pursuit of avoidance actions by the Debtors.

79. During the Third Interim Compensation Period, Milbank continued its research of factual and legal issues with respect to potential avoidance actions and presentations to the Committee in connection therewith. Such issues included, among many others, the general mechanics and legal bases of avoidance actions, potential recoveries resulting from avoidance actions, and legal and factual defenses to the avoidance actions. Additionally, Milbank, with the help of the Committee's financial advisors, performed detailed, factual diligence of various transfers, including reviewing historical account transfer data, documents related to the transfers, and materials prepared by the Debtors' advisors.

#### **IV. ALLOWANCE OF COMPENSATION**

80. The professional services rendered by Milbank 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 the unsecured creditors of each of the Debtors' estates.

81. 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.

82. 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.

83. The Congressional policy expressed above provides for adequate compensation in order to continue to attract competent professionals to bankruptcy cases. In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 20 (Bankr. S.D.N.Y. 1991) (“Congress’ objective on requiring that the market, not the Court, establish attorneys’ rates was to ensure that bankruptcy cases were staffed by appropriate legal specialists.”); In re Busy Beaver Bldg. Ctrs., Inc., 19 F.3d 833, 850 (3d Cir. 1994) (“Congress rather clearly intended to provide sufficient economic incentive to lure competent bankruptcy specialists to practice in the bankruptcy courts.”) (citation and internal quotation marks omitted).

84. In assessing the “reasonableness” of the fees requested, courts have looked to a number of factors, including those first enumerated by the Fifth Circuit in In re First Colonial Corp. of America, 544 F.2d 1291, 1298-99 (5th Cir. 1977) and thereafter adopted by most courts.<sup>6</sup> See In re Nine Assocs., Inc., 76 B.R. 943, 945 (S.D.N.Y. 1987) (adopting First Colonial/Johnson analysis); In re Cuisine Magazine, Inc., 61 B.R. 210, 212–13 (Bankr. S.D.N.Y. 1986) (same); see generally 3 COLLIER ON BANKRUPTCY ¶ 330.03[9] (enumerating First Colonial and Johnson as the “leading cases to be considered in determining a reasonable allowance of compensation”). Milbank respectfully submits that the consideration of these so-called Johnson factors should result in this Court’s allowance of the full compensation requested for the following reasons.

(A) The Time and Labor Required. The professional services rendered by Milbank on behalf of the Committee have required the continuous expenditure of substantial

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<sup>6</sup> The factors embraced by the Fifth Circuit in First Colonial were first adopted by the Fifth Circuit’s decision in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974), except that First Colonial also included the “spirit of economy” as a factor expressly rejected by Congress in enacting section 330 of the Bankruptcy Code. Stroock & Stroock & Lavan v. Hillsborough Holdings Corp. (In re Hillsborough Holdings Corp.), 127 F.3d 1398, 1403 (11th Cir. 1997). A majority of the First Colonial factors are now codified in section 330(a)(3). 3 COLLIER ON BANKRUPTCY ¶ 330.03[9] (Lawrence P. King et al., eds., 16th ed. 2011).



time and effort, under time pressures that sometimes required the performance of services late into the evening and, on a number of occasions, over weekends and holidays. The services rendered required a high degree of professional competence and expertise in order to be administered with skill and dispatch.

- (B) The Novelty and Difficulty of Questions. Novel and complex issues have arisen, and will continue to arise, in the course of the chapter 11 cases. In these cases, as in many others in which the firm is involved, Milbank's effective advocacy and creative approach to problem-solving have helped to clarify and resolve difficult issues and will continue to prove beneficial.
- (C) The Skill Requisite to Perform the Legal Services Properly. Milbank believes that its recognized expertise in the area of financial restructuring, its ability to draw from highly-experienced professionals in other areas of its practice, such as employment, asset divestiture, litigation, tax, intellectual property and finance, and its practical approach to the resolution of issues help maximize the distributions to the unsecured creditors of each of the Debtors.
- (D) The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. Due to the size of Milbank's financial restructuring department and the firm as a whole, Milbank's representation of the Committee has not precluded the acceptance of new clients. However, the number of matters needing attention on a continuous basis has required numerous Milbank attorneys, across multiple practice groups, to commit significant portions of their time to the chapter 11 cases.
- (E) The Customary Fee. The compensation sought herein is based upon Milbank's normal hourly rates for services of this kind. Milbank respectfully submits that the compensation sought herein is not unusual given the magnitude of the chapter 11 cases and the time dedicated to the representation of the Committee. Such compensation is commensurate with fees Milbank has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.
- (F) Whether the Fee Is Fixed or Contingent. Milbank charges customary hourly rates, as adjusted annually, for the time expended by its attorneys and paraprofessionals in representing the Committee, and Milbank's fee is not outcome dependent.
- (G) Time Limitations Imposed by Client or Other Circumstances. As stated above, Milbank has been required to attend to various issues as they have arisen in the chapter 11 cases. Often, Milbank has had to perform these services under significant time constraints requiring attorneys and paraprofessionals assigned to the chapter 11 cases to work evenings and on weekends and holidays.
- (H) The Amount Involved and Results Obtained. The Committee represents the interests of unsecured creditors of each of the Debtors that, in the aggregate, hold unsecured claims estimated to be valued in at least the hundreds of millions of dollars. The Committee's participation, with Milbank's counsel and guidance,

has greatly contributed to the efficient administration and prospects for reorganization of the chapter 11 cases.

- (I) The Experience, Reputation and Ability of the Attorneys. Milbank has a sophisticated and nationally recognized corporate reorganization and financial restructuring practice, and Milbank attorneys involved in this representation have played a major role in numerous complex restructurings including, for example, the chapter 11 cases of Lehman Brothers Holdings Inc., Eastman Kodak Company, The Great Atlantic & Pacific Tea Company, Inc., Nortel Networks Inc., Capmark Financial Group Inc., Hayes Lemmerz International, Inc., DBSD North America, Inc., Refco, Inc., Enron Corp., TOUSA, Inc., Vicorp, Interstate Bakeries Corp., Winn-Dixie Stores, Inc., Fruit of the Loom Inc., Adelphia Communications Corp., RCN Corp., US Airways Group, Inc., Global Crossing Ltd., Fleming Companies, Inc., and Dairy Mart Convenience Stores, Inc. Milbank's experience enables it to perform the services described herein competently and expeditiously.
- (J) The "Undesirability" of the Case. The chapter 11 cases are not undesirable but, as already indicated, require a significant commitment of time from many Milbank attorneys.
- (K) Nature and Length of Professional Relationship. Milbank was selected as the Committee's counsel shortly after the Committee's formation, on April 10, 2012, and was retained *nunc pro tunc* to that date pursuant to an order of the Court dated June 29, 2012. Milbank has been rendering services continuously to the Committee since the Committee was formed, and Milbank has rendered such services in a necessary and appropriate manner.

85. The total time spent by Milbank attorneys and paraprofessionals during the Third Interim Compensation Period was 8,614.90 hours and has a fair market value of \$6,101,159.00. Milbank submits that, as demonstrated by this Application and supporting exhibits, its services were rendered economically and without unnecessary duplication of efforts. In addition, the work involved, and thus the time expended, was carefully assigned in consideration of the experience and expertise required for each particular task.

## **V.** **EXPENSES**

86. Milbank has incurred a total of \$229,389.84 in expenses in connection with representing the Committee during the Third Interim Compensation Period. Milbank

records all expenses incurred in connection with its performance of professional services.

Detailed descriptions of these expenses were attached and filed as exhibits to the Third Interim Period Fee Statements.

87. Throughout the Third Interim Compensation Period, Milbank has been keenly aware of cost considerations and has tried to minimize the expenses charged to the Debtors' estates.

88. Milbank's policy is to charge its clients in all areas of practice for expenses, other than fixed and routine overhead expenses, incurred in connection with representing its clients. The expenses charged to Milbank's clients include, among other things, telephone toll and other charges, regular mail and express mail charges, special or hand delivery charges, photocopying charges, out-of-town travel expenses, local transportation expenses, expenses for working meals, computerized research charges and transcription costs.

89. Milbank charges the Committee for these expenses at rates consistent with those charged to Milbank's other bankruptcy clients, which rates are equal to, or less than, the rates charged by Milbank to its non-bankruptcy clients. Milbank seeks reimbursement from the Debtors at the following rates for the following expenses: (a) ten cents (\$0.10) per page for photocopying; (b) ten cents (\$0.10) per page for black and white printing; and (c) one dollar and twenty-five cents (\$1.25) per page for color printing.

90. In accordance with section 330 of the Bankruptcy Code and the Guidelines, Milbank seeks reimbursement only for the actual cost of such expenses to Milbank.<sup>7</sup>

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<sup>7</sup> The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a retrospective reconciliation of any "year-end" adjustments (positive or negative) to the actual discounted cost of such expenses.

91. In providing or obtaining from third parties services which are reimbursable by clients, Milbank does not include in such reimbursable amount any costs of investment, equipment or capital outlay.

92. Milbank regularly charges its non-bankruptcy clients for ordinary business hourly fees and expenses for secretarial, library, word processing and other staff services because such items are not included in the firm's overhead for the purpose of setting billing rates. However, Milbank is not seeking reimbursement of hourly fees of its secretarial services.

## **VI.** **NOTICE**

93. 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: (a) Arcapita Bank B.S.C.(c), Arcapita Building, Bahrain Bay, P.O. Box 1406, Manama, Kingdom of Bahrain (Attn: Henry Thompson); (b) 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.); and (c) 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.). Milbank submits that, in light of the relief requested herein, no other or further notice need be provided.

## **VII.** **CONCLUSION**

WHEREFORE, Milbank respectfully requests that the Court enter an order conforming to the amounts set forth in fee schedule attached hereto as Exhibit B: (a) allowing Milbank (i) interim compensation for professional services rendered as counsel for the Committee during the Third Interim Compensation Period in the amount of \$6,101,159.00; and

(ii) reimbursement of expenses incurred in connection with rendering such services in the aggregate amount of \$229,389.84, for a total award of \$6,330,548.84; (b) authorizing and directing the Debtors to pay (to the extent not previously paid in accordance with the Interim Compensation Order) to Milbank \$2,344,830.58, which is an amount equal to (i) the \$686,806.10 Second Holdback, plus (ii) \$1,658,024.48, which represents the unpaid portion of 80% of Milbank's fees for legal services rendered and 100% of Milbank's expenses incurred during the Third Interim Compensation Period; and (c) granting such further relief as is just.

Dated: New York, New York  
April 22, 2013

**MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP**

By: /s/ Dennis F. Dunne  
Dennis F. Dunne  
Abhilash M. Raval  
Evan R. Fleck  
1 Chase Manhattan Plaza  
New York, New York 10005  
Telephone: (212) 530-5000  
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**  
:   
ARCAPITA BANK B.S.C.(c), et al., : **Case No. 12-11076 (SHL)**  
:   
Debtors. : **(Jointly Administered)**  
:   
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**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS  
FOR PROFESSIONALS IN RESPECT OF THIRD APPLICATION OF MILBANK,  
TWEED, HADLEY & M<sup>c</sup>CLOY LLP, COUNSEL TO OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS, FOR INTERIM ALLOWANCE OF  
COMPENSATION FOR SERVICES RENDERED AND FOR  
REIMBURSEMENT OF EXPENSES DURING PERIOD FROM  
NOVEMBER 1, 2012 THROUGH AND INCLUDING MARCH 31, 2013**

Pursuant to the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, effective February 5, 2013 (the “Local Guidelines”), and, to the extent applicable, 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 Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP (“Milbank”), 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”)<sup>1</sup>, hereby certifies with respect to Milbank’s third application for allowance of compensation for services rendered and for reimbursement of

<sup>1</sup> 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.

expenses, dated April 22, 2013 (the "Application"), for the period of November 1, 2012 through and including March 31, 2013 (the "Third Interim Compensation Period") as follows:

1. I am the professional designated by Milbank 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 Third Interim Compensation Period, in accordance with the Local Guidelines.

3. With respect to section B.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 Milbank and generally accepted by Milbank's clients.

d. In providing a reimbursable service, Milbank does not make a profit on that service, whether the service is performed by Milbank in-house or through a third party.<sup>2</sup>

4. With respect to section B.2 of the Local Guidelines, I certify that Milbank has previously provided monthly statements of Milbank's fees and disbursements by filing and serving monthly statements in accordance with the Interim Compensation Order (as defined in the Application), except that completing reasonable and necessary internal accounting and review procedures have at times precluded filing fee statements within the time periods specified in the Local Guidelines.

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<sup>2</sup> The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a



5. With respect to section B.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.

Dated: New York, New York  
April 22, 2012

By: /s/ Dennis F. Dunne  
Dennis F. Dunne

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retrospective reconciliation of any “year-end” adjustments (positive or negative) to the actual discounted cost of such expenses.

**Exhibit B**

CASE NO.: 12-11076 (SHL) (Jointly Administered)  
CASE NAME: IN RE ARCAPITA BANK B.S.C.(C), et al.

**Third Interim Compensation Period**  
**November 1, 2012 – March 31, 2013**

<b>Date/Document Number of Statement</b>	<b>A. Fees for Which Approval Is Sought</b>	<b>B. Amount of Fees for Which Monthly Payment Was Sought (80%)</b>	<b>C. Fees Paid to Date</b>	<b>D. Expenses Requested To Be Approved and Paid</b>	<b>E. Expenses Paid to Date</b>	<b>F. Amounts Payable Pursuant to Interim Compensation Order Yet Unpaid (i.e., (B+D) – (C+E))</b>
12/20/12 Docket No. 739	\$1,147,443.00	\$917,954.40	\$917,954.40	\$25,823.21	\$25,823.21	\$0.00
1/23/13 Docket No. 797	\$883,573.50	\$706,858.80	\$706,858.80	\$61,013.49	\$61,013.49	\$0.00
2/25/13 Docket No. 868	\$923,395.00	\$738,716.00	\$738,716.00	\$73,798.97	\$73,798.97	\$0.00
3/26/13 Docket No. 948	\$1,132,029.00	\$905,623.20	\$905,623.20	\$22,504.49	\$22,504.49	\$0.00
4/22/13 Docket No. 1013	\$2,014,718.50	\$1,611,774.80	\$0.00	\$46,249.68	\$0.00	\$1,658,024.48