

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

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In re : **Chapter 11 Case**
ARCAPITA BANK B.S.C.(c), et. al., : **Case No. 12-11076 (SHL)**
Debtors. : **Jointly Administered**
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**INTERIM ORDER AUTHORIZING DEBTORS TO
EMPLOY AND RETAIN ALVAREZ & MARSAL NORTH AMERICA, LLC
AS FINANCIAL ADVISORS TO DEBTORS AND DEBTORS IN POSSESSION
PURSUANT TO SECTIONS 327(a) AND 330 OF THE BANKRUPTCY CODE**

Upon the application (the “*Application*”) of the debtors in possession in the above-captioned case (collectively, the “*Debtors*” and each, a “*Debtor*”) for interim and final orders pursuant to sections 327(a) and 330 of title 11 of the United States Code (the “*Bankruptcy Code*”), authorizing the Debtors to employ and retain Alvarez & Marsal North America, LLC, together with employees of its affiliates (all of which are wholly-owned by its parent company and employees), its wholly owned subsidiaries, and independent contractors (collectively, “*A&M*”) as financial advisors, *nunc pro tunc* to the date of filing of these cases (the “*Petition Date*”) on the terms set forth in the engagement letter (the “*Engagement Letter*”) annexed to the Application as Exhibit B; and upon the Declaration of Lawrence R. Hirsh in support of the Application annexed thereto as Exhibit C; and due and adequate notice of the Application having been given; and the Court being satisfied that A&M is a “disinterested person” as such term is defined under section 101(14) of the Bankruptcy Code; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Application is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Application is granted to the extent set forth herein on an interim basis.
2. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.
3. Pursuant to sections 327(a) and 330 of the Bankruptcy Code, the Debtors are hereby authorized to retain A&M as financial advisors to the Debtors, *nunc pro tunc* to the Petition Date on the terms set forth in the Engagement Letter.
4. A&M will provide such restructuring support services as A&M and the Debtors shall deem appropriate and feasible in order to manage and advise the Debtors in the course of the Chapter 11 Cases, including, but not limited to:
 - (a) interfacing with the Official Committee of Unsecured Creditors (the “Creditors Committee”), Zolfo Cooper (as Cayman Provisional Liquidator), and other creditors regarding the Debtors’ operations
 - (b) reviewing proposed investment activities (investment in and monetization of existing investments and new investments) and presenting the proposed actions to the Creditors Committee;
 - (c) reporting/validating accounting entries of the Debtors, and cash flows between and among Debtors and non-Debtor entities;
 - (d) analyzing substantive consolidation of the Debtors and the provision of testimony in support of the Debtors’ position;
 - (e) assisting with the development of the Debtors’ business plan and related financial model;

- (f) assisting with the preparation of reporting packages, including
 - 13-Week Cash Flow Forecast
 - Monthly Operating Report;
- (g) assisting with the preparation of statements and schedules;
- (h) reporting to Arcapita's Board of Directors, as desired, or directed by the

Debtors' management; and

(i) rendering such other general business consulting or such other assistance as Debtors' management or counsel may deem necessary consistent with the role of a financial advisor and the services set forth above to the extent that it would not be duplicative of services provided by other professionals in this proceeding.

5. The terms of the Engagement Letter, including without limitation, the indemnification provisions as modified below, are reasonable terms and conditions of employment and are hereby approved; *provided that*, no determination is hereby made with respect to the Incentive Fee and approval of such Incentive Fee, if any, shall be subject to entry of a Final Order; *provided further that*, notwithstanding the terms of the Engagement Letter, all requests by A&M for payment of indemnity pursuant to the Engagement Letter shall be made by means of an application (interim or final as the case may be) and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Engagement Letter and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought; *provided, however*, that in no event shall A&M be indemnified if a court determines by final order that such claim arose out of, A&M's own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct.

6. To the extent there is any inconsistency among the terms of the Engagement Letter, the Application and this Interim Order, the terms of this Interim Order shall govern.

7. A&M shall file fee applications for interim (as necessary) and final allowance of compensation and reimbursement of expenses pursuant to the procedures set forth in sections 330 and 331 of the Bankruptcy Code; *provided, however*, that A&M shall be compensated in accordance with the terms of the Engagement Letter, and subject to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines and any other applicable orders of this Court; *provided, further*, that no determination is hereby made with respect to the Incentive Fee, and approval of such Incentive Fee, if any, shall be subject to entry of a Final Order;

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

9. The final hearing on the relief requested in the Application shall be on May 31, 2012 at 2:00 p.m. (prevailing Eastern Time), or at such later time as may be set by the Court. The deadline by which objections to entry of the Final Order must be filed is May 24, 2012 at 12:00 p.m. (prevailing Eastern Time) and served upon (i) proposed counsel for the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, New York, 10166 (Attn: Michael A. Rosenthal, Esq., Janet M. Weiss, Esq. and Matthew K. Kelsey, Esq.); (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); (iii) proposed counsel to the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase

Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq. and Evan R. Fleck,
Esq.).

Dated: New York, New York
May 15, 2012

/s/ Sean H. Lane
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE