

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

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

**FIRST APPLICATION OF ALVAREZ & MARSAL GLOBAL FORENSIC AND
DISPUTE SERVICES, LLC, AS AN AFFILIATE OF ALVAREZ & MARSAL
NORTH AMERICA, LLC, FINANCIAL ADVISOR TO ARCAPITA BANK
B.S.C.(C), ET AL. FOR INTERIM APPROVAL AND ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES WITH RESPECT TO THE FALCON
LITIGATION, AS DEFINED BELOW, DURING THE PERIOD FROM
JUNE 1, 2013 THROUGH AND INCLUDING SEPTEMBER 30, 2013**

Name of applicant: Alvarez & Marsal Global Forensic and Dispute
Services, LLC

Authorized to provide
professional services to: Arcapita Bank B.S.C.(c), et al.

Date of retention: Order entered May 15, 2012 [Docket No. 138]
nunc pro tunc to March 19, 2012

Period for which compensation
and reimbursement are sought: June 1, 2013 – September 30, 2013

Amount of compensation
requested: \$ 53,337.50

Amount of expense reimbursement
requested: \$ 4,267.00

This is an: X interim _____ final application.

This is the first interim fee application filed by Alvarez & Marsal Global Forensic and Dispute Services, LLC in these cases.

**FIRST INTERIM FEE APPLICATION OF
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
JUNE 1, 2013 – SEPTEMBER 30, 2013**

Summary of Total Fees by Professional For Alvarez & Marsal Global Forensic and Dispute Services, LLC June 1, 2013 through September 30, 2013				
Name of Professional	Position	Rate	Total Hours	Total Fees (Prior to Holdback)
Abington, William	Managing Director	\$ 525	10.4	\$ 5,460.00
Lemer, Randall	Managing Director	525	19.3	10,132.50
Bennett, Megan	Director	395	2.5	987.50
Edmiston, Ben	Manager	325	113.1	36,757.50
Total			145.3	\$ 53,337.50
	Blended Rate	\$ 367.09		

**FIRST INTERIM FEE APPLICATION OF
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
JUNE 1, 2013 – SEPTEMBER 30, 2013**

Summary of Expenses by Category For Alvarez & Marsal Global Forensic and Dispute Services, LLC June 1, 2013 through September 30, 2013		
Category	Service Provider	Amount
Computer and Administrative Expense	Various	\$ 4,267.00
Total		\$ 4,267.00

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

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

**FIRST APPLICATION OF ALVAREZ & MARSAL GLOBAL FORENSIC AND
DISPUTE SERVICES, LLC, AS AN AFFILIATE OF ALVAREZ & MARSAL
NORTH AMERICA, LLC, FINANCIAL ADVISOR TO ARCAPITA BANK
B.S.C.(C), ET AL., FOR INTERIM APPROVAL AND ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES WITH RESPECT TO THE FALCON
LITIGATION, AS DEFINED BELOW, DURING THE PERIOD FROM
JUNE 1, 2013 THROUGH AND INCLUDING SEPTEMBER 30, 2013**

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

Alvarez & Marsal Global Forensic and Dispute Services, LLC (“A&M”), as an affiliate of Alvarez & Marsal North America, LLC, financial advisor to Arcapita Bank B.S.C.(c) et al., (collectively, the “Debtors”)¹ in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), hereby submits its application (the “Application”), pursuant to sections, 328(a), 330, 331, and 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “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 January 29, 2013

¹ Debtors in these 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. Arcapita Bank B.S.C.(c) is incorporated in the Kingdom of Bahrain, a tax free jurisdiction. All other filing entities are incorporated in the Cayman Islands, a tax free jurisdiction.

(together with Local Rule 2016-1, the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines”), and the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals, dated May 18, 2012 [Docket No. 159] (the “Interim Compensation Order”), for the interim approval and allowance of (i) compensation for professional services rendered during the period from June 1, 2013 through and including September 30, 2013 (the “First Interim Compensation Period”) and (ii) reimbursement of expenses incurred in connection with such services and in support thereof respectfully represents as follows:

I.

INTRODUCTION

1. By the Application, A&M seeks an interim approval and allowance of (i) compensation for professional services rendered by A&M during the First Interim Compensation Period in the amount of \$53,337.50 and (ii) reimbursement of actual and necessary out-of-pocket expenses incurred by A&M in connection with such services in the amount of \$4,267.00. Copies of the time records covering the Interim Compensation Period are attached hereto as Exhibit B. Exhibit C attached hereto details each of the actual expenses incurred by A&M on behalf of the Debtors during the First Interim Compensation Period.

II.

BACKGROUND

2. Bankruptcy Filing. On March 19, 2012 (the “Petition Date”), each of the Debtors”), with the exception of Falcon Gas Storage Company, Inc. (case #12-11790), which filed on April 30, 2012, filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the “Court.

The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

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

4. 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 328(a), 330, 331 and 1103(a) of the Bankruptcy Code. Pursuant to the Local Guidelines, a certification regarding compliance with the Local Guidelines and U.S. Trustee Guidelines is attached hereto as Exhibit A.

5. Authorization for A&M's Retention. On July 13, 2012, pursuant to the Order Pursuant to 11 U.S.C. §§ 328(a) and 1103, Fed. R. Bankr. P. 2014, And S.D.N.Y. LBR 2014-1 Authorizing Employment and Retention of Alvarez & Marsal North America, LLC as Its Financial Advisor Effective as of the petition date [Docket No. 317] (the "Retention Order"), the Court authorized A&M's retention as financial advisor to the Debtors in the Chapter 11 Cases. The Retention Order authorized A&M, and its affiliates, to receive compensation upon appropriate application in accordance with sections 330 and 331 of the Bankruptcy Code and the applicable provisions of the Bankruptcy Rules, Local Rules, U.S. Trustee Guidelines and Interim Compensation Order.

6. Services of an Affiliate. The Retention Order authorized Alvarez & Marsal North America, LLC's affiliates to receive compensation upon appropriate application. Alvarez & Marsal Global Forensic and Dispute Services, LLC ("A&M") is an affiliate of

Alvarez & Marsal North America, LLC. A&M was retained by Arcapita, Inc., Arcapita Bank B.S.C., and Falcon Gas Storage Company, Inc. to provide litigation services in the matter of Tide Natural Gas Storage I, LP and Tide Natural Gas Storage II, LP, v. Falcon Gas Storage Company, Inc.; Arcapita Bank, B.S.C.; Arcapita, Inc.; and HSBC Bank USA, National Association (“Falcon Litigation”).

7. A&M 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 the Chapter 11 Cases. No promises have been received by A&M or any member thereof as to compensation in connection with the Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code.²

III.

APPLICATION

8. By this Application, A&M seeks interim allowance and of (a) compensation for professional services rendered by A&M during the First Interim Compensation Period, in the amount of \$53,337.50 and (b) reimbursement of expenses incurred by A&M in connection with such services, in the amount of \$4,267.00, for a total award of \$57,604.50.

9. The fees sought by this Application reflect an aggregate of 145.3 hours of time spent and recorded in performing services for the Debtors during the First Interim Compensation Period, at a blended average hourly rate of \$367.09.

² Attached hereto as Exhibit B is a summary of the amounts detailed in the foregoing discussion and amounts (if any) that remain due and outstanding as of the date hereof.

10. A&M rendered to the Debtors services for which compensation is sought solely in connection with the Chapter 11 Cases and in furtherance of the duties and functions of the Debtors.

11. A&M maintains computerized records of the time expended in the rendering of the professional services required by the Debtors in the ordinary course of A&M's operations. These records are recorded in tenth of an hour increments by project category, based on the U.S. Trustee Guidelines, and set forth a detailed description of services performed on behalf of the Debtors. For the convenience of the Court and parties in interest, a billing summary for services rendered during the First Interim Compensation Period is attached as part of the cover sheet, setting forth the name of each professional and paraprofessional for whose work on the Chapter 11 Cases compensation is sought, the aggregate time expended by each such professional or paraprofessional, the hourly billing rate for each such professional or paraprofessional at A&M's current billing rates and an indication of the amounts requested for each such professional or paraprofessional as part of the total amount of compensation requested. The compensation requested by A&M is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

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

IV.

SUMMARY OF PROFESSIONAL SERVICES RENDERED

13. A&M was retained by Arcapita, Inc., Arcapita Bank B.S.C., and Falcon Gas Storage Company, Inc., and its counsel King & Spalding, to provide accounting and

financial consulting services in connection with the Falcon Litigation. The following summary is intended only to highlight key services rendered by A&M during the First Interim Compensation Period, and is not meant to be a detailed description of all the work performed. Detailed descriptions of the day-to-day services provided by A&M and the time expended performing such services are attached hereto as Exhibit B.

14. During the First Interim Compensation Period, A&M professionals advised the Debtors' counsel in connection with (i) specific accounting and audit standards as related to matters at issue in litigation, (ii) damage claims and calculations submitted by the plaintiffs, (iii) deposition preparation for accounting and finance professionals with knowledge of the case, and (iv) financial and accounting analysis regarding the claims made in litigation.

V.

ALLOWANCE OF COMPENSATION

15. The professional services rendered by A&M 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 Debtors. The services rendered to the Debtors were performed efficiently, effectively and economically.

16. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy 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.

17. 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.

18. The Congressional policy expressed above provides for adequate compensation in order to continue to attract qualified and competent professionals to bankruptcy cases. 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); In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 18 (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.”).

19. 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.³ 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”). A&M respectfully submits that the consideration of these so-called Johnson factors should result in this Court’s allowance of the full compensation requested.

20. The total time spent by A&M professionals and paraprofessionals during the First Interim Compensation Period was 145.3 hours and has a fair market value of \$53,337.50. As shown by this Application and supporting exhibits, A&M’s 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. Because of reporting and filing deadlines, all time spent by A&M professionals prior to September 30, 2013 may not have been included in this fee application. A&M reserves the right to include fees for such time in a later fee application.

³ 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).

VI.

EXPENSES

21. A&M has incurred a total of \$4,267.00 in expenses in connection with representing the Debtors during the First Interim Compensation Period. A&M records all expenses incurred in connection with the performance of professional services. A&M allocates actual expenses for copies, binders, phone conferences, computers, and other administrative items to each project. The actual charges allocated are 8% of the professional service fees and are billed as a 'computer and administrative expense'. Descriptions of these expenses are attached as Exhibit C.

22. In accordance with section 330 of the Bankruptcy Code, the Local Guidelines and the U.S. Trustee Guidelines, A&M seeks reimbursement only for the actual cost of such expenses to A&M. Throughout the First Interim Compensation Period, A&M has been keenly aware of cost considerations and has tried to minimize the fees and expenses charged to the Debtors' estates.

VII.

NOTICE

23. No trustee or examiner has been appointed in the Chapter 11 Cases. Pursuant to the Interim Compensation Order, the Debtors have provided notice of filing of this statement by electronic mail and/or overnight mail to: (i) Arcapita Bank B.S.C.(c), Arcapita Building, Bahrain Bay, P.O. Box 1406, Manama, Kingdom of Bahrain (Attn: Henry Thompson); (ii) Gibson Dunn & Crutcher LLP, 200 Park Avenue, New York, NY (Attn: Michael A. Rosenthal, Esq., Janet M. Weiss, Esq., and Matthew K. Kelsey, Esq.); (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor,

New York, New York 10004 (Attn: Richard Morrissey, Esq.); (iv) the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis Dunne, Esq. and Evan Fleck, Esq.); and (v) all parties listed on the Master Service List established in these Chapter 11 Cases. A copy of the statement is also available on the website of the Debtors' notice and claims agent, GCG, at www.gcginc.com/cases/arcapita.

VIII.

CONCLUSION

WHEREFORE, A&M respectfully requests the Court to enter an order, substantially in the form attached hereto as Exhibit D, conforming to the amounts set forth in fee schedule attached hereto as Exhibit B: (i) allowing A&M: (a) interim compensation for professional services rendered during the First Interim Compensation Period in the amount of \$53,337.50; and (b) reimbursement of expenses incurred in connection with rendering such services in the aggregate amount of \$4,267.00, for a total award of \$57,604.50; (ii) authorizing and directing the Debtors to pay to A&M \$46,937.00 which is an amount equal to: (a) \$42,670.00, which represents 80% of the unpaid portion of A&M's fees rendered for professional services during the First Interim Compensation Period; and (b) \$4,267.00, which represents 100% of A&M's expenses during the First Interim Compensation Period; and (iii) granting such further relief as is just.

Dated: October 2, 2013
Houston, Texas

**ALVAREZ & MARSAL GLOBAL FORENSIC
AND DISPUTE SERVICES, LLC**

By: /s/ William B. Abington
William B. Abington
Alvarez & Marsal Global Forensic and Dispute
Services, LLC
700 Louisiana St
Suite 900
Houston, Texas 77002
Telephone: (713) 221-3915
Facsimile: (713) 547-3698

Affiliate of Alvarez & Marsal North America, LLC,
acting as Financial Advisor to Debtors and Debtors-in-
Possession, et al.

EXHIBIT A

Certification

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

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

**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS
FOR PROFESSIONALS WITH RESPECT TO FIRST APPLICATION OF
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC,
AN AFFILIATE OF ALVAREZ & MARSAL NORTH AMERICA, LLC,
FINANCIAL ADVISOR TO DEBTORS, FOR INTERIM APPROVAL AND
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES WITH RESPECT TO THE FALCON
LITIGATION DURING THE PERIOD
FROM JUNE 1, 2013 THROUGH AND INCLUDING SEPTEMBER 30, 2013**

Pursuant to the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases effective January 29, 2013 (the "Local Guidelines"), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, effective January 30, 1996 (the "U.S. Trustee Guidelines" and, together with the Local Guidelines, the "Guidelines"), the undersigned, a professional designated by Alvarez & Marsal Global Forensic and Dispute Services, LLC ("A&M"), an affiliate of Alvarez & Marsal North America, LLC, financial advisor to the Arcapita Bank B.S.C.(c), et al., debtors and debtors in possession (collectively, the "Debtors"),¹ hereby certifies with respect to A&M's first application for the interim approval and allowance of compensation for professional services rendered during the period from June 1, 2013 through and including September 30, 2013 (the "First Interim

¹ Debtors in these 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. Arcapita Bank B.S.C.(c) is incorporated in the Kingdom of Bahrain, a tax free jurisdiction. All other filing entities are incorporated in the Cayman Islands, a tax free jurisdiction.

Compensation Period”) and for reimbursement of expenses incurred in connection therewith, dated October 2, 2013, (the “Application”), as follows:

1. I am the professional designated by A&M with respect to compliance with the Guidelines.
2. I make this certification in support of the Application, for interim compensation and reimbursement of expenses for the First 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 A&M and generally accepted by A&M’s clients.
 - d. In providing a reimbursable service, A&M does not make a profit on that service, whether the service is performed by A&M in-house or through a third party.
4. With respect to section B.3 of the Local Guidelines, I certify that: (a) the Debtors; (b) Debtors counsel; 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: Houston, Texas
October 2, 2013

By: /s/ William B. Abington
William B. Abington

EXHIBIT B

Fee Schedule

EXHIBIT B
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
Description of Professional Services
June 1, 2013 through September 30, 2013

Professional	Position	Date	Description	Time
Abington, William	Managing Director	6/25/2013	Review status of proceedings and our analysis.	0.7
Edmiston, Ben	Manager	7/2/2013	Analysis of work performed to date and review plaintiff complaint.	1.2
Edmiston, Ben	Manager	7/3/2013	Analysis of pad gas, shrinkage and fuel burn documents and work file.	1.0
Lemer, Randall	Managing Director	7/9/2013	Analysis and review of Nortex financial statements and trial balances.	1.5
Lemer, Randall	Managing Director	7/9/2013	Analysis of plaintiff declarations and complaint. Analysis of plaintiff damage calculations.	2.7
Lemer, Randall	Managing Director	7/9/2013	Work with B. Edmiston (A&M) regarding pad gas and fuel burn.	2.3
Edmiston, Ben	Manager	7/9/2013	Teleconference with P. Staus (K&S) and N. Sanders (K&S) regarding UHY audit work. Prepare for same.	2.7
Edmiston, Ben	Manager	7/9/2013	Research accounting standards related to change in accounting estimate	2.0
Edmiston, Ben	Manager	7/9/2013	Research auditor requirements.	1.0
Edmiston, Ben	Manager	7/9/2013	Work with R. Lemer (A&M) regarding pad gas and fuel burn.	2.3
Abington, William	Managing Director	7/10/2013	Review file with R. Lemer (A&M) and B. Edmiston (A&M) and preparation for working session with King & Spalding regarding work to perform.	1.5
Abington, William	Managing Director	7/10/2013	Working session with King & Spalding, R. Lemer (A&M) and B. Edmiston (A&M) regarding work plan and Plaintiffs' claim.	3.0
Lemer, Randall	Managing Director	7/10/2013	Analysis of plaintiffs' claims related to pad gas, shrinkage and fuel burn.	2.0
Lemer, Randall	Managing Director	7/10/2013	Review of UHY audit documents and workpapers related to 2009 audit.	1.5
Lemer, Randall	Managing Director	7/10/2013	Working session with King & Spalding, W. Abington (A&M) and B. Edmiston (A&M) regarding work plan and Plaintiffs' claim.	3.0
Bennett, Megan	Director	7/10/2013	Work with B. Edmiston (A&M) accounting standards for fuel burn.	1.0
Edmiston, Ben	Manager	7/10/2013	Accounting research and review of UHY and BDO documents. Work with M. Bennett (A&M) regarding same.	2.2
Edmiston, Ben	Manager	7/10/2013	Review claims and litigation issues with R. Lemer (A&M) and W. Abington (A&M) for working session with counsel.	1.5
Edmiston, Ben	Manager	7/10/2013	Working session with King & Spalding, R. Lemer (A&M) and W. Abington (A&M) regarding work plan and Plaintiffs' claim.	3.0
Edmiston, Ben	Manager	7/11/2013	Analysis and review of UHY documents.	2.3
Edmiston, Ben	Manager	7/11/2013	Analysis and review of BDO documents regarding deposition topics.	2.2
Edmiston, Ben	Manager	7/12/2013	Analysis of audit documentation and support in UHY and BDO documents.	3.0
Edmiston, Ben	Manager	7/12/2013	Call with N. Sanders (K&S) regarding same.	1.3
Bennett, Megan	Director	7/18/2013	Work with B. Edmiston (A&M) regarding audit standards and accounting literature for Nortex audit.	0.5
Edmiston, Ben	Manager	7/18/2013	Teleconference with N. Sanders (K&S) regarding UHY deposition and BDO documents. Prepare for same.	1.3
Edmiston, Ben	Manager	7/18/2013	Analysis of production documents regarding accounting issues in case.	3.0
Edmiston, Ben	Manager	7/19/2013	Analysis and review of UHY in preparation for deposition.	2.8

EXHIBIT B
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
Description of Professional Services
June 1, 2013 through September 30, 2013

Professional	Position	Date	Description	Time
Edmiston, Ben	Manager	7/19/2013	Review BDO production documents at request of K&S.	2.7
Edmiston, Ben	Manager	7/22/2013	Review audit documents. Accounting research.	1.5
Edmiston, Ben	Manager	8/5/2013	Analysis of BDO audit testing and procedures.	2.4
Edmiston, Ben	Manager	8/5/2013	Call with N. Sanders (K&S) regarding documents and upcoming depositions.	0.6
Edmiston, Ben	Manager	8/6/2013	Analysis of documents related to deposition questions.	2.5
Edmiston, Ben	Manager	8/7/2013	Analysis and review with PwC production.	2.0
Edmiston, Ben	Manager	8/8/2013	Analysis and review of PwC due diligence report.	1.7
Edmiston, Ben	Manager	8/9/2013	Analysis and review of PwC correspondence and review.	0.8
Bennett, Megan	Director	8/13/2013	Work with B. Edmiston (A&M) regarding auditing standards and requirements related to UHY.	0.3
Edmiston, Ben	Manager	8/13/2013	Analysis and review of UHY index.	0.5
Edmiston, Ben	Manager	8/13/2013	Work with N. Sanders (K&S) regarding UHY documents.	0.4
Edmiston, Ben	Manager	8/13/2013	Work with M. Bennett (A&M) regarding audit standards.	0.3
Edmiston, Ben	Manager	8/14/2013	Analysis of UHY memo and work with N. Sanders (K&S) regarding same.	0.9
Edmiston, Ben	Manager	8/14/2013	Analysis of PwC documents.	0.4
Edmiston, Ben	Manager	8/15/2013	Analysis and review of PwC documents. Call with N. Sanders (K&S) regarding deposition and documents.	1.0
Edmiston, Ben	Manager	8/18/2013	Review documents and assist in preparation for M. Bedingfield (UHY) deposition.	1.0
Bennett, Megan	Director	8/19/2013	Work with B. Edmiston (A&M) regarding auditing standards.	0.8
Edmiston, Ben	Manager	8/19/2013	Analysis and review documents for M. Bedingfield (UHY) deposition.	2.9
Edmiston, Ben	Manager	8/19/2013	Work with N. Sanders regarding documents for M. Bedingfield (UHY) deposition.	2.6
Edmiston, Ben	Manager	8/19/2013	Work with M. Bennett (A&M) regarding audit standards.	0.8
Edmiston, Ben	Manager	8/21/2013	Work with counsel regarding M. Bedingfield (UHY) deposition topics and questions.	2.9
Edmiston, Ben	Manager	8/21/2013	Prepare for and attend deposition of M. Bedingfield (UHY).	3.0
Edmiston, Ben	Manager	8/21/2013	Work with counsel regarding follow up questions for M. Bedingfield (UHY).	0.8
Edmiston, Ben	Manager	9/10/2013	Calls with N. Sanders (K&S) and P. Straus (K&S) regarding upcoming depositions and work plan. Review documents related to S. Dolan (Alinda).	1.0
Edmiston, Ben	Manager	9/11/2013	Analysis and review of PwC and due diligence documents.	2.0
Edmiston, Ben	Manager	9/11/2013	Prepare questions for S. Dolan (Alinda) deposition.	2.3
Edmiston, Ben	Manager	9/12/2013	Review S. Dolan (Alinda) declaration and documents.	2.5
Edmiston, Ben	Manager	9/12/2013	Review PwC documents.	1.4
Edmiston, Ben	Manager	9/12/2013	Call with L. Mitchell (K&S) regarding S. Dolan (Alinda) deposition.	0.3
Edmiston, Ben	Manager	9/13/2013	Work with D. Levin (Gibson Dunn) and S. Fuller (A&M) regarding invoices. Prepare fee application.	1.5
Edmiston, Ben	Manager	9/13/2013	Review documents for S. Dolan (Alinda) deposition. Prepare questions for S. Dolan (Alinda) deposition.	3.0
Edmiston, Ben	Manager	9/16/2013	Call with N. Sanders (K&S) regarding documents and L. Saban (Alinda) deposition. Analysis and review of Nortex trial balance.	1.0
Edmiston, Ben	Manager	9/18/2013	Work on fee application.	1.2
Edmiston, Ben	Manager	9/18/2013	Correspondence with D. Levin (Gibson Dunn) regarding same.	0.4
Edmiston, Ben	Manager	9/18/2013	Prepare court filing for fee application.	2.6

EXHIBIT B
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
Description of Professional Services
June 1, 2013 through September 30, 2013

Professional	Position	Date	Description	Time
Abington, William	Managing Director	9/19/2013	Review and approve fee application and schedules.	0.5
Edmiston, Ben	Manager	9/23/2013	Call with N. Sanders (K&S) regarding upcoming depositions. Analysis of L. Saban (Alinda) deposition questions.	0.5
Edmiston, Ben	Manager	9/24/2013	Call with N. Sanders (K&S) regarding depositions. Review deposition transcripts.	2.1
Abington, William	Managing Director	9/25/2013	Review status of A&M work and identify topics for depositions with B. Edmiston (A&M) and R. Lemer (A&M).	1.2
Lemer, Randall	Managing Director	9/25/2013	Prepare for and working session with B. Edmiston (A&M) and W. Abington (A&M) regarding upcoming deposition and BDO deposition topics.	0.5
Edmiston, Ben	Manager	9/25/2013	Review deposition questions for L. Saban (Alinda).	0.5
Edmiston, Ben	Manager	9/25/2013	Working session with W. Abington (A&M) and R. Lemer (A&M) regarding upcoming deposition and BDO deposition topics.	1.0
Edmiston, Ben	Manager	9/25/2013	Analysis of financial statements audited by BDO.	2.8
Edmiston, Ben	Manager	9/25/2013	Preparation of fee application and work with D. Levin (Gibson Dunn) regarding same.	1.7
Edmiston, Ben	Manager	9/25/2013	Analysis and preparation of questions for BDO deposition.	2.3
Edmiston, Ben	Manager	9/26/2013	Work on BDO outline of questions.	1.5
Edmiston, Ben	Manager	9/26/2013	Prepare fee applicaiton.	2.2
Edmiston, Ben	Manager	9/27/2013	Analysis of BDO financial statements and prepare questions.	1.8
Edmiston, Ben	Manager	9/27/2013	Draft questions for BDO deposition.	3.0
Edmiston, Ben	Manager	9/27/2013	Work on fee application with D. Levin (Gibson Dunn) and S. Fuller (A&M). Call with R. Marooney (K&S) regarding fee application.	1.0
Abington, William	Managing Director	9/30/2013	Review audit documents and deposition outline.	0.8
Abington, William	Managing Director	9/30/2013	Work with B. Edmiston (A&M) and R. Lemer (A&M) regarding deposition topics.	2.7
Lemer, Randall	Managing Director	9/30/2013	Work on BDO deposition outline and review documents.	3.1
Lemer, Randall	Managing Director	9/30/2013	Working session with W. Abington (A&M) and B. Edmiston (A&M) regarding deposition questions.	2.7
Edmiston, Ben	Manager	9/30/2013	Draft questions for BDO deposition and review audit documents.	2.8
Edmiston, Ben	Manager	9/30/2013	Prepare questions for C. Nims (Former NorTex) deposition.	2.0
Edmiston, Ben	Manager	9/30/2013	Working session with R. Lemer (A&M) and W. Abington (A&M) regarding deposition questions and audit documents.	2.7
Edmiston, Ben	Manager	9/30/2013	Prepare fee application.	1.5

Total Hours

145.3

EXHIBIT B
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
Description of Professional Services
June 1, 2013 through September 30, 2013

Professional	Position	Time	Rate	Total Fees
Abington, William	Managing Director	10.4	\$ 525	\$ 5,460.00
Lemer, Randall	Managing Director	19.3	525	10,132.50
Bennett, Megan	Director	2.5	395	987.50
Edmiston, Ben	Manager	113.1	325	36,757.50

Total 145.3 \$ 53,337.50

Blended Rate \$ 367.09

EXHIBIT C

Expenses

EXHIBIT C
ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC
Description of Expenses
June 1, 2013 through September 30, 2013

Date	Amount	Category	Description
7/31/2013	\$ 1,773.80	Computer and Administrative Expense	Allocation of actual computer equipment, binders, copies, and administrative expenses for June and July 2013.
8/31/2013	746.60	Computer and Administrative Expense	Allocation of actual computer equipment, binders, copies, and administrative expenses for August 2013.
9/30/2013	1,746.60	Computer and Administrative Expense	Allocation of actual computer equipment, binders, copies, and administrative expenses for September 2013.

Total \$ 4,267.00

EXHIBIT D

Proposed Order

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

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

ORDER GRANTING FIRST APPLICATION OF ALVAREZ & MARSAL GLOBAL FORENSIC AND DISPUTE SERVICES, LLC, AS AN AFFILIATE OF ALVAREZ & MARSAL NORTH AMERICA, LLC, FINANCIAL ADVISOR TO ARCAPITA BANK B.S.C. (c), ET AL FOR INTERIM APPROVAL AND ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES WITH RESPECT TO THE FALCON LITIGATION DURING THE PERIOD FROM JUNE 1, 2013 THROUGH AND INCLUDING SEPTEMBER 30, 2013

Upon the application filed on August 15, 2012 (the “Application”)¹ of Alvarez & Marsal Global Forensic and Dispute Services, LLC (“A&M”), as an affiliate of Alvarez & Marsal North America, LLC, financial advisor to the Arcapita Bank B.S.C.(c), et al., (collectively, the “Debtors”),² in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “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 January 29, 2013 (together with Local Rule 2016-1, the “Local Guidelines”), the United States Trustee Guidelines

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Application.

² Debtors in these 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, Arcapita bank B.S.C.(c) is incorporated in the Kingdom of Bahrain, a tax free jurisdiction. All Other filing entities are incorporated in the Cayman Islands, a tax free jurisdiction.

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 the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals, dated May 18, 2012 [Docket No. 159] (the “Interim Compensation Order”), seeking entry of an order allowing and authorizing: (i) compensation for professional services in the amount of \$53,337.50 rendered by A&M during the period from June 1, 2013 through and including September 30, 2013 (the “First Interim Compensation Period”); and (ii) reimbursement of expenses incurred by A&M in connection with such services during the First Interim Compensation Period of \$4,267.00; and a hearing having been held before this Court to consider the Application (the “Hearing”); and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that notice of the Application was good and sufficient under the circumstances and that no other or further notice need be given; and for the reasons set forth more fully on the record of the Hearing; and upon the record therein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is granted and the fees and expenses of A&M for First Interim Compensation Period are approved on an interim basis, in the amounts and to the extent provided on Schedule A attached hereto.

2. The Debtors are authorized and directed to pay promptly to A&M the amount of \$46,937.00, which represents (i) 80% of the unpaid portion of A&M’s fees rendered for professional services during the First Interim Compensation Period, and (ii) 100% of A&M’s expenses during the First Interim Compensation Period.

3. The Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to implementation of this Order.

Dated: New York, New York
_____, 2013

HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

Schedule A

CASE NO.: 12-11076 (SHL) (Jointly Administered)

CASE NAME: IN RE ARCAPITA BANK B.S.C.(c), et al.

**FIRST INTERIM COMPENSATION PERIOD
June 1, 2013 – September 30, 2013**

(1) APPLICANT	(2) DATE/DOCKET NO. OF APPLICATION	(3) INTERIM FEES REQUESTED ON APPLICATION	(4) FEES ALLOWED	(5) FEES TO BE PAID FOR CURRENT FEE PERIOD	(6) FEES TO BE PAID FOR PRIOR FEE PERIOD(S) (IF ANY) (I.E., HOLDBACK RELEASE)	(7) TOTAL FEES TO BE PAID	(8) INTERIM EXPENSES REQUESTED	(9) EXPENSES TO BE PAID FOR CURRENT FEE PERIOD
Alvarez & Marsal Global Forensic and Dispute Services, LLC	October 24, 2013 Docket No. []	\$53,337.50	\$ []	\$ []	\$ []	\$ []	\$4,267.00	\$ []

DATE ON WHICH ORDER WAS SIGNED: _____

INITIALS: _____ USBJ