

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

In re

ARCAPITA BANK B.S.C.(C), et al.,

Reorganized Debtors.¹

Chapter 11 Case No.

Case No. 12-11076 (SHL)

Confirmed

**COVER SHEET FOR THE FOURTH AND FINAL APPLICATION OF HOULIHAN
LOKEY CAPITAL, INC., FINANCIAL ADVISOR AND INVESTMENT BANKER TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR ALLOWANCE
OF COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED
FROM APRIL 12, 2012 THROUGH SEPTEMBER 17, 2013**

NAME OF APPLICANT:	Houlihan Lokey Capital, Inc.
TIME PERIOD:	April 12, 2012 through September 17, 2013
DATE OF RETENTION:	September 17, 2012 (<i>nunc pro tunc</i> to April 12, 2012)
AUTHORIZED TO PROVIDE PROFESSIONAL SERVICES TO:	Official Committee of Unsecured Creditors
CURRENT APPLICATION:	
Total Fees Incurred:	\$8,957,600.00
Total Expenses Incurred:	\$151,306.34
PRIOR APPLICATIONS:	
Fees Previously Requested:	\$2,326,666.67
Fees Previously Awarded:	\$2,326,666.67
Expenses Previously Requested:	\$138,704.94
Expenses Previously Awarded:	\$138,704.94

¹ The chapter 11 case captioned In re Falcon Gas Storage Company, Inc., No. 12-11790 (Bankr. S.D.N.Y.) (the "Falcon Case") is being jointly administered as one of the above-captioned cases. No plan has been confirmed in the Falcon Case.

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

In re

ARCAPITA BANK B.S.C.(C), et al.,

Reorganized Debtors.²

Chapter 11 Case No.

Case No. 12-11076 (SHL)

Confirmed

**FOURTH AND FINAL APPLICATION OF HOULIHAN LOKEY CAPITAL, INC.,
FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, FOR ALLOWANCE OF
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF ACTUAL AND NECESSARY EXPENSES INCURRED
FROM APRIL 12, 2012 THROUGH SEPTEMBER 17, 2013**

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

Houlihan Lokey Capital, Inc. ("Houlihan Lokey"), as financial advisor and investment banker to the Official Committee of Unsecured Creditors (the "Committee") of Arcapita Bank B.S.C.(C), ("Arcapita Bank") et al., the debtors and debtors-in-possession in the above captioned chapter 11 cases (collectively, the "Debtors"), and together with their non-debtor affiliates ("Arcapita"), hereby submits this fourth and final application (the "Application"), pursuant to sections 328, 330 and 331 of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (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

² The chapter 11 case captioned In re Falcon Gas Storage Company, Inc., No. 12-11790 (Bankr. S.D.N.Y.) (the "Falcon Case") is being jointly administered as one of the above-captioned cases. No plan has been confirmed in the Falcon Case.

Bankruptcy Cases, effective February 5, 2013 (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 “UST Guidelines”), and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Compensation And Reimbursement Of Expenses of Professionals, dated May 18, 2012 [Docket No. 159] (the “Interim Compensation Order”), for an order:

(i) allowing, on a final basis, (a) compensation for professional services rendered to the Committee from April 12, 2012 through and including September 17, 2013 (the “Total Compensation Period”) in the amount of \$8,957,600.00, and (b) for reimbursement of expenses incurred in connection with such services in the amount of \$151,306.34, for a total award of \$9,108,906.34; and

(ii) authorizing and directing the Escrow Agent³ to pay to Houlihan Lokey the amount of \$6,192,402.56, which is the total unpaid amount owing to Houlihan Lokey by the Debtors for services rendered and expenses incurred during the Total Compensation Period (including any amounts “held back” during such period pursuant to the Interim Compensation Order and each order approving Houlihan Lokey’s compensation for each of the First Interim Period, the Second Interim Period, and the Third Interim Period (each as defined below)); and in support thereof respectfully represents as follows:

³ Pursuant to section 2.2 of the Plan, RA Holding Corp. and JPMorgan Chase Bank, N.A. (in its capacity as escrow agent, the “Escrow Agent”), entered into an escrow agreement (the “Escrow Agreement”), dated as of September 16, 2013. Pursuant to the Escrow Agreement, the Escrow Agent established an escrow account in the name of RA Holding Corp. at JPMorgan Chase Bank, N.A., which was funded by RA Holding Corp. on September 17, 2013 in order to pay in full any professional fees and expenses incurred but unpaid as of the Effective Date (as defined below).

BACKGROUND

A. Background

1. Bankruptcy Filing. On March 19, 2012 (the "Petition Date"), Arcapita Bank and five of its affiliates commenced the above-captioned chapter 11 cases in the United States Bankruptcy Court for the Southern District of New York (the "Court"). On April 30, 2012, Falcon Gas Storage Co., Inc. ("Falcon") commenced 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.⁴

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 June 17, 2013, the Court entered an order [Docket No. 1262] confirming the *Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code (with First*

⁴ 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.; and (vi) VR Global Partners, L.P.

Technical Modifications) [Docket No. 1251] (the “Plan”). On September 17, 2013, the effective date (the “Effective Date”) of the Plan occurred. *See Notice of (A) Effective Date of Plan of Reorganization and (B) Deadline to Submit Proofs of Claim with Respect to (i) Administrative Expense Claims, (ii) Professional Compensation Claims, and (iii) Rejection Damages Claims* [Docket No. 1518]. The public docket of the chapter 11 cases indicates that the Debtors have filed all monthly operating reports to date. As of August 31, 2013, the Debtors reported \$114,167,428.00 in available cash and cash equivalents on hand or on deposit. *See Monthly Operating Report for the Period from August 1, 2013 to August 31, 2013* [Docket No. 1514]. Neither the Committee nor Houlihan Lokey has independently verified (nor does this Application provide) the additional information described in section A.2 of the Local Guidelines.

5. Role of Committee and Houlihan Lokey in Chapter 11 Cases. The Committee and its advisors expended a substantial amount of time and effort throughout the Total Compensation Period, both publicly and behind the scenes, often leading directly to extremely favorable outcomes for all stakeholders. Throughout the chapter 11 cases, the Committee remained disciplined, often proposing discussion and negotiation rather than threats of litigation or filing incendiary pleadings, avoiding expensive and protracted litigation that could have continued long after the Debtors’ emergence from chapter 11. This is a direct reflection on the quality and dedication of the Committee members, as well as the selection process employed by the U.S. Trustee which resulted in this membership.

6. During the chapter 11 cases, due to the “insider” relationship between AIM Group Limited (“AIM”) and the Debtors’ senior management, as well as Debtors’ counsel’s representation of both the Debtors and AIM, the Committee took the lead in protecting the interests of the estates, since they aligned with the interests of the Debtors’ unsecured creditors. For instance, the Committee, aided by its advisors, was the sole party representing the

interests of the estates in negotiations with the Debtors' senior management over the terms of the management services agreement (the "MSA") between RA Holdco 3 Limited and AIM, pursuant to which AIM will provide management services to the Reorganized Debtors.

7. The Committee and its advisors also spent an extensive amount of time crafting and negotiating a resolution to balance the reorganized Debtors' interests in portfolio investments with those of third-party investors, which was memorialized in the Cooperation Settlement Term Sheet (as defined in the Plan), and then implementing the Cooperation Settlement Term Sheet. This construct was designed to maximize the value of the Reorganized Debtors' assets and to establish a viable going-forward governance structure for the Reorganized Debtors.

8. Due to the prominence of unsecured creditors in the Debtors' claims pool, the Committee and its advisors also took control of the development of a distribution scheme that fairly allocates estate assets among the Debtors' claimants. The Committee has followed through on this process, drafting documentation for the various securities contemplated by the Plan (including a highly complex Shari'ah-compliant *sukuk* facility, in addition to multiple classes of equity). Until the Effective Date, the Committee continued to negotiate with various service providers to properly implement the distribution and maintenance of these securities, as well as communicating and negotiating with individual creditors regarding their claims against the Debtors.

9. Additionally, the Committee played an instrumental role in securing the Exit Financing (as defined below) on favorable terms. Largely as a result of the Committee's efforts, an extremely competitive bidding process, pitting two potential lenders against one another, resulted in the current Exit Financing. The Committee and its advisors then took the

lead in negotiating and drafting final documentation for the Exit Financing Facility on behalf of the borrower.

10. In short, the Committee and its advisors strongly advocated on behalf of the estates in many of the most important negotiations in these cases, often exceeding typical Committee duties.

**RETENTION OF HOULIHAN LOKEY
AND SUMMARY OF PROFESSIONAL COMPENSATION
AND REIMBURSEMENT OF EXPENSES REQUESTED**

11. On September 17, 2012, pursuant to the Final Order Under 11 U.S.C. §§ 328(a) and 1103 And Fed. R. Bankr. P. 2014 And 2016, And S.D.N.Y. LBR 2014-1 Authorizing Employment and Retention Of Houlihan Lokey Capital, Inc., As Financial Advisor and Investment Banker To Official Committee Of Unsecured Creditors Of Arcapita Bank B.S.C(c) nunc pro tunc to April 12, 2012 [Docket No. 482] (the “Final Retention Order”), the Court authorized Houlihan Lokey’s retention as an investment banker and financial advisor for the Committee in these cases. The Final Retention Order authorized Houlihan Lokey to receive compensation as outlined in Houlihan Lokey’s retention application [Docket No. 246] (the “Retention Application”) pursuant to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Guidelines, the U.S. Trustee Guidelines, and the local rules and orders of this Court.

12. The Retention Application calls for the payment of monthly fees of \$200,000 per month, with all monthly fees after six full months subject to a 50% credit, and a Deferred Fee equal to the sum of (a) \$3,000,000 and (b) 40 basis points of the recovery to unsecured creditors in the Disclosure Statement approved by the Court. A calculation of Houlihan Lokey’s Deferred Fee is attached hereto as Exhibit “D”.

13. Houlihan Lokey prepared this application in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, effective February 5, 2013, the UST Guidelines, and the Interim Compensation Order. Pursuant to the Local Guidelines, a certification regarding compliance with the Guidelines is attached hereto as Exhibit "A".

14. On August 15, 2012, Houlihan Lokey filed its First Interim Application for Approval and Allowance of Compensation for Services Rendered and for Reimbursement of Expenses [Docket No. 404] (the "First Interim Fee Application"). In the First Interim Fee Application, Houlihan Lokey requested interim approval and allowance of (a) compensation for professional services rendered during the period from April 12, 2012 through and including July 31, 2012 (the "First Interim Period") in the amount of \$726,666.67, and (b) reimbursement of its actual and necessary expenses incurred in connection with such services, in the amount of \$14,341.92.

15. 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 Houlihan Lokey \$581,333.34, which reflected a 20% holdback (the "First Holdback") of the amount of fees sought in the First Interim Fee Application, in the amount of \$145,333.33. As a result, Houlihan Lokey initially received 80% of its fees and 100% of the expenses sought in the First Interim Fee Application. At the hearing on the First Interim Fee Application, the Court indicated that it would consider an application to release the First Holdback in connection with the retained professionals' next interim fee applications. Following the Court's entry of an order granting the Second Interim Fee Application (as defined below), Houlihan Lokey received payment on account of the First Holdback.

16. On November 27, 2012, Houlihan Lokey filed its Second Interim Application for Approval and Allowance of Compensation for Services Rendered and for Reimbursement of Expenses [Docket No. 667] (the “Second Interim Fee Application”). In the Second Interim Fee Application, Houlihan Lokey 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 Period”) in the amount of \$600,000.00, and (b) reimbursement of its actual and necessary expenses incurred in connection with such services, in the amount of \$46,100.68.

17. 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 Houlihan Lokey \$480,000.00, which reflected a 20% holdback (the “Second Holdback”) of the amount of fees sought in the Second Interim Fee Application, in the amount of \$120,000.00. As a result, Houlihan Lokey initially 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 Second Holdback in connection with the retained professionals’ next interim fee applications. Following the Court’s entry of an order granting the Third Interim Fee Application (as defined below), Houlihan Lokey received payment on account of the Second Holdback.

18. On April 22, 2013, Houlihan Lokey filed its Third Interim Application for Approval and Allowance of Compensation for Services Rendered and for Reimbursement of Expenses [Docket No. 1014] (the “Third Interim Fee Application”). In the Third Interim Fee Application, Houlihan Lokey requested interim approval and allowance of (a) compensation for professional services rendered during the period from November 1, 2012 through and including March 31, 2013 (the “Third Interim Period”) in the amount of \$1,000,000.00 and (b)

reimbursement of its actual and necessary expenses incurred in connection with such services, in the amount of \$78,262.34.

19. On May 23, 2013, the Court entered an order [Docket No. 1151] granting the Third Interim Fee Application and authorizing the Debtors to pay to Houlihan Lokey \$800,000.00, which reflected a 20% holdback (the "Third Holdback") of the amount of fees sought in the Third Interim Fee Application, in the amount of \$200,000.00. As a result, Houlihan Lokey initially received 80% of its fees and 100% of the expenses sought in the Third Interim Fee Application. At the hearing on the Third Interim Fee Application, the Court indicated that it would consider an application to release the Third Holdback in connection with the retained professionals' next fee applications.

20. Houlihan Lokey seeks allowance of (a) the compensation for professional services rendered to the Committee in the aggregate amount of \$8,957,600.00, consisting of \$3,440,000.00 in aggregate monthly fees and a deferred fee of \$5,517,600.00, as calculated pursuant to the Retention Application, and (b) reimbursement of expenses incurred in connection with the rendition of such services in the aggregate amount of \$151,306.34 during the Total Compensation Period. Of these amounts, \$6,190,933.33 and \$1,469.23, respectively, remain unpaid.

21. Pursuant to Bankruptcy Rule 2016(a), there is no agreement or understanding between Houlihan Lokey and any other person for the sharing of compensation to be received for services rendered in these cases.

22. Houlihan Lokey respectfully submits that (a) the services provided by Houlihan Lokey were necessary for, and beneficial to, the Committee, (b) Houlihan Lokey has satisfied the requirements of Sections 328(a) of the Bankruptcy Code as set forth in the Final

Retention Order, and (c) the requested compensation is appropriate based on the complexity, importance and nature of the services provided.

23. Pursuant to the UST Guidelines and the Final Retention Order, Houlihan Lokey has maintained a schedule setting forth all Houlihan Lokey professionals who have performed services in these chapter 11 cases during the Total Compensation Period, the capacities in which each such individual is employed by Houlihan Lokey and the aggregate number of hours expended by restructuring professionals in this matter, which totaled approximately 18,258 hours for the period from April 12, 2012 through and including September 17, 2013, pursuant to the Final Retention Order.

24. Houlihan Lokey does not maintain, in the normal course of providing financial advisory and investment banking services to its clients, detailed written time records, and does not bill its clients based on the number of hours expended by its professionals. However, Houlihan Lokey has maintained written records in half-hour increments of the time expended by its restructuring professionals in the rendition of professional services to the Committee in the Total Compensation Period in accordance with the terms of the Guidelines. Such time records were made in connection with the rendition of services by the person rendering such services. A schedule setting forth a list of all professionals who rendered services to the Committee and the total number of hours expended by each restructuring professional and by category during the Total Compensation Period as well as a summary of the associated time entries by individual and category is annexed hereto as Exhibit "B".

25. Annexed hereto as Exhibit "C" is a schedule specifying the categories of expenses for which Houlihan Lokey is seeking reimbursement and the total amount of expenses in each category.

26. Houlihan Lokey has not received any payments from the Debtors other than those sought by this Application, previous interim fee applications, and those set forth in the Retention Application.

SUMMARY OF SERVICES RENDERED

27. Houlihan Lokey has been retained as financial advisor and investment banker to the Committee in respect of all of the Debtors in these complex cases because of Houlihan Lokey's extensive knowledge and reputation in financial restructuring, its familiarity with issues involved in these cases and the Committee's belief that Houlihan Lokey possesses the requisite resources and is well qualified to represent the Committee in these cases. During the Total Compensation Period, Houlihan Lokey rendered a broad range of professional services to the Committee in various areas, addressing critical issues faced by the Committee during these chapter 11 cases. The services that Houlihan Lokey has been required to perform and has performed have been substantial and necessary in the chapter 11 cases. Houlihan Lokey has worked extensively with other professionals retained by the Committee, the Debtors, and the Debtors' professionals (including but not limited to Alvarez & Marsal ("A&M") as financial advisor, Rothschild Inc. ("Rothschild") as investment banker, and Gibson, Dunn & Crutcher, LLP ("Gibson") as counsel), while at the same time Houlihan Lokey has attempted to perform its services with the minimum amount of duplication with the Committee's other advisors.

28. The following summarizes the significant professional services by category rendered by Houlihan Lokey during the Total Compensation Period. It is not intended to be a detailed description of all of the work performed on behalf of the Committee. Detailed descriptions of the day-to-day services were attached to and filed as exhibits to the fee statements and fee applications filed on behalf of Houlihan throughout the chapter 11 cases, which are incorporated herein by reference.

Plan of Reorganization

29. Throughout the Total Compensation Period, Houlihan Lokey, in conjunction with other professionals serving as the Committee's advisors, played a key role in helping the Committee successfully develop, negotiate, refine, document and implement virtually all aspects of the Plan, which enjoyed near unanimous support among key constituents. Houlihan Lokey consistently provided the Committee with extensive analysis of key terms and issues, and assessed the merits and risks of various decisions facing the Committee throughout these cases. The following paragraphs in this section highlight some of the services rendered by Houlihan Lokey during the Total Compensation Period that provided key building blocks to the Plan.

30. Houlihan Lokey analyzed and assessed business plan presentations provided by the Debtors' advisors regarding both a "stand alone" business plan and a "new money" business plan. For each, Houlihan Lokey interacted with management of the Debtors to discuss and assess asset value ranges, potential outcomes, and potential asset monetizations under the two business plan scenarios. For each scenario, Houlihan Lokey analyzed and reviewed underlying source material, and presented its conclusions regarding the various potential go-forward business plans to the Committee.

31. Houlihan Lokey worked with the Debtors and their advisors to create a comprehensive recovery model that was ultimately used not only by the Committee and its advisors, but also utilized by the Debtors and their advisors to analyze expected creditor recoveries under various sensitivities. Houlihan Lokey used this tool to work with the Committee members to determine expected splits on post-emergence securities among the various creditor groups.

32. Houlihan Lokey created and updated on an ongoing basis its operating forecast model used to derive preliminary liquidity forecasts under various cost and portfolio monetization scenarios. In building the operating model, Houlihan Lokey utilized the Debtors' forecasts for cash inflows from asset monetizations and recurring fee streams as well as cash outflows for debt service and general & administrative costs over the wind-down period in order to calculate and understand the Debtors' liquidity projections. Furthermore, Houlihan Lokey utilized the cash flow assumptions derived in its operating model to analyze the Debtors' debt capacity on various potential post-emergence capital structures based on discussions with the Debtors and the Committee, as well as consultation with the other Committee advisors. This model was an integral part of the material used by the Committee and its advisors to weigh the merits and risks of potential plan components.

33. As part of creating this model, Houlihan Lokey diligenced the Debtors' key assumptions on go-forward general & administrative costs as provided by the Debtors and their financial advisors. This diligence included, but was not limited to, analyzing the Debtors' cost projections of each regional office on a line-by-line basis, multiple conference calls with the Debtors' management and advisors on key cost assumptions and a site visit to the Debtors' headquarters in Bahrain. Houlihan Lokey further analyzed the Debtor's post-emergence headcount assumptions and conducted preliminary diligence on individual employee roles within the Debtors' various departments and ability to outsource certain responsibilities.

34. In the context of Plan discussions, Houlihan Lokey spent a substantial amount of time analyzing the impact of potential compromises with respect to the terms of reorganized Arcapita's capital structure on the allocation of value and implied ultimate recoveries to the various constituencies represented on the Committee. Houlihan Lokey created a comprehensive financial model that enabled the Committee's advisors to facilitate negotiations

among the Committee members to evaluate and then resolve a wide variety of issues, including potential inter-creditor concerns that would have to be resolved in a consensual plan of reorganization. Houlihan Lokey played a key role in helping the Committee reach a consensual resolution on a comprehensive settlement of a range of important inter-creditor issues, forming the basis for the original plan of reorganization filed by the Debtors. Houlihan Lokey evaluated the following issues (among others) and helped achieve agreement among the creditors on how to account for these items in the Plan: the allocation of portfolio values by entity, post-bankruptcy cost allocation, Lusail pre-petition financing and post-petition payments, the intercompany balances between Arcapita Bank and its subsidiaries, headquarters lease, and potential substantive consolidation. In connection with these settlements, Houlihan Lokey created a new waterfall model for purposes of analyzing the various impacts of such compromises on ultimate estimated creditor recoveries at ranges of asset monetization levels. All of these analyses were summarized by Houlihan Lokey and presented to the full Committee to facilitate negotiations within the diverse creditor groups within the Committee. Houlihan Lokey ran scenarios for each side of the Committee, answered numerous questions, and facilitated Committee calls, as well as in-person Committee meetings to enable the Committee to reach agreements to move forward. Additionally, Houlihan Lokey traveled to Bahrain to finalize the negotiations among the Committee and between the Committee and the Debtors surrounding several of the most challenging issues. Houlihan Lokey's efforts with these issues among the Committee and between the Committee and the Debtors, ultimately led to the development of a go-forward capital structure which yielded the allocation of value supported by all members of the Committee and facilitated the Debtors filing the Plan in early February 2013.

35. Houlihan Lokey dedicated significant time to evaluating the go-forward asset management alternatives available to reorganized Arcapita. As part of this process,

Houlihan Lokey assisted the Committee in negotiations with existing Arcapita senior management regarding the terms of a potential management services agreement with AIM. In parallel, Houlihan Lokey solicited management proposals from and held discussions with potential outside asset managers, including an in-person meeting with a potential manager and representatives from the Committee. In connection with the evaluation of the various asset management alternatives, Houlihan Lokey produced numerous qualitative and quantitative analyses for the Committee. These analyses included forecasts of asset management fees and overall incentive compensation to be paid to a potential asset manager, and also considered qualitative factors associated with each respective asset management alternative. In addition to analyzing overall incentive compensation payable to a potential asset manager, Houlihan Lokey also analyzed deal-team level incentive compensation proposals provided by the Debtors and its advisors. Houlihan Lokey summarized its findings and recommendations vis-à-vis value-maximizing asset management alternatives to the Committee, providing frequent regular updates to the Committee based on ongoing discussions with potential managers.

36. Based on the confidential investor information provided to the Committee's advisors, Houlihan Lokey analyzed co-investors' ownership and ownership concentration at each investment syndication company and holding company level. These analyses served as the basis for targeted discussions with large co-investors regarding the aforementioned go-forward restructuring alternatives for the Debtors. Houlihan Lokey reached out to a subset of the largest Arcapita co-investors to discuss a number of key issues in the context of the Plan of Reorganization, including co-investors' perspectives on the current state of the investment portfolio, current Arcapita senior management, and their views as to the best path to maximizing values for all stakeholders in the portfolio companies and investments. Houlihan Lokey's discussions with large co-investors aided in the discussions among the Committee, in

negotiations with both existing senior management regarding their plans to set up a new management company, as well as with potential third-party asset managers.

37. Houlihan Lokey also spent considerable time negotiating the final terms of the management services agreement with AIM for the go-forward management of the investment portfolio. In connection with these negotiations, Houlihan Lokey prepared various analyses, including analyses of potential incentive compensation structures and payout scenarios under the agreed-upon framework with AIM, and shared its analysis with the Committee, and ultimately helped the Committee formulate a negotiating strategy. Additionally, Houlihan Lokey participated in numerous all-hands calls with other financial and legal advisors to prepare and review economic terms and key definitions incorporated in the final draft of the management services agreement executed by AIM and the go-forward entity to repay creditors, RA Holding Corp.

38. In connection with the negotiations relating to the MSA, Houlihan Lokey further analyzed the investment portfolio, potential overhead and outsourced operating plans, and developed a preliminary financial forecast for the reorganized Arcapita (“RA Holding Corp.”). In addition, Houlihan Lokey prepared analyses and recommendations for the Committee to enable the Committee to negotiate the key economic terms of the MSA. Part of this work was to be able to develop minimum sale prices for the Debtors’ major investments to be contained in the MSA. These analyses were based on Houlihan Lokey’s existing knowledge of the portfolio assets, as well as extensive additional diligence performed by Houlihan Lokey, including the refreshing of financial analyses and coordination of update calls held with each of the Debtors’ deal teams. The minimum sale prices in the MSA were negotiated with AIM, as the prices determine levels affecting minority shareholder protections, per the shareholder agreements drafted for each investment.

39. Additionally, Houlihan Lokey analyzed potential incentive compensation structures for AIM to be included in the MSA and provided support analyses to allow the Committee to negotiate the terms with AIM. In connection with these analyses, Houlihan Lokey created an incentive compensation model designed to summarize the how the incentives would be calculated and to analyze the impact of such incentive payments on the overall recovery profile for creditors in these cases.

40. In addition to providing support to the Committee and its other advisors on the financial aspects of the MSA, Houlihan Lokey also played a key role in assessing the merits and risks of various non-financial terms to be included in the MSA and Plan. Houlihan Lokey helped assess key rights and remedies under the MSA to make sure that additional creditor protections were incorporated in the overall deal. Houlihan Lokey was instrumental in developing and working through the details of the disposition committee framework, as well as other key components of the Cooperation Term Sheet that were ultimately memorialized in the Plan documents. Houlihan Lokey also provided advice and analysis regarding investment-specific shareholder agreements that would be created to provide the creditors with enhanced rights and remedies to help protect creditor interests upon completion of the Plan.

41. During the Total Compensation Period, Houlihan Lokey also assisted the Committee in identifying and participated in the interviews of potential candidates for the Board of Directors of the RA Holding Corp. Once the Committee selected candidates for the board, Houlihan Lokey assisted in the preparation of materials to educate the then to-be-appointed directors with respect to the investment portfolio, developments during the Chapter 11 cases, and other key issues for the board's consideration following the Effective Date. Houlihan Lokey also participated in in-person meetings with the to-be-appointed directors to educate them on key issues for their consideration.

42. Houlihan Lokey helped the Committee and its advisors in developing an incentive compensation structure for the board of directors of RA Holding Corp. and summarized key terms of the director position in a board of directors term sheet for the Committee's consideration. The board of directors term sheet was refined over the course of the case to incorporate feedback from the Committee regarding board compensation, tenure, and other issues.

43. Houlihan Lokey also coordinated with the Committee's other advisors to solicit proposals from potential auditors of the go-forward entity, RA Holding Corp., in order to prepare audits required by the terms of the exit financing facility to be funded on the Effective Date. Houlihan Lokey led discussions with the potential auditors, and responded to diligence requests and questions concerning case background from various potential auditors.

Cash Management & DIP

44. In the Total Compensation Period, Houlihan Lokey worked closely with the Debtors' advisors to understand and analyze the Debtors' liquidity profile and key components of cash inflows and outflows. Houlihan Lokey analyzed a number of monthly cash budgets, and assessed the merits of various uses of cash to maintain operations and to finance the investment portfolio. While FTI assessed certain components of the Debtors' cash flow forecasts, Houlihan Lokey focused on proposed deal fundings (described further below). Houlihan Lokey also participated in discussions with the Debtors' advisors regarding the establishment of a cash management protocol.

45. Over the course of the Total Compensation Period, the Debtors' advisors provided a number of revised cash flow forecasts and debtor-in-possession ("DIP") financing budgets ("DIP Budgets"), showing detailed inflows and outflows of cash for the period ending at the assumed date of emergence. Each time a revised DIP Budget was shared with the

Committee's advisors, Houlihan Lokey performed a detailed review and analysis of the figures, worked closely with the Debtors' advisors to understand any variances from prior versions, and presented its findings and observations to the Committee.

46. Houlihan Lokey also worked with Rothschild regarding the Debtors' efforts to pursue DIP financing. Houlihan Lokey had numerous calls with Rothschild regarding the DIP financing process, the information provided to potential DIP lenders, and provided input to Rothschild regarding these items. Houlihan Lokey spoke directly to potential DIP lenders and their advisors to encourage them to improve DIP terms, and these efforts increased the level of competition among the potential DIP lenders. Houlihan Lokey also analyzed DIP financing proposals submitted by prospective lenders. Houlihan Lokey provided the Committee with regular updates on discussions with potential DIP providers and anticipated timelines for the DIP financing process.

47. In addition, after analyzing initial DIP proposals, Houlihan Lokey approached other potential lenders to encourage them to contact the Debtors' advisors and to pursue a DIP facility on improved terms for the Debtors. Houlihan Lokey held numerous calls with potential DIP lenders to assist in organizing diligence materials and soliciting competing DIP proposals. Houlihan Lokey also encouraged the Debtors to modify their timing and hearing dates to improve competitive dynamics and to allow all potential DIP providers to prepare new and improved term sheets to the Debtors. Houlihan Lokey ultimately worked closely with the Debtors' advisors in obtaining a revised commitment letter from Fortress Credit Corp. ("Fortress"), and the Debtors' motion to enter into the DIP commitment from Fortress was approved on November 9, 2012 [Docket No. 620].

48. During the Total Compensation Period, Houlihan Lokey also worked with Rothschild in connection with raising an exit financing facility (the "Exit Facility"). Houlihan

helped facilitate further competition among the interested providers, including by broadening the field of parties considering the financing, as well as by encouraging interested parties to improve their terms to win the mandate. Houlihan Lokey held conference calls and in-person meetings directly with potential Exit Facility providers and discussed key focus areas of the Committee with respect to Exit Facility financing proposals. Once potential Exit Facility providers had been identified, Houlihan Lokey led negotiations on behalf of the Committee with potential Exit Facility providers with respect to the economic terms of each proposal.

49. In connection with negotiations with potential Exit Facility providers, Houlihan Lokey performed various analyses including, but not limited to an analysis of potential collateral coverage under various Exit Facility scenarios, liquidity needs for RA Holdings based on asset monetization projections, and comparisons to market terms for exit financing facilities. Houlihan Lokey's efforts with respect to the Exit Facility successfully yielded a \$350.0 million Exit Facility commitment from Goldman Sachs International at attractive terms for RA Holding Corp.

Deal Funding

50. In conjunction with the monthly cash budgets, a number of the Debtors' investment positions required additional funding during the Total Compensation Period. The Debtor's advisors informed Houlihan Lokey of these requests prior to filing the associated cash budgets with the Court, so that Houlihan Lokey could analyze, opine, and present to the Committee for approval. As part of this process, Houlihan Lokey researched the background of the subject investment positions, assessed the merits and risks of each of the proposed fundings, and prepared analyses and recommendations for the Committee.

51. Additionally, in connection with potential deal funding requests, Houlihan Lokey maintained an active dialogue with the Debtors' advisors with respect to certain portfolio

investments requiring more significant or ongoing deal funding. Whenever appropriate, Houlihan Lokey relayed updates on these investments to the Committee.

Corporate Issues

52. Arcapita's corporate structure is complicated and Houlihan Lokey spent a considerable amount of time with the Debtors and their advisors to get a good understanding of how the Debtors are structured. Specific areas of focus included how investment positions are financed and syndicated to outside investors, and the implications of how investments are owned and managed by various Arcapita entities. During the Total Compensation Period, Houlihan Lokey prepared a comprehensive overview of the Debtors' corporate structure and related issues and presented it to the Committee.

53. Houlihan Lokey worked closely with the Debtors and their advisors on a number of employee related matters, including assessment and implementation of a reduction-in-force ("RIF"), non-Debtor key employee retention plan, and a key employee incentive plan ("KEIP") for the Debtors' employees. Analysis included: (i) assessment of RIF size and impact on organizational structure (i.e. levels and functions affected); (ii) comparison of proposed payments versus minimum payments due by contract or statute to affected employees; and (iii) analysis of the potential cash and non-cash financial impact of RIF costs with and without the Global Settlement (as defined in the Plan).

54. In addition to the Global Settlement, Houlihan Lokey analyzed and presented its findings to the Committee regarding the merits of a proposed settlement with Standard Chartered Bank. The settlement with Standard Chartered Bank was ultimately filed with the court on October 19, 2012.

55. Houlihan Lokey reviewed the Debtors' proposed KEIP and key employee retention plan ("KERP") on a name-by-name basis, which included a review of the rationale for

including affected employees, and in the case of the KEIP, an assessment of the reasonableness of associated targets/milestones. Houlihan Lokey presented the detailed plans and rationale to the Committee and worked with the Debtors' to modify certain aspects of the plans to address Committee recommendations.

56. Houlihan Lokey also structured and helped the Committee negotiate an agreement with respect to the treatment of remaining Arcapita employees and the transfer of employees to AIM, which was incorporated in the MSA with AIM. The agreement considered restrictions on AIM and RA Holding with respect to the re-hiring of employees terminated by the other, severance due to certain employees, and other employee-related issues.

57. During the Total Compensation Period, Houlihan Lokey worked with Milbank as counsel to the Committee to analyze the implications of potential tax withholding issues relating to share-based compensation to certain Arcapita employees. These analyses were conducted on an individual basis for the affected employees, and included a review of each employee's specific holdings and related discussions. Following the performance of a detailed analysis, Houlihan Lokey reported its findings to the Committee.

Portfolio Analysis

58. Houlihan Lokey spent a significant amount of time during the Total Compensation Period analyzing the portfolio of real estate, private equity, and infrastructure investments. Due diligence activities included researching historical and projected performance, capital structure and liquidity prospects, and preparing various summary presentations for the Committee.

59. In connection with its portfolio analysis, Houlihan Lokey reviewed in detail the valuation work prepared by KPMG, LLP ("KPMG") and prepared summary assessments of the KPMG valuation work. Houlihan Lokey's diligence of the KPMG valuation

work included detailed reviews at the asset by asset level of financial projections, industry and competitive dynamics, valuation parameters, and other information. In addition, Houlihan Lokey held conference calls with KPMG to discuss each valuation report. Houlihan Lokey's preliminary observations regarding valuations were summarized and presented to the Committee.

60. Houlihan Lokey also performed a comprehensive analysis of a planned Eurolog IPO for the Committee. The analysis included (i) a financial due diligence and valuation of the investment funds included in the planned IPO; (ii) mapping and optimizing the flow of funds to the estate; (iii) exploring monetization alternatives to the suggested IPO; and (iv) considering alternative solutions for the debt maturities of the underlying assets. Houlihan Lokey delivered numerous presentations to the Committee, including, but not limited to: (i) a situation overview presentation; (ii) an update presentation regarding the IPO process and analysis of the underlying assets; and (iii) an analysis regarding flow of funds to the estate.

61. Following the cancellation of the Eurolog IPO, Houlihan Lokey diligenced the professional fees incurred during the marketing process for the unsuccessful deal. Houlihan Lokey remained in close contact with the Debtors and their financial advisors to monitor their discussions and negotiations with various IPO professionals regarding appropriate discounts and payment schedules for the IPO professional fees. Houlihan Lokey analyzed and compared the various proposals brought forward by the Debtors and IPO professionals, as well as provided substantial feedback and alternative payment schemes through assessments made in conjunction with Milbank. Houlihan Lokey then presented these analyses on several occasions to the Committee in order for the Committee to sign off on the settlement structure.

62. During the Total Compensation Period, the Debtors received proposals from potential acquirers of certain of the Debtors' portfolio investments. Over the course of the case, Houlihan Lokey and the Committee's advisors diligenced and assessed each proposal in

great depth, and presented findings with respect to each potential deal to the Committee. The Committee, together with the Committee's advisors, provided feedback to the Debtors regarding each of the proposed transactions and the terms thereof. The in-depth review of each proposed transaction by the Committee's advisors were an important part of each asset sale, as it helped both the Committee and the Debtors secure better deals for all stakeholders by identifying strengths and weaknesses of each bid, reviewing potential issues with each bid, and understanding industry and market trends. In cases where the bid was an unsolicited bid, Houlihan Lokey worked with the Debtors and relevant advisors to understand how the unsolicited bid would compare to a more fulsome sales process, including likely participants in such sale process, and expectations regarding bids from both financial and strategic buyers, where relevant.

Communications with Committee & its Advisors

63. During the Total Compensation Period, the Committee's advisors participated in a number of weekly and semi-weekly update calls to provide updates regarding progress and key issues of the cases. These calls included full Committee calls, as well as discussions with the Committee chair, and certain advisor-only calls to discuss key analyses, issues, and recommendations for the Committee.

64. In conjunction with these weekly calls, Houlihan Lokey drafted multiple presentations with analyses and summaries of the pertinent subjects, including deal funding, corporate issues, DIP updates, Recovery Model analysis, business plan summary presentations, Plan of Reorganization structures, asset management alternatives, and intercompany issues in order to keep the Committee well-informed and apprised of key issues. Houlihan Lokey generally logged time in preparing these materials and for calls with the Committee's other advisors into specific categories based on the nature of the topics addressed.

65. Over the course of the case, Houlihan Lokey representatives traveled to and attended in-person meetings held in London, U.K., Frankfurt, Germany and Manama, Kingdom of Bahrain, with certain members of the Committee and the Debtors in order to participate in due diligence, as well as to facilitate discussions regarding an economic agreement for the allocation of value in the reorganized Arcapita and to discuss potential go-forward asset management structures.

Communications with Debtors & its Advisors

66. During the Total Compensation Period, Houlihan Lokey had many meetings and calls with the Debtors and in particular its advisors on a number of matters, including due diligence, management of the investment portfolio, liquidity needs and prospects, business plan development, and case milestones. Houlihan Lokey coordinated with A&M and Rothschild regarding the flow of information on specific issues and investment positions.

Communications with Non-Committee Creditors

67. From time to time, Houlihan Lokey fielded calls and inquiries from creditors who are not on the Committee. These calls included answering questions regarding the Debtors' public statements and court filings, including the various plans of reorganization and accompanying disclosure statements filed with the Court.

Docket Maintenance / Court Hearings

68. Houlihan Lokey monitored the docket and downloaded filed motions and orders. Additionally, representatives of Houlihan Lokey were present at many of the court hearings during the Total Compensation Period.

Case Administration

69. Houlihan Lokey spent time developing its retention application and preparing monthly fee statements. While Houlihan Lokey does not generally keep time records,

Houlihan Lokey's interim retention order stipulated, all restructuring personnel keep time and task records, which required time to create the appropriate template, for each restructuring employee to fill out each month and to compile this information monthly. For all other Houlihan Lokey employees associated with this case, a list of employees was compiled monthly.

70. Houlihan Lokey also researched bankruptcy court-approved fees paid to debtors' investment bankers and financial advisors in connection with other Chapter 11 proceedings in order to assess the reasonableness of advisory fees proposed by Rothschild.

71. Additionally, Houlihan Lokey researched bankruptcy court-approved fees paid to investment bankers and financial advisors representing official committees of unsecured creditors in connection with Houlihan Lokey's own retention application. For each case, Houlihan Lokey analyzed both monthly fees and deferred restructuring fees approved by the courts relative to the debtors' total pre-petition obligations and other key metrics.

72. Given the amount of information gathered during the Total Compensation Period, Houlihan Lokey spent time organizing all of the data onto its internal network. Houlihan Lokey cataloged documents received directly from the Debtors and its advisors and downloaded significant number of documents from the Debtors' virtual data room.

73. Houlihan Lokey also reviewed documents and emails and coordinated internal processes in connection with an SCB discovery request. However, the discovery request was ultimately withdrawn, as the Committee achieved a comprehensive settlement with SCB.

* * *

74. The professional services performed by Houlihan Lokey were necessary and appropriate to the administration of the chapter 11 cases and were in the best interests of the Committee and other parties in interest. Compensation for the services described above is

commensurate with the complexity, importance, and nature of the problems, issues, or tasks involved.

ACTUAL AND NECESSARY DISBURSEMENTS OF HOULIHAN LOKEY

75. Houlihan Lokey has disbursed \$151,306.34 as expenses incurred in providing professional services during the Total Compensation Period. It is Houlihan Lokey's policy to charge its clients for all actual and necessary expenses incurred in connection with the engagement. The expenses charged to clients include, among other things, telephone and telecopier charges, regular mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, expenses for "working meals," and computerized research. In accordance with the applicable factors enumerated in the Bankruptcy Code, it is respectfully submitted that the amount requested by Houlihan Lokey is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

76. In addition, because the location of the Debtors' businesses in relation to Houlihan Lokey's offices, long distance telephone calls were often required. In some instances, overnight delivery of documents and other materials was required as a result of circumstances necessitating the use of such express services. These disbursements are not included in Houlihan Lokey's overhead. Houlihan Lokey has made every effort to minimize its disbursements in these cases. The actual expenses incurred in providing professional services were absolutely necessary, reasonable, and justified under the circumstances to serve the needs of the Committee.

THE REQUESTED COMPENSATION SHOULD BE ALLOWED

77. Houlihan Lokey respectfully submits that the services for which it seeks compensation in the Application were necessary for, and beneficial to, the Committee and that

Houlihan Lokey has satisfied the requirements of sections 328(a), 330(a), and 331 of the Bankruptcy Code as set forth in the Interim Retention Order. Houlihan Lokey's requested compensation is appropriate based on the complexity, importance and nature of the services provided, and is consistent with the customary compensation charged by comparable professionals both in and out of the bankruptcy context. Houlihan Lokey therefore respectfully requests that the Court grant the relief requested in this Application.

NO DUPLICATION OF SERVICE

78. Houlihan Lokey has developed a cooperative working relationship on behalf of the Committee with Milbank as the Committee's counsel and the Committee's financial advisor, FTI. Because each firm has been aware of the others' role and services to the Committee, Houlihan Lokey believes that no unnecessary duplication of services has occurred.

NOTICE

79. 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 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.). Houlihan Lokey submits that, in light of the relief requested herein, no other or further notice need be provided.

NO PRIOR REQUEST

80. No previous motion for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, Houlihan Lokey respectfully requests that the Court enter an order: (a) allowing Houlihan Lokey (i) compensation for professional services rendered during the Total Compensation Period in the amount of \$8,957,600.00 (which includes a deferred fee of \$5,517,600 calculated pursuant to the Retention Application and attached hereto as Exhibit "D"); and (ii) reimbursement of expenses incurred in connection with rendering such services in the aggregate amount of \$151,306.34, for a total award of \$9,108,906.34; (b) authorizing and directing the Escrow Agent to pay (to the extent not previously paid in accordance with the Interim Compensation Order) to Houlihan Lokey \$6,192,402.56, which is an amount equal to (i) the \$200,000.00 Third Holdback plus (ii) \$5,990,933.33, which represents the unpaid portion of 100% of Houlihan Lokey's fees for services rendered (including the deferred fee of \$5,517,600), plus (iii) \$1,469.23, which represents 100% of Houlihan Lokey's unpaid expenses incurred during the Total Compensation Period; and (c) granting such further relief as is just.

Dated: New York, New York
October 3, 2013

HOULIHAN LOKEY CAPITAL, INC.
Financial Advisor and Investment Banker to the Official
Committee of Unsecured Creditors

By: /s/ David R. Hilty _____

David R. Hilty
Managing Director

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EXHIBIT A

HILTY CERTIFICATION

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

In re

**ARCAPITA BANK B.S.C.(C), et al.,
Reorganized Debtors.⁵**

Chapter 11 Case No.

Case No. 12-11076 (SHL)

Confirmed

**CERTIFICATION UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN RESPECT OF
FOURTH AND FINAL APPLICATION OF HOULIHAN LOKEY CAPITAL, INC.,
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

I, David R. Hilty, hereby certify that:

1. I am a managing director with the applicant firm, Houlihan Lokey Capital, Inc., (“Houlihan Lokey”), as investment banker and financial advisor for the Official Committee of Unsecured Creditors (the “Committee”) for the jointly administered chapter 11 cases of Arcapita Bank B.S.C(c), et. al. (together, the “Debtors”), in respect of compliance with 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”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted January 30, 1996 (the “UST Guidelines”) and the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Compensation And Reimbursement Of Expenses of Professionals, dated May 18, 2012 (Docket

⁵ The chapter 11 case captioned In re Falcon Gas Storage Company, Inc., No. 12-11790 (Bankr. S.D.N.Y.) (the “Falcon Case”) is being jointly administered as one of the above-captioned cases. No plan has been confirmed in the Falcon Case.

No. 159) (the “Interim Compensation Order,” and collectively with the Amended Local Guidelines and UST Guidelines, the “Guidelines”).

2. This certification is made in respect of Houlihan Lokey’s application, dated October 3, 2013, (the “Application”), for compensation and reimbursement of expenses for the period commencing April 12, 2012, through and including September 17, 2013, (the “Total Compensation Period”) in accordance with the Guidelines.

3. In respect of 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 Local Guidelines;
- (c) The fees and disbursement requested in the Application are billed in accordance with practices customarily employed by Houlihan Lokey and generally accepted by Houlihan Lokey’s clients; and
- (d) In providing a reimbursable service, Houlihan Lokey does not make a profit on that service, whether the service is performed by Houlihan Lokey in-house or through a third party.

4. In respect of section B.2 of the Local Guidelines and as required by the Interim Compensation Order, I certify that Houlihan Lokey has provided, on a monthly basis or as soon as reasonably possible, statements of Houlihan Lokey’s fees and disbursements accrued during the previous month, in accordance with the Interim Compensation Order, to the Debtors, the Debtors’ counsel, the Committee’s counsel, and the Office of the United States Trustee for the Southern District of New York and has filed such statements with this Court, 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.

5. In respect of section B.3 of the Local Guidelines, I certify that the United States Trustee for the Southern District of New York is being provided 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
October 3, 2013

Respectfully submitted,

HOULIHAN LOKEY CAPITAL, INC.
Financial Advisor and Investment Banker to the Official
Committee of Unsecured Creditors

By: /s/ David R. Hilty
David R. Hilty
Managing Director

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EXHIBIT B

Hours by Employee
April 12, 2012 - September 17, 2013

<u>Individual</u>	<u>Position</u>	<u>Group</u>
David Hilty	Managing Director	Restructuring - New York
Brad Jordan	Managing Director	Restructuring - New York
Joseph Swanson	Managing Director	Restructuring - London
Joseph Julian	Managing Director	Restructuring - New York / London
Jan Reichenbach	Senior Vice President	Financial Advisory - London
Arun Reddy	Senior Vice President	Restructuring - London
Anne Davey	Vice President	Restructuring - New York
Laura Kimmel	Vice President	Restructuring - London
Nitin Nowjee	Associate	Financial Advisory - London
Tom Hedus	Associate	Restructuring - New York
William McDavid	Associate	Restructuring - New York
Erez Vaida	Associate	Restructuring - London
Bryan Goudzwaard	Associate	Restructuring - London
Uche Dimiri	Financial Analyst	Financial Advisory - London
Vanessa Totah	Financial Analyst	Financial Advisory - London
Ian Scime	Financial Analyst	Financial Advisory - London
Patrice Zhang	Financial Analyst	Financial Advisory - London
Lee Miller	Financial Analyst	Restructuring - New York
Ankit Dhir	Financial Analyst	Restructuring - New York
Kaveh Malekanian	Financial Analyst	Restructuring - London
Christoph Suter	Financial Analyst	Restructuring - London
Kseniya Demchenko	Financial Analyst	Restructuring - London
Samuel Read	Summer Financial Analyst	Restructuring - New York
Jad Benabdelkhalek	Intern	Restructuring - London

Hours by Employee
 April 12, 2012 - September 17, 2013

Individual	Position	Interim Compensation Period				Total
		First	Second	Third	Fourth	
David Hilty	Managing Director (New York)	137.0	119.5	172.5	141.0	570.0
Brad Jordan	Managing Director (New York)	227.5	226.0	538.0	591.5	1,583.0
Joseph Swanson	Managing Director (London)	59.5	24.0	32.0	14.0	129.5
Joseph Julian	Managing Director (New York/London)	165.5	180.0	307.8	181.5	834.8
Arun Reddy	Senior Vice President (London)	358.5	215.0	239.5	44.5	857.5
Anne Davey	Vice President (New York)	478.5	404.5	804.0	656.0	2,343.0
Laura Kimmel	Vice President (London)	426.0	372.5	250.5	56.0	1,105.0
Tom Hedus	Associate (New York)	418.5	391.5	849.5	800.5	2,460.0
Erez Vaida	Associate (London)	352.5	218.0	-	-	570.5
Bryan Goudzwaard	Associate (London)	241.0	382.5	736.5	176.5	1,536.5
William McDavid	Associate (New York)	203.0	269.0	901.0	926.0	2,299.0
Lee Miller	Financial Analyst (New York)	-	524.5	563.5	170.0	1,258.0
Ankit Dhir	Financial Analyst (New York)	306.5	-	-	-	306.5
Kaveh Malekanian	Financial Analyst (London)	231.0	175.0	169.5	-	575.5
Christoph Suter	Financial Analyst (London)	-	378.5	758.0	113.0	1,249.5
Kseniya Demchenko	Financial Analyst (London)	27.0	-	-	-	27.0
Samuel Read	Summer Financial Analyst (New York)	152.5	8.0	-	-	160.5
Jad Benabdelkhalek	Intern (London)	120.5	272.0	-	-	392.5
Total Hours		3,905.0	4,160.5	6,322.3	3,870.5	18,258.3

Hours by Task Code
 April 12, 2012 - September 17, 2013

Task Code	Task Type	Interim Compensation Period				Total
		First	Second	Third	Fourth	
A	Case Administration	506.0	136.5	203.0	166.0	1,011.5
B	Plan of Reorganization	-	710.5	3,697.0	1,725.5	6,133.0
C	Docket Maintenance / Court Hearings	42.5	10.0	-	26.5	79.0
D	Corporate Issues	592.5	102.5	262.5	28.0	985.5
E	Communications with UCC & Advisors	567.0	429.0	935.5	456.3	2,387.8
F	Communications with Debtors & Advisors	133.5	259.5	302.0	118.8	813.8
G	Communications with non-UCC Creditors	10.5	0.5	43.0	17.0	71.0
H	Cash Management & DIP / Exit Facility	186.0	366.0	328.0	731.0	1,611.0
I	Portfolio Analysis	1,413.5	2,072.5	396.8	489.5	4,372.3
J	Deal Funding	453.5	73.5	154.5	112.0	793.5
Total Hours		3,905.0	4,160.5	6,322.3	3,870.5	18,258.3

EXHIBIT C

Out-of-Pocket Expenses Summary
April 1, 2012 - September 17, 2013

	Interim Compensation Period				Total
	First	Second	Third	Fourth	
Airfare & Related Fees	-	\$16,538.70	\$41,240.35	1,062.80	\$58,841.85
Lodging	-	8,237.86	12,441.94	-	20,679.80
Meals	4,887.67	6,228.28	9,362.33	5,724.15	26,202.43
Ground Transportation	7,647.78	12,098.70	13,416.64	3,461.13	36,624.25
Other Miscellaneous (Telecom & Research)	1,806.47	2,997.14	1,801.08	2,353.32	8,958.01
Total Out-of-Pocket Expenses	\$14,341.92	\$46,100.68	\$78,262.34	\$12,601.40	\$151,306.34

EXHIBIT D

Houlihan Lokey Deferred Fee Calculation

Gross Deferred Fee (Prior to Credits)			
			Fee Amount
(a) Deferred Fee - Fixed Portion:			
Fixed Fee Component			\$3,000,000
(b) Deferred Fee - Variable Portion:			
Amount Payable to Houlihan Lokey			40 bps
Disclosure Statement Unsecured Creditors' Recovery ⁽¹⁾			\$909,400,000
Implied Variable Fee Component			\$3,637,600
Gross Total Deferred Fee			\$6,637,600
Monthly Fee Crediting			
	Months	Fee	Fee Amount
Partial Monthly Fee - April 2012	0.63	\$200,000	\$126,667
Full Monthly Fees (May 2012 - August 2013)	16.00	\$200,000	\$3,200,000
Partial Monthly Fee - September 2013	0.57	\$200,000	\$113,333
Total Monthly Fees			\$3,440,000
Less: Six Full Monthly Fees	6.00	\$200,000	(\$1,200,000)
Total Monthly Fees Subject to Crediting			\$2,240,000
Credit 50%			\$1,120,000
Gross Total Deferred Fee			\$6,637,600
Less: Credits			(\$1,120,000)
Net Total Deferred Fee Payable to Houlihan Lokey			\$5,517,600

(1) Estimated unsecured creditors recovery per Supplement to Plan of Reorganization and Disclosure Statement filed on June 4, 2013.