

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

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IN RE: : **Chapter 11**
ARCAPITA BANK B.S.C.(c), *et al.*, : **Case No. 12-11076 (SHL)**
Debtors. : **Jointly Administered**
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**ORDER PURSUANT TO
SECTION 327(e) OF THE BANKRUPTCY CODE
AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
ANTONY ZACAROLI, QUEEN’S COUNSEL
AS SPECIAL COUNSEL FOR LIMITED PURPOSES**

Upon consideration of the application (the “*Application*”)¹ of Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “*Debtors*” and each, a “*Debtor*”), for entry of an order pursuant to section 327(e) of title 11 of the United States Code (the “*Bankruptcy Code*”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the Southern District of New York (the “*Local Rules*”) authorizing the Debtors to retain and employ Antony Zacaroli, Queen’s Counsel, to serve as the Debtors’ special counsel to advise on Cayman Islands law for the limited purposes set forth in the Application and to compensate Mr. Zacaroli pursuant to sections 330 and 331 of the Bankruptcy Code; and upon the Zacaroli Declaration in support thereof; and the Court having found that it has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found

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

that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C §§ 1408 and 1409; and the Court having found that the relief requested in the Application is in the best interests of Debtors' estates, their creditors, and other parties in interest; and notice of the Application and the opportunity for a hearing on the Application was appropriate under the particular circumstances; and the Court having reviewed the Application and the Zacaroli Declaration and having considered the statements in support of the relief requested in the Application at a hearing before the Court (the "*Hearing*"); and the Court having determined that the legal and factual bases set forth in the Application, the Zacaroli Declaration and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Application is granted as set forth below.
2. In accordance with section 327(e) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1, the Debtors are authorized to employ and retain Antony Zacaroli, Queen's Counsel, as the Debtors' special Cayman Islands counsel to perform the following services on behalf of the Debtors, at the direction of Mourant Ozannes and the Debtors pursuant to the terms set forth in the Engagement Letter:

- Represent AIHL in the Cayman Islands Proceeding;
- Represent AIHL and prosecute on its behalf any proceeding in the Cayman Court required to effectuate the terms of the prospective plan of reorganization to be filed on behalf of the Debtors in the Chapter 11 Cases; and
- Perform all other legal services relating to Cayman Islands law for the Debtors that may be necessary, in the judgment of Mourant Ozannes and the Debtors;

provided, however, Mr. Zacaroli shall make every effort to perform the foregoing services without duplicating the services provided by Mourant Ozannes or any other counsel to the

Debtors retained in the Chapter 11 Cases.

3. Notwithstanding the direction of Mr. Zacaroli's services by Mourant Ozannes, the performance of services by Mr. Zacaroli on behalf of the Debtors pursuant to this Order shall be for the sole benefit of the Debtors, and Mr. Zacaroli shall be exclusively responsible to the Debtors with respect to such performance of services. The Debtors shall be the sole parties responsible for the payment of compensation and reimbursement of expenses in connection with the retention of Mr. Zacaroli approved by this Order.

4. Mr. Zacaroli shall file fee applications for interim and final allowance of compensation and reimbursement of expenses pursuant to the procedures set forth in Sections 330 and 331 of the Bankruptcy Code; *provided, however*, that notwithstanding anything set forth in the Engagement Letter, Mr. Zacaroli shall be compensated for services performed at the hourly rate of £675 per hour (which hourly rate shall be subject to a 50% reduction for any non-working time spent travelling in connection with the services performed pursuant to this Order), and subject to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines, this Court's *Order Granting Debtors' Motion for Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members* [Docket No. 159] and any other applicable orders of the Court.

5. Ten business days' notice must be provided by Mr. Zacaroli to the Debtors, the U.S. Trustee and any official committee prior to any increases in the rate set forth in the Application, and such notice must be filed with the Court.

6. Notwithstanding any terms of the Engagement Letter to the contrary, the Court shall have jurisdiction over any controversy arising from or related to the Application, the

Engagement Letter, or Mr. Zacaroli's retention in the Chapter 11 Cases.

7. In the event of any conflict between this Order and any other document related to the Debtors' retention of Mr. Zacaroli, this Order shall control.

8. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

Dated: February 21, 2013
New York, New York

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