

GIBSON, DUNN & CRUTCHER LLP

Michael A. Rosenthal (MR-7006)
Craig H. Millet (admitted *pro hac vice*)
Jeremy L. Graves (admitted *pro hac vice*)
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

Attorneys for the Debtors and Debtors in Possession

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

-----X
: **Chapter 11**
: **Case No. 12-11076 (SHL)**
: **Jointly Administered**
:
:
:
:
:
:
:
:
-----X

IN RE:

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

**DEBTORS' *EX PARTE* APPLICATION FOR ORDER SHORTENING
TIME FOR HEARING ON A
MOTION AUTHORIZING AND APPROVING A
SETTLEMENT AND PLAN SUPPORT AGREEMENT WITH
STANDARD CHARTERED BANK**

Arcapita Bank B.S.C.(c) ("*Arcapita*") and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the "*Debtors*" and each, a "*Debtor*"), submit this motion (the "*Motion*") pursuant to Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*") and Rule 9006-1(b) of the Local Bankruptcy Rules for the Southern District of New York (the "*Local Rules*") for entry of an order substantially in the form annexed hereto as *Exhibit A* shortening the time for notice of the hearing to consider the *Debtors' Motion for an Order Authorizing and Approving a Settlement and Plan Support Agreement with Standard Chartered Bank* (the "*SCB Settlement Motion*"), filed concurrently

herewith and incorporated by reference.¹ In support of the Motion, the Debtors respectfully represent:

BACKGROUND

1. The basic background facts pertaining to the chapter 11 cases are as set forth in the Disclosure Statement approved by the Court, are well known to the Court and will not be repeated here.

JURISDICTION AND VENUE

2. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

3. By this Motion, the Debtors request that the Court enter an order (a) shortening the notice period for a hearing on the SCB Settlement Motion so that it may be heard by the Court at the Confirmation Hearing, set for June 11, 2013, at 11:00 a.m. (prevailing Eastern Time), (b) requiring that objections to the SCB Settlement Motion, if any, be filed and served so that they are received no later than June 10, 2013 at 12:00 p.m., and (c) granting such other and further relief as the Court deems appropriate.

BASIS FOR RELIEF REQUESTED

4. Bankruptcy Rule 2002(a)(3) requires at least twenty-one (21) days' notice by mail of a hearing on approval of a compromise or settlement of a controversy. FED. R. BANKR. P. 2002(a)(3). Bankruptcy Rule 9006(c)(1) provides, however, that "when an act is

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

required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion or notice order the period reduced.” FED. R. BANKR. P. 9006(c)(1). *See also* Local Rules, at 9006-1(b).

5. The role of Standard Chartered Bank (“**SCB**”) as the Debtors’ single secured creditor, SCB’s position as to its rights and its concerns as to its treatment in the Debtors’ Plan and well as the Debtors’ position in response are thoroughly laid out in the Plan and Disclosure Statement as well as the pleadings in support of and its opposition to the approval of the Disclosure Statement. The issues with SCB are well known as are various terms that have been under discussion as to proposed resolutions. On the eve of the hearing before the Grand Court of the Cayman Islands to approve the terms of the Plan as to AIHL, SCB, the Debtors and the Committee reached a resolution of all outstanding issues with SCB. The parties have now memorialized that agreement in a written compromise and settlement agreement (the “**Plan Settlement and Support Agreement.**”) To facilitate the Plan, and the settlements embodied in the Plan, it is in the best interest of the Debtors’ estate that the settlement with SCB set forth in the SCB Settlement Motion be considered and a ruling entered at the same time as the Court’s consideration of the confirmation of the Plan.

6. Pursuant to the SCB Settlement Motion, the Debtors are seeking Court Plan Settlement and Support Agreement with SCB with respect to, among other things, SCB’s treatment under the Plan. Hence, pursuant to Bankruptcy Rule 2002(a), a 21-day notice period typically would be required prior to a hearing on the motion.

7. The Debtors respectfully submit that, for the reasons set forth above, including the extensive prior disclosure as to the issues involving SCB now resolved through

Plan Settlement and Support Agreement, cause exists for the Court, on an *ex parte* basis, to shorten the time for notice of the hearing on the SCB Settlement Motion. The Debtors have already given all parties in interest more than 21 days' notice of the hearing to consider confirmation of the Plan, which itself includes a request that the Court approve the Plan settlements set forth therein pursuant to Bankruptcy Rule 9019. SCB's treatment under the Plan is one such settlement.

8. The Plan Settlement and Support Agreement memorializes a compromise with the Debtors' sole secured creditor and, hence, is an integral part of the Plan. Accordingly, the SCB Settlement Motion should be heard in connection with the hearing on confirmation of the Plan. As noted in the SCB Settlement Motion, the SCB Plan Support and Settlement Agreement saves the estates more than \$2 million, secures favorable refinancing for one of the Debtors' portfolio investments, simplifies the Debtors' post-emergence capital structure, and secures SCB's vote in favor of the Plan. As a result of the settlement with SCB, the last significant hurdle to confirmation has been cleared and the Debtors are sprinting toward the finish line in these chapter 11 cases.

9. For the foregoing reasons, the Debtors request that the SCB Settlement Motion be heard on an expedited basis so that the SCB Settlement Motion may be heard at the confirmation hearing.

NOTICE

10. No trustee or examiner has been appointed in the Chapter 11 Cases. The Debtors have provided notice of filing of the Motion by electronic mail, facsimile and/or overnight mail to: (i) 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.); (ii) the Committee, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq. and Evan R. Fleck, Esq.); (iii) the JPLs, Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Alex R. Rovira, Esq. and Benjamin M. Klinger, Esq.); (iv) SCB, Dechert LLP, 1095 Avenue of the Americas, New York, New York 10036 (Attn: Brian E. Greer, Esq. and Nicole Herther-Spiro, Esq.); (v) Goldman Sachs International, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022 (Attn: Mitchell A. Seider, Esq. and Adam J. Goldberg, Esq.); and (vi) all parties listed on the Master Service List established in these Chapter 11 Cases. A copy of the Motion is also available on the website of the Debtors' notice and claims agent, GCG, Inc., at www.gcginc.com/cases/arcapita.

NO PRIOR REQUEST

11. No prior motion for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: New York, New York
June 6, 2013

/s/ Michael A. Rosenthal
Michael A. Rosenthal (MR-7006)
Craig H. Millet (admitted *pro hac vice*)
Jeremy L. Graves (admitted *pro hac vice*)
GIBSON, DUNN & CRUTCHER LLP
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

PROPOSED ORDER

**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	

**ORDER SHORTENING
TIME FOR HEARING ON A
MOTION AUTHORIZING AND APPROVING A
SETTLEMENT AND PLAN SUPPORT AGREEMENT WITH
STANDARD CHARTERED BANK**

Upon consideration of the motion (the “*Motion*”)² of Arcapita Bank B.S.C.(c) (“*Arcapita*”) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the “*Debtors*” and each, a “*Debtor*”) in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”), for entry of an order shortening the notice period with respect to the *Debtors’ Motion for an Order Authorizing and Approving a Settlement and Plan Support Agreement with Standard Chartered Bank* (the “*SCB Settlement Motion*”); and the Court having found that it has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C §§ 1408 and 1409; that the relief requested in the Motion is in the best interests of Debtors’ estates, their creditors, and other parties in interest; that it appears that no other or further notice is necessary except as provided herein; and the Court having reviewed the Motion and having considered statements in support of the relief requested therein and having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein,

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

IT IS HEREBY ORDERED:

1. The Motion is granted to the extent set forth below.
2. The hearing to consider the SCB Settlement Motion shall be held on **June 11, 2013, at 11:00 a.m. (prevailing Eastern Time)** before the Honorable Sean H. Lane, United States Bankruptcy Court, One Bowling Green, New York, New York 10004-1408, Courtroom 701. The hearing on the SCB Settlement Motion may be adjourned from time to time without further notice other than an announcement of the adjourned date or dates in open court. Notice of such adjourned date(s) will be available on the electronic case filing docket.
3. The Debtors shall serve a copy of this Order within one day of entry thereof, by electronic mail, facsimile and/or overnight mail, on the Notice Parties (as defined below).
4. Any and all objections to the SCB Settlement Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and Local Rules of the Court, and shall be filed, with proof of service, with the Clerk of the Court and served on the following parties (the "*Notice Parties*") so as to be received by [**June 10, 2013, at 12:00 p.m. (prevailing Eastern Time)**]:
 - (a) counsel to the Debtors, attention: Michael A. Rosenthal, Matthew J. Williams and Matthew K. Kelsey, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166-0193, and Craig H. Millet, Gibson, Dunn & Crutcher LLP; 3161 Michelson Drive, Irvine, CA 92612-4412.
 - (b) counsel to the Committee, attention: Dennis Dunne, Esq. and Evan Fleck, Esq., Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005;
 - (c) counsel to the JPLs, attention: Alex R. Rovira, Esq. and Benjamin M. Klinger, Esq., Sidley Austin LLP, 787 Seventh Avenue, New York, New York 10019,

- (d) counsel to SCB, attention: Brian E. Greer, Esq. and Nicole Herther-Spiro, Esq., Dechert LLP, 1095 Avenue of the Americas, New York, New York 10036,
- (e) counsel to Goldman Sachs International, attention: Mitchell A. Seider, Esq. and Adam J. Goldberg, Esq., Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022,
- (f) the Office of the United States Trustee for the Southern District of New York, attention: Richard Morrissey, 33 Whitehall Street, New York, New York 10004,

with a courtesy copy delivered to the chambers of the Honorable Sean H. Lane, United States Bankruptcy Court, One Bowling Green, New York, New York 10004-1408.

5. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
_____, 2013

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE