

## **Exhibit A**

### **First Supplement to Evidentiary Support for First Day Motions**

**EVIDENTIARY SUPPORT FOR FIRST DAY MOTIONS**

1. This first supplement to *Exhibit A* to the Declaration of Henry A. Thompson in Support of the Debtors' Chapter 11 Petitions and First Day Motions and in Accordance with Local Rule 1007-2, executed on March 19, 2012 [Docket No. 6] describes the evidentiary support for the Debtors' Motion for Interim and Final Orders (A) Authorizing Debtors to (I) Continue Existing Cash Management System, Bank Accounts, and Business forms and (II) Continue Ordinary Course Intercompany Transactions; and (B) Granting an Extension of Time to Comply with the Requirements of Section 345(b) of the Bankruptcy Code (the "*Cash Management Motion*") [Docket No. 12]. The Debtors respectfully request that the relief sought in the Cash Management Motion be granted as a critical element to minimize disruption in their transition into these Chapter 11 Cases. I have reviewed the Cash Management Motion. The facts set forth in the Cash Management Motion, other than as specifically set forth in footnote 1 to this supplement, are true and correct to the best of my knowledge and belief with appropriate reliance on corporate officers and advisors.<sup>1</sup>

**A. The Cash Management Motion**

2. The Debtors request entry of interim and final orders, (a) authorizing the Debtors to continue (i) using their cash management system, bank accounts, and business forms and (ii) intercompany transactions in the ordinary course of business; and (b) granting an extension of the time to comply with the requirements of section 345(b) of the Bankruptcy Code.

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<sup>1</sup> All capitalized terms used in this Exhibit A but otherwise not defined herein shall have the meanings set forth in the Cash Management Motion. In paragraph 20 of the Cash Management Motion, Arcapita LT Holdings Ltd is referred to as a "non-Debtor." In fact, Arcapita LT Holdings Ltd is a Debtor in these Chapter 11 Cases.

3. In the ordinary course of business, the Debtors utilize their Cash Management System to collect cash generated from operations and transfer funds lent by and among Debtors and/or Non-Debtor Affiliates pursuant to Intercompany Claims. The Debtors respectfully submit that parties in interest will not be harmed by their maintenance of the existing Cash Management System, including their Bank Accounts, because the Debtors have implemented appropriate mechanisms to ensure that unauthorized payments will not be made on account of obligations incurred prior to the Petition Date, post-petition deposits made with Arcapita will be accorded administrative priority so the funds do not become available to Arcapita's creditors and no disbursements will be made to fund investments held by non-Debtor entities without further order of this Court.

4. Similarly, the Debtors submit that including the notation of "Debtor in Possession" for operations outside of the United States would be unnecessarily confusing, particularly because many of these documents will be printed in Arabic, and it is not clear whether "Debtor in Possession" could be properly translated into Arabic. For payments in the U.S., after the existing business forms, if any, are depleted, the Debtors will identify their status as debtors in possession. The Debtors submit that the burden and expense of immediately replacing their existing business forms to reflect their status as debtors in possession would be unduly burdensome at this critical juncture.

5. The Debtors also adhere to certain investment practices, which the Debtors believe are conservative and will provide the protection contemplated by section 345(b) of the Bankruptcy Code. The Debtors' funds are invested in deposit accounts at major banking institutions, and in low-risk short-term interbank arrangements. These investments permit the Debtors to maximize flexibility and liquidity, which they have determined are essential to the

current operation of their businesses. However, pending discussions with the office of the United States Trustee, the Debtors will deposit with JP Morgan Chase in New York the funds in short term investments as they mature. The debtor estimates that approximately \$100 million will mature and be deposited at Chase over the next 4 weeks. The Debtors also need funds to be available in several different local currencies to fund operations. The Debtors will discuss with the Office of the United States Trustee what, if any, modifications to the guidelines contained in section 345(b) of the Bankruptcy Code may be appropriate under the circumstances.

6. In addition, in the ordinary course of business, the Debtors engage in Intercompany Transactions. The Intercompany Transactions are an integral element of the Cash Management System and, therefore, discontinuing Intercompany Transactions would be extremely disruptive to the Debtors' businesses. The continuation of the Intercompany Transactions will not prejudice the Debtors' estates or their creditors. The Debtors maintain strict records of all transfers of cash and can readily account for all Intercompany Transactions. At this time, the Debtors are not seeking authority to make disbursements to fund Investments held by non-Debtor entities.

7. The relief requested in the Cash Management Motion is vital to ensuring the Debtors' smooth transition into bankruptcy. Authorizing the Debtors to maintain their Cash Management System will avoid many of the possible disruptions and distractions that could divert their attention from more critical matters during the initial days of the Chapter 11 Cases.

8. I have reviewed the Cash Management Motion and believe that the facts stated therein are accurate to the best of my knowledge, information and belief. I further believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to

operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors,  
I respectfully submit that the Cash Management Motion should be approved.