

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

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In re:	:	Chapter 11
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ARCAPITA BANK B.S.C.(C), <u>et al.</u> ,	:	Case No. 12-11076 (SHL)
	:	
Reorganized Debtors. ¹	:	Confirmed
	:	
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**ORDER GRANTING RELIEF WITH RESPECT TO CERTAIN OMBINUS CLAIM
OBJECTIONS AND SETTING A SCHEDULE AS TO OTHER CLAIMS
OBJECTIONS**

Upon consideration of (i) the first through fourth omnibus objections to claims (the “Omnibus Objections”) filed by the predecessors in interest to the above-captioned Reorganized Debtors (the “Debtors”), seeking entry of an order, pursuant to section 502(b) of title 11 of the United States Code, Rule 3007(d) of the Federal Rules of Bankruptcy Procedure and this Court’s Claim Objection Procedures Order, reducing, disallowing and/or expunging certain claims filed against the Debtors, (ii) the Declaration of Craig E. Johnson in Support of Debtors’ Omnibus Claim Objections, dated July 15, 2013, filed as Exhibit F to the Supplement to the Debtors’ Omnibus Claim Objections [Docket No. 1351] (the “Supplement”), (iii) the Declaration of Steven Kotarba in Support of Debtors’ Omnibus Claim Objections, dated July 15, 2013, filed as Exhibit G to the Supplement, (iv) the Statement in Connection with Hearing Scheduled for October 24, 2013 [Docket No. 1641] filed by the Reorganized Debtors (the “Statement”),² and (v) the presentation of counsel at the hearing held on October 24, 2013(*the “Hearing”*); and the Court having jurisdiction to consider the Omnibus Objections pursuant to 28 U.S.C. §§ 157 and

¹ The chapter 11 case captioned In re Falcon Gas Storage Company, Inc., No. 12-11790 (Bankr. S.D.N.Y.), is being administered jointly with the other above-captioned cases, but no plan has been confirmed in that case.

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

1334; and venue of this proceeding in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Omnibus Objections and the opportunity for a hearing being appropriate under the circumstances; and the Court having determined that the legal and factual bases set forth in the Omnibus Objections, in the declarations in support thereof, and at the hearing establish just cause for the relief granted herein; and the Court having found that the relief requested is in the best interest of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby:

1. **ORDERED** that, *for the reasons stated at the Hearing*, the relief requested in the Omnibus Objections is granted to the extent provided herein.

2. **ORDERED** that, pursuant to section 502(b) of the Bankruptcy Code, each claim listed on Exhibit A annexed hereto is disallowed (or, in the case of claim numbers 482, 487, 488, 489, 491, 492, 493, and 494, deemed withdrawn, consistent with the terms of the Findings of Fact, Conclusions of Law, and Order Confirming the Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors with Respect to Each Debtor Other than Falcon Gas Storage Company, Inc. Under Chapter 11 of the Bankruptcy Code [Docket No. 1262] and that certain Settlement Agreement, dated as of September 16, 2013, among (a) Arcapita Bank B.S.C.(c) and certain of its affiliates, and (b) Dover Arc LLC, HarbourVest Partners VIII-Buyout Fund L.P., Sortalogic HV Capital IV Limited, Dover Street VII L.P., Drillbit HV Capital V Limited, Secondary Overflow Fund L.P., Storapod HV Capital V Limited, RailInvest HV Capital IV Limited, Surgery HV Capital Limited, and Storapod WCF Limited) in its entirety and expunged.

3. **ORDERED** that, pursuant to section 502(b) of the Bankruptcy Code, each claim listed on Exhibit B annexed hereto is reclassified as provided therein.

4. **ORDERED** that, pursuant to section 502(b) of the Bankruptcy Code, each claim listed on Exhibit C annexed hereto is reduced in amount as provided therein.

5. **ORDERED** that, pursuant to section 502(b) of the Bankruptcy Code, each claim listed on Exhibit D annexed hereto is reclassified and reduced in amount as provided therein.

6. **ORDERED** that claim number 406 shall be resolved on the terms of the Stipulation and Agreed Order attached hereto as Exhibit E, and the entry of this Order shall constitute the Court's "so ordering" such stipulation.

7. **ORDERED** that GCG, Inc. is hereby directed to adjust the claims register to reflect all of the provisions of this Order.

8. **ORDERED** that nothing in this Order shall affect the rights of all interested parties to object to any of the surviving claims on any alternative basis not asserted in the Omnibus Objections.

9. **ORDERED** that the following briefing schedule shall apply to claim numbers 45, 236, 255, 289-294, and 305: (a) the Reorganized Debtors must file their reply to the Responses on or before **5:00 p.m. on November 7, 2013 (prevailing U.S. Eastern Time)**, (b) to the extent the relevant claimants choose to file any further responsive pleadings, such pleadings must be filed on or before **5:00 p.m. on November 14, 2013 (prevailing U.S. Eastern Time)**, and (c) the hearing on such claims will be held at **11:00 a.m. on November 21, 2013 (prevailing U.S. Eastern Time)**.

10. **ORDERED** that the following briefing schedule shall apply to claim number 517: (a) the Reorganized Debtors must file their reply to the Response on or before **5:00 p.m. on November 7, 2013 (prevailing U.S. Eastern Time)**, (b) to the extent the relevant claimant chooses to file any further responsive pleading, such pleading must be filed on or before **5:00**

p.m. on November 21, 2013 (prevailing U.S. Eastern Time), and (c) the hearing on such claims will be held at **2:00 p.m. on December 17, 2013 (prevailing U.S. Eastern Time)**.

11. **ORDERED** that the hearing with respect to claim numbers 376-379 is adjourned to **11:00 a.m. on November 21, 2013 (prevailing U.S. Eastern Time)**. To the extent the relevant claimant chooses to file any responsive pleading, such pleading must be filed on or before **5:00 p.m. on November 7, 2013 (prevailing U.S. Eastern Time)**.

12. **ORDERED** that the hearing with respect to the following Remaining Disputed Claims is adjourned to **2:00 p.m. on December 17, 2013 (prevailing U.S. Eastern Time)**: (a) claim number 81, (b) claim numbers 269-274, and (c) claim numbers 343-349.³

13. **ORDERED that a copy of this Order shall be served forthwith by Debtors upon all claimants for whom a briefing schedule is set for in in paragraphs 9, 10, and 11 of this Order.**

14. **ORDERED** that the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
October 31, 2013

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

³ Following the filing of the Statement and the October 24, 2013 hearing, the Reorganized Debtors and the relevant claimants agreed to further adjourn the hearing on the Remaining Disputed Claims listed in this paragraph from November 21, 2013 to December 17, 2013.

Exhibit A

Claims Subject to Disallowance and Expungement

ARCAPITA BANK B.S.C.(C), ET AL.

EXHIBIT A

CLAIMS TO BE DISALLOWED AND EXPUNGED

NAME OF CLAIMANT	CLAIM NO.	DEBTOR & CASE NO.	ASSERTED AMOUNT	OMNIBUS OBJECTION
1 CBRE	454(a)	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	\$172,899.61	First Omnibus Objection (Schedule 3) Third Omnibus Objection (Schedule 2)
2 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	333	AEID II Holdings Limited 12-11080 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
3 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	334	Arcapita Investment Holdings Limited 12-11077 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
4 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	350	WindTurbine Holdings Limited 12-11079 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
5 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	368	Arcapita LT Holdings Limited 12-11078 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
6 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	395	RailInvest Holdings Limited 12-11081 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
7 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	396	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
8 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	397	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
9 Credit Suisse AG Cayman Islands Branch as Agent for Varel Funding LLC (f/k/a Varel Funding Corp)	398	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Undetermined	Third Omnibus Objection (Schedule 2)
10 Employee 1030 [Address on File]	28	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Undetermined	First Omnibus Objection (Schedule 4)
11 Employee 1282 [Address on File]	204	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	\$100,000.00	First Omnibus Objection (Schedule 4)
12 Employee 1466 [Address on File]	243	RailInvest Holdings Limited 12-11081 (SHL)	\$3,000.00	First Omnibus Objection (Schedule 4)
13 Employee 1478 [Address on File]	441	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	\$2,284,841.38	First Omnibus Objection (Schedule 4)
14 Employee 1480 [Address on File]	341	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	\$598,415.60	First Omnibus Objection (Schedule 4)
15 Employee 1485 [Address on File]	440	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	\$250,000.00	First Omnibus Objection (Schedule 4)
16 Investor 51316 [Address on File]	133	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	\$460,230.43	First Omnibus Objection (Schedule 1)

ARCAPITA BANK B.S.C.(C), ET AL.

EXHIBIT A

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	CLAIM NO.	DEBTOR & CASE NO.	ASSERTED AMOUNT	OMNIBUS OBJECTION
17	Investor 51942 [Address on File]	493	RailInvest Holdings Limited 12-11081 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
18	Investor 51942 [Address on File]	494	Arcapita Investment Holdings Limited 12-11077 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
19	Investor 51943 [Address on File]	491	Arcapita Investment Holdings Limited 12-11077 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
20	Investor 51965 [Address on File]	487	Arcapita Investment Holdings Limited 12-11077 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
21	Investor 52018 [Address on File]	482	Arcapita Investment Holdings Limited 12-11077 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
22	Investor 52020 [Address on File]	488	RailInvest Holdings Limited 12-11081 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
23	Investor 52020 [Address on File]	489	Arcapita Investment Holdings Limited 12-11077 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
24	Investor 52021 [Address on File]	492	RailInvest Holdings Limited 12-11081 (SHL)	Undetermined	Third Omnibus Objection (Schedule 4)
			TOTAL	\$3,869,387.02	

Exhibit B

Claims Subject to Reclassification

ARCAPITA BANK B.S.C.(C), ET AL.

EXHIBIT B

CLAIMS TO BE RECLASSIFIED

	NAME OF CLAIMANT	CLAIM NO.	DEBTOR & CASE NO.	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	OMNIBUS OBJECTION
1	Investor 50883 [Address on File]	380	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	Undetermined	Equity	Second Omnibus Objection (Schedule 1)
2	Investor 51787 [Address on File]	119	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	Undetermined	Equity	Second Omnibus Objection (Schedule 1)
				TOTAL	Undetermined		

Exhibit C

Claims Subject to Reduction

ARCAPITA BANK B.S.C.(C), ET AL.

EXHIBIT C

CLAIMS TO BE REDUCED

NAME OF CLAIMANT	CLAIM NO.	DEBTOR & CASE NO.	ASSERTED AMOUNT	MODIFIED AMOUNT	OMNIBUS OBJECTION
1 Investor 50883 [Address on File]	381	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	\$5,403.28, plus unliquidated or undetermined amounts	\$5,415.22	Second Omnibus Objection (Schedule 1)
TOTAL			\$5,403.28, plus unliquidated or undetermined amounts	\$5,415.22	

Exhibit D

Claims Subject to Reclassification and Reduction

ARCAPITA BANK B.S.C.(C), ET AL.

EXHIBIT D

CLAIMS TO BE RECLASSIFIED AND REDUCED

	NAME OF CLAIMANT	CLAIM NO.	DEBTOR & CASE NO.	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	OMNIBUS OBJECTION
1	Investor 51316 [Address on File]	132	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Secured	\$460,198.56	Secured	\$0.00	Second Omnibus Objection (Schedule 1)
				Unsecured	\$31.87	Unsecured	\$31.87	
				TOTAL	\$460,230.43	TOTAL	\$31.87	

Exhibit E

Stipulation and Agreed Order Regarding Claim Number 406

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

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In re:	: Chapter 11
	: :
ARCAPITA BANK B.S.C.(C), <u>et al.</u> ,	: Case No. 12-11076 (SHL)
	: :
Reorganized Debtors. ¹	: Confirmed
	: :
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STIPULATION AND AGREED ORDER REGARDING CLAIM NO. 406

The Reorganized Debtors, Falcon Gas Storage Company, Inc. (“Falcon”), and Mr. Glen M. Coman (the “Claimant” and, together with the Reorganized Debtors and Falcon, the “Parties”), by and through their respective undersigned counsel, hereby enter into this stipulation and agreed order (the “Stipulation and Order”) and stipulate and agree as follows:

RECITALS

WHEREAS, the Claimant has timely filed a proof of claim (“Claim No. 406”) in the above-captioned formerly jointly administered chapter 11 cases of the Reorganized Debtors’ predecessors in interest (the “Debtors”) without checking the box on the proof of claim form to indicate against which Debtor Claim No. 406 was being asserted; and

¹ The chapter 11 case captioned In re Falcon Gas Storage Company, Inc., No. 12-11790 (Bankr. S.D.N.Y.), is being administered jointly with the other above-captioned cases, but no plan has been confirmed in that case.

WHEREAS, while the Claimant meant to assert Claim No. 406 against Falcon, Claim No. 406 was inadvertently docketed against Arcapita Bank B.S.C.(c) (“Arcapita Bank”); and

WHEREAS, on or about April 26, 2013, the Debtors filed their Fourth Omnibus Objection to Claims (the “Fourth Omnibus Objection”), whereby they objected, among others, to Claim No. 406 on various grounds; and

WHEREAS, the Parties wish to adjust the claims docket to accurately reflect the Claimant’s intent with respect to Claim No. 406.

AGREED ORDER

IT IS THEREFORE AGREED AND, UPON COURT APPROVAL, IT SHALL BE ORDERED THAT:

- Claim No. 406 shall be disallowed and expunged from the claims docket of Arcapita Bank, and shall be deemed to have been filed as a timely claim against Falcon.
- Other than set forth in paragraph 1 above, the Fourth Omnibus Objection shall remain in full force and effect with respect to Claim No. 406, and nothing in this Stipulation and Order is or shall be deemed to be (a) a determination, allowance or disallowance of Claim No. 406, or (b) an admission, release or waiver of any rights with respect to Claim No. 406 or the Fourth Omnibus Objection, including, but not limited to, any right of Falcon to assert any and all objections, defenses or counterclaims or other rights in respect of Claim No. 406.
- The relief granted herein shall be binding upon the Parties as of the date this Stipulation and Order is “So Ordered” by the Court.
- The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of the Stipulation and Order.

**MILBANK, TWEED, HADLEY &
M^cCLOY LLP**

/s/ Lena Mandel _____

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