

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 12-11076-shl

- - - - - x

In the Matter of:

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

Debtors.

- - - - - x

U.S. Bankruptcy Court

One Bowling Green

New York, New York

August 27, 2013

11:44 AM

B E F O R E :

HON SEAN H. LANE

U.S. BANKRUPTCY JUDGE

1 Doc. #1429 Motion to Approve/Debtors Application to
2 Supplement Retention and Employment of Linklaters LLP as
3 Special Counsel Effective July 15, 2013

4

5 Doc. #1430 Motion to Authorize/Motion for an Order
6 Confirming Debtors Authority to Implement Plan Liquidation
7 Procedures for Securities Distributable to Non-Eligible
8 Claimants

9

10 Doc. #1050 (SECOND) Motion for Omnibus Objection to Claim(s)
11 - Debtors Second Omnibus Objection to Claims

12

13 Doc. #1416 Stipulation and Agreed Order Signed on 8/6/2013,
14 Amending Briefing Dates in Scheduling Order Re: Debtors
15 Objection to Proof of Claim of Hani Alsohaibi

16

17 Doc. #12 Motion to Authorize - Debtors' Motion for Interim
18 and Final Orders (A) Authorizing Debtors to (I) Continue
19 Existing Cash Management System, Bank Accounts, and Business
20 Forms and (II) Continue Ordinary Course Intercompany
21 Transactions; and (B) Granting an Extension of Time to
22 Comply with the Requirements of Section 345(b) of the
23 Bankruptcy Code

24

25 Transcribed by: Sherri L. Breach, CERT*D-397

1 A P P E A R A N C E S :

2 GIBSON DUNN & CRUTCHER, LLP

3 Attorneys for Debtors

4 200 Park Avenue

5 New York, New York 10166

6

7 BY: MICHAEL A. ROSENTHAL, ESQ.

8 CRAIG H. MILLET, ESQ.

9

10 MILBANK, TWEED, HADLEY & MCCLOY, LLP

11 Attorneys for Creditors' Committee

12 One Chase Manhattan Plaza

13 New York, New York 10005

14

15 BY: NICHOLAS C. KAMPHAUS, ESQ.

16 EVAN R. FLECK, ESQ.

17

18 LAW OFFICES OF TALLY M. WIENER, ESQ.

19 Attorneys for Captain Hani Alsohaibi

20 119 West 72nd Street

21 PMB 350

22 New York, New York 10023

23

24 BY: TALLY M. WIENER, ESQ.

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DECHERT, LLP

Attorneys for Standard Chartered Bank
1095 Avenue of the Americas
New York, New York 10036

BY: NICOLE B. HERTHER-SPIRO, ESQ.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

THE CLERK: All rise.

THE COURT: Please be seated.

Good morning, at least for another 15 minutes.

Thank you for everyone's patience in waiting for this hearing to start today.

I am in receipt of a couple of things. One was the index of pleadings to be heard on -- today. But in addition to that, two things were filed in the last 24 hours. One was the statement of the official committee of unsecured creditors in connection with the debtors' inter-budget, and the second was the debtors' response to that statement which was filed, I believe it was late last night.

Those pleadings evidence a frustration by the parties in terms of getting this case effective. And in light of that, there was a chambers conference held and, thus, the delay that -- in starting today's hearing. And in light of these pleadings, the parties essentially -- I understand the parties' frustration. I think folks are trying to get things done. It's a very complicated plan and series of transactions contemplated under the plan. But, nonetheless, finality and the need to go effective, I think everyone recognizes important end deadlines are crucial to that.

So in light of that, it seemed pretty clear that

1 it would be helpful to set a schedule that the parties can
2 work towards. And based on the discussion during the
3 chambers conference, here's what the takeaway is from --
4 what -- a schedule that -- that would be helpful for the
5 parties to pursue:

6 And that would be approval of a board meeting by
7 the 9th -- these are all dates in September, obviously.
8 Notice to exit lenders by the 10th; notice to the share
9 registrar by the 11th; and begin Cayman implementation on
10 the 11th and 12th, with then documents signed in the data
11 room by the 12th as well, with -- all contemplating a
12 closing on September 17th.

13 And if some of these events don't occur, the idea
14 would be that the parties are free to contact the Court to
15 schedule a chambers conference to see where things are and
16 -- and what the next step is. And if, as a result of that
17 chambers conference, parties aren't satisfied, then, I
18 think, would be the appropriate time for the committee to
19 file a motion on notice, but on shortened notice to be heard
20 on an expedited basis.

21 And that's what the committee -- I think there's a
22 reference at a footnote of what it -- if -- if we reach that
23 point of what that motion might look like. And the hearing
24 on that motion would be set for September 19th at 2:30.

25 In light of that, and all the efforts the parties

1 are making to have the case go effective, the hearing on the
2 17th would be canceled and it would be replaced by this
3 hearing on the 19th at 2:30.

4 I -- I will say that time is somewhat influx as I
5 have a couple of other matters on for that morning as well
6 as that afternoon, but we'll cross that bridge when we come
7 to it in terms of exactly the time. But I -- I put it down
8 right now for 2:30. And if it needs to go a little bit
9 later than that, I'll -- we'll give you all a call and
10 figure it out.

11 All right. So, in light of that, let's proceed
12 with the rest of the calendar.

13 MR. ROSENTHAL: Thank you, Your Honor. Michael
14 Rosenthal with Craig Millet from Gibson Dunn on behalf of
15 the debtors.

16 First, Your Honor, that schedule would be
17 acceptable to us and we would --

18 THE COURT: All right.

19 MR. ROSENTHAL: -- we'll work with the committee
20 to put together an agreed order. Would you like an agreed
21 order --

22 THE COURT: I'm happy to -- to have it be an
23 agreed order or stipulation, whatever would be helpful. I
24 mean, it's -- it's so ordered from the bench so if -- if a
25 piece of paper would be helpful, I'm -- I'm happy to sign

1 such a piece of paper.

2 MR. ROSENTHAL: Your Honor, before we go into the
3 matters let me just spend a couple of minutes talking about
4 what's happening in the case. As you know from all these
5 pleadings we are working on the plan implementation. You --
6 the Court approved the 3PD sale several weeks ago and that
7 sale has now closed. So some proceeds have come into the
8 estate.

9 We are currently working to finalize the
10 negotiations for another sale of another key asset and we
11 may be filing a motion before the Court which we would try
12 to set for the 19th unless the plan has gone effective
13 before the 19th, in which case we would not need the Court
14 to enter an order because the effective date of the plan
15 would -- would supersede the need for the order.

16 THE COURT: All right.

17 MR. ROSENTHAL: There are -- Your Honor, there --
18 there are four matters on the calendar today. The first is
19 the application to employ Linklaters; the second is the
20 motion for an order to implement plan liquidation
21 procedures, certain plan liquidation procedures; the third
22 relates to the objection to the plan of Captain Hani
23 Alsohaibi; and the fourth relates to the debtors' cash
24 management motion.

25 THE COURT: All right.

1 MR. ROSENTHAL: So I'm -- I'm prepared to address
2 the first two. Mr. Millet will address the remaining two.

3 Your Honor, the background of the Linklaters'
4 application is laid out in -- in the motion. But as you --
5 as the Court will recall, Linklaters was engaged early on to
6 -- and assisted the debtors with respect to the proposed
7 initial Eurolog (ph) public offering. That public offering
8 did not go forward for various -- for various reasons and
9 the Court has been involved in a number of hearings with
10 respect to the payment of the fees of Linklaters and other
11 professionals in connection with the IPO.

12 The debtors are now as -- are now in the process
13 of negotiating with a private institutional purchaser of the
14 Eurolog assets. And it was the view of -- of both the
15 debtors and the committee that Linklaters would be perfectly
16 suited -- best suited to handle this -- the documentation --
17 the negotiation documentation related to this potential
18 transaction.

19 There were two -- two documents basically that had
20 been signed. One is an exclusivity agreement that's been
21 signed with the potential purchaser that has been approved
22 by the committee and -- and the debtors, although it wasn't
23 signed by the debtors. It was signed by the debtors' non-
24 debtor affiliates that own -- that actually own the assets
25 that would be for sale. And it sets out, among other

1 things, a proposed purchase price for these assets that the
2 committee and the debtors believe is acceptable.

3 The second document that was signed actually
4 relates to the payment of the Linklaters' fees that would be
5 incurred in connection with this engagement, and that
6 document essentially provides that the proposed purchaser
7 would, in the event of a -- an aboard event or a dead deal,
8 if you will, the purchaser would actually pick up
9 Linklaters' fees except in a very limited circumstance.

10 So because there is a potential, although small,
11 for the -- for the debtors to be responsible for the
12 Linklaters' fees in connection with the Eurolog engagement,
13 we've come to the Court with this -- with this application.

14 Now it's fairly complicated, but boiled down to
15 its essence the only fees that the debtors would be
16 responsible for would be the fees incurred by Linklaters to
17 get internal corporate approvals for the debtors who engage
18 in the transaction and for the -- and -- and any fees
19 incurred in connection with court -- with court procedures
20 before -- before the Bankruptcy Court.

21 And then the final element is that the -- that the
22 debtors would be responsible for the Linklaters' fees if the
23 purchaser said, we're prepared to close, we're prepared to
24 close on the same terms and conditions that we originally
25 proposed to you in this exclusivity agreement, and the

1 debtors were to decide, in that circumstance, that they
2 didn't really want to sell the assets. And it's in that
3 circumstance and that circumstance only that the debtors
4 would be responsible for the Linklaters' fees.

5 In every other circumstance those fees are either
6 -- would either be paid by the purchaser, if it's an aboard
7 event. Suppose the purchaser decided to drop its purchase
8 price, or suppose the purchaser decided to impose additional
9 material conditions which -- which were negative conditions.
10 In that circumstance, if the debtors decided not to do the
11 deal, the purchaser would pick up all of the fees. That's -
12 - that's defined as -- as a purchaser aboard event.

13 If the transaction goes forward, the fees would
14 just be paid from the proceeds of the -- from the proceeds
15 of the sale.

16 Because of the way the -- because of the way the
17 engagement letter is structured and because of the
18 undertaking of the letter that was signed by the purchaser,
19 both the committee and the debtors believe that -- that the
20 engagement of Linklaters is appropriate under the
21 circumstances. We believe that the debtors are only
22 obligated to pay fees in a very limited set of circumstances
23 which, frankly, we don't think will occur.

24 And, therefore, we would ask the Court to approve
25 the appointment.

1 THE COURT: All right. Anyone wish to be heard on
2 this motion?

3 MR. FLECK: Your Honor, good morning. Evan Fleck
4 of Milbank Tweed on behalf of the official committee.

5 The committee is supportive of the motion, as Mr.
6 Rosenthal stated. We -- I think the parties learned their
7 lesson as a result of -- of what took place on -- with the
8 professional fees for the Eurolog transaction the first time
9 around and we were all at the table with the benefit of what
10 took place in the last round and understanding what the
11 relative responsibilities of the parties should be in a
12 circumstance where the deal does not go forward.

13 We are hopeful that it does go forward, but we've
14 -- we've set down in a mature fashion and understood and
15 decided among the parties who should be responsible for what
16 in the circumstance that it does not go forward. So --

17 THE COURT: All right.

18 MR. FLECK: -- I agree with the characterization
19 of -- of the understanding that Mr. Rosenthal read into the
20 record and, also, obviously what's in the pleading. The
21 committee is supportive and would ask Your Honor to enter
22 the order as proposed.

23 I would like, just while I'm up at the podium just
24 to mention in connection with the first item that -- I guess
25 that was before the agenda, the resolution of the effective

1 date issues, we appreciate Your Honor's assistance in this
2 process. There -- there is a very high degree of
3 frustration. The committee is hopeful that it is not
4 necessary to have additional pleading and motion practice
5 before the Court.

6 We did mention one of the things that we might
7 pursue if -- if we find that we're not moving along at pace
8 to the effective date of the 17th. There may be other --
9 there may be other vehicles in order to bring the matter
10 before Your Honor. But, again, we hope that we don't need
11 to, but -- but I just wanted to note that to Your Honor.

12 THE COURT: All right. No. That's fine. My --
13 my reference to your footnote was just by -- by means of
14 example, not -- not anything exclusive as to what -- what
15 you reserve the right to do if we end up in that unfortunate
16 circumstance.

17 MR. FLECK: Thank you, Your Honor.

18 THE COURT: Thank you.

19 MR. ROSENTHAL: Your Honor, before the Court
20 rules, let -- let me finally mention, back on the
21 Linklaters' application that on the effective date the --
22 these -- this obligation under the Linklaters' employment
23 letter will be assumed by RA, by the reorganized entities
24 formed in connection with the plan.

25 THE COURT: All right. Thank you.

1 Anyone else wish to be heard on debtors'
2 application to supplement the retention and employment of
3 Linklaters?

4 All right. Given the circumstance here, I will
5 grant the application and I appreciate the parties' efforts
6 in light of earlier disputes as to payment of fees for the
7 original Eurolog transaction that was proposed; efforts here
8 to clarify exactly what would happen in the event that
9 things don't go quite as planned. And I -- so I will grant
10 the application and sign the proposed order.

11 MR. ROSENTHAL: Thank you, Your Honor.

12 The next matter, Your Honor, relates to the
13 methodology by which we are proposing to liquidate the
14 securities that would be distributable under the plan to
15 what are called non-eligible claimants. And the problem
16 here is that U.S. Securities laws that are applicable would
17 prohibit us from issuing these securities, which include the
18 shares, some of the shares in the obligations, prohibit us
19 from issuing the securities to what are -- to purchasers who
20 are not eligible to hold them. And under the U.S.
21 Securities laws the only people that we can issue them to
22 are non-U.S. persons, qualified purchasers, and
23 knowledgeable employees.

24 That leaves a very small category of purchasers.
25 And this is -- this is in the plan. The plan actually

1 proposed we would come up with a mechanism to liquidate
2 these distributions. That leaves a small group of claimants
3 who are U.S. based -- U.S. persons who don't fit within one
4 of the other exceptions. So they're not -- they're --
5 they're U.S. -- we call them U.S. non-qualified persons.

6 And as to those, the procedure that -- that the
7 debtors and the committee have come up with is the
8 following:

9 Each of these claimants fits into what's called
10 Class 5(a), which is the general unsecured claim class. The
11 reason there aren't many -- many claimants in this class
12 that would fit in this subcategory is that virtually all of
13 the debtors' operations were -- involved investments by
14 parties that were in the middle east who are not U.S. --
15 U.S. citizens. So this only implicates U.S. citizens. And
16 there are some employees, for example, who fit in this
17 category.

18 So the procedure would be that for any non-
19 eligible claimant with aggregate claims that are less than
20 or equal to \$160,000, we would deem them to have elected to
21 receive convenience class treatment. What that means is
22 that they would receive a convenience class distribution.
23 The convenience class distribution is the lesser of 50
24 percent of their allowed claim or \$12,500.

25 And the reason we chose \$160,000 is because based

1 -- given the projected recovery in the plan and the
2 disclosure statement to Class 5(a) creditors, any creditor
3 who has a claim of \$160,000 or less would have made the
4 ration -- rationally would have made or should have made the
5 decision to elect for convenience class treatment because
6 this treatment would afford them at least as much as the
7 projected recovery from the -- from the securities.

8 With respect to claimants whose claims exceed
9 \$160,000, we believe that those claimants may very well
10 decide that this convenience -- deemed convenience class
11 treatment is the appropriate treatment for them as well.
12 But, at the same time, we -- the proposal is not to require
13 them to accept that treatment, but rather to give them the
14 option of accepting that treatment.

15 What will happen on the effective date or shortly
16 after the effective date is that all creditors of the
17 debtors will receive a form that's been prepared that will
18 notify creditors of the effective date of the plan. And the
19 distributions on the plan will commence and will ask
20 creditors to make a certification. One of the things they
21 will be certifying to will be that they are -- they either
22 are or are not an eligible claimant under -- and, therefore,
23 could receive the distribution under the U.S. Securities
24 laws.

25 If a claimant checks the form blanks that say, I'm

1 not an eligible claimant and I have over \$160,000 claim,
2 they will then have a further option either to take the
3 deemed convenience class treatment or to -- or to reject
4 that treatment. And in that circumstance, Your Honor, what
5 the motion proposes is that the securities which would
6 otherwise be distributable to these claimants, but cannot be
7 distributed because of the U.S. Securities laws, would be
8 liquidated in any manner determined to be commercially
9 reasonable --

10 THE COURT: All right.

11 MR. ROSENTHAL: -- by the debtors.

12 We -- we believe that this is fair and
13 appropriate. It is -- it proved to be very difficult to
14 come up with a mechanism because of the small number of
15 securities involved and the limited -- the limited
16 marketability of these securities, and we think this is --
17 this is a fair way to treat these claimants consistent with
18 the U.S. Securities laws.

19 THE COURT: All right. Thank you.

20 Anyone wish to be heard on this motion?

21 All right. Hearing no one, I'm persuaded that
22 this is a fair way to address these claimants and, in fact,
23 I understand, based on the presentation today and the
24 motion, that absence this, there's a chance that these folks
25 would get less due to the costs related to the liquidation

1 of these securities. And so treating them in the
2 convenience class is designed to give them the fairest
3 recovery here, the fullest recovery appropriate with the
4 plan.

5 So for that reason I will grant the motion and --
6 and sign the order.

7 MR. ROSENTHAL: Thank you, Your Honor.

8 Now may I turn the podium over to --

9 THE COURT: Certainly.

10 MR. ROSENTHAL: -- Mr. Millet.

11 THE COURT: And I would think we could probably
12 address the budget first because, really, the objections in
13 the pleadings I was -- I was talking about all are in
14 connection with that budget, the eighteenth interim budget.
15 So I think we've probably largely dealt with -- with those
16 issues.

17 MR. MILLET: That's fine, Your Honor. Again,
18 Craig Millet of Gibson, Dunn & Crutcher on behalf of the
19 debtors for the record. And I'm happy to deal with the
20 budget issues first and I -- I think we have resolved the
21 majority of the issues there.

22 As we often do in dealing with the cash management
23 order in the past, if I may, I would like to point out a few
24 of the --

25 THE COURT: Sure.

1 MR. MILLET: -- budget items and -- and
2 specifically -- speak specifically to those because some of
3 those we have made separate agreements with the committee as
4 to how they'll be dealt with.

5 The budget basically breaks into three categories:
6 Operating disbursements, restructuring costs and debt
7 service.

8 Dealing with the operating expenses, we do have an
9 item regarding deal funding for (indiscernible) one. We
10 have agreed with the committee, as we have done with deal
11 funding in the past, that we will hold off on spending that
12 money, although in the budget we will not spend the money
13 absent the consent of the committee after further
14 information has been discussed with them.

15 Similarly, with respect to staff expenses, I
16 believe we have agreement now that the staff expenses may be
17 paid. Those include not only those that are going to
18 Bahraini employees that are covered under the wage order,
19 but also those that would be -- a part of which would be
20 subject to intercompany funding, \$374,000 worth. And there
21 is a complex list there and I'll ask Mr. Fleck to correct me
22 if I've done anything incorrectly in reciting these matters.

23 With respect to the G&A expenses, the \$2.4 million
24 in insurance payment is subject to the insurance orders, so
25 that's something we would then provide. As the order

1 provides that we give the committee ten days' notice and if
2 there's an issue they could then come back to court and --
3 and we would deal with that order. So that's covered by
4 that order.

5 There's a \$583,000 payment to Ernst & Young, which
6 is the subject of a motion pending before the Court to be
7 heard in October. And, of course, under the rules then that
8 money will -- will then be spent.

9 There's a related matter that's essentially deal-
10 funding, \$45,000 also being sought by Ernst & Young for tax
11 work done for the company, and we are waiting for some word
12 from FTI, the committee's financial advisors as to the
13 committee's position on that. We don't plan to pay that
14 until they give us the word, but we are likely hoping to
15 get the word one way or the other from them on the \$45,000
16 amount for E&Y on that.

17 With respect to travel expenses, the debtors'
18 position is those are covered under the wage and -- wage
19 order that allows us to pay them as ordinary course
20 expenses. However, we are working with the committee, as we
21 have done in the past month or so. We intend to provide
22 them with advanced notice, if we at all possibly can,
23 regarding any travel that's going to be incurred. And so if
24 there is a problem we can try to address it.

25 If there is a dispute, though, we do believe

1 that's already covered by the wage order, but nevertheless
2 we're going to try to work that out and make sure that we
3 give the committee some advance notice of the costs, if we
4 can. Some travel is -- has to happen rapidly and so advance
5 notice is difficult. But if there's a problem that can
6 brought -- would be before the Court at a later time.

7 That then gets to restructuring costs, and largely
8 those are covered by -- by our orders of the Court. We have
9 the interim compensation order that covers those, so that's
10 not an issue. We have payroll adjustment items that are
11 governed by the global settlement order and would also --
12 also be consummated as part of the plan. They would have to
13 be paid to get the plan consummated.

14 And then other restructuring costs is another item
15 that will be held for further approval of the committee.
16 These involve wind down costs for Hong Kong and Singapore,
17 and those are currently under discussion with the committee
18 and will be discussed further.

19 As to debt service, those are both covered by
20 prior orders of the Court, both the SCB 9019 order and the
21 final DIP approval order cover the debt service and other
22 fees that have to be paid. So those -- those are not in
23 dispute.

24 So I think with the exception of those items I
25 identified that although they'll be in the budget, the

1 monies will not be spent absent further concurrence by the
2 committee, that then resolves the budget issues. And, of
3 course, I defer to Mr. Fleck if I've incorrectly stated
4 something.

5 THE COURT: All right.

6 MR. FLECK: Your Honor, Evan Fleck for the
7 committee once again.

8 I think we have -- we have worked out an
9 understanding so that the budget can be approved subject to
10 the additional work that the parties need to do on certain
11 items that Mr. Millet mentioned. I'm comfortable with them.
12 I think we'll -- we'll talk after the hearing as to where
13 things stand with the E&Y tax advisor bills because I think
14 -- I'm not sure if -- if that's where -- the latest turn of
15 the comments, but we'll deal with that offline.

16 And I think -- again, with respect to the budget,
17 we're very concerned as a committee with regard to the
18 additional spending during the remaining days of these
19 Chapter 11 cases. I think we made that clear in our
20 pleading and we're going to work with the debtors to review
21 any of those items that we highlighted. But we're
22 comfortable with the budget being approved subject to those
23 items that Mr. Millet mentioned that require additional work
24 between the parties.

25 THE COURT: All right. Well, I can sign the order

1 on the eighteenth interim budget at the same time I could
2 sign any stipulation relating to the schedule that we had
3 discussed earlier.

4 MR. MILLET: Very well, Your Honor. Thank you.

5 THE COURT: All right. Thank you.

6 Anyone else who wishes to be heard on the
7 eighteenth interim budget?

8 All right. So with those caveats and
9 qualifications and other statements that have been made, I
10 will approve that as well.

11 MR. MILLET: Thank you, Your Honor.

12 That leaves our last item which is the objection
13 -- the debtors' objection to Claim Number 280 of Captain
14 Hani Alsohaibi.

15 Immediately prior to the hearing I was approached
16 by Mr. Alsohaibi's counsel who asked if we would be
17 interested in submitting on the papers rather than argue the
18 matter. I did note that I think this does go to a
19 fundamental issue, just as to what the -- as to the adequacy
20 of the proof of claim. The positions of the parties are
21 pretty well laid out in the papers, although I know how much
22 the Court enjoys hearing lawyers talk all the time.

23 My main concern is just to make sure that we
24 provide responses to the Court for any questions or concerns
25 the Court may have, or comments that the Court wants to make

1 and that we answer those. Other than that, unless the Court
2 does have questions or concerns, we're -- we're satisfied to
3 submit on the papers. And as -- as counsel mentioned then
4 the Court can then go ahead and proceed to rule today, in
5 fact, just not asking (indiscernible), or as the Court
6 prefers, of course. But I wanted to ensure what the Court
7 would like to do with respect to argument.

8 THE COURT: I thought the positions of the parties
9 were fairly well laid out, so -- and I -- I've read
10 everything which include the original second omnibus which
11 had a chart, then the supplement that was filed, which had
12 some declarations, then the response of the Captain Hani
13 Alsohaibi and then as well as the debtors' reply, all of
14 which were contained in the materials that have been filed.

15 So I'm happy to take it on the papers. That would
16 be fine. I just -- I always tell folks anyway, I've read
17 the papers, and to the extent there's something additional
18 that you want to say, feel free to do so. But it sounds
19 like the parties are content to rest on the papers, and
20 that's fine. Nothing wrong with that. And I know whenever
21 I ask that of attorneys, not being that far removed from
22 being a litigator, I know it always impossible to actually
23 not repeat some of what's in your papers. So that's in
24 fact, kind of how it goes.

25 So -- so that's fine. Is that -- is that fine

1 with -- with the claimant here as well?

2 UNIDENTIFIED SPEAKER: Yes, Your Honor.

3 THE COURT: All right.

4 UNIDENTIFIED SPEAKER: I'm sorry. Yes, Your
5 Honor. Yes. That's fine.

6 THE COURT: All right. Thank you very much.

7 So what I'm going to do is I'm going to issue a
8 bench ruling, but not today. I had the pleasure of spending
9 a considerable amount of time driving around the country
10 dropping off my son at college, so I -- I want to be a
11 little more organized than I am currently. So what I'm
12 going to do is I'll ask the parties to come back and I'll
13 give you my bench ruling at that time. I'll make it a bench
14 ruling so I can do this fairly expeditiously, and I think
15 it's something that is appropriate and can be done in a
16 bench ruling.

17 But what I will do is, as I do, I think, in almost
18 all circumstances is folks are free, if they don't want to
19 come down to the courthouse for that, to just listen on the
20 phone to keep costs down. I have no desire to drive costs
21 up for -- for anybody.

22 So I will either schedule that for another hearing
23 that we have in the not too distant future, or just call the
24 parties up and set a separate date. All right.

25 MR. MILLET: Very well, Your Honor.

1 THE COURT: All right.

2 MR. MILLET: Thank you, Your Honor.

3 THE COURT: Thank you.

4 MR. MILLET: And with that, I believe that
5 concludes --

6 THE COURT: I think it does. Anything else that
7 needs to be heard today?

8 All right. So I will wait -- I have already have
9 some orders, I think, are unchanged from what -- how they
10 were originally submitted, and the others I will wait to get
11 copies of as well as any stipulation dealing with the
12 schedule.

13 If the parties don't want to submit that, sounds
14 like it's -- it's likely, but not necessarily a 100 percent,
15 just let us know not to expect anything. But I think I've
16 set it forth on the record, so I think it -- it's -- you
17 have that if you don't need the additional paper.

18 All right. Thank you very much.

19 (A chorus of thank you)

20 THE COURT: And best of luck with your efforts to
21 reach an effective date.

22 (Whereupon, these proceedings were concluded at 12:13
23 p.m.)

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

RULINGS

Page Line

Doc. #1429 Motion to Approve/Debtors
Application to Supplement Retention
and Employment of Linklaters LLP as
Special Counsel Effective July 15,
2013

14 3

Doc. #1430 Motion to Authorize/Motion
for an Order Confirming Debtors
Authority to Implement Plan
Liquidation Procedures for Securities
Distributable to Non-Eligible
Claimants

18 4

Doc. #1050 (SECOND) Motion for
Omnibus Objection to Claim(s) -
Debtors Second Omnibus Objection to
Claims

-- --

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

RULINGS

Page Line

Doc. #1416 Stipulation and Agreed Order Signed on 8/6/2013, Amending Briefing Dates in Scheduling Order Re: Debtors Objection to Proof of Claim of Hani Alsohaibi	6	6
Doc. #12 Motion to Authorize - 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	23	8

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T I O N

I, Sherri L. Breach, CERT*D-397, certified that the foregoing transcript is a true and accurate record of the proceedings.

Sherri Breach

Digitally signed by Sherri Breach
DN: cn=Sherri Breach, o=Veritext, ou,
email=digital@veritext.com, c=US
Date: 2013.08.28 10:37:18 -04'00'

SHERRI L. BREACH

AAERT Certified Electronic Reporter & Transcriber

CERT*D-397

Veritext

200 Old Country Road

Suite 580

Mineola, New York 11501

Date: August 28, 2013