

**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 CONFIRMING THE PROTECTIONS OF
SECTIONS 362 AND 365 OF THE BANKRUPTCY CODE AND
RESTRAINING ANY ACTION IN CONTRAVENTION THEREOF**

Upon consideration of the motion (the “*Motion*”)¹ of Arcapita Bank B.S.C.(c) and certain of its subsidiaries, as debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “*Debtors*” and each, a “*Debtor*”), for entry of a an order confirming, enforcing, and restating the application of: (a) the automatic stay and (b) the injunction preventing non-debtor counterparties to contracts with the Debtors from terminating such contracts or leases; and upon the Thompson Declaration in support thereof; and the Court having found that it has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that jurisdiction and venue of this proceeding and the Motion 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 Motion is in the best interests of Debtors’ estates, their creditors, and other parties in interest; and notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances; and the Court having reviewed the Motion and having considered the statements in support of the relief requested therein at a hearing before the Court (the “*Hearing*”); and the Court having determined that the legal and factual bases set forth in the

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

Motion 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 having overruled objections, if any, and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Motion is granted to the extent set forth herein.
2. All persons (including individuals, partnerships, corporations, and other entities and all those acting on their behalf) are hereby stayed, restrained and enjoined, pursuant to section 362(a) of the Bankruptcy Code, from:
 - (a) (i) commencing or continuing (including the issuance or employment of process) any judicial, administrative, or other action or proceeding against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases (the "*Petition Date*"); and (ii) recovering a claim against the Debtors that arose before the *Petition Date*;
 - (b) enforcing, against the Debtors or against property of their estates, a judgment or order obtained before the *Petition Date*;
 - (c) taking any action to obtain possession of property of the Debtors' estates or to exercise control over property of the estates;
 - (d) taking any action to create, perfect, or enforce any lien against property of the Debtors' estates;
 - (e) taking any action to create, perfect, or enforce against property of the Debtors any lien to the extent that such lien secures a claim that arose prior to the *Petition Date*;
 - (f) taking any action to collect, assess, or recover a claim against the Debtors that arose prior to the *Petition Date*;
 - (g) offsetting any debt owing to the Debtors that arose before the *Petition Date* against any claim against the Debtors; and
 - (h) commencing or continuing any proceeding before the United States Tax Court concerning the Debtors, subject to the provisions of 11 U.S.C. § 362(b);

provided, however that exceptions to automatic stay as set forth in section 362 are treated as provided therein.

3. Pursuant to sections 362 and 365 of the Bankruptcy Code, notwithstanding a provision in a contract or lease or any applicable law, all persons are hereby stayed, restrained, and enjoined from terminating or modifying any contract or lease to which one or more Debtors are party or signatory, at any time after the Petition Date due to a provision in such contract or lease that is conditioned on the (a) insolvency or financial condition of any Debtor at any time before the closing of the Chapter 11 Cases; (b) commencement of the Chapter 11 Cases under the Bankruptcy Code; or (c) the appointment of a trustee in the Chapter 11 Cases (or one of the Chapter 11 Cases); *provided, however*, that exceptions set forth in sections 362 and 365 are treated as provided therein.

4. Pursuant to sections 362 and 365 of the Bankruptcy Code, all parties to a contract or lease with one or more of the Debtors shall continue to perform their obligations under such contract or lease until such contract or lease is assumed or rejected by the Debtors or otherwise expires by its own terms.

5. Nothing in this Order or the Motion shall constitute a rejection or assumption by the Debtors, as debtors-in-possession, of any executory contract or unexpired lease.

6. In accordance with the Bankruptcy Code, the Bankruptcy Rules, and applicable law, upon request of a party in interest, and after notice and a hearing, the Court may grant relief from the restraints imposed herein in the event that it is necessary, appropriate, and warranted to terminate, annul, modify, or condition the injunctive relief herein.

7. For the avoidance of doubt, any party in interest in these Chapter 11 Cases

seeking to file suit, take any action or otherwise proceed before the Grand Court of the Cayman Islands, Financial Services Division (the “*Cayman Grand Court*”) in connection with that certain order entered on March 19, 2012 by the Cayman Grand Court, In the Matter of the Companies Law (2011 Revision) and In the Matter of Arcapita Investment Holdings Limited (the “*Cayman Order*”), attached hereto as *Exhibit A*, must first obtain relief from this Court in accordance with section 362 of the Bankruptcy Code. The Debtors shall be precluded from asserting that any request for such relief before this Court constitutes a violation of the stay set forth in paragraph 8 of the Cayman Order.

8. The Debtors are hereby authorized to serve a copy of this entered Order upon such creditors and other parties in interests as they deem necessary, desirable, or appropriate.

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

10. To the extent that any affiliates of the Debtors subsequently commence chapter 11 cases that are jointly administered with the Chapter 11 Cases, the relief granted pursuant to this Order shall apply to such debtors and their respective estates.

Dated: New York, New York
March 22, 2012

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

Exhibit A

MOURANT
OZANNES

THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

FSD CAUSE NO. 45 OF 2012

IN THE MATTER OF THE COMPANIES LAW (2011 REVISION) (THE "LAW")

AND IN THE MATTER OF ARCAPITA INVESTMENT HOLDINGS LIMITED (THE
"COMPANY")

ORDER

UPON hearing Leading Counsel for the Company;

AND UPON the Company's directors wishing to formulate a compromise or arrangement which can be presented for approval to the Company's creditors pursuant to a principal bankruptcy case filed under Chapter 11 of Title 11 of the United States Code (the "US Bankruptcy Code") (or, alternatively, under sections 86-88 of the Law if for any reason a Chapter 11 Plan cannot be confirmed through the US Bankruptcy Proceedings (as defined below);

AND UPON the Company and other companies in its group, including its parent Arcapita Bank B.S.C.(c), filing principal Chapter 11 bankruptcy proceedings (the "US Bankruptcy Proceedings") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

AND UPON the Company issuing a summons seeking ancillary relief from the Grand Court of the Cayman Islands (the "Court") with a view to facilitating the US Bankruptcy Proceedings and, if subsequently necessary, an arrangement, by invoking section 97 of the Law such that no suit, action or other proceedings, including criminal proceedings, shall be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose;

AND UPON reading the Affidavits of Isa Zainal and Michael Rosenthal;

IT IS HEREBY ORDERED THAT:

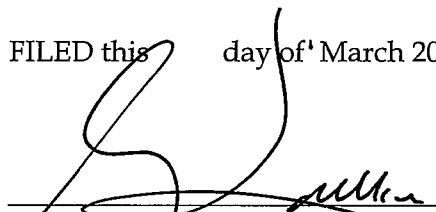
1. Gordon MacRae of Zolfo Cooper, 4th Floor Bermuda House, Dr Roy's Drive, P.O. Box 1102, Grand Cayman KY1-1102, Cayman Islands and Simon Appell of Zolfo Cooper LLP, 10 Fleet Place, London. EC4M 7 RB, United Kingdom, be appointed Joint Provisional Liquidators of the Company (the "**Provisional Liquidators**") and have the power to act jointly and severally under section 104(3) of the Law, with the powers set out in, and subject to, the following provisions of this Order, on the ground that the Company is or is likely to become unable to pay its debts within the meaning of section 93 of the Law and the Company intends to present a compromise or arrangement to its creditors.
2. The directors of the Company are authorized to continue to exercise all powers of management conferred on them by the Company immediately prior to the date of this Order and to remain the representatives of the Company in its capacity as debtor in possession under s.1107 of the US Bankruptcy Code, subject to the Provisional Liquidators overseeing, monitoring and assisting the directors in the exercise of such powers (but not superseding the directors or their authority to control and direct the Company's US Bankruptcy Proceedings). Without prejudice to the generality of the foregoing, the directors of the Company are authorized to take all necessary steps with a view to formulating and presenting a compromise or arrangement to the Company's creditors and, in particular, to take such steps and proceedings on behalf of the Company as may be required in relation to the US Bankruptcy Proceedings.
3. The Provisional Liquidators and the Company acting by its directors shall seek to agree, within 14 days, a protocol which sets out the terms upon which the Provisional Liquidators shall oversee, monitor and assist, the exercise of the directors' powers of management and the Company's participation in the US Bankruptcy Proceedings (but not supersede the directors or their authority to control and direct the Company's US Bankruptcy Proceedings), liberty to apply to the Court for the purposes of approving the protocol or in the case of no agreement for further directions.
4. For the avoidance of doubt, no payment or other disposition of the Company's property shall be made or effected without the Provisional Liquidators being consulted. Without

prejudice to the generality of the foregoing and without prejudice to such terms as may be agreed under the protocol, the Provisional Liquidators shall be consulted, and if not in agreement, shall be authorised to appear before the US Bankruptcy Court where:

- i. The Company seeks to dispose of any business operation, subsidiary, division or other significant asset of the Company's business, including the whole or any of its under taking as a going concern; and
 - ii. The Company seeks to incur debt or borrows money, and/or grants security in respect of the same and/or guarantees indebtedness or borrowed money of affiliates.
5. For the avoidance of doubt the Provisional Liquidators are not being appointed as "foreign representatives" within the meaning of s.101(24) of the US Bankruptcy Code and are not authorised or required to seek recognition under Chapter 15 of the US Bankruptcy Code.
6. For the purposes set out in paragraph 2 above, the Provisional Liquidators may exercise the following powers:
- a. To open and maintain bank accounts in the name of the Company.
 - b. The power to engage staff (whether or not as employees of the Company) whether in the Cayman Islands or elsewhere as they may consider necessary to assist them in the performance of their functions and on such terms as they may think fit and to pay for same out of the assets of the Company.
 - c. The power to engage attorneys and other professionally qualified persons (whether or not as employees of the Company) whether in the Cayman Islands or elsewhere as they may consider necessary to assist them in the performance of their functions and on such terms as they may think fit and to pay for same out of the assets of the Company.
7. The Provisional Liquidators are directed to provide this Court with a written report as to the financial affairs of the Company and the progress of the US Bankruptcy Proceedings every two months or more frequently should the Provisional Liquidator believe that there are material developments which should be drawn to this Court's attention.

8. For the avoidance of doubt, pursuant to s.97(1) Companies Law (2011) Revision no suit, action or other proceeding, including criminal proceedings, shall be proceeded with or commenced against the Company except with the leave of the Court and subject to such terms as the Court may impose.
9. The remuneration and expenses of the Provisional Liquidators, including the expenses associated with exercise of their powers, shall be paid out of the assets of the Company, subject to the approval of the Court.
10. The Winding Up Petition shall be adjourned to a date to be fixed upon the application of the Company or upon the application of any creditor or contributory.
11. The Company's costs of and occasioned by this summons shall be paid out of the assets of the Company.
12. Such further and/or other relief be granted as this Honourable Court deems fit.

DATED this 19th day of March 2012

FILED this  day of March 2012


THE HONOURABLE CHIEF JUSTICE
JUDGE OF THE GRAND COURT