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

-----X
: **Chapter 11**
: **Case No. 12-11076 (SHL)**
: **Joint Administration Requested**
: **Debtor.**
-----X

-----X
: **Chapter 11**
: **Case No. 12-11077 (SHL)**
: **Joint Administration Requested**
: **Debtor.**
-----X

-----X
: **Chapter 11**
: **Case No. 12-11078 (SHL)**
: **Joint Administration Requested**
: **Debtor.**
-----X

-----X
 IN RE: : Chapter 11
 WINDTURBINE HOLDINGS LIMITED, :
 Debtor. : Case No. 12-11079 (SHL)
 : Joint Administration Requested
 :

-----X
 IN RE: : Chapter 11
 AEID II HOLDINGS LIMITED, :
 Debtor. : Case No. 12-11080 (SHL)
 : Joint Administration Requested
 :

-----X
 IN RE: : Chapter 11
 RAILINVEST HOLDINGS LIMITED, :
 Debtor. : Case No. 12-11081 (SHL)
 : Joint Administration Requested
 :

**DEBTORS’ MOTION FOR ORDER DIRECTING
 JOINT ADMINISTRATION OF RELATED CHAPTER 11 CASES**

Arcapita Bank B.S.C.(c) (“*Arcapita*”) and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “*Debtors*” and each, a “*Debtor*”), submit this motion (the “*Motion*”) for entry of an order substantially in the form annexed hereto as *Exhibit A* pursuant to section 105(a) of chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), (a) authorizing the joint administration of the Debtors’ Chapter 11 Cases (as defined

below) for procedural purposes only, and (b) authorizing the filing of required monthly operating reports on a consolidated basis. In support thereof, the Debtors respectfully represent:¹

BACKGROUND

1. On March 19, 2012 (the “*Petition Date*”), each of the Debtors commenced cases (the “*Chapter 11 Cases*”) under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No committee has been appointed in these Chapter 11 Cases.

2. Founded in 1996, Arcapita, through its Debtor and non-Debtor subsidiaries (collectively, with Arcapita, the “*Arcapita Group*”), is a leading global manager of Shari’ah-compliant alternative investments and operates as an investment bank. Arcapita is not a domestic bank licensed in the United States, nor does it have a branch or agency in the United States as defined in section 109(b)(3)(B) of the Bankruptcy Code. Arcapita is headquartered in Bahrain and is regulated under an Islamic wholesale banking license issued by the Central Bank of Bahrain (the “*CBB*”). The Arcapita Group employs 268 people and, together with the other Debtors and their non-Debtor Subsidiaries, has offices in Atlanta, London, Hong Kong, and Singapore in addition to its Bahrain headquarters. The Arcapita Group’s principal activities include investing for its own accounts and providing investment opportunities to third-party investors in conformity with Islamic Shari’ah rules and principles. The Arcapita Group also derives revenue from managing assets for its third party investors.

¹ A description of the Debtors' business and the reasons for filing these Chapter 11 Cases is set forth in 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 (the “*Thompson Declaration*”). This Motion is supported by the Thompson Declaration.

3. The Arcapita Group provides investors the opportunity to co-invest with the Arcapita Group on a deal-by-deal basis across three global asset classes: real estate, infrastructure and private equity and venture capital. Typically, the Arcapita Group, through its non-Debtor subsidiaries, takes an indirect 10-20% equity stake alongside its third-party investors in non-Debtor holding companies that directly own operating portfolio companies in the United States, Europe and the Middle East. The underlying investments made by the Arcapita Group are generally medium to long term projects that have limited value in the short term, and often require significant on-going capital funding to complete order to realize the value of the investment.

4. The Arcapita Group has approximately \$7 billion in assets currently under management. As of the Petition Date, on a consolidated basis, the Arcapita Group owns assets valued at approximately \$3.06 billion² and has liabilities of approximately \$2.55 billion, as described in more detail in the Thompson Declaration. Approximately \$1.1 billion of the Debtors' prepetition liabilities are comprised of that certain murabaha, Shari'ah-compliant syndicated facility, issued on March 28, 2007 and maturing on March 28, 2012 (the "*Syndicated Facility*").

5. Like virtually all investment banks and private equity institutions, the Arcapita Group has been adversely impacted by the global economic downturn, and has been especially hard hit by the recent debt crisis in the Eurozone. This global recession has hampered the Arcapita Group's ability to obtain liquidity from the capital markets, and has also resulted in a reduction in asset values (and concomitant difficulties in monetizing certain of the Debtors'

² This includes Arcapita's beneficial interest in assets under management.

illiquid and complex assets owned by the Debtors' affiliated portfolio companies). As a result thereof, the Debtors do not have the liquidity necessary to repay the Syndicated Facility when it comes due on March 28, 2012, thus precipitating the filing of the Chapter 11 Cases. On a more general basis, the Debtors commenced these Chapter 11 Cases to facilitate the development and implementation of a comprehensive proposal designed to enable the Debtors to (a) restructure their debts, (b) weather the current economic conditions, and (c) realize the full value of their assets over time for the benefit of the Debtors' creditors and other stakeholders.

JURISDICTION AND VENUE

6. 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)(2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

7. By this Motion, the Debtors request the immediate entry of an order providing for the joint administration of the Chapter 11 Cases for procedural purposes only. In particular, the Debtors request that the Court provide for joint administration by: (a) establishing a joint docket and file for the Chapter 11 Cases; (b) approving the filing of a joint pleadings caption in the form attached hereto as *Exhibit B*; (c) approving combined notices to creditors; and (d) directing an entry to be made on the docket of each of the Chapter 11 Cases, other than the Chapter 11 Case of Arcapita Bank B.S.C.(c), to reflect the joint administration of the Chapter 11 Cases, as follows:

An order has been entered in this case directing the joint administration of the chapter 11 cases of Arcapita Bank B.S.C.(c) and its affiliated debtors, and the docket in the case of Arcapita Bank B.S.C.(c) (Case No. 12-11076 (SHL)) should be consulted for all matters concerning this case.

8. In addition, the Debtors seek authority to file the monthly operating

reports (the “*Operating Reports*”) required by the Operating Guidelines and Reporting Requirements for Debtors-in-Possession and Trustees (the “*Operating Guidelines*”) promulgated by the Office of the United States Trustee on a consolidated basis.

BASIS FOR RELIEF REQUESTED

A. The Debtors Are Affiliates Under Federal Bankruptcy Rule 1015(b)

9. Bankruptcy Rule 1015(b) provides that, if two or more petitions are pending in the same court by or against a debtor and an affiliate, “the court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015(b). Section 101(2) of the Bankruptcy Code defines “affiliate” to mean, among other things:

[an] entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor . . . [or] [a] corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor

11 U.S.C. § 101(2).

10. Joint administration of Debtors’ cases is warranted because each Debtor, as set forth in the Thompson Declaration, is an “affiliate” of one or more other Debtors under section 101(2) of the Bankruptcy Code.

11. Courts routinely, and generally without controversy, approve joint administration of interrelated chapter 11 cases in this jurisdiction. *See, e.g., In re General Maritime Corporation, et al.*, Case No. 11-15285 (MG) (Bankr. S.D.N.Y. Nov. 18, 2011) [Docket No. 22]; *In re Marco Polo Seatrade, B.V.*, Case No. 11-13634 (JMP) (Bankr. S.D.N.Y. Aug. 3, 2011) [Docket No. 22]; *In re Sbarro, Inc.*, Case No. 11-11527 (SCC) (Bankr. S.D.N.Y. April 5, 2011) [Docket No. 37]; *In re MSR Resort Golf Course LLC*, Case No. 11-10372 (Bankr.

S.D.N.Y. Feb. 2, 2011) [Docket No. 19]; *In re InSight Health Servs. Holdings Corp.*, Case No. 10-16564 (AJG) (Bankr. S.D.N.Y. Dec. 14, 2010) [Docket No. 46]; *In re Almatris, B.V.*, Case No. 10-12308 (MG), (Bankr. S.D.N.Y. April 30, 2010) [Docket No. 49].

B. Joint Administration Of The Estate Will Provide Greater Ease Of Administration

12. The joint administration of the Chapter 11 Cases will permit the Clerk of the Court to utilize a single general docket for these cases and combine notices to creditors of the Debtors' respective estates and other parties in interest. Entering an order directing joint administration of the Chapter 11 Cases will avoid the need for duplicative notices, opinions, motions, applications, and orders, thereby saving time and expense that otherwise would be required to administer individual cases. Because the Chapter 11 Cases potentially involve a large number of creditors, the entry of an order of joint administration will: (a) significantly reduce the volume of pleadings that otherwise would be filed with the Clerk of the Court; (b) render the completion of various administrative tasks less costly; and (c) minimize the number of unnecessary delays associated with the administration of numerous separate chapter 11 cases. Joint administration also will enable parties in each of the Chapter 11 Cases to receive notice of the various matters pending before the Court in all of these Chapter 11 Cases.

13. Joint administration will further simplify supervision of the administrative aspects of the Chapter 11 Cases by the Office of the United States Trustee — a task that would pose unnecessary burdens absent joint administration.

C. Filing Of Operating Reports On A Consolidated Basis Will Further Administrative Economy And Efficiency

14. Finally, the Debtors seek authority to file the Operating Reports on a consolidated basis. Filing of the Operating Reports on a consolidated basis would further administrative economy and efficiency in the Chapter 11 Cases without prejudice to any party in

interest, and the reports would accurately reflect the Debtors' consolidated business operations and financial affairs. In addition, the Debtors will separately list the disbursements for each Debtor in the Operating Reports.

D. No Party In Interest Will Be Prejudiced By Virtue Of The Relief Requested

15. The rights of the respective creditors of the Debtors will not be adversely affected by the proposed joint administration of the Chapter 11 Cases and filing of the operating reports on a consolidated basis, because the rights of each creditor against the respective estates will be preserved. The Motion seeks neither substantive consolidation of the Debtors' estates, nor modification of the relative rights and remedies of creditors against any of the individual Debtors. Thus, the substantive rights of parties in interest will not be prejudiced or otherwise negatively affected by the entry of an order directing the procedural joint administration of the Chapter 11 Cases.

16. For these reasons, the Debtors submit that the relief requested herein is in the best interest of the Debtors, their estates, creditors, and other parties in interest, and, therefore, should be granted.

NOTICE

17. No trustee, examiner, or official committee of unsecured creditors 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: (a) the Office of the United States Trustee for the Southern District of New York; (b) the Debtors' 50 largest unsecured creditors on a consolidated basis; (c) the Central Bank of Bahrain; and (d) the agent for the Debtors' prepetition secured and unsecured murabaha facilities. Due to the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

NO PRIOR REQUEST

23. 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
March 19, 2012

Respectfully submitted,

/s/ Michael A. Rosenthal

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PROPOSED 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),	: Case No. 12-11076 (SHL)
Debtor.	: Jointly Administered
-----X	:
IN RE:	: Chapter 11
ARCAPITA INVESTMENT HOLDINGS	: Case No. 12-11077 (SHL)
LIMITED,	: Jointly Administered
Debtor.	:
-----X	:
IN RE:	: Chapter 11
ARCAPITA LT HOLDINGS LIMITED,	: Case No. 12-11078 (SHL)
Debtor.	: Jointly Administered
-----X	:
IN RE:	: Chapter 11
WINDTURBINE HOLDINGS LIMITED,	: Case No. 12-11079 (SHL)
Debtor.	: Joint Administration Requested
-----X	:
IN RE:	: Chapter 11
AEID II HOLDINGS LIMITED,	: Case No. 12-11080 (SHL)
Debtor.	: Joint Administration Requested
-----X	:

-----X
 IN RE: : **Chapter 11**
 RAILINVEST HOLDINGS LIMITED, : **Case No. 12-11081 (SHL)**
 Debtor. : **Joint Administration Requested**
 -----X

ORDER DIRECTING JOINT ADMINISTRATION OF RELATED CHAPTER 11 CASES

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 an order (a) authorizing the joint administration of the Chapter 11 Cases for procedural purposes only, and (b) authorizing the filing of required monthly operating reports on a consolidated basis; 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 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 of the Chapter 11 Cases; 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 Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the

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

proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Motion is granted to the extent set forth herein.
2. The Chapter 11 Cases shall be jointly administered.
3. A docket entry shall be made in each of the Chapter 11 Cases substantially as follows: “An order has been entered in this case directing the joint administration of the chapter 11 cases of Arcapita Bank B.S.C.(c) and its affiliated debtors, and the docket in the case of Arcapita Bank B.S.C.(c) (Case No. 12-11076 (SHL)) should be consulted for all matters concerning this case.”
4. The Clerk of the Court shall maintain a single pleadings docket and file under the case number assigned to Arcapita Bank B.S.C.(c) which shall be the pleadings docket and file for all the Chapter 11 Cases.
5. The captions of the Chapter 11 Cases shall be modified to reflect joint administration, in the form attached as *Exhibit B* to the Motion. All pleadings shall indicate which Debtor or Debtors are parties to, or are affected by, the particular matter.
6. Separate claims registers shall be maintained for each Debtor by the Clerk of the Court.
7. The Debtors, their creditors, and other parties in interest are hereby authorized to file and serve combined notices, pleadings, and other papers as necessary to promote efficient administration of the Chapter 11 Cases.
8. The Debtors are authorized to file monthly operating reports required by the Operating Guidelines and Reporting Requirements for Debtors-in-Possession and Trustees

promulgated by the Office of the United States Trustee on a consolidated basis; *provided* that the Debtors shall separately list the disbursements for each Debtor.

9. This Court shall retain jurisdiction with respect to any and all matters arising from or related to the interpretation or implementation of this Order.

Dated: New York, New York
_____, 2012

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Proposed Caption

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

-----X
IN RE: :
ARCAPITA BANK B.S.C.(C), *et al.*, :
Debtors. :
-----X

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