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Attorneys for the Debtors
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	Chapter 11 Case
	:
ARCAPITA BANK B.S.C.(c), et al.,	Case No. 12-11076 (SHL)
	:
Debtors.	Jointly Administered
	:
-----X	

**NOTICE OF HEARING ON DEBTORS' MOTION FOR
ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. § 105(a) AND
FED. R. BANKR. P. 3007 APPROVING CLAIM OBJECTION PROCEDURES**

PLEASE TAKE NOTICE that a hearing on the annexed motion, dated January 2, 2013 (the "**Motion**"), of Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), One Bowling Green, New York, New York 10004, on **January 16, 2013 at 11:00 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion (the "**Objections**") shall be filed electronically with the Court on the docket of *In re Arcapita Bank B.S.C.(c), et al.*, Ch. 11 Case No. 12-11076 (SHL) pursuant to the Case Management

Procedures approved by this Court¹ and the Court's General Order M-399 (available at <http://nysb.uscourts.gov/orders/orders2.html>) by registered users of the Court's case filing system and by all other parties in interest on a 3.5 inch disk, preferably in portable document format, Microsoft Word, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and served in accordance with General Order M-399 on (i) counsel for the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, New York 10166 (Attn: Michael A. Rosenthal, Esq., Craig H. Millet, Esq. and Matthew K. Kelsey, Esq.); (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); and (iii) the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq. and Evan R. Fleck, Esq.) so as to be received no later than **January 9, 2013 at 12:00 p.m. (Eastern Time)** (the "***Objection Deadline***").

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard.

¹ See Order (A) Waiving the Requirement That Each Debtor File a List of Creditors and Equity Security Holders and Authorizing Maintenance of Consolidated List of Creditors in Lieu of a Matrix; (B) Authorizing Filing of a Consolidated List of Top 50 Unsecured Creditors; and (C) Approving Case Management Procedures (Dkt. No. 21).

Dated: New York, New York
January 2, 2013

/s/ Michael A. Rosenthal
Michael A. Rosenthal (MR-7006)
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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	Chapter 11 Case
	:
ARCAPITA BANK B.S.C.(c), et al.,	Case No. 12-11076 (SHL)
	:
Debtors.	Jointly Administered
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**DEBTORS’ MOTION FOR ENTRY OF AN ORDER PURSUANT TO 11 U.S.C. § 105(a)
AND FED. R. BANKR. P. 3007 APPROVING CLAIM OBJECTION PROCEDURES**

Arcapita Bank B.S.C.(c) (“*Arcapita*”) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the “*Debtors*” and each, a “*Debtor*”) in the above-captioned chapter 11 cases (the “*Chapter 11 Cases*”) 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 title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) approving certain claim objection procedures intended to streamline the claims process and conserve the estates’ resources (the “*Claim Objection Procedures*”). In support thereof, the Debtors respectfully represent:

BACKGROUND

1. On March 19, 2012 (the “*Petition Date*”), Arcapita and five of its affiliates commenced cases under chapter 11 of the Bankruptcy Code. On April 30, 2012, Falcon Gas Storage Co., Inc. commenced a case 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.

2. On April 5, 2012, the United States Trustee for Region 2 (the “*US Trustee*”) appointed the Official Committee of Unsecured Creditors in the Chapter 11 Cases (the “*Committee*”) (Dkt. No. 60) pursuant to sections 1102(a) and (b) of the Bankruptcy Code.

3. On July 11, 2012, this Court entered an order (Dkt. No. 308) (the “*Bar Date Order*”) establishing (a) August 30, 2012 at 5:00 p.m. (prevailing U.S. Eastern Time) as the deadline for non-governmental persons or entities to file proofs of claims (each, a “*Proof of Claim*”) in the Chapter 11 Cases and (b) September 17, 2012 at 5:00 p.m. (prevailing U.S. Eastern time) as the deadline for governmental units to file Proofs of Claim in the Chapter 11 Cases.²

4. Approximately 550 Proofs of Claim have been filed by claimants asserting claims against the Debtors aggregating approximately \$6.086 billion (not including unliquidated claims).³ The Debtors expect to object to many of the Proofs of Claim and would like to begin the claims reconciliation process to facilitate solicitation and voting on a chapter 11 plan, and to enable the Debtors to emerge from chapter 11 and provide distributions to creditors as quickly as

² This Court also entered a stipulated order (Dkt. No. 452) on August 30, 2012 extending the bar date to September 17, 2012 for certain claimants.

³ Creditors can obtain information regarding any Proof of Claim filed against the Debtors’ bankruptcy estates on the Debtors’ claims register at this website: www.gcginc.com/cases/arcapita. A link to the claims register is located at this website under the “Claims Register/Creditor Search” tab. Creditors without Internet access may request a copy of the cover page of any proof of claim by mail to Arcapita Bank B.S.C.(c), c/o The Garden City Group, Inc., P.O. Box 9881, Dublin, Ohio 43017-5781 or via email at ArcapitaBankInfo@gcginc.com.

possible. All of these actions are contingent on the Debtors' defining the universe of actual claim holders.

5. Because of the large number of Proofs of Claim, the Debtors seek to file omnibus objections to certain Proofs of Claim (the "*Omnibus Objections*") and prosecute claim objections in accordance with the Claim Objection Procedures set forth herein as well as the Bankruptcy Rules and Local Bankruptcy Rules for the Southern District of New York.

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 pursuant to 28 U.S.C. §§ 1408 and 1409.

PROPOSED CLAIM OBJECTION PROCEDURES

7. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 3007, the Debtors file this Motion seeking entry of an order substantially as set forth in **Exhibit A** approving the Claim Objection Procedures.

8. As part of the claims administration process, each Proof of Claim filed in the Chapter 11 Cases must be reviewed because a "claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest ... objects." 11 U.S.C. § 502(a); *see also id.* § 1111(a) ("A proof of claim ... is deemed filed under section 501 of this title for any claim ... that appears in the schedules ... except a claim ... that is scheduled as disputed, contingent, or unliquidated.").

9. Bankruptcy Rule 3007(d) permits the debtor to file an omnibus claim objection when the basis for such objection is that the subject claims:

- (a) are duplicative;
- (b) were filed in the wrong bankruptcy case;

- (c) subsequently have been amended by filed Proofs of Claim;
- (d) were not timely filed;
- (e) have been satisfied or released during the bankruptcy case in accordance with the Bankruptcy Code, applicable rules or an order of the Court;
- (f) were presented in a form that does not comply with applicable rules, and the objection states that the objector is unable to determine the validity of the claim because of such noncompliance;
- (g) are interests, rather than claims; or
- (h) assert priority in amounts that exceed the maximum amount under section 507 of the Bankruptcy Code.

Fed. R. Bankr. P. 3007(d).

10. Additional Permitted Grounds for Omnibus Objections. The Debtors expect to object to a majority of the claims filed in these cases on the grounds enumerated under Bankruptcy Rule 3007(d). However, based on their review of the asserted claim pool, the Debtors also anticipate that they will object to many Proofs of Claim on additional grounds not set forth in Bankruptcy Rule 3007(d). Preparing and filing individual claim objections in respect of each objection not specifically listed in Bankruptcy Rule 3007(d) would prove time consuming and costly to the Debtors' estates. As noted above, over 550 Proofs of Claims have been filed in the Chapter 11 Cases. Consequently, the Debtors believe that receipt of an order of the Court permitting the Debtors to object to multiple claims concurrently on grounds not set forth in Bankruptcy Rule 3007(d) will ease the administrative burden on the Court and the administrative and financial burden on the Debtors' estates. As a result, the Debtors respectfully request that they be permitted to file Omnibus Objections seeking reduction, reclassification and/or disallowance of claims on one or more of the following additional grounds, in addition to the grounds enumerated in Bankruptcy Rule 3007(d) (such additional grounds, the "***Additional Permitted Grounds***"):

- (a) the amount claimed contradicts the Debtors' books and records;
- (b) the claims were incorrectly classified;
- (c) the claims seek recovery of amounts for which the Debtors are not liable;
- (d) the claims do not include sufficient documentation to ascertain the validity of such claims;
- (e) the claims have been waived or withdrawn pursuant to an agreement with the Debtors (e.g., fully insured claims);
- (f) the claims are objectionable under section 502(e)(1) of the Bankruptcy Code;
- (g) the claims fail to specify the asserted claim amount (other than "unliquidated");
- (h) the claims are filed against non-Debtors or are filed improperly against multiple Debtors;
- (i) the claims fail to specify a Debtor against whom the Proof of Claim is asserted; and
- (j) the claims should otherwise be disallowed pursuant to section 502 of the Bankruptcy Code.

11. Use of Designated Identification Numbers. Throughout the Chapter 11 Cases and the claims resolution process, the Debtors have striven to preserve investor and employee confidentiality. In particular, the Debtors sought to preserve confidentiality in connection with professional retention⁴ and the Bar Date Motion.⁵ The Bar Date Order permits the Debtors to not post or publish certain Commercially Sensitive Information (as defined in the Bar Date Order), including the identities of investor and employee claimants. Instead, Proofs of Claim for investors and employees referred to claimants using designated identification numbers

⁴ See *Debtors' Motion for Order Authorizing Parties to File Under Seal Names of the Debtors' Customers* (Dkt. No. 52) (seeking Court authority to redact the names of investors from any disclosures, applications, motions, service lists and pleadings). The motion was approved by the Court on May 18, 2012 (Dkt. No. 158).

⁵ The "**Bar Date Motion**" means *Debtors' Motion Pursuant to Section 105, 501, 502 and 503 of the Bankruptcy Code, Bankruptcy Rules 2002 and 3003(c) and Local Bankruptcy Rule 3003-1, for an Order Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof* (Dkt. No. 238).

(the “*Identification Numbers*”). Notably, no creditor objected to this confidentiality protocol in the Bar Date Motion. Moreover, these protections were without prejudice to any party’s right to file a motion seeking access to this information.

12. The Bar Date Order continues to permit the Debtors to not post or publish the Commercially Sensitive Information. Nonetheless, notwithstanding the terms of Bankruptcy Rule 3007(e), to the extent additional relief is required in connection with the filing or distribution of any public filings of an Omnibus Objection or a Claims Objection Notice, the Debtors respectfully request that they be permitted to continue to reference claimants by their Identification Numbers and to protect other Commercially Sensitive Information. Protection of the Commercially Sensitive Information remains important to maintaining the confidentiality of investor and employee information. Notwithstanding the continued use of Identification Numbers, in all mailings, the Debtors will ensure claimants are able to adequately identify their claims and objections thereto.

13. The Debtors will comply with Bankruptcy Rule 3007 in all other respects. Specifically, each of the Omnibus Objections will:

- (a) state in a conspicuous place that claimants receiving the objection should locate their names or Identification Numbers and claims in the objection;
- (b) list claimants alphabetically, except using Identification Numbers where applicable, provide a cross-reference to claim numbers, and, if appropriate, list claimants by category of claims;
- (c) include the asserted amount of each claim, the classification of the claim (*i.e.*, unsecured, priority, administrative expense, or secured), and the name of the Debtor(s) against which the claim is asserted;
- (d) state the grounds of the objection to each claim and provide a cross-reference to the pages in the Omnibus Objection pertinent to the stated grounds, where applicable;
- (e) state in the title the identity of the objector and the grounds for the objections;

- (f) include the amount, if any, proposed as the allowed amount of each claim and the classification (*i.e.*, unsecured, priority, administrative expense, or secured) the Debtors believe should be afforded to the claim;
- (g) be numbered consecutively with other Omnibus Objections filed by the same objector; and
- (h) contain objections to no more than 100 claims.

14. In addition to establishing the Additional Permitted Grounds for future omnibus claim objections, the Debtors also propose a series of additional procedures intended to promote judicial efficiency and preserve estate assets:

15. Claim Objection Notice. Bankruptcy Rule 3007 requires that a copy of a claim objection, with notice of the hearing, be served on the affected claimant. Fed. R. Bankr. P. 3007(a). To reduce service costs, the Debtors propose, in their discretion, to serve a notice of the Omnibus Objection (the “*Claim Objection Notice*”), rather than the entire Omnibus Objection, on each claimant whose claim or claims are the subject of the applicable Omnibus Objection and, if known, their counsel. The proposed Claim Objection Notice would be in a form substantially similar to the notice annexed hereto as Exhibit B, and would include an explanation of the claim objection process, a description of the basis of the Omnibus Objection, information regarding the response deadline and hearing date (if any), and identification of the claims that are the subject of the Omnibus Objection. The proposed Claim Objection Notice attached to this Motion is for illustrative purposes only and will be modified to account for the nature of each Omnibus Objection.

16. In addition, the Claim Objection Notice will include information on how the claimant can obtain a copy of the full Omnibus Objection, including (a) electronically on the Court’s docket for the Debtors’ Chapter 11 Cases with a PACER login and password, and on the

Debtors' claims agent's website at www.gcginc.com/cases/arcapita, or (b) by calling a designated toll-free telephone number to request a hard copy.

17. Use of the Claim Objection Notice will substantially reduce the service costs for the claim objection process without depriving claimants of any information they would require to understand and respond to any Omnibus Objection. Accordingly, the Court should approve the Debtors' proposed Claim Objection Notice. Upon the request of a claimant, the Debtors will provide the claimant with a complete copy of the applicable Omnibus Objection. The Debtors reserve the right to serve Omnibus Objections in their entirety in the appropriate circumstances.

18. In addition, to further conserve the estates' resources, the Debtors seek entry of an order limiting notice of claim objections as follows: (a) service of a complete copy of each claim objection (whether an Omnibus Objection or an individual objection) on the U.S. Trustee and counsel to the Committee; (b) for Omnibus Objections, service of a Claim Objection Notice on the claimants whose claims are the subject of the applicable Omnibus Objection and their counsel, if known; and (c) for individual claim objections, service of a complete copy of the applicable individual objection on the claimant whose claim is the subject of the applicable individual claim objection and its counsel, if known. In addition, a complete copy of each omnibus and individual claim objection will be filed with the Court and publicly available on the Court's electronic docket, PACER, and the Debtors' claim agent's website at www.gcginc.com/cases/arcapita. The Debtors submit that no additional service or notice should be required for claim objections. If requested, the Debtors will provide a party in interest with a complete copy of any omnibus or individual claim objection.

19. Response to Objection. To facilitate claims reconciliation, the proposed Claim Objection Notice directs claimants to provide any response in writing and, at a minimum, include the following:

- (a) a caption setting forth the name of the Bankruptcy Court, the names of the Debtors, the case number, and the title of the Omnibus Objection to which the response is directed;
- (b) the name or Identification Number of the claimant and description of the basis for the amount of the claim;
- (c) a concise statement setting forth the reasons why the claim should not be disallowed or modified for the reasons set forth in the Omnibus Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Omnibus Objection;
- (d) all documentation or other evidence of the claim, to the extent not included with the Proof of Claim previously filed with the Bankruptcy Court, upon which the claimant will rely in opposing the Omnibus Objection;
- (e) the address(es) to which the Debtors must return any reply to the response, if different from that presented in the Proof of Claim; and
- (f) the name, address, and telephone number of the person (which may be the claimant or the claimant's legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve the Proof of Claim on the claimant's behalf.

20. No Response to Objection Filed. The Debtors will file a notice of hearing with each objection. The Debtors propose that, for claims subject to an objection and with respect to which no response is filed by the claimant within 35 days, the Debtors shall be permitted to appear at the scheduled hearing to request that the Court enter an order granting the objection to such claim. The hearing for any contested claim for which a response is filed (the "**Contested Claims**") shall be automatically adjourned, and the original scheduled hearing shall serve as a status conference for the Court. If any Contested Claims cannot be resolved consensually and a further hearing is determined by the Debtors to be necessary, the Debtors shall file with the

Court and serve on the claimants a further notice of hearing (the date of which shall be determined through the Case Management Procedures).⁶

BASIS FOR RELIEF REQUESTED

21. In addition to the grounds enumerated in Bankruptcy Rule 3007(d) for filing omnibus objections to claims, Bankruptcy Rule 3007(c) affords the Court discretion to modify the requirements for Omnibus Objections. *See* Fed. R. Bankr. P. 3007(c) (“Unless otherwise ordered by the court or permitted by subdivision (d), objections to more than one claim shall not be joined in a single objection”). Section 105(a) of the Bankruptcy Code further provides, in pertinent part, that the Court may “issue any order, process or judgment that is necessary or appropriate to carry out the provisions [of the Bankruptcy Code].” 11 U.S.C. § 105(a). Under Bankruptcy Code section 105(a), the Court has expansive equitable power to fashion any order or decree that is in the interest of preserving or protecting the value of a debtor’s assets. *See, e.g., In re Keane Corp.*, 168 B.R. 285, 292 (Bankr. S.D.N.Y.1994) (“the Court can ‘use its equitable powers to assure the orderly conduct of the reorganization proceedings.’”) (citations omitted).

22. Authorizing the Debtors to file Omnibus Objections on the Additional Permitted Grounds and the other Claim Objection Procedures described herein comprises an appropriate use of the Court’s power under section 105. Indeed, the relief sought herein advances the goals of Bankruptcy Rule 3007 by, on the one hand, allowing the Debtors to minimize the administrative burdens associated with reconciling claims, while on the other hand

⁶ The “*Case Management Procedures*” are set forth in the *Order (A) Waiving the Requirement that Each Debtor File a List of Creditors and Equity Security Holders and Authorizing Maintenance of Consolidated List of Creditors In Lieu of a Matrix; (B) Authorizing Filing of a Consolidated List of Top 50 Unsecured Creditors; and (C) Approving Case Management Procedures* (Dkt No. 21).

protecting the rights of creditors to receive sufficient notice of a claim objection and an opportunity to be heard.

23. The filing of numerous individual claim objections would materially delay (a) the claims resolutions process, (b) the Debtors' efforts to streamline the plan solicitation process, and (c) distributions to creditors when a chapter 11 plan in these cases is confirmed and goes effective. Indeed, allowing the Debtors to file Omnibus Objections on the Additional Permitted Grounds should enhance the rights of creditors by not only preserving the value of the Debtors' estates available for distribution, but also expediting when creditors will be paid.

24. The Debtors reserve the right to seek modification of the Claim Objection Procedures as they deem appropriate.

NOTICE

25. No trustee or examiner 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: (i) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); (ii) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq. and Evan R. Fleck, Esq.), counsel for the Committee; and (iii) all parties listed on the Master Service List established in the Chapter 11 Cases. A copy of the Motion is also available on the website of the Debtors' notice and claims agent, The Garden City Group, Inc., at www.gcginc.com/cases/arcapita. The Debtors submit that such notice is sufficient and no other or further notice need be provided.

NO PRIOR REQUEST

26. No prior request for the relief requested herein 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
January 2, 2013

Respectfully submitted,

/s/ Michael A. Rosenthal

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Craig H. Millet (admitted *pro hac vice*)
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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 Case**
 :
ARCAPITA BANK B.S.C.(c), et al., : **Case No. 12-11076 (SHL)**
 :
 : **Jointly Administered**
Debtors. :
-----X

**ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF AN
ORDER PURSUANT TO 11 U.S.C. § 105(a) AND FED. R. BANKR.
P. 3007 APPROVING CLAIM OBJECTION PROCEDURES**

Upon consideration of the motion (the "**Motion**")¹ of Arcapita Bank B.S.C.(c), and certain of its subsidiaries and affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the "**Debtors**" and each, a "**Debtor**"), seeking entry of an order, pursuant to section 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), approving certain claim objection procedures intended to streamline the claims process and conserve the estates' resources (the "**Claim Objection Procedures**"); and the Court having found that it has jurisdiction to consider the 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 the 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, and objections to, if any, 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

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

relief granted herein; and upon the record of the Hearing, the Chapter 11 Cases and all of the other proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The relief requested in the Motion is granted to the extent provided herein.

2. The Claim Objection Procedures set forth in the Motion are approved.

3. Notwithstanding anything to the contrary in Bankruptcy Rule 3007, the Debtors, and other parties in interest, in addition to those grounds set forth in Bankruptcy Rule 3007(d), are authorized to file Omnibus Objections to claims seeking reduction, reclassification, or disallowance of claims on one or more of the following grounds (the “*Additional Permitted Grounds*”):

- (a) the amount claimed contradicts the Debtors’ books and records;
- (b) the claims were incorrectly classified;
- (c) the claims seek recovery of amounts for which the Debtors are not liable;
- (d) the claims do not include sufficient documentation to ascertain the validity of such claims;
- (e) the claims have been waived or withdrawn pursuant to an agreement with the Debtors (e.g., fully insured claims);
- (f) the claims are objectionable under section 502(e)(1) of the Bankruptcy Code;
- (g) the claims fail to specify the asserted claim amount (other than “unliquidated”);
- (h) the claims are filed against non-Debtors or are filed improperly against multiple Debtors;
- (i) the claims fail to specify a Debtor against whom the Proof of Claim is asserted; and
- (j) the claims should otherwise be disallowed pursuant to section 502 of the Bankruptcy Code.

4. The Debtors are authorized to file Omnibus Objections to no more than one hundred (100) claims at a time on the Additional Permitted Grounds.

5. The Debtors shall not be required to post, publish, file or otherwise make public the identities of any investor or employee claimants that have filed Proofs of Claim in any means accessible to the public.

6. Except as expressly provided herein, the Debtors shall comply with the requirements for Omnibus Objections set forth in Bankruptcy Rule 3007(e).

7. Any order sustaining an Omnibus Objection shall be a final order for each claim referenced in the Omnibus Objection as if an individual objection had been filed for such claim.

8. The Debtors are authorized, but not directed, to serve a Claim Objection Notice, rather than the entire Omnibus Objection, on each of the claimants whose claims are the subject of the applicable Omnibus Objection and, if known, their counsel. The Claim Objection Notice shall be in a form substantially similar to the notice annexed hereto as **Exhibit 1**, and shall include an explanation of the claim objection process, a description of the basis of the Omnibus Objection, information regarding the response deadline and hearing date (if any), identification of the claim that is the subject of the Omnibus Objection, and information on how the claimant can obtain a complete copy of the Omnibus Objection. The Debtors may serve an Omnibus Objection in its entirety in appropriate circumstances as determined in the Debtors' sole discretion.

9. All Omnibus Objections and individual objections filed with this Court shall be made publicly available on the docket through PACER and the Debtors' claims agent's website. Notice of claim objections shall be limited to: (a) service of a complete copy of each claim objection (whether an Omnibus Objection or an individual objection) on the U.S. Trustee and counsel to the Committee; (b) for Omnibus Objections, service of a Claim Objection Notice on the claimants whose claims are the subject of the applicable Omnibus Objection and their counsel, if known; and (c) for individual claim objections, service of a complete copy of the

applicable individual objection on the claimant whose claim is the subject of the applicable individual claim objection and its counsel, if known.

10. Upon request, the Debtors will provide any party in interest with a complete copy of any individual or Omnibus Objection.

11. The Debtors are authorized, but not directed, to file a notice of hearing with each objection. For any claim subject to an objection and with respect to which no response is filed by the claimant within 35 days, the Debtors shall be permitted to appear at the scheduled hearing to request that the Court enter an order granting the objection to such claim.

12. The hearing for any contested claim for which a response is filed (the “*Contested Claims*”) shall be automatically adjourned, and the original scheduled hearing shall serve as a status conference for the Court. If any Contested Claims cannot be resolved consensually and a further hearing is determined by the Debtors to be necessary, the Debtors shall file with the Court and serve on the claimants a further notice of hearing (the date of which shall be determined through the Case Management Procedures).

13. Nothing in this Order shall constitute an admission of the validity, nature, amount, or priority of any claim asserted in the Chapter 11 Cases.

14. Entry of this Order is without prejudice to the Debtors’ rights to seek entry of an order modifying or supplementing the relief granted herein.

15. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

Dated: New York, New York
_____, 2013

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Claim Objection Notice

EXHIBIT B

Claim Objection Notice

GIBSON, DUNN & CRUTCHER LLP

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Craig H. Millet (admitted *pro hac vice*)
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Attorneys for the Debtors
and Debtors in Possession

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

-----X	
In re	: Chapter 11 Case
	: :
ARCAPITA BANK B.S.C.(c), <i>et al.</i> ,	: Case No. 12-11076 (SHL)
	: :
Debtors.	: Jointly Administered
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**NOTICE OF HEARING ON DEBTORS’ [insert ordinal] OMNIBUS OBJECTION TO
PROOF OF CLAIM [insert basis for objection]**

PLEASE TAKE NOTICE that, on _____, 2013, Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the “Debtors”) filed their [insert ordinal] Omnibus Objection to Proofs of Claim [insert basis for objection] (the “Objection”) with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).¹ The Objection may identify several different categories of objections. A copy of the exhibit annexed to the Objection with the category of claim objection applicable to you is contained in Attachment 1.

The Objection requests that the Bankruptcy Court expunge, reduce, reclassify, or disallow one or more of your claims listed in Attachment 1 under CLAIM(S) TO BE DISALLOWED & EXPUNGED on the ground that [insert basis for disallowance, reduction, reclassification, or expungement]. Any claim that the Bankruptcy Court expunges and disallows will be treated as if such claim had not been filed.

If you do NOT oppose the disallowance, expungement, reduction, or reclassification of your claim(s) listed in Attachment 1 under CLAIM(S) TO BE DISALLOWED & EXPUNGED, then you do NOT need to file a written response to the Objection and you do NOT need to appear at the hearing to consider the Objection.

If you DO oppose the disallowance, expungement, reduction, or reclassification of your claim(s) listed in Attachment 1 under CLAIM(S) TO BE DISALLOWED & EXPUNGED, then you MUST file **and** serve a written response to the Objection (the

¹ A list of the Debtors, along with the case number assigned to each Debtor, is filed with the Court and is also available for free online at www.gcginc.com/cases/arcapita.

“**Response**”) so as to be received on or before _____, 2013 at 4:00 p.m. Eastern Time (the “**Response Deadline**”).

Your Response, if any, must be in writing and contain at a minimum the following: (i) a caption setting forth the name of the Bankruptcy Court, the names of the Debtors, the case number, and the title of the Objection to which the Response is directed; (ii) the name or Identification Number of the claimant and description of the basis for the amount of the claim; (iii) a concise statement setting forth the reasons why the claim should not be disallowed or modified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which you will rely in opposing the Objection; (iv) all documentation or other evidence of the claim, to the extent not included with the proof of claim previously filed with the Bankruptcy Court, upon which you will rely in opposing the Objection; (v) the address(es) to which the Debtors must return any reply to your Response, if different from that presented in your proof of claim; and (vi) the name, address, and telephone number of the person (which may be you or your legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on your behalf.

The Bankruptcy Court will consider a Response only if the Response is timely filed, served and received. A Response will be deemed timely filed **only if** the original Response is **actually received** on or before the Response Deadline by the Bankruptcy Court at One Bowling Green, Room 701, New York, New York 10004-1408. In addition, a Response will be deemed timely served **only if** a copy of the Response is **actually received** on or before the Response Deadline by (i) counsel for the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, New York 10166 (Attn: Michael A. Rosenthal, Esq., Craig H. Millet, Esq. and Matthew K. Kelsey, Esq.); (ii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); and (iii) the Official Committee of Unsecured Creditors, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq. and Evan R. Fleck, Esq.).

A hearing will be held on _____, 2013 (the “**Hearing**”) to consider the Objection. The Hearing will be held at _____ (Eastern Time) in the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, Courtroom 701, New York, New York 10004-1408. If you file a written Response to the Objection, you should plan to appear at the Hearing, which shall serve as a status conference for the Court. The Debtors, however, reserve the right to continue the Hearing on the Objection for your claim(s) at a later date.

You may participate in the Hearing telephonically if you comply with the Court’s instructions (including but not limited to, providing prior written notice to counsel for the Debtors and the Committee), which can be found on the Court’s website at www.nysb.uscourts.gov.

If the Bankruptcy Court does NOT disallow, expunge, reduce, or reclassify your claim(s) listed in Attachment 1 under CLAIM(S) TO BE DISALLOWED & EXPUNGED, then the Debtors have the right to object on other grounds to the claim(s) (or to any other claims you may have filed) at a later date. You will receive a separate notice of any such objection.

If you wish to view the complete Objection, you can do so on the Court’s electronic docket for the Debtors’ chapter 11 cases, which is posted on the Internet at www.nysb.uscourts.gov (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov), or for free at www.gcginc.com/cases/arcapita. If you have any questions about this notice or the Objection to your claim, or if you would like to request a

complete copy of the Objection at the Debtors' expense, please contact GCG, Inc., the claims agent retained by the Debtors in the chapter 11 cases, at 800-762-7029 (toll free) or 440-389-7311 (international toll). CLAIMANTS SHOULD NOT CONTACT THE CLERK OF THE BANKRUPTCY COURT TO DISCUSS THE MERITS OF THEIR CLAIMS.

Dated: _____, 2013

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ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

Attachment 1

[Insert Exhibit Annexed to the Objection]