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**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. | : | Joint Administration Requested |
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**DEBTORS' MOTION FOR ORDER GRANTING THE DEBTORS
ADDITIONAL TIME TO FILE REPORTS OF FINANCIAL INFORMATION
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2015.3(a)**

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 title 11 of the United States Code (the "*Bankruptcy Code*") and Rule 9006(b) of the Federal Rule of Bankruptcy Procedure (the "*Bankruptcy Rules*") granting the Debtors 45 days from the date hereof (the "*Petition Date*") to file reports of financial information of non-Debtor entities in which the Debtors hold a controlling or substantial interest

in accordance with the requirements of Bankruptcy Rule 2015.3 (the “**Rule 2015.3 Reports**”). 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

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 in 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'

in Accordance with Local Rule 1007-2, executed on March 19, 2012 (the "***Thompson Declaration***"). This Motion is supported by the Thompson Declaration.

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

illiquid and complex investments held 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 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 pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

7. The Debtors seek entry of an order pursuant to Bankruptcy Rule 9006(b), granting the Debtors 45 days from the Petition Date, through and including May 3, 2012, to file their Rule 2015.3 Reports. The relief requested herein is without prejudice to the Debtors' ability to request further extensions of time to file their Rule 2015.3 Reports or a modification of the reporting requirements under Bankruptcy Rule 2015.3, if necessary.

BASIS FOR RELIEF REQUESTED

8. Bankruptcy Rule 2015.3(a) states that:

In a chapter 11 case, the trustee or debtor in possession shall file periodic financial reports of the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in a case under title 11, and in which the estate holds a substantial or controlling interest.

9. Certain of the Debtors may hold “a substantial or controlling interest,” as those terms are defined by Bankruptcy Rule 2015.3(c), in a significant number of non-Debtor affiliate entities (the “*Non-Debtor Affiliates*”). The Non-Debtor Affiliates are located in various countries, including the Cayman Islands, Hong Kong, Singapore, Luxembourg, the United States, and the United Kingdom. Many of these Non-Debtor Affiliates have substantial assets and operations, and assembling and compiling the financial reports of the value, operations, and profitability of these various Non-Debtor Affiliates throughout the world will require significant time and effort by the Debtors’ personnel.

10. Contemporaneously herewith, the Debtors filed with the Court a motion for an extension of time within which the Debtors must file their schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and statements of financial affairs (collectively, the “*Schedules and Statements*”) that requests an order granting the Debtors an extension to file their Schedules and Statements through and including May 3, 2012. The Debtors anticipate that a significant amount of time will be necessary to complete their Schedules and Statements, as well as to effect the transition of the Debtors into chapter 11. These tasks have imposed substantial burdens on the Debtors' management, personnel, and advisors.

11. Pursuant to Bankruptcy Rule 9006(b)(1), this Court may, “for cause shown,” enlarge the period of time within which an act is required to be done. Fed. R. Bankr. P. 9006(b)(1). Cause exists to extend the deadline for the filing of the Debtors’ Rule 2015.3 Reports as requested herein based on (a) the size and complexity of the Debtors’ businesses and the number of Non-Debtor Affiliates in which the Debtors hold a controlling or substantial interest, (b) the numerous burdens imposed by the Debtors’ reorganization efforts, particularly in

the early days of the Chapter 11 Cases, and (c) the burdens that would be imposed on the Debtors' chapter 11 efforts by requiring immediate compliance with Bankruptcy Rule 2015.3(a).

12. The Debtors and their professional advisors have been working diligently to prepare for the filing of the Chapter 11 Cases. The magnitude of this task, the ongoing burdens of operating the Debtors' businesses day-to-day, performing the various administrative tasks attendant to the commencement of the Chapter 11 Cases, and responding to numerous information requests from various parties in interest, and working with creditors in the near-term to develop a consensual chapter 11 plan each support an extension of the current deadline for filing the Rule 2015.3 Reports. The combination of the three factors amply justifies the requested extension.

13. Accordingly, the Debtors respectfully request that the Court extend through and including May 3, 2012 the time in which the Debtors must file their Rule 2015.3 Reports or a motion seeking an appropriate modification or waiver of the requirements of Bankruptcy Rule 2015.3(a).

14. The relief requested herein has been granted in other chapter 11 cases in this district. *See, e.g., In re TBS Shipping Services Inc.*, Case No. 22224 (RDD) (Bankr. S.D.N.Y. Feb. 8, 2012) [Docket No. 33]; *In re Almatix, B.V.*, Case No. 10-12308 (MG) (Bankr. S.D.N.Y. Apr. 30, 2010) [Docket No. 56] (granting debtors 60 days from petition date to file Rule 2015.3 Reports); *In re Mesa Air Group, Inc.*, Case No. 10-10018 (MG) (Bankr. S.D.N.Y. Jan. 5, 2010) [Docket No. 40] (granting the debtors 45 days from petition date to file Rule 2015.3 Reports).

15. The relief requested herein will not prejudice the rights of any party in interest in the Chapter 11 Cases. The Debtors will work cooperatively with the Office of the

United States Trustee, any official committee appointed in the Chapter 11 Cases, the agents for their prepetition lenders, and other constituents to provide access to the Debtors' financial information, including disclosures relating to the Debtors' non-Debtor affiliates. The Debtors and their professionals are also working diligently to complete the Schedules and Statements in a timely and efficient manner, which will provide considerable information regarding the Debtors' business operations and financial affairs to all parties in interest in the Chapter 11 Cases. For the foregoing reasons, the Debtors submit that the relief requested herein is reasonable under the circumstances and in the best interest of the Debtors' estates, and therefore should be granted.

NOTICE

16. 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

17. 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

relief granted herein; and upon all of the 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 Debtors are hereby granted an extension of the deadline to file their Rule 2015.3 Reports through and including May 3, 2012.
3. The relief granted in this Order is without prejudice to the Debtors' rights to request further extensions of time to file their Rule 2015.3 Reports upon notice of presentment or to file a motion seeking a modification of the reporting requirements of Bankruptcy Rule 2015.3 for cause.
4. 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