

PLEASE CAREFULLY REVIEW THIS OBJECTION AND ITS ATTACHMENTS TO DETERMINE WHETHER THIS OBJECTION AFFECTS YOUR CLAIM OR CLAIMS.

GIBSON, DUNN & CRUTCHER LLP

Michael A. Rosenthal (MR-7006)
Craig H. Millet (admitted *pro hac vice*)
Matthew K. Kelsey (MK-3137)
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

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
-----X		

**NOTICE OF HEARING ON DEBTORS' THIRD
OMNIBUS OBJECTION TO CLAIMS**
**(Investor No Liability Claims; Other No Liability Claims;
Tide Claims; Unliquidated Claims; Misclassified Claims)**

PLEASE TAKE NOTICE that on April 26, 2013, the above-captioned debtors and debtors in possession (the “*Debtors*”) filed the annexed omnibus objection to reclassify, disallow and/or expunge certain claims (the “*Third Omnibus Objection to Claims*”).

PLEASE TAKE FURTHER NOTICE that a hearing (the “*Hearing*”) to consider the Third Omnibus Objection to Claims will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court, One Bowling Green, New York, New York 10004-1408 (the “*Bankruptcy Court*”) on **June 18, 2013 at 11:00 AM (prevailing U.S. Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE THAT ANY PARTY RECEIVING THIS NOTICE SHOULD REVIEW THE THIRD OMNIBUS OBJECTION TO CLAIMS TO SEE IF ITS NAME OR DESIGNATED IDENTIFICATION NUMBER AND/OR CLAIM IS LOCATED IN THE THIRD OMNIBUS OBJECTION TO CLAIMS OR IN EXHIBIT A ATTACHED THERETO.

PLEASE TAKE FURTHER NOTICE that any party receiving this notice that does NOT oppose the reclassification, disallowance and/or expungement of such party's claim(s) does NOT need to file a written response to the Third Omnibus Objection to Claims and does NOT need to appear at the Hearing.

PLEASE TAKE FURTHER NOTICE that any party receiving this notice that DOES oppose the reclassification, disallowance and/or expungement of such party's claim(s) must file and serve a written response to the Third Omnibus Objection to Claims (the "**Response**") so as to be received no later than **May 31, 2013 at 4:00 p.m. (prevailing U.S. Eastern Time)** (the "**Response Deadline**").

PLEASE TAKE FURTHER NOTICE that any Response must be in writing and contain at a minimum 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 Third Omnibus Objection to Claims; (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 reclassified, disallowed and/or expunged for the reasons set forth in the Third Omnibus Objection to Claims, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Third Omnibus Objection to Claims; (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 Third Omnibus Objection to Claims; (e) the address(es) to which the Debtors must return any reply to any 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 claim on the claimant's behalf.

PLEASE TAKE FURTHER NOTICE that a Response will be deemed timely filed only if the Response is **actually filed** on or before the Response Deadline with the Court on the docket of *In re Arcapita Bank B.S.C.(c), et al.*, Ch. 11 Case No. 12-11076 (SHL), either by (a) electronically filing the Response on or before the Response Deadline pursuant to the Case Management Procedures approved by this Court and the Court's General Order M-399 (available at www.nysb.uscourts.gov/court-info/local-rules-and-orders/general-orders), by registered users of the Court's case filing system and by all other parties in interest on a compact 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, or (b) delivering the original Response to the Bankruptcy Court on or before the Response Deadline 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) counsel for the Official Committee of Unsecured Creditors (the "**Committee**"), Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan

Plaza, New York, New York 10005 (Attn: Dennis Dunne, Esq. and Evan Fleck, Esq.), so as to be received no later than the Response Deadline.

PLEASE TAKE FURTHER NOTICE that if no Responses are timely filed and served with respect to the Third Omnibus Objection to Claims or any claim set forth thereon, the Debtors may, on or after the Response Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Third Omnibus Objection to Claims, which order may be entered with no further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that any party receiving this notice may view the complete Third Omnibus Objection to Claims on the Bankruptcy 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. Any questions about this notice or the Third Omnibus Objection to Claims should be directed to 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: New York, New York
April 26, 2013

/s/ Michael A. Rosenthal
Michael A. Rosenthal (MR-7006)
Craig H. Millet (admitted *pro hac vice*)
Matthew K. Kelsey (MK-3137)

GIBSON, DUNN & CRUTCHER LLP
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

GIBSON, DUNN & CRUTCHER LLP

Michael A. Rosenthal (MR-7006)
Craig H. Millet (admitted *pro hac vice*)
Matthew K. Kelsey (MK-3137)
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

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), et al.,	: Case No. 12-11076 (SHL)
	: :
Debtors.	: Jointly Administered
-----X	

DEBTORS' THIRD OMNIBUS OBJECTION TO CLAIMS
**(Investor No Liability Claims; Other No Liability Claims;
Tide Claims; Unliquidated Claims; Misclassified Claims)**

**THIS OBJECTION SEEKS TO RECLASSIFY, DISALLOW
AND/OR EXPUNGE CERTAIN FILED PROOFS OF CLAIM.
CLAIMANTS RECEIVING THIS OBJECTION SHOULD LOCATE
THEIR NAMES AND/OR DESIGNATED IDENTIFICATION NUMBERS
AND CLAIMS ON EXHIBIT A ATTACHED TO THIS OBJECTION.**

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*") hereby submit this third omnibus objection to claims (the "*Third Omnibus Objection to Claims*") and respectfully represent as follows:

RELIEF REQUESTED

1. Pursuant to (a) section 502(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), (b) Rule 3007(d) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and (c) this Court’s *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* (Dkt. No. 785) (the “**Claims Administration Order**”), the Debtors file this Third Omnibus Objection to Claims seeking entry of an order in the form attached hereto as **Exhibit B** reclassifying, disallowing and/or expunging the claims listed on **Exhibit A**.¹

2. The Debtors have reviewed the proofs of claim identified on **Exhibit A** and have determined the following:

- The proofs of claim listed on **Schedule 1** to **Exhibit A** under the heading “*Claims to Be Disallowed and Expunged*” (collectively, the “**Investor No Liability Claims**”) should be disallowed and expunged because the Debtors have no liability for the claims asserted thereby;
- The proofs of claim listed on **Schedule 2** to **Exhibit A** under the heading “*Claims to Be Disallowed and Expunged*” (collectively, the “**Other No Liability Claims**”) should be disallowed and expunged because the Debtors have no liability for the claims asserted thereby;
- The proofs of claim listed on **Schedule 3** to **Exhibit A** under the heading “*Claims to Be Disallowed*” (collectively, the “**Tide Claims**”) should be (a) reclassified, and (b) disallowed until such time as the Tide Claims are no longer disputed, contingent or unliquidated;
- The proofs of claim listed on **Schedule 4** to **Exhibit A** under the heading “*Claims to Be Disallowed and Expunged*” (the “**Unliquidated Claims**”) should be

¹ Creditors can obtain certain categories of information, such as the identity (or in the case of the Debtors’ investors and employees, the designated identification numbers used to preserve confidentiality) of the relevant claimant, or the asserted amount and classification of the claim, with respect to any proof of claim filed against the Debtors’ bankruptcy estates, at this website: <http://www.gcginc.com/cases/arcapita/index.php>. Creditors may search the claims register by clicking on the “Claims Register/Creditor Search” link on the website. In addition, creditors may request a copy of the cover page of any proof of claim by email at ArcapitaBankInfo@gcginc.com or by mail to Arcapita Bank B.S.C.(c), c/o GCG, Inc., P.O. Box 9881, Dublin, Ohio 43017-5781. Requests for a copy of any proof of claim cover page may be subject to the approval of the Debtors and/or their counsel.

disallowed until such time as the Unliquidated Claims are no longer contingent or unliquidated; and

- The proofs of claim listed on *Schedule 5* to *Exhibit A* under the heading “*Claims Subject to Reclassification*” (the “*Misclassified Claims*” and collectively with the Investor No Liability Claims, the Other No Liability Claims, the Tide Claims and the Unliquidated Claims, the “*Objected Claims*”) should be reclassified because they incorrectly assert secured or priority status.

3. The Debtors, therefore, seek entry of an order reclassifying, disallowing and/or expunging the Objected Claims. In addition, the Debtors reserve the right to object on an alternative basis to any of the Objected Claims.

JURISDICTION AND VENUE

4. The Court has jurisdiction to consider this Third Omnibus Objection to Claims 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.

BACKGROUND

5. 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. (“*Falcon*”) 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.

6. On April 5, 2012, the United States Trustee for Region 2 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.

7. On June 8, 2012, the Debtors filed their statements of financial affairs and schedules of assets and liabilities, current income and expenditures, and executory contracts and unexpired leases as required by section 521 of the Bankruptcy Code (Dkt. Nos. 212-223, 230 and

231) (collectively, as amended, the “*Schedules and Statements*”). On February 4, 2013, the Debtors filed an amendment to Arcapita’s Schedules and Statements (Dkt. No. 821-22).

8. On July 11, 2012, this Court entered an order (Dkt. No. 308) 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 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 claims in the Chapter 11 Cases.²

9. On January 18, 2013, the Court entered the Claims Administration Order, thereby establishing additional permitted grounds on which the Debtors and other parties in interest may object to claims on an omnibus basis in addition to the grounds set forth in Bankruptcy Rule 3007(d).

OBJECTION

10. Prior to the Petition Date and in the ordinary course of business, the Debtors maintained books and records (the “*Books and Records*”) that reflect, among other things, the Debtors’ liabilities and amounts owed to creditors as of the Petition Date. The Debtors’ register of claims is maintained by the Debtors’ notice and claims agent, GCG, Inc., and reflects proofs of claim filed in the Chapter 11 Cases by entities asserting claims against the Debtors (collectively, the “*Claimants*”). The Debtors and their advisors have reviewed the proofs of claim (including supporting documentation) and compared the claims asserted thereby with the Books and Records and the Schedules and Statements to determine their validity.

11. As a result of this review, the Debtors have identified the Objected Claims on *Exhibit A* as claims which should be reclassified, expunged and/or disallowed.

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. Certain Investor No Liability Claims were subject to such stipulated order and, absent the same, would have been untimely filed under section 502(b)(1) of the Bankruptcy Code.

12. A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). If an objection refuting at least one of the claim’s essential allegations is asserted, the claimant has the burden to demonstrate the validity of the claim. *See In re Oneida Ltd.*, 400 B.R. 384, 389 (Bankr. S.D.N.Y. 2009); *In re Adelpia Commc’ns Corp.*, Case No. 02-41729 (REG), 2007 Bankr. LEXIS 660, at *15 (Bankr. S.D.N.Y. Feb. 20, 2007); *In re Rockefeller Ctr. Props.*, 272 B.R. 524, 539 (Bankr. S.D.N.Y. 2000).

13. Section 502(b)(1) of the Bankruptcy Code provides, in relevant part, that a claim may not be allowed to the extent that “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law” 11 U.S.C. § 502(b)(1).

I. Investor No Liability Claims

14. The Debtors have compared the transactions underlying the 36 Investor No Liability Claims against the Books and Records, and have determined that there is no basis in fact or law for finding that the Debtors bear any liability to the relevant Claimants. Each of these Claimants filed the Investor No Liability Claims against all seven Debtors in respect of the Claimant’s equity investments in Arcapita investments or portfolio companies.³ The Claimants do not allege that Arcapita failed to deliver the purchased equity interests or that the Claimants have not received the full economic benefits of equity ownership. The proofs of claim, in fact, fail to factually support, or even properly allege, grounds for liability against any Debtor—much less every Debtor—in connection with the subject investments. The addendum annexed to 28 of the 36 relevant proofs of claim⁴ alleges that the investors “may have claims against the Debtor,

³ The Debtors separately object to Claim Nos. 524, 531, 534, 536, 538, 547 and 548 to the extent they seek creditor treatment of Investor 50217’s equity interests in a Debtor, Falcon. Furthermore, even if the Court did grant creditor treatment based on these equity interests, the claims would be subordinated under section 510(b) of the Bankruptcy Code, as they assert amounts arising in connection with the claimants’ ownership of Falcon stock. *See In re Med Diversified, Inc.*, 461 F.3d 251, 257 (2d. Cir. 2006); *In re Worldcom*, Case No. 02-13533 (AJG) (S.D.N.Y. December 21 2006); *In re Enron Corp.*, 341 B.R. 141, 162-63 (Bankr.S.D.N.Y.2006).

⁴ Claim Nos. 523-550.

including, but not limited to, claims for fraud, breach of contract, intentional and negligent misrepresentation, interference with business relations, tortious interference, and unpaid interest or distributions.” *See, e.g.*, Claim No. 544, Addendum ¶ 5. The addendum to the other eight proofs of claim⁵ similarly states that the Claimant filed the Proof of Claim “in an abundance of caution in order to preserve its rights against [the Debtor] should [the Claimant] become aware of facts which give rise to claims against [the Debtor].” *See, e.g.*, Claim No. 326, Addendum ¶ 6. To the Debtors’ knowledge, no facts exist to support the assertion of the Investor No Liability Claims against the Debtors.

15. Separately, the Debtors object to Investor No Liability Claims asserting punitive damages⁶ on the grounds that such assertions have no basis in law or fact and, therefore, any claims for punitive damages should be disallowed. *See, e.g., In re Keene Corp.*, 162 B.R. 935, 947 (Bankr. S.D.N.Y. 1994) (“a Bankruptcy Court can subordinate, disallow or limit punitive damage claims”) (*citing In re Johns-Manville*, 68 B.R. 618, 627 (Bankr. S.D.N.Y. 1986)); *In re Allegheny Int 7, Inc.*, 106 B.R. 75, 79 (Bankr. W.D.Pa. 1989) (a bankruptcy court’s equitable powers permit it to eliminate, subordinate, or limit claims for punitive damages).

16. Here, disallowance of punitive damage claims is particularly appropriate because (a) the Claimants have not asserted any facts or circumstances in which any Debtor is plausibly liable to any Claimant for punitive damages, (b) the Debtors are not aware of any facts or circumstances that would render any of the Debtors liable to the Claimants for punitive damages, and (c) recovery by the Claimants of punitive damages in any event would only deplete the assets available for the benefit of other creditors. Indeed, 20 of the Investor No Liability Claims

⁵ Claim Nos. 320-326 and 557.

⁶ Claim Nos. 523-550

assert punitive damages⁷ against Debtors whose equity interests are owned directly or indirectly by Debtor Arcapita Investment Holdings Limited (“*AIHL*”). If allowed, those claims would be structurally senior to the claims of almost all of the Debtors’ other creditors, whose claims are asserted against Arcapita or AIHL. In cases where punitive damage claims serve only to dilute or decrease creditor recoveries, courts (including this Court) have regularly exercised their equitable power pursuant to section 105 of the Bankruptcy Code to disallow such claims. *See, e.g.* Decision on Objection to Claim of Dr. Atul C. Shah, *In re Motors Liquidation Co.*, No. 09-50026, Dkt. No. 12001 (Bankr. S.D.N.Y. Aug. 6, 2012) (“Disallowance of punitive damages claims is particularly appropriate in a liquidating case...”); *In re Johns-Manville*, 68 B.R. at 627; *In re A.H. Robins Co., Inc.*, 89 B.R. 555, 563 (E.D. Va. 1988) (disallowing punitive damage claims to avoid allowing “a windfall claim to certain creditors that could jeopardize the full compensation of claims to all others”).

17. Finally, the Debtors object to the Investor No Liability Claims because the proofs of claim with respect to such claims do not include any supporting evidence, and therefore do not satisfy provisions of the Bankruptcy Rules governing claims administration. Bankruptcy Rule 3001(c)(1) provides that “when a claim ... is based on a writing, a copy of the writing shall be filed with the proof of claim.” Fed. R. Bankr. P. 3001(c)(1). Proper analysis of the proofs of claim requires evidence of the asserted equity interests as well as documentation that forms the basis of the potential Debtor liability. No Investor No Liability Claim is supported by adequate written evidence.⁸ Accordingly, the Investor No Liability Claims do not articulate valid *prima facie* support for the damages they seek.

⁷ Claim Nos. 523-533, 537-541, and 545-548.

⁸ Claim Nos. 523-550, in particular, make assertions as to the Claimants’ ownership of equity interests in Arcapita portfolio companies but fail to include account information to support these statements, much less evidence to support their asserted claims versus the Debtors.

18. For these reasons, the Debtors respectfully request that the Court disallow and expunge the Investor No Liability Claims as set forth on *Schedule 1 of Exhibit A* attached hereto.

II. Other No Liability Claims

19. The Debtors have compared the transactions underlying the Other No Liability Claims with the Books and Records, and have determined that the Debtors have no liability with respect to such claims because the applicable Claimants assert no basis for recovery and/or the Claimants have suffered no loss.

20. The Other No Liability Claims consist of the following claims, each as defined and discussed below: (a) the Jill Superco Claims; (b) the Credit Suisse Claims; (c) the Cybroc/CCT Claims; (d) the City of New York Tax Claim; (e) the CBRE Claim; and (f) the Investor 51918 Claims.

A. Jill Superco Claims

21. Claim Nos. 344 through 349 (the “*Jill Superco Claims*”) were filed by Jill Superco LLC (“*Jill Superco*”), an entity controlled by Golden Gate Private Equity, Inc. Jill Superco holds a minority equity interest in Jill Intermediate LLC, indirect owner of substantially all of the assets of the J. Jill business, an Arcapita portfolio company. The Jill Superco Claims were filed against all Debtors “to preserve any and all rights and entitlements that Jill Superco may have against the Debtors” arising under prepetition acquisition agreements whereby Arcapita indirectly acquired a majority equity interest in the J. Jill business. *See, e.g.*, Claim No. 344, Addendum. No Debtor is a party to the J. Jill transaction documents.

22. Neither the Books and Records nor the Jill Superco proofs of claim indicate any liability owing to Jill Superco by any Debtor. The only justification offered by Jill Superco in support of the Jill Superco Claims is the Chapter 11 Cases’ potential “impact [on Jill Superco’s]

investment in – or decision making with respect to – J. Jill.” *See, e.g.*, Claim No. 344, Addendum. Jill Superco has not asserted that it has suffered any losses, nor has it quantified potential losses, if any, resulting from the Chapter 11 Cases. By its own admission, Jill Superco has “yet to confirm” any loss as a result of the Chapter 11 Cases. *See, e.g.*, Claim No. 344, Addendum.

23. Jill Superco asserts entirely speculative claims without any evidence of existing or pending losses arising in connection with the J. Jill transactions. Jill Superco acknowledges that its claims are “contingent and unliquidated.” The Debtors submit that the Jill Superco Claims have failed to offer any fact or legal theory that would support a finding of liability owed by a Debtor to Jill Superco. Therefore, the Court should disallow and expunge the Jill Superco Claims in their entirety.

B. Credit Suisse Claims

24. The Debtors next object to eight Other No Liability Claims (the “*Credit Suisse Claims*”)⁹ filed by Credit Suisse AG, Cayman Islands Branch (“*CS*”) in connection with certain prepetition financing arrangements (the “*Varel International Financings*”) entered into by Varel Funding LLC (f/k/a Varel Funding Corp.) and Varel International Ind. LP (collectively, the “*Varel International Entities*”).

25. No Debtor is an obligor under the Varel International Financings. *CS* asserts the Credit Suisse Claims against all of the Debtors, arguing that non-Debtors Arcapita Investment Funding Limited (“*AIFL*”) and AIA Limited (“*AIA*”), in their capacities as agents for the Varel International Entities, may have entered into commodities transactions through a Debtor acting as sub-agent. Ostensibly, all Credit Suisse Claims assert that because any affiliate of *AIFL* and *AIA* could have served as sub-agent, each Debtor could have acted in that capacity, and therefore

⁹ Claim Nos. 333, 334, 350, 368 and 395-398.

CS may have contingent and/or unliquidated claims against all Debtors for any action taken as AIFL and/or AIA's sub-agent. *See, e.g.*, Claim No. 333, Schedule to Proof of Claim, ¶¶ 3-7. None of the Credit Suisse Claims assert a claim amount; CS states it “*may* be owed various contingent and/or unliquidated sums on account of, but not limited to, claims related to any and all breaches by the Debtor of its obligations [as sub-agent].” *See, e.g.*, Claim No. 333, Schedule Item 7 (emphasis added).

26. To the Debtors' knowledge, no Debtor acted as a sub-agent to AIFL or AIA in connection with the Varel International Financings. Accordingly, the Debtors are not liable to CS thereunder, and the Court should disallow and expunge the Credit Suisse Claims in their entirety.

C. Cybroc/CCT Claims

27. The Debtors object to Claim Nos. 281 and 282 (the “*Cybroc/CCT Claims*”), which were filed by Cyprus Building and Road Construction Co. W.L.L. (“*Cybroc*”) and Cyprus Cybarco Tabet JV W.L.L. (“*CCT*”), respectively, in relation to amounts purportedly owing to Cybroc and CCT by Riffa Views B.S.C. (“*Riffa Views*”), a joint venture in which Arcapita maintains an indirect equity investment.

28. Each Cybroc/CCT Claim asserts against Arcapita “an unliquidated, contingent claim against Arcapita in an amount up to USD 3,075,353.72 . . . for any amounts owing to [Cybroc/CCT] in connection with the Riffa Views Development,” pursuant to a purported Arcapita guarantee of Riffa Views' obligations in favor of both Cybroc and CCT. *See, e.g.*, Claim No. 281, Schedule “A” at ¶ 6.

29. The Debtors object to the Cybroc/CCT Claims on the grounds that they are not supported by the documentation attached to the relevant proofs of claim. The evidence provided by Cybroc and CCT contradicts their assertion that Arcapita guaranteed the Riffa Views

obligations: for example, Exhibit 3 to Claim No. 281 only includes the form of an unexecuted form of a guarantee, and correspondences among Cybroc, CCT and Riffa Views attached as Exhibit 4 to the same proof of claim suggest that Arcapita never entered into such guarantee.

30. The Debtors do not dispute that Arcapita entered into a guarantee, dated June 22, 2010, of Riffa Views' obligations in favor of Cybroc and CCT (the "**June 2010 Guarantee**"). The June 2010 Guarantee expired in accordance with its terms on June 30, 2011. *See, e.g.*, Claim No. 281, Exhibit 2; *see also id.*, Schedule "A" at ¶ 3. Cybroc and CCT suggest that the agreement dated June 30, 2011 among Cybroc, CCT and Riffa Views (the "**June 2011 Agreement**") imposes an obligation upon Arcapita to continue to guarantee Riffa Views' obligations in the same manner as the Expired Guarantee. The Debtors dispute this assertion.

31. The June 2011 Agreement requires Riffa Views to "procure from [Arcapita] an on demand, irrevocable and unconditional letter of guarantee, and ... deliver such guarantee to Cybroc and CCT in the form attached [to the June 2011 Agreement] ..." *See, e.g.*, Claim No. 281, Exhibit 5. Arcapita is not a signatory to the June 2011 Agreement. Arcapita has no primary obligations under the June 2011 Agreement, and did not agree to guarantee Riffa Views' performance thereunder. Accordingly, the Court should disallow and expunge the Cybroc/CCT Claims in their entirety.

D. City of New York Tax Claim

32. The Debtors object to Claim No. 327 by the City of New York (the "**City of New York Tax Claim**") asserted against Arcapita for allegedly unpaid General Corporation Tax (the "**GCT**") and Unincorporated Business Tax (the "**UBT**") for the period between the beginning of 2007 through the Petition Date, plus interest and penalty.

33. According to the Debtors' Books and Records, Arcapita is not liable to the City of New York for either the GCT or the UBT. Moreover, the Debtors submit that Arcapita, as a

joint stock company incorporated in Bahrain, is not subject to the assessment of either the GCT or the UBT by the City of New York.

34. Accordingly, the Court should disallow and expunge the City of New York Tax Claim in its entirety.

E. CBRE Claims

35. The Debtors object to Claim 454 (the “**CBRE Claim**”) because the asserted liabilities properly lie with non-Debtor affiliates. The CBRE engagement letter was executed by Point Park Properties s.r.o. and Arcapita Limited, two non-Debtor Arcapita affiliates. *See, e.g.*, Claim No. 454, Addendum. The CBRE Claim fails to allege any basis under which any Debtor is liable for the claims and provides no written evidence to support such an allegation. Accordingly, the Court should disallow and expunge the CBRE Claim in its entirety.

F. Investor 51918 Claims

36. Claim Nos. 269 and 271 through 275 (the “**Investor 51918 Claims**”) were filed by the claimant identified by the Debtors as “Investor 51918” (“**Investor 51918**”)¹⁰ against each Debtor except Arcapita. Investor 51918 was listed on Arcapita’s Schedules and Statements as party to an executory contract. *See* Arcapita’s Schedules and Statements, Schedule G. (Dkt. No. 212). The Claimant filed the proof of claim to “expressly [reserve] all rights and causes of action, including, without limitation, contingent and/or unliquidated rights [the Claimant] may have against any of the Debtors.” The relevant proofs of claim fail to provide evidence or a legal basis for which the Debtors other than Arcapita, which are not party to any agreement with Investor 51918, are liable to Investor 51918. To the Debtors’ knowledge and belief, no facts

¹⁰ Consistent with the Court’s *Order Granting Debtors’ Motion for Order Authorizing Parties to File Under Seal Names of the Debtors’ Customers* (Dkt. No. 158), the identity of Investor 51918 is not disclosed to protect the investor’s confidentiality.

exist to support such an assertion. Accordingly, the Court should disallow and expunge the Investor 51918 Claims in their entirety.¹¹

37. For the foregoing reasons, the Debtors respectfully request that the Court disallow and expunge the Other No Liability Claims listed on *Schedule 2* of *Exhibit A* attached hereto.

III. Tide Claims

38. Tide Natural Gas Storage I LP and Tide Natural Gas Storage II LP (together, “*Tide*”) filed four proofs of claim in the Chapter 11 Cases—two against Arcapita and two against Falcon. Each Tide Proof of Claim asserts a \$120 million claim. All four Tide proofs of claim assert a \$70 million secured component. Tide alleges no facts, however, that would entitle it to priority or treatment as a secured creditor.

39. The Tide Claims are based on a number of causes of action summarized in Tide’s complaint filed in the District Court for the Southern District of New York, which initiated Case No. 10-CIV-5821 (the “*Complaint*” and the related proceeding, the “*District Court Proceeding*”). The District Court Proceeding is currently under consideration, but was stayed by Arcapita and Falcon’s bankruptcy filings.

40. On June 25, 2012, Tide moved this Court for relief from the automatic stay to permit the continuance of the District Court Proceeding. *Tide’s Motion for an Order Lifting the Automatic Stay Pursuant to 11 U.S.C. § 362(d) to Allow Continuance of District Court Action* (Dkt. No. 279) (the “*Tide Lift Stay Motion*”). In the Tide Lift Stay Motion, Tide seeks to permit the District Court to determine ownership of funds held in escrow and the size of any general unsecured claim maintained by Tide against Arcapita and Falcon. *See Tide Lift Stay Motion ¶*

38. Notably, Tide does not assert the existence of any secured claim against either Falcon or

¹¹ Claim No. 270 filed by Investor 51918 is separately being objected to in this Third Omnibus Claims Objection as a Misclassified Claim.

Arcapita. On February 28, 2013, this Court entered an order granting Tide limited relief from the automatic stay to pursue its claims in the District Court (Dkt. No. 873) (the “*Tide Lift Stay Order*”).

41. The Debtors object to all of the Tide Claims because (a) the Debtors bear no liability for such claims, and (b) the Tide Claims are asserted as secured claims without offering any evidence of Tide’s security interests with respect to such claims.

42. No Liability: Upon a thorough review of the Books and Records, the docket of the District Court Proceeding, and the Tide proofs of claim, the Debtors continue to assert that they bear no liability to Tide. There is no ruling or order directing the Debtors’ payment to Tide or establishing a claim in Tide’s favor, nor is the entry of any such ruling or order imminent in the District Court Proceeding. Both the Debtors and Tide anticipate that the District Court Proceeding will involve numerous, fact-intensive questions requiring extensive discovery prior to any judgment. As stated by both the Debtors and Tide in their respective pleadings, the eventual conclusion of the District Court Proceeding will involve the resolution of factual questions and determinations regarding reporting relating to “*inter alia*, ‘volumetric calculations and measurements’ of ‘the quantities and values of pad gas’ located in natural gas storage facilities, ‘the source of compressor fuel and associated operating expense’ and ‘the source of hydrocarbons produced during NGL extraction facility operations” *See Debtors’ Objection to Tide’s Motion to Lift the Automatic Stay* (Dkt. No. 354) ¶ 17; *see also* Tide Lift Stay Motion ¶¶ 17, 14.

43. When asserting a proof of claim against a bankruptcy estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the claimant. *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992); *Matter of Int’l Match Corp.*, 69

F.2d 73, 76 (2d Cir. 1934) (finding that a proof of claim must at least allege facts from which legal liability can be seen to exist). The burden is on the claimant to prove liability. Absent the entry of an order in the District Court Proceeding and the reduction of the Tide Claims to a judgment, Tide fails to meet that burden.

44. Tide moved this Court to permit the District Court Proceeding to continue to a judgment regarding the ownership of the escrowed funds and the existence of the Tide Claims. Tide's claims remain disputed, contingent, and unliquidated pending resolution of the District Court Proceeding.

45. No Security. Notwithstanding the fact that the Tide Claims remain disputed, contingent and unliquidated, the Debtors respectfully request that this Court enter an order reclassifying such claims as unsecured. As noted above, Tide asserts that the Tide Claims include a secured component under section 506 of the Bankruptcy Code. Yet, no Tide Claim articulates any valid basis for treatment of such claim as a secured claim.

46. To assert a secured claim, a creditor must demonstrate that its claim is secured by a lien on property in which the debtor's estate has an interest. 11 U.S.C. § 506(a). If a creditor cannot demonstrate that its claim is secured by a lien or other security interest in the property of the debtor's estate, it must follow that such claim is unsecured. *See, e.g., In re Dairy Mart Convenience Stores, Inc.*, 351 F.3d 86, 91 (2d Cir. 2003) (finding that a creditor that is a beneficiary of a letter of credit is only an unsecured creditor vis-a-vis the bankruptcy estate without a direct security interest); *In re WorldCom, Inc.*, 362 B.R. 96, 120 (Bankr. S.D.N.Y. 2007) (reclassifying a purportedly secured claim as unsecured because it was based on a lapsed lien).

47. As a threshold matter, this Court should rule that no Tide Claim should be accorded treatment as a secured claim on account of Tide's failure to document its assertion that the Tide Claims are secured by any interest in the Debtors' property. Tide's claims of security entirely lack documentation or explanatory support. No document evidences the perfection of a security interest or lien on the assets of Falcon or Arcapita. Accordingly, Tide's proofs of claim fail to comply with Bankruptcy Rule 3001(d), which provides that "[i]f a security interest in property of the debtor is claimed, the proof of claim shall be accompanied by evidence that the security interest has been perfected." Fed. R. Bankr. P. 3001(d). Tide's assertions of security interest lack *prima facie* validity and are unenforceable against the Debtors.

48. In addition, Tide's assertions of security directly contradict previous statements made by Tide in the Chapter 11 Cases. *See, e.g.*, Tide Lift Stay Motion ¶¶ 2, 38 (noting that Falcon has "no secured creditors"). Tide has consistently advanced the position that its claims are unsecured. In connection with the Tide Lift Stay Motion, Tide affirmatively stated to this Court that Falcon's assets were not subject to a lien. *See id.* Tide should be estopped from taking the opposite position in connection with the claims administration process in order to obtain unwarranted recoveries against the Debtors' estates.

49. Further, this Court's adjudication of reclassification here is entirely consistent with Tide Lift Stay Motion and the Tide Lift Stay Order. By the District Court Proceeding, Tide seeks a ruling regarding the ownership of the escrowed funds and the existence of Tide's unsecured claims versus Arcapita and Falcon. *See* Tide Lift Stay Motion ¶ 38 ("This District Court Action also will determine the size of any general unsecured claims that Tide may have.") (emphasis added). Consistent with that statement, this Court retained jurisdiction to hear and

determine issues related to priority. The District Court Proceeding is limited to the “merits of Tide’s claims.” *See* Tide Lift Stay Order.

50. To prevent possible improper recovery, the Debtors request entry of an order reclassifying the Tide Claims as disputed, contingent and unliquidated unsecured claims in accordance with the Bankruptcy Code.¹²

IV. Unliquidated Claims

51. Debtors object to the Unliquidated Claims on the grounds that they assert unliquidated claims against Debtor entities.

A. The Unliquidated Claims by Confidential Investors

52. Sixteen of the Unliquidated Claims, Claim Nos. 482 through 497 (the “*Confidential Investor Claims*”), were filed against Arcapita, AIHL and RailInvest Holdings Limited (“*RailInvest*”), as applicable, by various claimants identified by the Debtors as Investors 51942, 51943, 51956, 51965, 51976, 52018, 52019, 52020 and 52021 (collectively, the “*Confidential Investor Claimants*”)¹³ that are signatories to various prepetition agreements executed by Arcapita, AIHL and RailInvest, among others, in connection with Arcapita portfolio companies and investments.

¹² In addition to the objections made against the Tide Claims in this Third Omnibus Objection to Claims, the Debtors reserve all rights to seek subordination of the Tide Claims under section 510(b) of the Bankruptcy Code. It is the Debtors’ position, previously asserted in connection with the Tide Lift Stay Motion, that “[i]t is beyond dispute that [the Tide Claims] must . . . be subordinated under section 510(b) of the Bankruptcy Code.” *Debtors’ Supplemental Brief Regarding Subordination of Tide’s Claim* (Dkt. No. 820), ¶ 3. Furthermore, the Debtors continue to maintain that the Tide Claims should be subordinated *below* all claims against and equity interests of Arcapita and Falcon. *See id.*, at ¶ 13-20. The Debtors intend to resolve the issue of the level of subordination applicable to the Tide Claims in connection with the prosecution and confirmation of the *First Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code* [Dkt. No. 982] or any other chapter 11 plan of reorganization filed in the Chapter 11 Cases, rather than through the claims objection process.

¹³ Consistent with the Court’s *Order Granting Debtors’ Motion for Order Authorizing Parties to File Under Seal Names of the Debtors’ Customers* (Dkt. No. 158), the identities of the Confidential Investor Claimants are not disclosed in this Third Omnibus Objection to Claims to protect the Confidential Investor Claimants’ confidentiality.

53. The Confidential Investor Claimants assert speculative claims in connection with the investments, without any evidence of existing or pending losses. To the Debtors' knowledge, no agreement referred to in the Confidential Investor Claims (a) imposes any outstanding and unpaid monetary obligations upon Arcapita or AIHL, (b) has been breached by Arcapita or AIHL or (c) has been terminated. The Confidential Investor Claimants offer no evidence to the contrary.

B. The Unliquidated Claim by ZCOF Chicago Hotel, L.L.C.

54. The Debtors object to the Unliquidated Claim (Claim No. 81) (the "**ZCOF Claim**") asserted by ZCOF Chicago Hotel, L.L.C. ("**ZCOF**") because it asserts a contingent and unliquidated claim against Arcapita that has not matured as of the date hereof.

55. Based on their review of the ZCOF Claim and the Books and Records, the Debtors have determined that Arcapita's liabilities are contingent and unliquidated with respect to the ZCOF Claim. The amount asserted in the ZCOF Claim of "up to \$4,047,642.33 plus interest and reasonable attorneys' fees" is speculative, and should be disallowed until such time Arcapita's liabilities are determined and liquidated.

56. The ZCOF Claim is based on that certain Undertaking, dated as of November 17, 2011 (the "**ZCOF Undertaking**"), a copy of which was annexed to the ZCOF Claim as Exhibit B. In the ZCOF Undertaking, Arcapita undertook to pay or cause to be paid such amounts owed by First Elysian Properties, LLC ("**First Elysian**") to ZCOF under section 4.1.3(f) of that certain Purchase and Sale Agreement, dated October 28, 2011 (the "**ZCOF Agreement**"), in which First Elysian, together with other non-Debtor affiliates of Arcapita, sold to ZCOF certain hotel real estate assets located in Chicago, Illinois (the "**Elysian Hotel**").

57. The ZCOF Agreement imposes certain conditional obligations upon First Elysian to pay the amounts necessary to obtain the release of the lien on the Elysian Hotel created by the

Claim for Mechanics Lien (the “*Lien Claim*”) recorded with the Cook County Recorder of Deeds by James McHugh Construction Co. (“*McHugh*”), the contractor for the construction of the Elysian Hotel. First Elysian would be obligated to pay such amounts in the event of (a) a final non-appealable judgment to the effect that First Elysian is liable for monetary damages to McHugh net of amounts owed by McHugh to First Elysian, (b) the entry of a judgment, court order or other relief allowing for foreclosure of the Lien Claim that is not stayed on appeal or (c) the entry of a final non-appealable judgment allowing foreclosure of the Lien Claim.

58. The litigation with respect to the Lien Claim is still ongoing, and therefore none of the conditions specified in the ZCOF Agreement has been satisfied. Consequently, the ZCOF Claim remains contingent and unliquidated, and should be disallowed.

C. The Unliquidated Claim by G.P. Zachariades Overseas, Ltd.

59. The Debtors object to the Unliquidated Claim (Claim No. 383) (the “*Zachariades Claim*”) asserted by G.P. Zachariades Overseas, Ltd. (“*Zachariades*”) because it asserts a contingent and unliquidated claim against Arcapita that has not matured as of the date hereof.

60. Based on their review of the Zachariades Claim and the Books and Records, the Debtors have determined that Arcapita’s liabilities are contingent and unliquidated with respect to the Zachariades Claim. The amount asserted in the Zachariades Claim of “no less than \$7,485,703.18 plus additional interest, fees, costs and expenses” is speculative, and should be disallowed until such time Arcapita’s liabilities are determined and liquidated.

61. The Zachariades Claim is based on that certain Undertaking, dated as of December 07, 2009 (the “*Zachariades Undertaking*”), relevant portions of which were annexed to the Zachariades Claim. In the Zachariades Undertaking, Arcapita undertook to pay or cause to

be paid obligations of Riffa Views owed to Zachariades in connection with the construction of 323 residential villas in the Kingdom of Bahrain.

62. Through its claim, Zachariades alleges that Riffa Views failed to make all necessary payments in connection with that construction, thus triggering Arcapita's obligation to pay Zachariades pursuant to the Zachariades Undertaking.

63. Arcapita's outstanding obligations to Zachariades as a result of Riffa Views' alleged default, however, are currently the subject of binding arbitration (the "**ICC Arbitration**"). The ICC Arbitration will reconcile the payments owed by Arcapita for the amounts allegedly unpaid by Riffa Views as well as additional fees and expenses. Zachariades acknowledged that the ICC Arbitration was "pending" when it filed its proof of claim. Until such time as the ICC Arbitration resolves the demands made by Zachariades, and determines the total amount owed by Arcapita under the Zachariades Undertaking, the Zachariades Claim remains contingent and unliquidated and should be disallowed.

V. Misclassified Claims

64. The Debtors object to three Misclassified Claim, listed on **Schedule 5** to **Exhibit A**, on the grounds of (a) incorrect assertion of priority status under 11 U.S.C. 507(a)(7) or (b) incorrect assertion of security under 11 U.S.C. 506.

65. Under section 507(a)(7) of the Bankruptcy Code, "*claims of individuals . . . arising from the deposit . . . of money in connection with the purchase, lease, or rental of property, or the purchase of services, for the personal, family, or household use of such individuals*" are afforded priority treatment when a debtor fails to provide the claimant with the services or property secured by the deposit. 11 U.S.C. § 507(a)(7) (emphasis added).

66. The claim filed by Investor 50090 (Claim No. 95) incorrectly asserts priority status under section 507(a)(7). Claim No. 95 arises from Arcapita's alleged failure to make rental payments to Investor 50090 under that certain storage space rental agreement dated June 1, 2011 (the "***Storage Agreement***"), annexed to Claim No. 95.

67. The assertion of priority status under section 507(a)(7) in Claim No. 95 clearly conflicts with the plain language of the Bankruptcy Code in multiple respects. Although Claim No. 95 involves amounts owed under a rental agreement, the claim does not seek to recover deposits paid *by the claimant to the Debtors* as explicitly contemplated by section 507(a)(7). Additionally, Claim No. 95 is based on a lease agreement pursuant to which property was rented for storage by Arcapita, a corporation, and does not involve property or services provided for personal or household use.

68. "Preferential treatment of a class of creditors is in order only when *clearly authorized by Congress.*" *Howard Delivery Serv., Inc. v. Zurich Am. Ins. Co.*, 547 U.S. 651, 665 (2006) (emphasis added). In order to preserve the order of priority intended by Congress, Claim No. 95, which is clearly not entitled to priority treatment under Bankruptcy Code section 507(a)(7) for the reasons discussed above, should be reclassified as a general unsecured claim consistent with ***Schedule 5*** to ***Exhibit A***. Claim No. 95, as reclassified, will remain on the claims register subject to further objections on any other basis.

69. Similar to the rules regarding priority treatment, a creditor cannot simply claim secured status, but must make an evidentiary showing to successfully assert secured status of its claim. Specifically, a creditor must demonstrate that its claim is secured by a lien on property in which the debtor's estate has an interest. 11 U.S.C. § 506(a). If a creditor cannot demonstrate that its claim is secured by a lien or other security interest in the property of the debtor's estate, it

must follow that such claim is unsecured. *See, e.g., In re Dairy Mart Convenience Stores, Inc.*, 351 F.3d at 91; *In re WorldCom, Inc.*, 362 B.R. at 120.

70. The claim filed by Investor 51918 against Arcapita (Claim No. 270) asserts that the claimed amount should be accorded treatment as a secured claim, based on a purported right of setoff. Investor 51918's assertion that its claim is entitled to be treated as a secured claim through setoff, however, entirely lacks documentation or explanatory support. No document or explanation has been provided by Investor 51918 to support any right of setoff, whether by virtue of property of Arcapita held by Investor 51918 or any liability owed by Investor 51918 to Arcapita. Investor 51918's assertion that Claim No. 270 is entitled to treatment as a secured claim through setoff therefore lacks *prima facie* validity, and is unenforceable against the Debtors.

71. The claim filed by Linklaters LLP ("***Linklaters***") against Arcapita (Claim No. 332) asserts that the claimed amount should be accorded treatment as a secured claim, based on a purported "common law charging lien" asserted by Linklaters over all documents in its possession in its capacity as a solicitor to Arcapita. The assertion of a charging lien by Linklaters, however, is erroneous in two respects. First, in New York, there is no "common law charging lien," as attorneys' charging liens in federal courts sitting in New York are now governed by section 475 of the New York Judiciary Law, which codified and superseded existing common law. *See Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 140 F.3d 442, 448 (2d Cir. 1998). Second, in order to establish a lien under section 475 of the New York Judiciary Law, "there must be asserted a claim which can eventuate in there being proceeds payable to, or assets recoverable by, the client as a result of the efforts of the attorney." *Rosewood Apartments Corp. v. Perpignano*, 2005 WL 1084396, at *3 (S.D.N.Y. May 5, 2005).

Linklaters' claim, however, does not point to any specific claim, proceeds or assets recovered by the efforts of Linklaters; the claim simply arises out of the difference between the amounts charged by Linklaters as prepetition fees (after write-offs that were agreed to by Linklaters), and the prepetition amounts paid by Arcapita. Linklaters' assertion that its claim is entitled to treatment as a secured claim through a "common law charging lien" therefore lacks *prima facie* validity, and is unenforceable against the Debtors.

72. Accordingly, Claim Nos. 270 and 332 should be reclassified as a general unsecured claim consistent with *Schedule 5 to Exhibit A*. Claim Nos. 270 and 332, as reclassified, will remain on the claims register subject to further objections on any other basis.

NOTICE

73. No trustee or examiner has been appointed in the Chapter 11 Cases. The Debtors have provided notice of filing of the Third Omnibus Objection to Claims by electronic mail, facsimile and/or overnight mail to: (a) 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.); (b) 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; (c) all parties listed on the Master Service List established in the Chapter 11 Cases; and (d) each claimant listed on *Exhibit A*. A copy of the Third Omnibus Objection to Claims is also available on the website of the Debtors' notice and claims agent, GCG, 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

74. 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
April 26, 2013

Respectfully submitted,

/s/ Michael A. Rosenthal

Michael A. Rosenthal (MR-7006)
Craig H. Millet (admitted *pro hac vice*)
Matthew K. Kelsey (MK-3137)
GIBSON, DUNN & CRUTCHER LLP
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

Schedule 1

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 1 - INVESTOR NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	ASSERTED DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM #	TOTAL CLAIM DOLLARS	REASON FOR PROPOSED DISALLOWANCE
1	INVESTOR 50217 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	09/17/2012	534	\$10,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
2	INVESTOR 50217 [ADDRESS ON FILE]	AEID II Holdings Limited 12-11080 (SHL)	09/17/2012	547	\$10,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
3	INVESTOR 50217 [ADDRESS ON FILE]	WindTurbine Holdings Limited 12-11079 (SHL)	09/17/2012	538	\$10,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
4	INVESTOR 50217 [ADDRESS ON FILE]	Arcapita LT Holdings Limited 12-11078 (SHL)	09/17/2012	531	\$10,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
5	INVESTOR 50217 [ADDRESS ON FILE]	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	09/17/2012	548	\$10,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
6	INVESTOR 50217 [ADDRESS ON FILE]	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	09/17/2012	536	\$10,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
7	INVESTOR 50217 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	09/17/2012	524	\$10,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
8	INVESTOR 50432 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	09/17/2012	523	\$5,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
9	INVESTOR 50432 [ADDRESS ON FILE]	Arcapita LT Holdings Limited 12-11078 (SHL)	09/17/2012	530	\$5,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
10	INVESTOR 50432 [ADDRESS ON FILE]	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	09/17/2012	535	\$5,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
11	INVESTOR 50432 [ADDRESS ON FILE]	WindTurbine Holdings Limited 12-11079 (SHL)	09/17/2012	537	\$5,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
12	INVESTOR 50432 [ADDRESS ON FILE]	AEID II Holdings Limited 12-11080 (SHL)	09/17/2012	541	\$5,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
13	INVESTOR 50432 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	09/17/2012	544	\$5,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
14	INVESTOR 50432 [ADDRESS ON FILE]	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	09/17/2012	529	\$5,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.

* Plus unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 1 - INVESTOR NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

NAME OF CLAIMANT	ASSERTED DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM #	TOTAL CLAIM DOLLARS	REASON FOR PROPOSED DISALLOWANCE
15 INVESTOR 50488 [ADDRESS ON FILE]	AEID II Holdings Limited 12-11080 (SHL)	09/17/2012	545	\$1,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
16 INVESTOR 50488 [ADDRESS ON FILE]	Arcapita LT Holdings Limited 12-11078 (SHL)	09/17/2012	533	\$1,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
17 INVESTOR 50488 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	09/17/2012	526	\$1,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
18 INVESTOR 50488 [ADDRESS ON FILE]	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	09/17/2012	528	\$1,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
19 INVESTOR 50488 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	09/17/2012	543	\$1,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
20 INVESTOR 50488 [ADDRESS ON FILE]	WindTurbine Holdings Limited 12-11079 (SHL)	09/17/2012	540	\$1,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
21 INVESTOR 50488 [ADDRESS ON FILE]	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	09/17/2012	549	\$1,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
22 INVESTOR 50861 [ADDRESS ON FILE]	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	09/17/2012	550	\$2,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
23 INVESTOR 50861 [ADDRESS ON FILE]	AEID II Holdings Limited 12-11080 (SHL)	09/17/2012	546	\$2,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
24 INVESTOR 50861 [ADDRESS ON FILE]	WindTurbine Holdings Limited 12-11079 (SHL)	09/17/2012	539	\$2,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
25 INVESTOR 50861 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	09/17/2012	542	\$2,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
26 INVESTOR 50861 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	09/17/2012	525	\$2,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
27 INVESTOR 50861 [ADDRESS ON FILE]	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	09/17/2012	527	\$2,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
28 INVESTOR 50861 [ADDRESS ON FILE]	Arcapita LT Holdings Limited 12-11078 (SHL)	09/17/2012	532	\$2,500,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.

* Plus unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 1 - INVESTOR NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

NAME OF CLAIMANT	ASSERTED DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM #	TOTAL CLAIM DOLLARS	REASON FOR PROPOSED DISALLOWANCE
29 INVESTOR 51885 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/24/2012	326	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
30 INVESTOR 51885 [ADDRESS ON FILE]	WindTurbine Holdings Limited 12-11079 (SHL)	08/24/2012	320	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
31 INVESTOR 51885 [ADDRESS ON FILE]	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/24/2012	325	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
32 INVESTOR 51885 [ADDRESS ON FILE]	Arcapita LT Holdings Limited 12-11078 (SHL)	08/24/2012	324	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
33 INVESTOR 51885 [ADDRESS ON FILE]	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	08/24/2012	323	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
34 INVESTOR 51885 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	08/24/2012	322	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
35 INVESTOR 51885 [ADDRESS ON FILE]	AEID II Holdings Limited 12-11080 (SHL)	08/24/2012	321	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
36 INVESTOR 51885 [ADDRESS ON FILE]	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	02/19/2013	557	\$7,000,000.00*	No liability - See Paragraphs 14-18 of the Debtors' Third Omnibus Objection to Claims for additional detail.
TOTAL				\$189,000,000.00*	

* Plus unliquidated, punitive and/or undetermined amounts

Schedule 2

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 2 - OTHER NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM # TO BE DISALLOWED	CLAIM AMOUNT TO BE DISALLOWED	REASON FOR PROPOSED DISALLOWANCE
1	CBRE C/O CBRE INC ATTN WANDA GOODLOE 200 PARK AVENUE NEW YORK, NY 10166	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/31/2012	454(a)	\$172,899.61	No Liability - see Paragraph 35 of the Debtor's Third Omnibus Objection to Claims for additional detail.
2	CITY OF NEW YORK DEPARTMENT OF FINANCE ATTN SAUL T FISHMAN, OF COUNSEL TO THE SPECIAL ASSISTANT CORPORATION COUNSEL 345 ADAMS ST 3RD FL BROOKLYN, NY 11201	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/22/2012	327	\$810,000.00	No Liability - see Paragraphs 32-34 of the Debtor's Third Omnibus Objection to Claims for additional detail.
3	CREDIT SUISSE AG CAYMAN ISLANDS BRANCH AS AGENT FOR VAREL FUNDING LLC (F/K/A VAREL FUNDING CORP) ATTN SEAN PORTRAIT LOAN OPERATIONS AGENCY ELEVEN MADISON AVE, OMA 2 NEW YORK, NY 10010	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/30/2012	398	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.
4	CREDIT SUISSE AG CAYMAN ISLANDS BRANCH AS AGENT FOR THE LENDERS ATTN SEAN PORTRAIT LOAN OPERATIONS AGENCY GROUP ELEVEN MADISON AVENUE, OMA2 NEW YORK, NY 10010	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/30/2012	397	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.
5	CREDIT SUISSE AG CAYMAN ISLANDS BRANCH AS AGENT FOR VAREL FUNDING LLC F/K/A VAREL FUNDING CORP ATTN: SEAN PORTRAIT, LOAN OPERATIONS AGENCY GROUP ELEVEN MADISON AVENUE, OMA 2 NEW YORK, NY 10010	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/30/2012	334	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.

* Plus unliquidated, punitive and/or undetermined amounts

(a) Claim also contained on Schedule 3 of the First Omnibus Objection for Late Filed Claims.

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 2 - OTHER NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM # TO BE DISALLOWED	CLAIM AMOUNT TO BE DISALLOWED	REASON FOR PROPOSED DISALLOWANCE
6	CREDIT SUISSE AG CAYMAN ISLANDS BRANCH AS AGENT FOR VAREL FUNDING LLC (F/K/A VAREL FUNDING CORP) ATTN SEAN PORTRAIT, LOAN OPERATIONS AGENCY GROUP ELEVEN MADISON AVENUE, OMA 2 NEW YORK, NY 10010	Arcapita LT Holdings Limited 12-11078 (SHL)	08/30/2012	368	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.
7	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH AS AGENT FOR VAREL FUNDING LLC (F/K/A VAREL FUNDING CORP) ATTN SEAN PORTRAIT LOAN OPERATIONS AGENCY GROUP ELEVEN MADISON AVENUE, OMA2 NEW YORK, NY 10010	RailInvest Holdings Limited 12-11081 (SHL)	08/30/2012	395	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.
8	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH AS AGENT FOR VAREL FUNDING LLC (F/K/A VAREL FUNDING CORP) ATTN SEAN PORTRAIT LOAN OPERATIONS AGENCY GROUP ELEVEN MADISON AVENUE, OMA 2 NEW YORK, NY 10010	WindTurbine Holdings Limited 12-11079 (SHL)	08/30/2012	350	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.
9	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH AS AGENT FOR VAREL FUNDING LLC (F/K/A VAREL FUNDING CORP) ATTN SEAN PORTRAIT LOAN OPERATIONS AGENCY GROUP ELEVEN MADISON AVENUE, OMA 2 NEW YORK, NY 10010	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	08/30/2012	396	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.
10	CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, AS AGENT FOR VAREL FUNDING LLC (F/K/A/ VAREL FUNDING CORP) ATTN: SEAN PORTRAIT, LOAN OPERATIONS AG GRP ELEVEN MADISON AVENUE, OMA 2 NEW YORK, NY 10010	AEID II Holdings Limited 12-11080 (SHL)	08/30/2012	333	Undetermined*	No Liability - see Paragraphs 24-26 of the Debtor's Third Omnibus Objection to Claims for additional detail.

* Plus unliquidated, punitive and/or undetermined amounts

(a) Claim also contained on Schedule 3 of the First Omnibus Objection for Late Filed Claims.

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 2 - OTHER NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM # TO BE DISALLOWED	CLAIM AMOUNT TO BE DISALLOWED	REASON FOR PROPOSED DISALLOWANCE
11	CYPRUS BUILDING AND ROAD CONSTRUCTION CO WLL C/O BAKER & MCKENZIE ATTN ERIN BRODERICK 300 E RANDOLPH DR STE 5000 CHICAGO, IL 60601	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/29/2012	281	\$3,075,353.72*	No Liability - see Paragraphs 27-31 of the Debtor's Third Omnibus Objection to Claims for additional detail.
12	CYPRUS CYBARCO TABET JV WLL C/O BAKER & MCKENZIE ATTN ERIN BRODERICK 300 E RANDOLPH DR STE 5000 CHICAGO, IL 60601	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/29/2012	282	\$3,075,353.72*	No Liability - see Paragraphs 27-31 of the Debtor's Third Omnibus Objection to Claims for additional detail.
13	INVESTOR 51918 [ADDRESS ON FILE]	Arcapita LT Holdings Limited 12-11078 (SHL)	08/29/2012	271	\$690,235.11*	No Liability - see Paragraph 36-37 of the Debtor's Third Omnibus Objection to Claims for additional detail.
14	INVESTOR 51918 [ADDRESS ON FILE]	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	08/29/2012	275	\$690,235.11*	No Liability - see Paragraph 36-37 of the Debtor's Third Omnibus Objection to Claims for additional detail.
15	INVESTOR 51918 [ADDRESS ON FILE]	WindTurbine Holdings Limited 12-11079 (SHL)	08/29/2012	272	\$690,235.11*	No Liability - see Paragraph 36-37 of the Debtor's Third Omnibus Objection to Claims for additional detail.
16	INVESTOR 51918 [ADDRESS ON FILE]	AEID II Holdings Limited 12-11080 (SHL)	08/29/2012	273	\$690,235.11*	No Liability - see Paragraph 36-37 of the Debtor's Third Omnibus Objection to Claims for additional detail.
17	INVESTOR 51918 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/29/2012	269	\$690,235.11*	No Liability - see Paragraph 36-37 of the Debtor's Third Omnibus Objection to Claims for additional detail.

* Plus unliquidated, punitive and/or undetermined amounts

(a) Claim also contained on Schedule 3 of the First Omnibus Objection for Late Filed Claims.

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 2 - OTHER NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM # TO BE DISALLOWED	CLAIM AMOUNT TO BE DISALLOWED	REASON FOR PROPOSED DISALLOWANCE
18	INVESTOR 51918 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	08/29/2012	274	\$690,235.11*	No Liability - see Paragraph 36-37 of the Debtor's Third Omnibus Objection to Claims for additional detail.
19	JILL SUPERCO LLC C/O GOLDEN GATE PRIVATE EQUITY, INC. ATTN: JOSH OLSHANSKY ONE EMBARCADERO CENTER, STE 3900 SAN FRANCISCO, CA 94111	Arcapita LT Holdings Limited 12-11078 (SHL)	08/30/2012	347	Undetermined*	No Liability - see Paragraphs 21-23 of the Debtor's Third Omnibus Objection to Claims for additional detail.
20	JILL SUPERCO LLC C/O GOLDEN GATE PRIVATE EQUITY, INC. ATTN JOSH OLSHANSKY ONE EMBARCADERO CENTER STE 3900 SAN FRANCISCO, CA 94111	AEID II Holdings Limited 12-11080 (SHL)	08/30/2012	345	Undetermined*	No Liability - see Paragraphs 21-23 of the Debtor's Third Omnibus Objection to Claims for additional detail.
21	JILL SUPERCO LLC C/O GOLDEN GATE PRIVATE EQUITY, INC. ATTN JOSH OLSHANSKY ONE EMBARCADERO CENTER, STE 3900 SAN FRANCISCO, CA 94111	WindTurbine Holdings Limited 12-11079 (SHL)	08/30/2012	346	Undetermined*	No Liability - see Paragraphs 21-23 of the Debtor's Third Omnibus Objection to Claims for additional detail.
22	JILL SUPERCO LLC C/O GOLDEN GATE PRIVATE EQUITY INC ATTN JOSH OLSHANSKY ONE EMBARCADERO CENTER STE 3900 SAN FRANCISCO, CA 94111	RailInvest Holdings Limited 12-11081 (SHL)	08/30/2012	344	Undetermined*	No Liability - see Paragraphs 21-23 of the Debtor's Third Omnibus Objection to Claims for additional detail.
23	JILL SUPERCO LLC C/O GOLDEN GATE PRIVATE EQUITY INC ATTN JOSH OLSHANSKY ONE EMBARCADERO CENTER STE 3900 SAN FRANCISCO, CA 94111	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	08/30/2012	343	Undetermined*	No Liability - see Paragraphs 21-23 of the Debtor's Third Omnibus Objection to Claims for additional detail.

* Plus unliquidated, punitive and/or undetermined amounts

(a) Claim also contained on Schedule 3 of the First Omnibus Objection for Late Filed Claims.

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 2 - OTHER NO LIABILITY CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM # TO BE DISALLOWED	CLAIM AMOUNT TO BE DISALLOWED	REASON FOR PROPOSED DISALLOWANCE
24	JILL SUPERCO LLC C/O GOLDEN GATE PRIVATE EQUITY, INC. ATTN: JOSH OLSHANSKY ONE EMBARCADERO CENTER, STE 3900 SAN FRANCISCO, CA 94111	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/30/2012	349	Undetermined*	No Liability - see Paragraphs 21-23 of the Debtor's Third Omnibus Objection to Claims for additional detail.
25	JILL SUPERCO LLC C/O GOLDEN GATE PRIVATE EQUITY, INC. ATTN: JOSH OLSHANSKY ONE EMBARCADERO CENTER, STE 3900 SAN FRANCISCO, CA 94111	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/30/2012	348	Undetermined*	No Liability - see Paragraphs 21-23 of the Debtor's Third Omnibus Objection to Claims for additional detail.
TOTAL					\$11,275,017.71*	

* Plus unliquidated, punitive and/or undetermined amounts

(a) Claim also contained on Schedule 3 of the First Omnibus Objection for Late Filed Claims.

Schedule 3

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 3 - TIDE CLAIMS

CLAIMS TO BE DISALLOWED

	NAME OF CLAIMANT	ASSERTED DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM #	TOTAL CLAIM DOLLARS	REASON FOR PROPOSED DISALLOWANCE AND ADJUSTMENT
1	TIDE NATURAL GAS STORAGE I LP C/O BRACEWELL & GIULIANI LLP ATTN TREY WOOD 711 LOUISIANA ST HOUSTON, TX 77002	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/29/2012	296	\$120,000,000.00*	See Article II., paragraphs 38-50 within the Third Omnibus Objection to Claims. In addition, the Debtors dispute assertions of secured status for the Tide Claims for the reasons set forth in Paragraphs 45-49.
2	TIDE NATURAL GAS STORAGE I LP C/O BRACEWELL & GIULIANI LLP ATTN TREY WOOD 711 LOUISIANA ST HOUSTON, TX 77002	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	08/29/2012	298	\$120,000,000.00*	See Article II., paragraphs 38-50 within the Third Omnibus Objection to Claims. In addition, the Debtors dispute assertions of secured status for the Tide Claims for the reasons set forth in Paragraphs 45-49.
3	TIDE NATURAL GAS STORAGE II LP C/O BRACEWELL & GIULIANI LLP ATTN TREY WOOD 711 LOUISIANA ST HOUSTON, TX 77002	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/29/2012	295	\$120,000,000.00*	See Article II., paragraphs 38-50 within the Third Omnibus Objection to Claims. In addition, the Debtors dispute assertions of secured status for the Tide Claims for the reasons set forth in Paragraphs 45-49.
4	TIDE NATURAL GAS STORAGE II LP C/O BRACEWELL & GIULIANI LLP ATTN TREY WOOD 711 LOUISIANA ST HOUSTON, TX 77002	Falcon Gas Storage Company, Inc. 12-11790 (SHL)	08/29/2012	297	\$120,000,000.00*	See Article II., paragraphs 38-50 within the Third Omnibus Objection to Claims. In addition, the Debtors dispute assertions of secured status for the Tide Claims for the reasons set forth in Paragraphs 45-49.
TOTAL					\$480,000,000.00*	

* Plus unliquidated, punitive and/or undetermined amounts

Schedule 4

ARCAPITA BANK B.S.C.(C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 4 - UNLIQUIDATED CLAIMS

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	ASSERTED DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM #	TOTAL CLAIM DOLLARS	REASON FOR PROPOSED DISALLOWANCE
1	GP ZACHARIADES OVERSEAS LTD ATTN KOSTIS PALLIKAROPOULOS PO BOX 5632 MANAMA, KINGDOM OF BAHRAIN	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/28/2012	383	\$20,748,703.18*	No Liability - see Paragraphs 59-63 of the Debtor's Third Omnibus Objection to Claims for additional detail.
2	INVESTOR 51942 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/30/2012	494	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.
3	INVESTOR 51942 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	08/30/2012	493	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.
4	INVESTOR 51943 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/30/2012	491	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.
5	INVESTOR 51965 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/30/2012	487	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.
6	INVESTOR 52018 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/30/2012	482	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.
7	INVESTOR 52020 [ADDRESS ON FILE]	Arcapita Investment Holdings Limited 12-11077 (SHL)	08/30/2012	489	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.
8	INVESTOR 52020 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	08/30/2012	488	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.
9	INVESTOR 52021 [ADDRESS ON FILE]	RailInvest Holdings Limited 12-11081 (SHL)	08/30/2012	492	Undetermined*	No Liability - see Paragraphs 52-53 of the Debtor's Third Omnibus Objection to Claims for additional detail.

* Plus unliquidated, punitive and/or undetermined amounts

**ARCAPITA BANK B.S.C.(C), ET. AL.
 THIRD OMNIBUS CLAIMS OBJECTION
 SCHEDULE 4 - UNLIQUIDATED CLAIMS**

CLAIMS TO BE DISALLOWED AND EXPUNGED

	NAME OF CLAIMANT	ASSERTED DEBTOR NAME & CASE NUMBER	FILED DATE	CLAIM #	TOTAL CLAIM DOLLARS	REASON FOR PROPOSED DISALLOWANCE
10	ZCOF CHICAGO HOTEL LLC C/O EQUITY GROUP INVESTMENT ATTN MARC HAUSER, ASSOCIATE GENERAL COUNSEL TWO NORTH RIVERSIDE PLAZA SUITE 600 CHICAGO, IL 60606	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	08/21/2012	81	\$4,047,642.33*	No Liability - see Paragraphs 54-58 of the Debtor's Third Omnibus Objection to Claims for additional detail.
TOTAL					\$24,796,345.51*	

* Plus unliquidated, punitive and/or undetermined amounts

Schedule 5

ARCAPITA BANK B.S.C. (C), ET. AL.
THIRD OMNIBUS CLAIMS OBJECTION
SCHEDULE 5 - CLAIMS SUBJECT TO RECLASSIFICATION

CLAIMS SUBJECT TO RECLASSIFICATION

	NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE #	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR RECLASSIFICATION
1	FORMER EMPLOYEE 2 [ADDRESS ON FILE]	270	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Secured Unsecured	\$690,235.11* Undetermined*	Unsecured	\$690,235.11	Misclassified claim - see Paragraphs 69-70 of the Debtor's Third Omnibus Objection to Claims for additional detail.
					Subtotal	\$690,235.11*			
2	INVESTOR 50090 [ADDRESS ON FILE]	95	08/22/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$1,899.00	Unsecured	\$1,899.00	Misclassified claim - see Paragraphs 65-68 of the Debtor's Third Omnibus Objection to Claims for additional detail.
3	LINKLATERS LLP ATTN: SARAH BARNARD 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105	332	8/30/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority Secured	Undetermined* \$10,741.50*	Unsecured	\$10,741.50	Misclassified claim - see Paragraph 71 of the Debtor's Third Omnibus Objection to Claims for additional detail.
					Subtotal	\$10,741.50*			
					TOTAL	\$702,875.61*	TOTAL	\$702,875.61	

* Plus unliquidated, punitive and/or undetermined amounts

EXHIBIT B

**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' THIRD OMNIBUS OBJECTION TO CLAIMS
(Investor No Liability Claims; Other No Liability Claims;
Tide Claims; Unliquidated Claims; Misclassified Claims)

Upon consideration of the third omnibus objections to claims (the “*Third Omnibus Objection to Claims*”)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 502(b) of title 11 of the United States Code (the “*Bankruptcy Code*”), Rule 3007(d) of the Federal Rules of Bankruptcy Procedure and this Court’s Claims Administration Order, reclassifying, disallowing and/or expunging the Objected Claims, all as more fully described in the Third Omnibus Objection to Claims; and the Court having found that it has jurisdiction to consider the Third Omnibus Objection to Claims pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that venue of this proceeding and the Third Omnibus Objection to Claims 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 Third Omnibus Objection to Claims is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and notice of the Third Omnibus Objection to Claims and the opportunity for a hearing on the Third Omnibus Objection to Claims was appropriate under the particular circumstances; and the Court having reviewed the Third

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Third Omnibus Objection to Claims.

Omnibus Objection to Claims 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 Third Omnibus Objection to Claims and at the Hearing establish just cause for the relief granted herein; and upon the record of the Chapter 11 Cases and all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The relief requested in the Third Omnibus Objection to Claims is granted to the extent provided herein.

2. Pursuant to section 502(b) of the Bankruptcy Code, the claims listed on *Schedule 1* of *Exhibit 1* annexed hereto under the heading “*Claims to Be Disallowed and Expunged*” (collectively, the “*Investor No Liability Claims*”) are disallowed and expunged.

3. Pursuant to section 502(b) of the Bankruptcy Code, the claims listed on *Schedule 2* of *Exhibit 1* annexed hereto under the heading “*Claims to Be Disallowed and Expunged*” (collectively, the “*Other No Liability Claims*”) are disallowed and expunged.

4. Pursuant to section 502(b) of the Bankruptcy Code, the claims listed on *Schedule 3* of *Exhibit 1* annexed hereto under the heading “*Claims to Be Disallowed*” (collectively, the “*Tide Claims*”) are disallowed until such time as the Tide Claims are no longer disputed, contingent or unliquidated; *provided, however*, that the Tide Claims shall be classified as unsecured claims at all times, regardless of the allowance or disallowance of such claims.

5. Pursuant to section 502(b) of the Bankruptcy Code and the Claim Administration Order, the claims listed on *Schedule 4* of *Exhibit 1* annexed hereto under the heading “*Claims to Be Disallowed and Expunged*” (collectively, the “*Unliquidated Claims*”) and

together with Investor No Liability Claims, Other No Liability Claims and Tide Claims, the “**Reclassified, Disallowed and/or Expunged Claims**”) are disallowed until such time as the Unliquidated Claims are no longer contingent or unliquidated.

6. Pursuant to section 502(b) of the Bankruptcy Code and the Claim Administration Order, the claims listed on **Exhibit 5** annexed hereto under the heading “*Claims Subject to Reclassification*” (collectively, the “**Misclassified Claims**” and together with Investor No Liability Claims, Other No Liability Claims, Tide Claims and Unliquidated Claims, the “**Reclassified, Disallowed and/or Expunged Claims**”) are reclassified as set forth under the heading “*Reclassified Claims*” on **Exhibit 1** annexed hereto (as adjusted, the “**Reclassified Claims**”).

7. The Adjusted Claims will remain on the claims register, subject to the Debtors’ right to further object as set forth herein.

8. Nothing in this Order shall affect the rights of all interested parties to object to any of the Objected Claims on an alternative basis not asserted in the Third Omnibus Objection to Claims.

9. Nothing in this Order constitutes an admission or finding with respect to any Objected Claim or any portion of an Objected Claim that is not reclassified, reduced, disallowed or expunged hereby.

10. This Order has no res judicata, estoppel, or other effect on the validity, allowance, or disallowance of, and all rights to object on any basis are expressly reserved with respect to (a) any of the Objected Claims that is not a Reclassified, Disallowed and/or Expunged Claim (if any) and (b) any Adjusted Claim; provided, however, that if the Court subsequently orders that any Reclassified, Disallowed and/or Expunged Claim be reinstated, then the claims

agent shall be authorized and directed to immediately reinstate such Reclassified, Disallowed and/or Expunged Claim in the Chapter 11 Cases (the “*Reinstated Claim*”), and the rights of all interested parties with respect to the Reinstated Claim shall be expressly reserved.

11. 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