

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

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Attorneys for the Debtors
and Debtors in Possession

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

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In re	:	Chapter 11 Case
ARCAPITA BANK B.S.C.(c), <i>et al.</i> ,	:	Case No. 12-11076 (SHL)
Debtors.	:	Jointly Administered
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NOTICE OF HEARING ON DEBTORS' FIFTH OMNIBUS OBJECTION TO CLAIMS
(Employee 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 adjust, disallow and/or expunge claims (the "*Fifth Omnibus Objection to Claims*").

PLEASE TAKE FURTHER NOTICE that a hearing (the "*Hearing*") to consider the Fifth 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 a.m. (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 FIFTH OMNIBUS OBJECTION TO CLAIMS TO SEE IF ITS NAME, DESIGNATED EMPLOYEE IDENTIFICATION NUMBER AND/OR CLAIM IS LOCATED IN THE FIFTH OMNIBUS OBJECTION OR IN EXHIBIT A ATTACHED THERETO.

PLEASE TAKE FURTHER NOTICE that any party receiving this notice that does NOT oppose the adjustment, disallowance and/or expungement of such party's claim(s) does NOT need to file a written response to the Fifth 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 adjustment, disallowance and/or expungement of such party's claim(s) must file and serve a written response to the Fifth 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 Fifth 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 adjusted, disallowed and/or expunged for the reasons set forth in the Fifth Omnibus Objection to Claims, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Fifth 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 Fifth 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 Fifth 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 Fifth 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 Fifth 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 Fifth 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)

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

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

DEBTORS' FIFTH OMNIBUS OBJECTION TO CLAIMS
(Employee Claims)

THIS OBJECTION SEEKS TO ADJUST, DISALLOW AND/OR EXPUNGE CERTAIN FILED PROOFS OF CLAIM. CLAIMANTS RECEIVING THIS OBJECTION SHOULD LOCATE THEIR NAMES (OR DESIGNATED EMPLOYEE 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 fifth omnibus objection to claims (the "*Fifth 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 Fifth Omnibus Objection to Claims seeking entry of an order, in the form attached hereto as **Exhibit B** adjusting the claims listed on **Exhibit A**.¹

2. The Debtors have determined that the proofs of claim listed under the heading “*Employee Claims Subject to Adjustment*” on **Exhibit A** (collectively, the “**Employee Claims Subject to Adjustment**”) are asserted in amounts greater than the corresponding amounts reflected in the Debtors’ books and records and/or assert priority status where it is unwarranted. The Debtors, therefore, seek entry of an order adjusting the Employee Claims Subject to Adjustment, also as set forth on **Exhibit A** (as adjusted, the “**Adjusted Employee Claims**”), and preserving the Debtors’ right to later object to the Adjusted Employee Claims on any other basis. The Adjusted Employee Claims, as adjusted or reduced, will remain on the claims register, unless such claims are disallowed and expunged in their entirety due to the reductions set forth on **Exhibit A**.

3. This Fifth Omnibus Objection to Claims does not affect the rights of any parties, except as set forth in the Court’s order or orders granting this Fifth Omnibus Objection to Claims. The Debtors, therefore, reserve the right to object on an alternative basis to any of the Employee Claims Subject to Adjustment.

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.

JURISDICTION AND VENUE

4. The Court has jurisdiction to consider this Fifth 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. 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 amendments to Arcapita’s Schedules and Statements (Dkt. Nos. 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 claim in the Chapter 11 Cases and

(b) September 17, 2012 at 5:00 p.m. (prevailing U.S. Eastern time) as the deadline for governmental units to file proofs of claim in the Chapter 11 Cases.²

9. On January 18, 2013, the Court entered the Claims Administration Order, establishing additional permitted grounds on which the Debtors and other parties in interest may object to asserted claims on an omnibus basis in the Chapter 11 Cases, in addition to the grounds set forth in Bankruptcy Rule 3007(d). Pursuant to that order, parties in interest may file omnibus objections on the basis that the asserted amounts of the subject claims contradict “the Debtors’ books and records.” Claims Administration Order ¶ 3(a).

OBJECTION

10. 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).

11. 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).

12. Prior to the Petition Date and in the ordinary course of business, the Debtors maintained books and records that reflect, among other things, the Debtors’ liabilities and amounts owed to creditors as of the Petition Date. The Debtors’ claims register reflects proofs of claim filed against the Debtors in the Chapter 11 Cases. The Debtors and their advisors have

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. None of the claims listed in *Exhibit A* were subject to the Stipulated Order Extending the Bar Date.

reviewed the proofs of claim (including supporting documentation) and compared them with the Debtors' books and records and the Schedules and Statements to determine their validity. After careful review, the Debtors have determined that the Employee Claims Subject to Adjustment require adjustment as to the asserted claim amount and/or assertion of priority.

13. The claims listed on *Exhibit A* as Employee Claims Subject to Adjustment were filed by current and former Arcapita employees. Most were filed in connection with the Debtors' various prepetition compensation programs and benefit plans. By this Fifth Omnibus Objection to Claims, the Debtors object to all Employee Claims Subject to Adjustment. Because a large number of employee claims were filed in connection with Arcapita's Investment Participation Program (the "*IPP*"), Investment Incentive Program (the "*IIP*" and together with the IPP, the "*IPP/IIP*"),³ and Stock Purchase Plan (the "*SPP*"), descriptions of such programs and parties' ongoing obligations thereunder are set forth below. The SPP has been suspended during the cases.⁴

14. In addition, some of the Employee Claims Subject to Adjustment assert liability for amounts owed under prepetition employee benefit and pension plans. Those amounts have already been paid or will be paid outside the claims process and therefore necessitates adjustment of the subject claims.

³ The IPP/IIP is subject to this Court's *Order Pursuant to Sections 363(b) and 503(c) of the Bankruptcy Code and Bankruptcy Rule 9019 Authorizing Debtors To Implement Employee Programs and Global Settlement of Claims* (Dkt. No. 303) (the "*Global Settlement Order*"). In part, the Global Settlement Order approved the Debtors' reconciliation of existing employee and company obligations under the IPP/IIP, pursuant to the terms of the order (the "*Global Settlement*").

⁴ See *Final Order Authorizing the Debtors To (A) Pay Certain Prepetition Wages, Salaries, and Reimbursable Employee Expenses, (B) Pay and Honor Employee Medical and Similar Benefits, and (C) Continue Employee Compensation and Employee Benefit Programs* (Dkt. No. 136).

15. Finally, a number of the Employee Claims Subject to Adjustment assert priority status either where no such status is warranted or for amounts in excess of the priority cap set forth under section 507(a)(4) of the Bankruptcy Code and, therefore, require adjustment.

I. IPP/IIP CLAIMS

16. At least 30 Employee Claims Subject to Adjustment were filed by employees participating in the IPP (the “*IPP Participants*”) or the IIP (the “*IIP Participants*”) and assert ongoing company liabilities under the investment programs.⁵ The IPP/IIP linked employee compensation to the performance of Arcapita portfolio investments and non-Debtor subsidiaries (collectively, the “*Arcapita Investments*”). Prior to the Petition Date, IPP Participants, all of whom are non-US employees, received from Arcapita the right to co-invest in Arcapita Investments through interest-free loans from NRA Limited (“*NRA*”), made with funds previously transferred to NRA from Arcapita via Arcapita Incentive Plan Limited (“*AIPL*”). Under the IPP, NRA distributes deal proceeds from Arcapita Investments to IPP Participants. IIP Participants, on the other hand, all of whom are US employees, did not co-invest directly in Arcapita Investments but instead participated in a deferred compensation program through which they received profit interests in AIPL.

17. Multiple Employee Claims Subject to Adjustment incorrectly assert claims against Arcapita properly asserted by NRA, AIPL and/or an Arcapita Investment (and in which the IPP/IIP Participant indirectly has an economic interest). NRA, AIPL or an Arcapita Investment may hold claims versus Arcapita (for example, for deal proceeds deposited with Arcapita prior to the Petition Date). These claims are reflected in Arcapita’s Schedules and Statements and will be administered in the Chapter 11 Cases. To the extent NRA, an Arcapita

⁵ Claim Nos. 62, 129, 186, 188, 189, 195, 198, 200, 205, 207, 210, 214, 216, 219, 221, 225, 226, 233, 240, 241, 304, 305, 306, 308,309, 310, 311, 316, 338 and 431.

Investment or AIPL holds a claim versus Arcapita and receives a distribution on that claim, the applicable IPP/IIP Participants will receive pro-rata recoveries from NRA or AIPL. IPP and IIP Participants have no right under the IPP/IIP to personally assert claims against Arcapita, however, other than for amounts outstanding under the IIP in deferral accounts (which amounts were addressed in the Global Settlement, as described in the following paragraph).

18. Other Employee Claims Subject to Adjustment asserted under the IPP are for amounts maintained by IIP Participants in deferral accounts with Arcapita. These amounts were addressed under the Global Settlement, which was implemented after the August 30, 2012 proof of claim deadline. All IIP Participants participated in the Global Settlement and by electing to do so, in return for a release from Arcapita, waived their right to enforce claims for deferred amounts under the IIP (outside of the rights arising under the Global Settlement). Upon information and belief, there are no existing liabilities in respect of the deferral accounts. Accordingly, the Debtors have no existing obligations under the IPP/IIP.

19. To avoid the possibility of a claimant receiving unwarranted recoveries, the Debtors request that the Court grant an order authorizing the Debtors to reduce at least 30 Employee Claims Subject to Adjustment to the extent they assert claims under the IPP/IIP. The claims shall be adjusted based on the Debtors' books and records consistent with the adjustments set forth on *Exhibit A*. Such claims, as reduced or amended, will remain on the claims register subject to further objections on any other basis, unless such claims are disallowed and expunged in their entirety due to the reductions set forth on *Exhibit A*.

II. STOCK PURCHASE PLAN CLAIMS

20. At least six Employee Claims Subject to Adjustment seek recovery for payments allegedly owed, or amounts deferred, under the SPP.⁶ The Debtors established the SPP in 1999 to align management and shareholder interests. SPP participants (the “*SPP Participants*”) received economic non-voting shares (“*SPP Shares*”) in six Cayman Island companies (the “*AESOP Companies*”) under the Arcapita Employee Stock Option Plan (“*AESOP*”). Each AESOP Company owns shares of Arcapita. The SPP Shares have the same economic value as shares of Arcapita capital stock. Hence, while the SPP does not provide participants with equity ownership in Arcapita, it replicates the effects of a direct grant of Arcapita equity.

21. SPP Participants could participate in the program directly or through a deferral plan. SPP Participants who participated directly (“*Direct Participants*”) received an initial grant of SPP Shares, priced at book value, and subsequently paid for portions of those shares annually through (a) reductions from their bonuses, (b) gains realized on IPP participation, or (c) dividend distributions from SPP Shares. Direct Participants’ interest in the SPP Shares became vested at payment.

22. Direct Participants could monetize their interest in the SPP by converting the SPP Shares into Arcapita stock or at termination. In addition, after six years, Direct Participants received the option to convert a portion of their SPP Shares into Arcapita stock. At termination, Arcapita paid the Direct Participant the book value of his or her vested SPP Shares in cash. Unvested shares were purchased by Arcapita at the lower of the purchase price or book value (with remaining payments owed by the Direct Participant deducted from the purchase price paid by Arcapita).

⁶ Claim Nos. 183, 190, 208, 268, 309, and 316.

23. Unlike Direct SPP Participants, employees who participated in the SPP through the deferral program (“*Deferral Participants*”) had no title or interest in SPP Shares. Deferral Participants were granted a hypothetical allocation of shares (“*Hypothetical Shares*”) upon commencement of their participation. Each year following the initial grant, the Deferral Participant would then defer a portion of his or her incentive bonus (the “*Deferred Amounts*”). The Deferred Amounts equaled the payments that the Deferral Participant *would have been required to make* each year to vest the Hypothetical Shares if he or she were a Direct Participant. During an employee’s participation in the deferral program, the Deferred Amounts were treated as assets of Arcapita, and not of the Deferral Participant.

24. At termination, the Deferral Participant would receive a distribution, calculated by treating the participating employee’s deferrals as though they had actually purchased SPP Shares. The employee would thus receive the book value of all “purchased” Hypothetical Shares.

25. Since the values of SPP Shares and Hypothetical Shares are based on Arcapita capital stock, at the present time, neither SPP Shares nor Hypothetical Shares have value. Therefore, while the value of Arcapita capital stock may experience a de minimis increase in the future, vested and unvested SPP Participants currently have no claims against Arcapita under the SPP. SPP Participants received what they bargained for, an incentive system structured to mirror the economics of equity ownership.

26. As a result of their review of the claims filed on the claims register in the Chapter 11 Cases and maintained by the Court-appointed claims agent, the Debtors have identified at least six Employee Claims Subject to Adjustment on *Exhibit A* as being filed in connection with the SPP.

27. To avoid the possibility of a claimant receiving unwarranted recoveries (if such claimant has a claim at all), the Debtors request that the Court grant an order authorizing the Debtors to adjust all Employee Claims Subject to Adjustment asserting a claim under the SPP consistent with *Exhibit A*. Such claims, as reduced or amended, will remain on the claims register subject to further objections on any other basis, unless they are disallowed and expunged in their entirety due to the reductions set forth on *Exhibit A*.

III. PENSION AND EMPLOYEE BENEFIT CLAIMS

28. At least eight claims assert ongoing liability under Arcapita employee benefit plans, such as their non-management pension plan.⁷ This Court entered an order on May 5, 2012, authorizing the Debtors to pay certain prepetition wages, salaries, and reimbursable expenses (the “*Wages Order*”). (Dkt. No. 136). Pursuant to the Wages Order, the Debtors were authorized to and did “honor their wage and benefit programs” in the ordinary course of business post-petition. Wages Order ¶ 2. Notwithstanding the fact that the Debtors have continued to pay, and will continue to honor, their obligations for employee benefits and pensions payments pursuant to the Wages Order, a number of Employee Claims Subject to Adjustment assert ongoing liabilities under such benefit or pension programs. Because such payments are covered by the Wages Order, and, upon information and belief, either have been paid in full or will be paid, no recovery on these claims is appropriate here.

29. To avoid the possibility of a claimant receiving unwarranted recoveries (if such claimant has a claim at all), the Debtors request that the Court grant an order authorizing the Debtors to adjust at least eight Employee Claims Subject to Adjustment consistent with *Exhibit A*. Such claims, as reduced or amended, will remain on the claims register subject to further

⁷ Claim Nos. 141, 143, 144, 145, 146, 147, 148 and 149.

objections on any other basis, unless they are disallowed and expunged in their entirety due to the reductions set forth on *Exhibit A*.

IV. PRIORITY STATUS CLAIMS

30. Pursuant to section 507(a)(4) of the Bankruptcy Code, compensation earned within 180 days of a bankruptcy filing is awarded priority treatment, subject to an \$11,725.00 cap (the “*Priority Cap*”). 11 U.S.C. § 507(a)(4). The Supreme Court has emphasized the importance of the limitations on the priority status afforded to certain employee wage claims under section 507 of the Bankruptcy Code because “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). Conferring priority status to an employee-claimant “not clearly entitled thereto is not only inconsistent with the policy of equality of distribution; it dilutes the value of the priority for those creditors Congress intended to prefer.”⁸ *Id.* at 667-68.

31. As a result of their review of the claims filed on the claims register in the Chapter 11 Cases and maintained by the Court-appointed claims agent, the Debtors have identified at least 18 Employee Claims Subject to Adjustment on *Exhibit A* as asserting priority claims in excess of the Priority Cap or for amounts that are not compensation and/or were not earned within 180 days of the Petition Date (collectively, the “*Employee Priority Claims*”).⁹ Nine Employee Claims Subject to Adjustment are prepetition bonus claims for which the Debtors have identified no dollar amount variance, but which assert priority claims in excess of

⁸ In order to protect the intended priority of distribution, Debtors also object to Claim Nos. 238 and 239, which incorrectly assert administrative status. Any portion of those claims remaining on the claims register should be reclassified as unsecured.

⁹ Claim Nos. 13, 96, 105, 117, 125, 135, 141, 154, 162, 206, 213, 214, 215, 216, 229, 238, 239, 311, and 431.

the Priority Cap.¹⁰ Employee 1483, for example, seeks priority status for his or her entire \$1,000,000.00 bonus claim (*see* Claim No. 13).

32. To avoid the possibility of a claimant receiving unwarranted recoveries (if such claimant has a claim at all), and to preserve the Bankruptcy Code's intended order of priority¹¹, the Debtors request that the Court grant an order authorizing the Debtors to adjust at least 18 Employee Priority Claims consistent with *Exhibit A*. Such claims, as reduced, reclassified, and/or amended, will remain on the claims register subject to further objections on any other basis, unless they are otherwise disallowed and expunged in their entirety due to the reductions set forth on *Exhibit A*.

NOTICE

33. No trustee or examiner has been appointed in the Chapter 11 Cases. The Debtors have provided notice of filing of the Fifth 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 Fifth 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.

¹⁰ Claim Nos. 13, 96, 105, 135, 206, 215, 229, 238, and 239.

¹¹ To preserve the intended order of priority, proofs of claim asserting unwarranted administrative priority status inconsistent with Debtors' books and records are also objected to through this motion.

NO PRIOR REQUEST

34. 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*)
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ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

	NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
1	EMPLOYEE 1000 [ADDRESS ON FILE]	338	08/30/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$1,134,199.62	Unsecured	\$135,000.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the employee payable on the Debtor's books and records as of the bankruptcy petition date.
2	EMPLOYEE 1001 [ADDRESS ON FILE]	305	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$3,998,965.02*	Unsecured	\$510,203.75	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the employee payable on the Debtor's books and records as of the bankruptcy petition date.
3	EMPLOYEE 1035 [ADDRESS ON FILE]	62	08/17/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$337,819.50	Unsecured	\$37,500.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the employee payable on the Debtor's books and records as of the bankruptcy petition date.
4	EMPLOYEE 1038 [ADDRESS ON FILE]	56	08/15/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$63,340.75	Unsecured	\$63,340.75	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the employee payable on the Debtor's books and records as of the bankruptcy petition date.
5	EMPLOYEE 1201 [ADDRESS ON FILE]	162	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	Undetermined*	Unsecured	\$0.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. No liability exists on the Debtors' books and records for a guaranteed bonus.
6	EMPLOYEE 1255 [ADDRESS ON FILE]	215	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$66,000.00	Unsecured	\$66,000.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
7 EMPLOYEE 1255 [ADDRESS ON FILE]	212	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$72,600.00*	Unsecured	\$0.00	No liability exists on the Debtors' books and records.
8 EMPLOYEE 1255 [ADDRESS ON FILE]	213	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$55,711.00	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. No liability exists on the Debtors' books and records for stock option grants.
9 EMPLOYEE 1255 [ADDRESS ON FILE]	214	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$73,873.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
10 EMPLOYEE 1259 [ADDRESS ON FILE]	316	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority Unsecured	\$11,725.00 \$648,595.53	Unsecured	\$183,823.53	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
				Subtotal	\$660,320.53			See Article II., paragraphs 20-27 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
11 EMPLOYEE 1262 [ADDRESS ON FILE]	200	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$3,031,752.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
12 EMPLOYEE 1263 [ADDRESS ON FILE]	219	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$1,468,468.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

	NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
13	EMPLOYEE 1265 [ADDRESS ON FILE]	310	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority Unsecured	\$11,725.00* \$1,720,459.00*	Unsecured	\$330,329.88	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
					Subtotal	\$1,732,184.00			See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
14	EMPLOYEE 1267 [ADDRESS ON FILE]	207	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$2,266,867.00	Unsecured	\$559,865.35	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
15	EMPLOYEE 1268 [ADDRESS ON FILE]	221	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$916,087.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
16	EMPLOYEE 1269 [ADDRESS ON FILE]	306	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$293,998.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
17	EMPLOYEE 1270 [ADDRESS ON FILE]	195	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$452,713.50	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
18	EMPLOYEE 1271 [ADDRESS ON FILE]	309	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority Unsecured	\$11,725.00* \$828,814.31*	Unsecured	\$200,000.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
					Subtotal	\$840,539.31			See Article II., paragraphs 20-27 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

	NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
19	EMPLOYEE 1276 [ADDRESS ON FILE]	311	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority Unsecured	\$3,197,315.00* Undetermined*	Unsecured	\$350,000.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
					Subtotal	\$3,197,315.00			See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
									See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
									The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
20	EMPLOYEE 1277 [ADDRESS ON FILE]	198	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$176,708.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
21	EMPLOYEE 1277 [ADDRESS ON FILE]	197	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$178,605.00	Unsecured	\$0.00	No liability exists on the Debtors' books and records.
22	EMPLOYEE 1278 [ADDRESS ON FILE]	225	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$418,163.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
23	EMPLOYEE 1278 [ADDRESS ON FILE]	224	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$11,725.00	Unsecured	\$0.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
									No liability for the 2011 employee bonus amount as the claimant asserts duplicate liability in POC 227 for 2011 Employee bonus.
24	EMPLOYEE 1278 [ADDRESS ON FILE]	226	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$182,959.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
25	EMPLOYEE 1282 [ADDRESS ON FILE]	205	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$1,186,362.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
26	EMPLOYEE 1282 [ADDRESS ON FILE]	206	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$216,655.94	Unsecured	\$216,655.94	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
									The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
27 EMPLOYEE 1283 [ADDRESS ON FILE]	210	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$665,052.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
28 EMPLOYEE 1283 [ADDRESS ON FILE]	208	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$233,333.00	Unsecured	\$0.00	See Article II., paragraphs 20-27 of the Debtors' Fifth Omnibus Objection to Claims.
29 EMPLOYEE 1284 [ADDRESS ON FILE]	216	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$244,863.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
30 EMPLOYEE 1286 [ADDRESS ON FILE]	229	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$21,500.00	Unsecured	\$21,500.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
31 EMPLOYEE 1317 [ADDRESS ON FILE]	233	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$361,531.43*	Unsecured	\$100,000.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
32 EMPLOYEE 1323 [ADDRESS ON FILE]	144	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$5,854.66	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
33 EMPLOYEE 1332 [ADDRESS ON FILE]	143	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$3,278.78	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
34 EMPLOYEE 1372 [ADDRESS ON FILE]	184	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$376,000.00	Unsecured	\$150,000.00	The modified amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date. No liability exists on the Debtors' books and records for an employee stock grant.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

	NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
35	EMPLOYEE 1373 [ADDRESS ON FILE]	190	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$280,951.01	Unsecured	\$0.00	See Article II., paragraphs 20-27 of the Debtors' Fifth Omnibus Objection to Claims.
36	EMPLOYEE 1373 [ADDRESS ON FILE]	188	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$368,174.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
37	EMPLOYEE 1373 [ADDRESS ON FILE]	189	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	Undetermined*	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
38	EMPLOYEE 1414 [ADDRESS ON FILE]	304	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$1,545,099.00*	Unsecured	\$200,000.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
39	EMPLOYEE 1425 [ADDRESS ON FILE]	68	08/20/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$275,096.61	Unsecured	\$250,000.00	See Article IV., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date. No liability exists on the Debtors books and records for interest on the bonus.
40	EMPLOYEE 1466 [ADDRESS ON FILE]	240	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	Undetermined*	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
41	EMPLOYEE 1466 [ADDRESS ON FILE]	241	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$346,101.00	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
42	EMPLOYEE 1466 [ADDRESS ON FILE]	239	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Administrative Expense	\$500,000.00	Unsecured	\$500,000.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

	NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
43	EMPLOYEE 1466 [ADDRESS ON FILE]	238	08/28/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Administrative Expense	\$1,191,900.00	Unsecured	\$1,191,900.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2012 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
44	EMPLOYEE 1472 [ADDRESS ON FILE]	125	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$4,500.00*	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
45	EMPLOYEE 1474 [ADDRESS ON FILE]	129	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$2,907,780.00*	Unsecured	\$500,000.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
46	EMPLOYEE 1481 [ADDRESS ON FILE]	135	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$196,969.40	Unsecured	\$196,969.40	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
47	EMPLOYEE 1483 [ADDRESS ON FILE]	13	07/31/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$1,000,000.00	Unsecured	\$1,000,000.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims. The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
48 EMPLOYEE 1493 [ADDRESS ON FILE]	431	08/30/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$11,725.00	Unsecured	\$400,000.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
				Unsecured	\$637,620.00			
				Subtotal	\$649,345.00			
49 EMPLOYEE 1495 [ADDRESS ON FILE]	96	08/22/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$25,000.00	Unsecured	\$25,000.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
								The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
50 EMPLOYEE 1501 [ADDRESS ON FILE]	117	08/24/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$11,725.00	Unsecured	\$154,301.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
				Unsecured	\$152,576.00			
				Subtotal	\$164,301.00			See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
								The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
51 EMPLOYEE 1504 [ADDRESS ON FILE]	105	08/23/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$18,500.00	Unsecured	\$18,500.00	See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
								The modified unsecured amount reflects the 2011 employee bonus on the Debtor's books and records as of the bankruptcy petition date.
52 EMPLOYEE 2026 [ADDRESS ON FILE]	186	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	Undetermined*	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.

* Plus, unliquidated, punitive and/or undetermined amounts

ARCAPITA BANK B.S.C. (C), ET. AL.

FIFTH OMNIBUS CLAIMS OBJECTION

SCHEDULE 1 - EMPLOYEE CLAIMS SUBJECT TO ADJUSTMENT

CLAIMS SUBJECT TO ADJUSTMENT, DISALLOWANCE OR EXPUNGEMENT

NAME OF CLAIMANT	CLAIM #	FILED DATE	ASSERTED DEBTOR NAME & CASE NUMBER	ASSERTED CLASS	ASSERTED AMOUNT	MODIFIED CLASS	MODIFIED AMOUNT	REASON FOR PROPOSED MODIFICATION OR DISALLOWANCE
53 EMPLOYEE 2038 [ADDRESS ON FILE]	183	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	Undetermined*	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. See Article II., paragraphs 20-27 of the Debtors' Fifth Omnibus Objection to Claims.
54 EMPLOYEE 2070 [ADDRESS ON FILE]	154	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Secured	Undetermined*	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims. See Article IV., paragraphs 31-33 of the Debtors' Fifth Omnibus Objection to Claims.
55 EMPLOYEE 2078 [ADDRESS ON FILE]	141	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Priority	\$22,000.00	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
56 EMPLOYEE 2110 [ADDRESS ON FILE]	146	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$2,410.66	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
57 EMPLOYEE 2111 [ADDRESS ON FILE]	147	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$3,278.78	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
58 EMPLOYEE 2117 [ADDRESS ON FILE]	308	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	Undetermined*	Unsecured	\$0.00	See Article I., paragraphs 16-19 of the Debtors' Fifth Omnibus Objection to Claims.
59 EMPLOYEE 2142 [ADDRESS ON FILE]	268	08/29/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$100,000.00	Unsecured	\$0.00	See Article II., paragraphs 20-27 of the Debtors' Fifth Omnibus Objection to Claims.
60 EMPLOYEE 2159 [ADDRESS ON FILE]	145	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$32,097.92	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
61 EMPLOYEE 2164 [ADDRESS ON FILE]	149	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$8,602.52	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
62 EMPLOYEE 2179 [ADDRESS ON FILE]	148	08/27/2012	Arcapita Bank B.S.C.(c) 12-11076 (SHL)	Unsecured	\$1,516.62	Unsecured	\$0.00	See Article III., paragraphs 28-30 of the Debtors' Fifth Omnibus Objection to Claims.
TOTAL					\$34,588,967.56*	TOTAL	\$7,360,889.60	

* 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' FIFTH OMNIBUS OBJECTION TO CLAIMS
(Employee Claims)

Upon consideration of the fifth omnibus objections to claims (the “*Fifth 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 *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), reclassifying and adjusting the Employee Claims Subject to Adjustment, all as more fully described in the Fifth Omnibus Objection to Claims; and the Court having found that it has jurisdiction to consider the Fifth 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 Fifth 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 Fifth Omnibus Objection to Claims is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and notice of the Fifth Omnibus Objection to Claims and the opportunity for a hearing on the Fifth Omnibus Objection to Claims was appropriate under the particular circumstances; and the

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

Court having reviewed the Fifth 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 Fifth 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 Fifth 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 *Exhibit 1* annexed hereto under the heading “*Claims Subject to Adjustment*” (collectively, the “**Employee Claims Ordered Adjusted**”) are adjusted as set forth under the heading “*Adjusted Employee Claims*” on *Exhibit 1* annexed hereto (as adjusted, the “**Adjusted Employee Claims**”).
3. The Adjusted Employee Claims will remain on the claims register, subject to the Debtors’ right to further object as set forth herein.
4. All information included on and all documentation filed in support of any Employee Claims Ordered Adjusted shall be treated as having been filed in support of the corresponding Adjusted Employee Claims.
5. Nothing in this Order shall affect the rights of all interested parties, including the Debtors, to object to any of the Employee Claims Subject to Adjustment on an alternative basis not asserted in the Fifth Omnibus Objection to Claims.
6. Except as set forth in this Order, nothing in this Order or adjustment of the Employee Claims Ordered Adjusted constitutes any admission or finding with respect to any of

the Adjusted Employee Claims, and the Debtors' rights to object to the Adjusted Employee Claims on any basis is preserved.

7. 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 (i) any Employee Claims Subject to Adjustment that is not an Employee Claim Ordered Adjusted and (ii) any Adjusted Employee Claim; *provided, however*, that if the Court subsequently orders that an Adjusted Employee Claim should not have been subject to the adjustments set forth in this Order or should be subject to a different adjustment, then the claims agent shall be authorized and directed to readjust or reinstate such Employee Claim Ordered Adjusted in the Chapter 11 Cases (the "*Reinstated Employee Claims*"), and the rights of all interested parties with respect to the Reinstated Employee Claim shall be expressly reserved.

8. 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