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

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In re:	: Chapter 11
	:
ARCAPITA BANK B.S.C.(C.), <i>et al.</i> ,	: Case No. 12-11076 (SHL)
	:
Debtors.	: Jointly Administered
	:
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STANDARD CHARTERED BANK’S RESERVATION OF RIGHTS TO THE DEBTORS’ MOTION FOR THE ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO (A) ENTER INTO A FINANCING COMMITMENT LETTER AND RELATED FEE LETTER TO OBTAIN (I) REPLACEMENT DIP FINANCING AND (II) EXIT FINANCING, (B) INCUR AND PAY ASSOCIATED FEES AND EXPENSES, AND (C) PROVIDE RELATED INDEMNITIES

Standard Chartered Bank (“SCB”), through its undersigned counsel, hereby asserts this reservation of rights (this “**Reservation of Rights**”)¹ to the *Motion for the Entry of an Order Authorizing the Debtors to (A) Enter into a Financing Commitment Letter and Fee Letter to Obtain (I) Replacement DIP Financing and (II) Exit Financing, (B) Incur and Pay Associated Fees and Expenses, and (C) Provide Related Indemnities* [Dkt. No. 1061] (the “**Financing**

¹ By filing this Reservation of Rights, SCB is not acknowledging the propriety of these chapter 11 cases or that the Court should continue to exercise jurisdiction over each of the Debtors. SCB reserves the right to request that the Court dismiss, or abstain from, these chapter 11 cases.

Commitment Motion”) filed by the above-captioned debtors and debtors in possession (the **Debtors**) and respectfully represents and states as follows:

RESERVATION OF RIGHTS

1. On October 19, 2012, this Court ordered and approved a settlement between SCB, the Debtors, and the Official Committee of Unsecured Creditors for the Debtors, and the Cayman Islands Joint Provisional Liquidators for Arcapita Investment Holdings Limited, in the *Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Authorizing and Approving the Settlement with Standard Chartered Bank*. [Docket No. 587] (the **SCB Settlement Order**”). The SCB Settlement Order permits the Debtors to incur certain debtor-in-possession financing to the extent such financing is consistent with the terms and conditions contained in the SCB Settlement Order, including the provision of adequate protection to SCB.

2. It appears that the replacement debtor-in-possession financing (the **Goldman DIP Financing**”) proposed by the Debtors in the Financing Commitment Motion is intended to comply with the SCB Settlement Order and SCB’s rights thereunder. Therefore, provided that the order approving the Goldman DIP Financing provides that the Goldman DIP Financing shall not alter, amend or modify the terms and conditions of the SCB Settlement Order, SCB has no objection to the Goldman DIP Financing.

3. The Financing Commitment Motion also seeks to approve entry into a commitment with Goldman Sachs International to provide exit financing (the **Goldman Exit Financing**”) to support the Debtors’ *Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 1036] (the **Plan**”). SCB has no objection to the Debtors’ entry into the commitment letter for the Goldman Exit Financing. However, SCB’s rights and remedies are expressly reserved with

respect to the terms and conditions of the Goldman Exit Financing in connection with confirmation of the Debtors' Plan.

Dated: New York, New York
May 13, 2013

DECHERT LLP

By: /s/ Brian E. Greer
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