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

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In re:	:	Chapter 11
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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 SECOND LIMITED OBJECTION AND  
RESERVATION OF RIGHTS TO THE DEBTORS’ CASH MANAGEMENT MOTION**

Standard Chartered Bank (“**Standard Chartered**”), through its undersigned counsel, hereby asserts this second limited objection and reservation of rights (this “**Second Limited Objection**”)<sup>1</sup> to the *Motion for Interim and Final Orders (A) Authorizing Debtors to (I) Continue Existing Cash Management System, Bank Accounts, and Business Forms and (II) Continue Ordinary Course Intercompany Transactions; and (B) Granting an Extension of Time to Comply With the Requirements of Section 345(b) of the Bankruptcy Code* [Dkt. No. 12] (the “**Cash Management Motion**”) filed by the above-captioned debtors and debtors in possession (the

<sup>1</sup> Standard Chartered Bank’s initial Limited Objection to the Cash Management Motion [Dkt. No. 73] (the “**First Limited Objection**”) is hereby incorporated as if fully set forth herein.

“Debtors”) for approval on a fourth interim basis and respectfully represents and states as follows:<sup>2</sup>

**LIMITED OBJECTION AND RESERVATION OF RIGHTS**

1. Standard Chartered, the Debtors’ sole secured creditor and the beneficiary of a trust under its Equitable Mortgages<sup>3</sup> with certain of the Debtors and Cayman Islands law, has been informed by counsel to the Debtors that the May 7, 2012, hearing on the Cash Management Motion will be a fourth interim hearing and not a final hearing. To date, Standard Chartered has not received a draft of the proposed order or the proposed budget. Standard Chartered objects to the entry of a fourth interim order to the extent the form of order and fourth interim budget are not acceptable to Standard Chartered and objects to the entry of any final order.

2. Standard Chartered and the Debtors have not resolved the issues set forth in the First Limited Objection – including the attempted use by the Debtors of property held in trust for the sole benefit of Standard Chartered. Although Debtors’ counsel has advised Standard Chartered that the Debtors are working on a protocol to address the significant issues related to intercompany transfers, Standard Chartered has not been provided with the proposed terms of any such protocol.

3. Standard Chartered reserves its rights to make additional objections at the hearing and reserves its rights to object to the entry of any further interim orders and/or a final order that would permit disbursements of funds from the Subsidiary Guarantors and their non-Debtor

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<sup>2</sup> By filing this Second Limited Objection, Standard Chartered is not acknowledging the propriety of these chapter 11 cases or that the Court should continue to exercise jurisdiction over each of the Debtors. Standard Chartered reserves the right to request that the Court dismiss, or abstain from, these chapter 11 cases.

<sup>3</sup> Capitalized terms used but not defined herein shall have the meaning ascribed to them in Standard Chartered’s First Limited Objection.

subsidiaries to AIHL or Arcapita Bank for the benefit of structurally subordinated unsecured creditors.

WHEREFORE, for the foregoing reasons, Standard Chartered respectfully requests that the Court (a) deny the Cash Management Motion unless the form of order and budget for the fourth interim period are acceptable to Standard Chartered and (b) grant Standard Chartered such other and further relief as the Court deems appropriate.

Dated: New York, New York  
May 1, 2012

DECHERT LLP

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