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

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<b>In re:</b>	:	<b>Chapter 11</b>
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<b>ARCAPITA BANK B.S.C.(C), et al.,</b>	:	<b>Case No. 12-11076 (SHL)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
IN SUPPORT OF CONFIRMATION OF THE SECOND  
AMENDED JOINT PLAN OF REORGANIZATION OF ARCAPITA  
BANK B.S.C.(c) AND RELATED DEBTORS UNDER CHAPTER 11 OF  
THE BANKRUPTCY CODE**

The Official Committee of Unsecured Creditors (the “Committee”) of Arcapita Bank B.S.C.(c) (“Arcapita Bank”) and the other debtors in possession in the above-captioned jointly administered chapter 11 cases (collectively, the “Debtors”) hereby submits this statement (the “Statement”) in support of the *Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code (with First Technical Modifications)* [Docket No. 1251] (the “Plan”),<sup>1</sup> and respectfully states as follows:

**STATEMENT**

1. After extensive deliberations among the Committee members, as well as meetings with other stakeholders, the Committee determined an appropriate allocation of value

<sup>1</sup> Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Plan.

among the various constituencies of creditors and a viable going-forward governance structure to maximize this value by monetizing the Debtors' investments in an orderly fashion. These determinations became the basis for the Plan and the Management Services Agreement described therein. The Plan also reflects months of negotiations among the Debtors, the Committee, the joint provisional liquidators of Arcapita Investment Holdings Limited ("AIHL"), Standard Chartered Bank ("SCB"), and an ad hoc group of participants in the Debtors' \$1.1 billion prepetition syndicated *murabaha* facility, among others, regarding the myriad claims and issues affecting the estates.

2. The Committee supports the Plan, because, among other things, the Plan (a) resolves the complex relationships among the Debtors, the Debtors' portfolio investment companies, and the third-party investors in such portfolio investment companies, (b) settles inter-creditor issues, including, among others, a comprehensive settlement among the Debtors, SCB, and the Committee, and provides a path toward the ultimate distribution of the escrowed funds that constitute the bulk of Debtor Falcon's estate, and (c) provides an appropriate governance mechanism for the monetization and distribution of the Debtors' portfolio investments that will maximize value for all constituents.

3. The Committee's support for the Plan is shared by the overwhelming majority of the Debtors' creditors, as evidenced by the results of the voting on the Plan. *See Amended Declaration of Jeffrey S. Stein of the Garden City Group, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the 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. 1193]. Nearly every impaired class of Claims and Interests voted to accept the Plan, with the exception of the one class dominated by two creditors under common management, Tide Natural Gas Storage I, LP, and Tide Natural Gas

Storage II, LP (together, “Tide”), which are currently engaged in litigation against the Debtors to determine the proper characterization and priority of their claims. Importantly, the two largest classes of unsecured claims – those against Arcapita Bank only and those against Arcapita Bank and AIHL (based on its guarantees of Arcapita Bank’s obligations) – voted to accept the Plan by margins well in excess of those required under the Bankruptcy Code for a class to indicate its assent, thus manifesting their support for the Plan and the structure it contemplates for monetizing the Debtors’ holdings for the benefit of their unsecured creditors. Indeed, of the eight objections (including reservations of rights) filed in connection with the Confirmation Hearing, only one requested that confirmation of the Plan be denied, and even that objection only referred to a single Subplan, that of the Debtor Falcon, whose case raises unique issues not relevant to any of the other Subplans comprising the Plan.<sup>2</sup> As of the date hereof, all but one of the other objections have been resolved consensually.<sup>3</sup>

4. Based on all of the foregoing, the Committee respectfully requests that the Court enter an order (a) confirming the Plan, and (b) granting any other or additional relief that is just.

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<sup>2</sup> Following a hearing on the issue of subordination of Tide’s claims on June 10, 2013, Tide withdrew its objection with respect to the Subplan of Arcapita Bank.

<sup>3</sup> As of this filing, the Debtors, Committee and HarbourVest Partners L.P. (“HV”), which filed a reservation of rights in connection with confirmation of the Plan [Docket No. 1191], have agreed on the basic terms of a resolution of HV’s concerns.

Dated: New York, New York  
June 11, 2013

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