

Response Deadline: October 3, 2013 at 4:00 p.m.
Hearing Date and Time: October 24, 2013 at 11:00 a.m.

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Attorneys for Al Imtiaz Investment Company K.S.C.

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

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

**RESPONSE OF CREDITOR
AL IMTIAZ INVESTMENT COMPANY K.S.C. TO THE
DEBTORS' SECOND OMNIBUS OBJECTION TO CLAIMS**

Claimant Al Imtiaz Investment Company K.S.C. ("Al Imtiaz"), a Kuwaiti Shareholding Company, by and through its counsel, Vinson & Elkins LLP, respectfully submits this response (the "Response") to the Debtors' Second Omnibus Objection to Claims filed by Arcapita Bank B.S.C(c) ("Arcapita" and, together with certain of its subsidiaries and affiliates¹, the "Debtors") dated April 26, 2013 (the "Objection") (Dkt. 1050). In support of its Response, Al Imtiaz states as follows:

¹ The related Debtors are Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, WindTurbine Holdings Limited, AEID II Holdings Limited, RailInvest Holdings Limited, and Falcon Gas Storage Company, Inc.

BACKGROUND

1. Al Imtiaz is a creditor of Arcapita and filed a proof of claim on August 30, 2012, [Claim No. 517] in an amount not less than \$1,366,633.00 (the “Proof of Claim”, a copy of which is attached hereto as Exhibit A). Al Imtiaz, in its capacity as a creditor under such Proof of Claim, is a party-in-interest in these cases.

2. From approximately 2005-2011, Al Imtiaz entered into a series of Arcapita-sponsored transactions through which it invested in certain of the non-Debtor Syndication Companies and/or Transactions Holdcos, including Arcapita Ventures I Limited (together, the “Arcapita Funds”).² See e.g., Ex. A, 10 (filed with Proof of Claim). Except with respect to the proceeds arising from the Prenova Exit described below which the Debtors promised to pay, Al Imtiaz’ investments in the various non-Debtor Arcapita Funds are not included in the Proof of Claim or otherwise impacted by the Debtors’ chapter 11 proceedings.

3. Prior to the Petition date, on or around January 11, 2012, Arcapita sent Al Imtiaz a letter stating that Arcapita Ventures I Limited had successfully achieved as its second exit the sale of its interests in Prenova, Inc. (the “Prenova Exit”) and that a total of \$1,336,633 was credited to Al Imtiaz’ investment account on December 20, 2011. Ex. A, 14 (filed with Proof of Claim). On or around that same day, Arcapita also sent Al Imtiaz a letter stating that Arcapita would transfer to Al Imtiaz proceeds of the Prenova Exit during February 2012. Ex. A, 16 (filed with Proof of Claim, and together with the first letter referenced in this paragraph, the “Letters”). Al Imtiaz asserts that receipt by the Debtor Arcapita of the funds arising from the Prenova Exit and the terms of the Letters from Arcapita to Al Imtiaz create, under applicable law, a right to

² Terms not otherwise defined shall have the meaning ascribed to them in the Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and related Debtors Under Chapter 11 of the U.S. Bankruptcy Code (with First Technical Modifications), dated June 11, 2013 (the “Plan”).

payment against Arcapita.

4. Arcapita did not transfer the proceeds of the Prenova Exit to Al Imtiaz, as promised in the Letters.

5. Arcapita filed its bankruptcy petition on or about March 19, 2012 and initiated the above-captioned cases.

6. On or about August 30, 2012, under compulsion of the bar date, Al Imtiaz filed the Proof of Claim with the United States Bankruptcy Court for the Southern District of New York in the above-captioned action relating to the Debtors' failure to pay the promised amount arising from the Prenova Exit. Specifically, its claim relates to the funds that Al Imtiaz believes it is owed by the Debtors in connection with the Prenova Exit, as set forth in the Letters, but for which the Debtors failed to comply. *See* Ex. A.

7. On or about April 26, 2013, the Debtors filed their Second Omnibus Objection to Claims (the "Objection"), which Objection states "Al Imtiaz asserts a claim for its equity investments in non-Debtor entities and that the Debtors do not have any liability for such interests." Objection, Schedule 1.

RESPONSE

8. As set forth in the Letters, Arcapita directly informed Al Imtiaz that it would transfer funds to Al Imtiaz' account on account of the proceeds it received from the Prenova Exit.

9. Al Imtiaz' Claim was filed in this action in response to Arcapita's failure to transfer or otherwise pay such funds to Al Imtiaz.

10. Pursuant to Section 101(5)(A) of title 11 of the United States Code (the

“Bankruptcy Code”), the term “claim” means the “right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured...” 11 U.S.C. § 101(5)(A).

11. Pursuant to Bankruptcy Code Section 501(a), “[a] creditor... may file a proof of claim.” 11 U.S.C § 501(a). Section 502(a) of the Bankruptcy Code provides that a filed proof of claim is “deemed allowed, unless a party in interest...objects.” 11 U.S.C § 502(a).

12. In this case, the Debtors object to Al Imtiaz’ Claim on the alleged basis that, “Claimant asserts a claim for its equity investments in non-Debtor entities. The Debtors do not have any liability for such interests.” Objection, Schedule 1.

13. A properly filed proof of claim “constitutes prima facie evidence of the validity and amount of the claim.” Federal Rule of Bankruptcy Procedure 3001(f). The burden is on the party objecting to the claim to come forward with “evidence equal in force to the prima facie case... which, if believed, would refute at least one of the allegations that is essential to the claim’s legal sufficiency.” *In re Oneida Ltd.*, 400 B.R. 384, 389 (Bankr. S.D.N.Y. 2009).

14. Specifically, “a proof of claim in a bankruptcy proceeding ‘cannot be defeated by mere formal objection.’(citation omitted). ‘If the objector does not ‘introduce[] evidence as to the invalidity of the claim... the claimant need offer no further proof of the merits of the validity...of the claim.’” *In re Minbatiwalla*, 424 B.R. 104, 111 (Bankr. S.D.N.Y. 2010).

15. Arcapita has not provided Al Imtiaz with information supporting the Objection or demonstrating that Al Imtiaz does not have a valid claim against the Debtors. Nor does the Objection provide any support for disallowing the claim of Al Imtiaz on the grounds asserted in the Objection. The claim asserted in the Proof of Claim is not a claim for an equity investment

in a non-Debtor entity, but rather constitutes a claim for funds received by the Debtors which were wrongfully or impermissibly not paid to Al Imtiaz. In informal conversations with the Debtors, counsel has asserted, without providing evidence, that the claims arising from the Prenova Exit reside exclusively with the relevant Arcapita Funds. However, this is contradicted by the Letters, and in any case the existence of a claim by the Arcapita Funds in connection with the Prenova Exit or otherwise, does not preclude Al Imtiaz from having a claim, particularly, but not solely, if the funds relating to the Prenova Exit were received by the Debtors.

16. Nothing in this Response shall be construed as a waiver of any rights or limitation on remedies of Al Imtiaz against the Debtors or any other Person, including, without limitation, any Arcapita Fund, all of which are hereby preserved or reserved.

CONCLUSION

17. WHEREFORE, for the reasons set forth herein, Al Imtiaz respectfully requests that this Court deny the Debtors' Objection to Al Imtiaz' Claim in all respects.

Dated: October 3, 2013
New York, New York

Respectfully submitted,

VINSON & ELKINS LLP

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*Attorneys for Al Imtiaz Investment
Company K.S.C.*

EXHIBIT A

B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK		PROOF OF CLAIM
Name of Debtor: Arcapita Bank, B.S.C.		Case number: 12-11076
<i>NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of a case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.</i>		
Name of Creditor (the person or other entity to whom the debtor owes money or property) Al Imtiaz Investment Company, K.S.C.		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ <i>(If known)</i> Filed on: _____
Name and address where notices should be sent: Law Offices of Andy Winchell, P.C. 332 Springfield Avenue, Suite 203 Summit, New Jersey 07901 Telephone number: 973-457-4710		
Name and address where payment should be sent (if different from above) Al Imtiaz Investment Company K.S.C Khaled Bin Al Waleed St. Al Dhow Tower, Floor 31, Sharq P.O. Box: 29050 Safat 13151 Kuwait Telephone number: 00 (965) 1822282		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case
1. Amount of Claim as of Date Case Filed: \$ <u>1,366,633.00</u> If all of part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest of charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507 (a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).
2. Basis for Claim: <u>Money Loaned</u> (See instruction #2 on reverse side)		
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have schedule account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property right or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(). Amount entitled to priority: \$ _____ *Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: <u>8/30/12</u>	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <p style="text-align: center;">/s/ Abdul Rahman M. Zaman, General Manager</p>	
		FOR COURT USE ONLY

VC01-046
2872



Share Purchase Agreement

and Proxy and Appointment of Attorney-in-Fact for Investments in

Arcapita Ventures I Limited

Through one or more of the Investment Companies

Account Number with Arcapita:

2872

Name(s) of Subscriber(s)/ Purchaser(s): AL JITHAZ INVESTMENT Co. (K.S.C.)

Nationality: Kuwaiti

Occupation:

Kuwaiti Investment Shareholding Co.

Address: Kuwait

Telephone: +965 2981500 Facsimile: +965 2495511 E-Mail:

Payment Arrangement:

(1). Subscription/ Purchase Amount (\$5,000,000 for institutional investors and
\$2,000,000 for individual investors plus multiples of \$500,000)

US\$ 20,000,000

TOTAL FUNDS TO BE REMITTED:

US\$ 20,000,000

Please tick one of the two following boxes as to payment of the above sum:

☒ PAYMENT for Shares has been arranged in US Dollars by wire transfer or other reasonable means to an investment account in my/our name at Arcapita which Arcapita may debit for the above sum. The details of the account to which payment is to be made are set out below:

Bank:

SWIFT Code:

For Account of:

SWIFT Code:

A/C No.:

Reference:

Prior to transferring the payment, I/we will also arrange for my/our bank to send to Arcapita an authenticated SWIFT message.

☐ In PAYMENT for my/our Shares, please debit my/our investment account with Arcapita for the sum above.

Provided below are the details of my/our normal bank account. I/we confirm my/our understanding that any dividends or other payments made with respect to this investment will be paid to my/our investment account with Arcapita awaiting my/our written instructions and that the adherence to such written instructions may be delayed by insufficient bank details provided by me/us to Arcapita:

Account Name:

Account Number:

Bank Name:

SWIFT Code:

City:

Country:

Telephone:

Facsimile:

US\$ Correspondent Bank Name:

SWIFT Code:

CHIPS/SORT Code:

* IMPORTANT NOTICE: When transferring funds to Arcapita, please always advise the remitter bank to state the full name and address of the orderor. This is required by international banking laws and failure to comply may result in the transfer of funds being delayed or rejected. Additionally, any changes to the information provided on this form must be notified to Arcapita in writing.

12

Proxy and Appointment of Attorney-in-Fact

This proxy and appointment of attorney-in-fact is made as a deed on the date below by the undersigned. I/we hereby designate and appoint Arcapita Investment Management Limited, a Cayman Islands company (the "Administrator"), acting in its corporate capacity, through its board of directors or duly authorized representative(s), with full power of substitution, as my/our true and lawful Proxy and Attorney-in-Fact for the purpose of voting and giving written consents in respect of the Shares of one or more of the Cayman Islands investment companies (each one an "Investment Company" or collectively, the "Investment Companies") described in the Private Placement Memorandum dated October 2006 relating to indirect investments in Arcapita Ventures Limited (the "PPM"); or any shares of any other corporation (the said Investment Companies and any such other corporation hereafter being collectively referred to as the "Entities") which the undersigned receives from any Investment Company as (i) a return of share capital and/or contributed surplus, (ii) a redemption of the undersigned's interest in any Investment Company or (iii) as a dividend or other distribution from an Investment Company and further, the undersigned hereby appoints the Administrator to act as agent for receipt of any and all notices with respect to meetings of shareholders of each of the Entities. This Proxy is for any and all matters which may arise at any General or Extraordinary Meeting of shareholders of any of the Entities, and any adjourned and reconvened meeting, and upon which such Shares could be voted by shareholders if present in person at such meeting, and for all action that may be taken under the Articles of Association (or any equivalent thereto) of any such Entities by written consent of the shareholders. All notices of proposed Entity shareholder votes (including written consents) will be passed along to the undersigned in advance of the date on which the vote or written consent will occur, as provided in the Articles of Association of the respective Investment Companies. The undersigned will be entitled to instruct the Administrator how the undersigned's Shares shall be voted in any shareholder vote (including written consents), and the Administrator shall strictly follow any such instructions. If the undersigned fails prior to the time set for the shareholders vote (including written consents) to give the Administrator such written instructions, the Administrator shall vote the shares of the respective Entities in such manner as the Administrator, in its sole discretion, believes to be in the best interest of the Entity(ies) in question, except that the Administrator shall not vote the Shares of the undersigned (including by written consent) with respect to the election or removal of any director of any Entity unless the Administrator has received instructions from the undersigned as to how to vote on such matter. This Proxy may be revoked by the registered owner of the Shares herein subscribed for or purchased by appearing and voting such Shares in person at any meeting of shareholders or by executing as a deed and delivering a subsequently dated Proxy (to the extent of the matters covered by such subsequent Proxy), or by giving written notice, executed as a deed, to the Administrator at its address set forth in the PPM, received by the Administrator at least 48 hours prior to any such meeting or giving of written consent.

IN WITNESS WHEREOF, the undersigned has/have executed this Share Purchase Agreement, Proxy and Appointment of Attorney-in-Fact

AS A DEED

In the presence of:

Investor's Signature

Witness Signature

Date and place of execution

Name: **ALI AHMED ALZUBAIR**

Title: **Managing Director**

CEO

Investor's Signature

Witness Signature

Date and place of execution

Name: **ABDUL KAMMAN ZAHARA**

Title: **DEPUTY CEO**

CEO

Please print or type name of all Investors, name of witness, date and place of execution; all Investors must sign. If signing on behalf of a corporation or other legal entity, also print or type title of person signing. All new Investors applying to purchase Shares hereunder must also provide the following "know-your-customer" documents:

(1) A duly completed and executed Arcapita Investment Account Opening Form; and

(2) For Corporate Investors:

- a copy of the Certificate of Incorporation of the company;
- copies of the Memorandum and Articles of Association of the company;
- a copy of the register of shareholders of the company;
- copy or copies of the passport(s) of the directors, officers and ultimate beneficial owners of the company certified as true copies by an Arcapita employee;
- copies of two utility bills of the directors, officers and ultimate beneficial owner of the company certified as true copies by an Arcapita employee.

For Individual Investors:

- copy or copies of the passports of each Investor certified as true copies by an Arcapita employee;
- copies of two utility bills for each Investor certified as true copies by an Arcapita employee.

AR



ACCEPTANCE

INVESTOR NUMBER : 2872	ACCEPTANCE NUMBER : VC01-046	TOTAL INVESTMENT AMOUNT : USD 4,000,000.00	TOTAL SHARES : 400,000.0000
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Indirect Investments in

Arcapita Ventures I Limited

Through the Investment Companies

Investor Name : Al Intiaz Investment Co. (k.s.c)

Arcapita Bank B.S.C. (c), for its own account and as an agent for the investment companies and each other Seller of the Shares hereby accepts the offer to purchase by the investor named above to acquire investment units consists of shares (the 'Shares') in the capital of the Investment Companies upon the terms and conditions of the Subscription Agreement and Proxy and Appointment of Attorney-in-Fact and the Private Placement Memorandum ('PPM') relating to the indirect investment named above through the Investment Companies of which this Acceptance is a part, and in exchange for the Investor's investment offer and the payment of the Purchase Amount and all fees related thereto set forth in the PPM and in the Share Purchase Agreement and Proxy and Appointment of Attorney-in-Fact

The details of the Shares allocated to the said investor are as follows:

NAME OF COMPANY VCI Angel Capital Limited	NO. OF SHARES ALLOCATED 400,000.0000
TOTAL SHARES	400,000.0000

Accepted by Arcapita Bank B.S.C. (c) for its own account and as an agent for each other Seller of the Shares and the respective Investment Companies.

ARCAPITA BANK B.S.C. (c)



By

Authorized Signatory

Date : December 01, 2006



ACCEPTANCE

INVESTOR ACCEPTANCE TOTAL INVESTMENT TOTAL
NUMBER : 2872 NUMBER : VC01-110 AMOUNT : USD 4,000,000.00 SHARES : 400,000.0000

Indirect Investments in
Arcapita Ventures I Limited
Through the Investment Companies

PPM Date : October 2006

Investor Name : Al Imtiaz Investment Co. (k.s.c)

Arcapita Bank B.S.C. (c), for its own account and as an agent for the investment companies and each other Seller of the Shares hereby accepts the offer to purchase by the investor named above to acquire investment units consists of shares (the 'Shares') in the capital of the Investment Companies upon the terms and conditions of the Subscription Agreement and Proxy and Appointment of Attorney-in-Fact and the Private Placement Memorandum ('PPM') relating to the indirect investment named above through the Investment Companies of which this Acceptance is a part, and in exchange for the Investor's investment offer and the payment of the Purchase Amount and all fees related thereto set forth in the PPM and in the Share Purchase Agreement and Proxy and Appointment of Attorney-in-Fact.

The details of the Shares allocated to the said investor are as follows:

NAME OF COMPANY	NO. OF SHARES ALLOCATED
VCI Corporate Capital Limited	400,000.0000
TOTAL SHARES:	400,000.0000

Accepted by Arcapita Bank B.S.C. (c) for its own account and as an agent for each other Seller of the Shares and the respective Investment Companies.

ARCAPITA BANK B.S.C. (c)

By

Authorized Signatory

Date : March 01, 2008



ACCEPTANCE CERTIFICATE

INVESTOR NAME: Al Imtiaz Investment Co. (k.s.c)
ACCOUNT NUMBER: 2872
INVESTMENT AMOUNT: USD 4,000,000.00
TOTAL SHARES: 400,000.0000
ACCEPTANCE NUMBER: VC01-162

Indirect Investments in

Arcapita Ventures I Limited

Through the Investment Companies

Private Purchase Memorandum Date: October 2006

Arcapita Bank B.S.C. (c), for its own account and as an agent for the investment companies and each other Seller of the Shares hereby accepts the offer to purchase by the investor named above to acquire investment units consists of shares (the 'Shares') in the capital of the Investment Companies upon the terms and conditions of the Subscription Agreement and Proxy and Appointment of Attorney-in-Fact and the Private Placement Memorandum ('PPM') relating to the indirect investment named above through the Investment Companies of which this Acceptance is a part, and in exchange for the Investor's investment offer and the payment of the Purchase Amount and all fees related thereto set forth in the PPM and in the Share Purchase Agreement and Proxy and Appointment of Attorney-in-Fact.

The details of the Shares allocated to the said investor are as follows:

Name of Company	No. of Shares
VCI Enterprise Capital Limited	400,000.0000
Total	400,000.0000

Accepted by Arcapita Bank B.S.C. (c) for its own account and as an agent for each other Seller of the Shares and the respective Investment Companies.

A handwritten signature in black ink, appearing to be "A. Imtiaz", written over a horizontal line.

Authorized Signatory
Arcapita Bank B.S.C (c)

May 19, 2010



ACCEPTANCE CERTIFICATE

INVESTOR NAME: Al Imtiaz Investment Co. (k.s.c)
ACCOUNT NUMBER: 2872
INVESTMENT AMOUNT: USD 4,000,000.00
TOTAL SHARES: 400,000.0000
ACCEPTANCE NUMBER: VC01-222

Indirect Investments in

Arcapita Ventures I Limited

Through the Investment Companies

Private Purchase Memorandum Date: October 2006

Arcapita Bank B.S.C. (c), for its own account and as an agent for the investment companies and each other Seller of the Shares hereby accepts the offer to purchase by the investor named above to acquire investment units consists of shares (the 'Shares') in the capital of the Investment Companies upon the terms and conditions of the Subscription Agreement and Proxy and Appointment of Attorney-in-Fact and the Private Placement Memorandum ('PPM') relating to the indirect investment named above through the Investment Companies of which this Acceptance is a part, and in exchange for the Investor's investment offer and the payment of the Purchase Amount and all fees related thereto set forth in the PPM and in the Share Purchase Agreement and Proxy and Appointment of Attorney-in-Fact.

The details of the Shares allocated to the said investor are as follows:

Name of Company	No. of Shares
VCI Investment Capital Limited	400,000.0000
Total	400,000.0000

Accepted by Arcapita Bank B.S.C. (c) for its own account and as an agent for each other Seller of the Shares and the respective Investment Companies.

A handwritten signature in dark ink, appearing to be a stylized 'A' or similar, written over a horizontal line.

Authorized Signatory
Arcapita Bank B.S.C. (c)

November 30, 2011



January 17, 2012

Mr. Ali Ahmed Al-Zubaid
Managing Director & CEO
Al Imtiaz Investment Company
PO Box 29050
Safat 13151
Kuwait

Tel: +9651822282
Fax: +96522495522

Dear Mr. Al-Zubaid,

Arcapita Bank B.S.C.(c)

Thank you for your query regarding your investments with Arcapita Bank. Please find below in Exhibit 1 below, Al Imtiaz Investment Company's ownership percentages in Arcapita's funds.

ARCAPITA

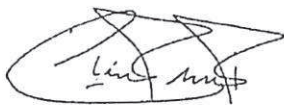
EXHIBIT 1

AL IMTIAZ INVESTMENT CO. OWNERSHIP PERCENTAGES				
Investment	Investor's shares	HoldCo shares held indirectly through Investment Company	Indirect % in HoldCo	Comments
The Tensar Corporation	1,714,005.00	14,100,330.00	12.16%	Represents original equity only
The Tensar Corporation - RI	141,262.00	2,500,000.00	5.65%	Represents rights issue offering only
Profine GmbH	1,600,000.00	23,100,000.00	6.93%	
Varel International Energy Services, Inc.	777,001.00	17,266,328.00	4.50%	
PODS, Inc.	1,964,286.00	26,130,000.00	7.52%	Represents original equity only
Arcapita US Senior Living Yielding IV	41,772.00	11,198,430.00	0.37%	Represents original equity only
Bahrain Bay Development B.S.C.(c)	627,789.00	6,012,500.00	10.44%	
Bahrain Bay Development II B.S.C.(c)	698,739.00	8,550,000.00	8.17%	Calculated on tranche capitalized to date
Arcapita GCC Utilities Development I	476,191.00	34,000,000.00	1.40%	Calculated on Investor settled portion and full deal size
Arcapita Ventures I Limited ⁽¹⁾	1,600,000.00	20,000,000.00	8.00%	Calculated on Investor settled portion and full deal size

(1) Should Al Imtiaz not participate in the fifth capital call, percent ownership will decline.

Should you have any further queries or require further information, please do not hesitate to contact us.

Yours sincerely,



Ahmed Al-Zayani
Investment Placement

Ahmed Al Dosary

From: Arefa Al Sayed <AASAYED@arcapita.com>
Sent: Wednesday, November 30, 2011 12:23 PM
To: Ahmed Al Dosary; Khalid Al Jassim; AbdulRahman Zaman
Cc: Ahmed Al-Zayani; Mahmoud Zubaid
Subject: RE: VC Letters for Al-Imtiaz & Al-Ritaj
Attachments: Imtiaz VC_final_latest 29112011.pdf

Importance: High

THIS EMAIL HAS BEEN SENT ON BEHALF OF KHALID AL JASSIM

Dear Mr. AbdulRahman Zaman,

Refer to our meeting dated 21 November 2011 at your premises in Kuwait, please find attached the final letter for the last capital call for Arcapita Venture Capital Fund I for Al Imtiaz Investment Company.

The attached letter confirms that the fourth capital call is the last and final call of Al Imtiaz's total capital commitment in respect of Arcapita Ventures I Limited's (the "Fund") Share Purchase Agreement (the "SPA") and Private Placement memorandum dated October 2006 ("PPM") and that the Fund has cancelled the need for the fifth capital call for its investors resulting in an automatic reduction of the total capital commitment of investors in the Fund.

Furthermore, and as promised verbally, that the proceeds from the provena exit and the CardioMEMS exit should be transferred to Al Imtiaz's bank account no later than 30th November 2011 and 31st December 2011 respectively. Also note that in the event that Arcapita fails to transfer the said proceeds to Al Imtiaz's account on the above underlined mentioned dates then Arcapita shall be liable to refund Al Imtiaz investment company the fourth capital call of US \$4,000,000/- along with any outstanding proceeds of the exits within 30 days from 31st December 2011. However, in case the exit occurs during this period Al Imtiaz will earn the returns on the investment which will be transferred to Al Imtiaz's account detailed as followed:

Correspondent Bank :
Beneficiary Bank :
Favour :
US Dollar Account No. :
IBAN No. :

Please note that transfer of the fourth capital call is due today and any delay will adversely impact the exit proceeds as highlighted in the letter attached.

Thank you and Kind Regards,



Khalid AL Jassim
Executive Director | Investment Placement



November 29, 2011

Mr. Ali Ahmed Al-Zubaid
Managing Director & CEO
Al Imtiaz Investment Company
PO Box 29050
Safat 13151
Kuwait

Tel: +9651822282
Fax: +96522495522

Dear Mr. Al-Zubaid,

Further to our meeting earlier this week in your offices in Kuwait. Please find below a table which highlights your projected proceeds from the two exits in-progress within the Arcapita Ventures I Fund:

	Cost	Proceeds	Gain	Gain%
CardioMEMS	2,995,842	7,252,076	4,256,235	142%
Prenova	1,027,412	1,582,631	555,219	54%
Total	4,023,254	8,834,708	4,811,454	120%
Prenova Escrow		245,998		
Total net of Escrow	4,023,254	8,588,709	4,565,456	113%

Projected returns may vary after fees and expenses.

With respect to your recent email, please note the following:

1. Following the settlement of your current capital call obligations, Al Imtiaz will be exempt from meeting the fifth capital call.
2. Please note that the above returns are net of certain fees and expenses. Once the exit actualizes, we will send you a breakdown of any fees or expenses with respect to your exit proceeds.
3. The returns to Al Imtiaz from CardioMEMS and Prenova exits in process are projected to be credited to your account as shown below:
 - Prenova: Signed agreement with a target closing date of **November 30, 2011**. Once the exit actualizes, your account with Arcapita will be credited with 20 working days after closing.
 - CardioMEMS: Closing to occur on **December 31, 2011**. Once the exit actualizes, your account with Arcapita will be credited within 20 working days after closing.



In order to become current with your capital call obligations, we request that you fund \$4,000,000 to the account listed below by November 29, 2011:

Pay to:	JPMORGAN CHASE BANK, NEW YORK
SWIFT CODE:	CHASUS33
ABA No. :	021000021
For account of:	Arcapita Bank B.S.C.(c) - Bahrain
SWIFT CODE:	FIIVBHAM
Account No.	000400806991

Please let me know if you have any questions. We look forward to enjoying these exits with you in full in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Khalid AL Qassim".

Khalid AL Qassim
Executive Director



January 11, 2012

Mr. Ali Ahmed Al-Zubaid
Managing Director & CEO
Al Imtiaz Investment Company
PO Box 29050
Safat 13151
Kuwait

Tel: +9651822282
Fax: +96522495522

Dear Mr. Al-Zubaid,

Arcapita Ventures I Limited – Prenova Exit

We are pleased to inform you that Arcapita Ventures I Limited (the "Fund") has successfully achieved as its second exit, the sale of its interests in Prenova, Inc. to Ecova, Inc., a subsidiary of Avista Corp. for approximately \$17.4 million. As is normal for this type of transaction, approximately \$2.0 million of the sale proceeds will be retained in an escrow account for up to 18 months from the initial closing and will be released all or in part upon Prenova satisfying certain conditions in the purchase agreement. This exit is a positive outcome for the Fund, Ecova has purchased Prenova for 1.8x the value paid by the Fund (assuming repayment of the escrow).

Net of escrow, the Fund has received \$15.4 million from the sale of Prenova. \$10.7 million will be paid to the Fund's investors. The remaining \$4.7 million will be used to settle the outstanding balance on the \$50 million working capital murabaha, which Arcapita extended to the Fund for the purpose of minimizing the number of capital calls for investors.

Details of your investment

Your share of the gross proceeds from the sale of Prenova is \$1,745,323. Your share of the distributable proceeds following the murabaha settlement and retained escrow is \$1,078,641. This is less than the projected amount communicated to you in our letter dated November 29, 2011. However, we have arranged for Arcapita to fund the difference between the two values, amounting to \$257,993. A total of \$1,336,633, have been credited to your investment account on December 20, 2011. Proceeds contained in the escrow, if any, will be distributed when they become available after the 18 month period.

ARCAPITA

EXHIBIT 1

PRENOVA EXIT DISTRIBUTION	
Description	Amount
Your total Prenova cost	1,045,752
Your gross exit proceeds	1,745,323
Less murabaha	(470,698)
Exit proceeds	1,274,625
Amount retained in escrow	(195,984)
Net exit proceeds	1,078,641
Support from Arcapita	257,993
Total proceeds to Imtiaz	1,336,633

Should you have any query or require any clarification, please do not hesitate to contact me.

Sincerely,


Khalid AL Jassim
Executive Director

ARCAPITA

January 11, 2012

Mr. Abdul Rahman M. Zaman
Deputy CEO
Al Imtiaz Investment Company
PO Box 29050
Safat 13151
Kuwait

Tel: +9651822282
Fax: +96522495522

Dear Mr. Zaman,

Further to our discussion at your office an as agreed, we will transfer your proceeds of Prenova exit during the month of February, 2012. Meanwhile, your proceeds in your Investment account at Arcapita Bank will earn an annualized Murabaha rate of 4%.

Appreciate your support and understanding.

Yours sincerely,



Khalid AL Jassim
Executive Director

CERTIFICATE OF SERVICE

I hereby certify that on October 3, 2013, a true and correct copy of the the foregoing Response to Debtor's Second Omnibus Objection to Claims was served on all counsel of record via the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of New York.

/s/ Steven M. Abramowitz
Steven M. Abramowitz