

Response Deadline: March 20, 2014 at 4:00 p.m. (prevailing U.S. Eastern Time)  
Hearing Date and Time: March 27, 2014 at 10:00 a.m. (prevailing U.S. Eastern Time)

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*Counsel for the Reorganized Debtors and  
the New Holding Companies*

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

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	:	
In re:	:	Chapter 11
	:	
ARCAPITA BANK B.S.C.(c), <u>et al.</u> ,	:	Case No. 12-11076 (SHL)
	:	
Reorganized Debtors.	:	Confirmed
	:	
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**NOTICE OF HEARING ON  
OBJECTION TO CLAIM NO. 336**

PLEASE TAKE NOTICE that on February 25, 2014, the above-captioned Reorganized Debtors filed the annexed objection (the “Objection”) to proof of claim no. 336 filed against their predecessors in interest (the “Debtors”) by National Industries Group Holding (the “Claim”).

PLEASE TAKE FURTHER NOTICE that a hearing to consider the Objection 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 on **March 27, 2014 at 10:00 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 that does **NOT** oppose the reduction of the Claim does **NOT** need to file a written response to the Objection and does **NOT** need to appear at the hearing.

PLEASE TAKE FURTHER NOTICE that any party receiving this notice that **DOES** oppose the reduction of the Claim must file and serve a written response to the Objection (a “Response”) so that it is received no later than **March 20, 2014 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 Court, the case number and the title of the Objection; (b) a concise statement setting forth the reasons why the Claim should not be disallowed for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal bases upon which the claimant will rely in opposing the Objection; (c) all documentation or other evidence of the Claim, to the extent not included with the proof of claim previously filed with the Court, upon which the claimant will rely in opposing the Objection; (d) the address to which the Reorganized Debtors must return any reply to any Response, if different from that listed in the claimant's proof of claim; and (e) the name, address, and telephone number of the person (which may be the claimant or the claimant's counsel) 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 it is actually filed on or before the Response Deadline on the docket of *In re Arcapita Bank B.S.C.(c), et al.*, Case No. 12-11076 (SHL), either by (a) electronic filing pursuant to the Case Management Procedures approved by the Court and the Court's General Order M-399 (available at [www.nysb.uscourts.gov/court-info/local-rules-and-orders/general-orders](http://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 Court and General Order M-399, to the extent applicable, or (b) delivering the original Response to the 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 to the Reorganized Debtors, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Lena Mandel, Esq. and Nicholas Kamphaus, Esq.); and (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.).

PLEASE TAKE FURTHER NOTICE that if no Response is timely filed and served with respect to the Claim or the Objection, the Reorganized Debtors may, on or after the Response Deadline, submit to the Court an order substantially in the form of the proposed order annexed to the Objection reducing the Claim, which order may be entered with no further notice or opportunity to be heard.

PLEASE TAKE FURTHER NOTICE that any questions about this notice or the Objection should be directed to Garden City Group, Inc., the claims agent retained by the Reorganized Debtors, at 800-762-7029 (toll free), 440-389-7311 (international toll), or email at [ArcapitaBankInfo@gcginc.com](mailto:ArcapitaBankInfo@gcginc.com). CLAIMANTS SHOULD NOT CONTACT THE CLERK OF THE BANKRUPTCY COURT TO DISCUSS THE MERITS OF THEIR CLAIMS.

Dated: February 25, 2014  
New York, New York

**MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP**

/s/ Evan R. Fleck

Dennis F. Dunne

Evan R. Fleck

Lena Mandel

One Chase Manhattan Plaza

New York, NY 10005-1413

Telephone: (212) 530-5000

*Counsel for the Reorganized Debtors and  
the New Holding Companies*

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*Counsel for the Reorganized Debtors and  
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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), <u>et al.</u> ,	:	Case No. 12-11076 (SHL)
	:	
Reorganized Debtors.	:	Confirmed
	:	
-----	X	

**OBJECTION TO CLAIM NO. 336**

The above-captioned Reorganized Debtors hereby submit, pursuant to section 502(b) of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the “Bankruptcy Code”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), an objection to the proof of claim (“Claim No. 336”) filed against Arcapita Bank B.S.C.(c) (“Arcapita Bank”) by National Industries Group Holding (the “Claimant”).<sup>1</sup> This objection is supported by the *Declaration of Scott A. Rinaldi* attached hereto as Exhibit B (the “Rinaldi Declaration”). In further support of this objection, the Reorganized Debtors respectfully represent as follows:

<sup>1</sup> A copy of claim number 336 is attached hereto as Exhibit A.

## **JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider this objection 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**

2. On March 19, 2012 (the “Initial Petition Date”), Arcapita Bank and certain of its affiliates (collectively, the “Initial Debtors”) filed for bankruptcy protection. On April 30, 2012 (the “Falcon Petition Date”), Falcon Gas Storage Company, Inc. (“Falcon,” and, together with the Initial Debtors, the “Debtors”) filed for bankruptcy protection. The Debtors’ chapter 11 cases have been administered jointly. *See Order Directing Joint Administration of Related Chapter 11 Cases* [Docket No. 16]; *Order Pursuant to Section 105(a) of the Bankruptcy Code Directing that Certain Orders in the Chapter 11 Cases of Arcapita Bank B.S.C.(c), et al. Be Made Applicable to Subsequent Debtor* [Docket No. 239].

3. On August 30, 2012, the Claimant timely filed Claim No. 336, asserting an unsecured non-priority claim against Arcapita Bank in the amount of \$1,187,589.49. As the “basis for claim,” the Claimant stated “Investment and/or Portfolio Account(s).” The Claimant also attached an addendum to Claim No. 336 that itself attached a “Performance Statement” sent by Arcapita Bank to the Claimant, detailing his account status as of December 31, 2011 (the “Performance Statement”).

4. Pursuant to the *Debtors’ Second Omnibus Objection to Claims* [Docket No. 1050] (the “Second Omnibus Objection”), Claim No. 336 was reclassified partially as a general unsecured claim against Arcapita Bank in the amount of \$184.77, and partially as an equity interest in Falcon in an unspecified amount. The Debtors reserved their right to further object to

Claim No. 336 in the future. *Order Granting Debtors' Second Omnibus Objection to Claims* [Docket No. 1389], Sched. 1 at 18.

5. Upon a review of the share registers of the relevant entities, as well as the supporting documentation for Claim No. 336, the Claimant does not hold any equity interests in Falcon or in any of (i) Gastorage Capital Limited, (ii) Gasdeposit Capital Limited, (iii) Gaswarehouse Capital Limited, and (iv) Gastock Capital Limited (collectively, the "Falcon Syndication Companies"). Instead, it is apparent from the face of Claim No. 336 that, prior to the filing of the Initial Debtors' chapter 11 petitions, the Claimant had divested itself of any interest it held in Falcon or the Falcon Syndication Companies.

6. Additionally, the Performance Statement lists Falcon as one of two "Current Investments." The Performance Statement indicates, on the row allocated to Falcon, an "Investment Amount" of \$1,000,000, no "Dividends," a "Return of Capital" of \$1,000,000, and no "Net Investment Amount."

7. Thus, the evidence indicates that, prior to the filing of the Initial Debtors' chapter 11 petitions, the Claimant relinquished any equity interest it had held in Falcon or the Falcon Syndication Companies.

### **RELIEF REQUESTED**

8. The Reorganized Debtors seek entry of an order in the form attached hereto as Exhibit C disallowing Claim No. 336 in its entirety, as the Claimant does not hold any equity interests in Falcon.

### **NOTICE**

9. The Reorganized Debtors have provided notice of the filing of this objection 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.); and (b) the Claimant. The Reorganized Debtors submit that such notice is sufficient and no other or further notice need be provided.

**NO PRIOR REQUEST**

10. No prior request for the relief requested herein has been made to this or any other court.

**CONCLUSION**

WHEREFORE, the Reorganized 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: February 25, 2014  
New York, New York

**MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP**

/s/ Evan R. Fleck  
Dennis F. Dunne  
Evan R. Fleck  
Lena Mandel  
One Chase Manhattan Plaza  
New York, NY 10005-1413  
Telephone: (212) 530-5000


*Counsel for the Reorganized Debtors and  
the New Holding Companies*

**Exhibit A**

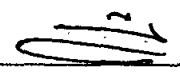
**Proof of Claim No. 336**





UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK		PROOF OF CLAIM
Name of Debtor (Check Only One): <input checked="" type="checkbox"/> Arcapita Bank B.S.C.(c) <input type="checkbox"/> Arcapita Investment Holdings Limited <input type="checkbox"/> Arcapita LT Holdings Limited	Case No. <input type="checkbox"/> 12-11076 <input type="checkbox"/> 12-11077 <input type="checkbox"/> 12-11078 <input type="checkbox"/> Windturbine Holdings Limited <input type="checkbox"/> AEID II Holdings Limited <input type="checkbox"/> RailInvest Holdings Limited <input type="checkbox"/> Falcon Gas Storage Company, Inc.	12-11079 12-11080 12-11081 12-11790  Your Claim Is Scheduled As Follows:  <div style="text-align: center;">  </div>
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>National Industries Group Holding</b>	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____  (If known)	If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form, EXCEPT AS FOLLOWS: If the amount shown is listed as any of DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim in accordance with the attached instructions, you need not file again.
Name and address where notices should be sent: <b>National Industries Group Holding                      c/o Lauren Lonergan Taylor, Esquire                      Duane Morris LLP                      30 South 17th Street                      Philadelphia, PA 19103-4196</b>	Filed on: _____	
Telephone number: (215) 979-1503 Email Address: ltaylor@duanemorris.com	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.	
Name and address where payment should be sent (if different from above): FILED - 00336 SDNY ARCAPITA BANK B.S.C. (C) Telephone number: Email Address:	12-11076 (SHL)	
1. Amount of Claim as of Date Case Filed: <u>\$ See attached Addendum</u> <span style="float: right;">08-30-12 A10:34 IN</span> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>Investment and/or Portfolio Account(s) (See Attached Addendum)</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor: _____	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		
Nature of property 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 _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)	Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____	
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).  <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"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier - 11 U.S.C. § 507 (a)(4).  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507 (a)(5). Amount entitled to priority: _____  <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507 (a)( ). \$ _____
* 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. (See instruction #6)		

7. Documents: Attached are 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. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See Instruction #7, and the definition of "redacted")  
 DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  
 If the documents are not available, please explain: See attached Addendum

8. Signature: (See instruction #8) Check the appropriate box.  
 I am the creditor     I am the creditor's authorized agent.     I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.)     I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)  
 (Attach copy of power of attorney, if any.)  
 I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.  
 Print Name: SAAD AL SAAD  
 Title: CHAIRMAN & M.D.  
 Company: National Industries Group Holding  
 Address and telephone number (if different from notice address above): JAHRA STREET, CROSSING AIRPORT ROAD, SHUWAIKH, P.O. BOX 417, SAFAT 13005 KUWAIT  
 Telephone number: 00 965 2484 9466    email: saad@nig.com.kw  
 (Signature)     (Date) 29/08/2012

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571. Modified B10 (GCG) (17/11)

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the Debtor, exceptions to these general rules may apply. The attorneys for the Debtors and their court-appointed claims agent, GCG, are not authorized and are not providing you with any legal advice.

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: IF BY MAIL: ATTN: ARCAPITA BANK B.S.C.(c), C/O GCG, P.O. BOX 9881 DUBLIN, OHIO 43017-5781; IF BY HAND OR OVERNIGHT COURIER: ATTN: ARCAPITA BANK B.S.C.(c), C/O GCG, 5151 BLAZER PARKWAY, STE A, DUBLIN, OH 43017. ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR EMAIL WILL NOT BE ACCEPTED.

THE GENERAL BAR DATE IN THESE CHAPTER 11 CASES IS \_\_\_\_\_, 20\_\_ AT \_\_:00 \_\_M. (PREVAILING EASTERN TIME)

**Items to be completed in Proof of Claim form**

<p><b>Bankruptcy Court Information:</b>                  All of these chapter 11 cases other than Falcon Gas Storage Company, Inc. were commenced on March 19, 2012. Falcon Gas Storage Company, Inc. filed its chapter 11 petition on April 30, 2012. You should select the Debtor against which you are asserting your claim from the list provided.</p> <p><b>A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.</b></p> <p><b>Creditor's Name and Address:</b>                  Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).</p> <p><b>1. Amount of Claim as of Date Case Filed:</b>                  State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.</p> <p><b>2. Basis for Claim:</b>                  State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to your claim.</p> <p><b>3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:</b>                  State only the last four digits of the Debtor's account or other number used by the creditor to identify the Debtor.</p> <p><b>3a. Debtor May Have Scheduled Account As:</b>                  Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the Debtor.</p> <p><b>3b. Uniform Claim Identifier:</b>                  If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.</p>	<p><b>4. Secured Claim:</b>                  Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.</p> <p><b>5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a):</b>                  If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.</p> <p><b>6. Credits:</b>                  An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the Debtor credit for any payments received toward the debt.</p> <p><b>7. Documents:</b>                  Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.</p> <p><b>8. Date and Signature:</b>                  The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.</p>
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DEFINITIONS	INFORMATION
<b>Debtor</b> A debtor is the person, corporation, or other entity that has filed a bankruptcy case.	<b>Evidence of Perfection</b> Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.
<b>Creditor</b> A creditor is the person, corporation, or other entity to whom the Debtor owes a debt that was incurred before the date of the bankruptcy filing. See 11 U.S.C. § 101 (10).	<b>Acknowledgment of Filing of Claim</b> To receive a date-stamped copy of your claim form, please provide a self-addressed stamped envelope and a copy of your proof of claim form when you submit the original to GCG. You will also receive an acknowledgment postcard from GCG after your claim form has been processed.
<b>Claim</b> A claim is the creditor's right to receive payment for a debt owed by the Debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101 (5). A claim may be secured or unsecured.	<b>Offers to Purchase a Claim</b> Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the Debtor. These entities do not represent the bankruptcy court or the Debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 <i>et seq.</i> ), and any applicable orders of the bankruptcy court.
<b>Proof of Claim</b> A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the Debtor on the date of the bankruptcy filing. The creditor must file the form with GCG as described in the instructions above and in the Bar Date Notice.	<b>Redacted</b> A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.
<b>Secured Claims Under 11 U.S.C. § 506 (a)</b> A secured claim is one backed by a lien on property of the Debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a Debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the Debtor money (has a right to setoff).	

**List of Debtors and Case Numbers**

Indicate on the face of the Proof of Claim form the Debtor against which you assert a claim.  
Choose only one Debtor for each Proof of Claim form.

- Arcapita Bank B.S.C.(c) 12-11076
- Arcapita Investment Holdings Limited 12-11077
- Arcapita LT Holdings Limited 12-11078
- Windturbine Holdings Limited 12-11079
- AEID II Holdings Limited 12-11080
- Railinvest Holdings Limited 12-11081
- Falcon Gas Storage Company, Inc. 12-11790

**DuaneMorris\***

FIRM and AFFILIATE OFFICES

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HANOI  
HO CHI MINH CITY  
ATLANTA  
BALTIMORE  
WILMINGTON  
MIAMI  
PITTSBURGH  
NEWARK  
LAS VEGAS  
CHERRY HILL  
BOCA RATON  
LAKE TAHOE  
  
MEXICO CITY  
ALLIANCE WITH  
MIRANDA & ESTAVILLO

August 29, 2012

**VIA FEDEX**

Arcapita Bank B.S.C.(c)  
c/o GCG  
5151 Blazer Parkway, Suite A  
Dublin, OH 43017

**Re: Arcapita Bank B.S.C.(c);  
Case No. 12-11076**


Dear Sir/Madam:

Enclosed please find two (2) original Proof of Claims to be filed in the above-referenced case, one on behalf of Al-Durrah National Real Estate Co. and one on behalf of National Industries Group Holding, and two (2) copies of each original claim.

Please file the original Proofs of Claim and kindly acknowledge your receipt of the Proofs of Claim by returning the time-stamped copies in the enclosed, self-addressed, postage pre-paid return Fed Ex envelope.

Should you have any questions, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,

  
Sommer L. Ross

SLR/slr  
Enclosures

DUANE MORRIS LLP

222 DELAWARE AVENUE, SUITE 1600 WILMINGTON, DE 19801-1659  
DM3\2278092.1

PHONE: +1 302 657 4900 FAX: +1 302 657 4901

**ADDENDUM TO PROOF OF CLAIM OF  
NATIONAL INDUSTRIES GROUP HOLDING  
AGAINST ARCAPITA BANK B.S.C.(c)**

1. This Addendum is attached to and a part of the proof of claim of National Industries Group Holding ("Claimant") filed against Arcapita Bank B.S.C.(c) (the "Debtor") in its bankruptcy case (the "Proof of Claim").

2. The Debtor filed a petition under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") on March 19, 2012 (the "Petition Date") with the United States Bankruptcy Court for the Southern District of New York (the "Court").

3. The Debtor is a global manager of Shari'ah-compliant alternative investments and operates as an investment bank. The Debtor's principal activities include investing for its own accounts and providing investment opportunities to third-party investors in conformity with Islamic Shari'ah rules and principles. The Debtor also derives revenue from managing assets for its third party investors.

4. Prior to the Petition Date, Claimant invested certain funds with the Debtor.

5. Claimant has at least one (1) account with the Debtor (the "Account"): Portfolio Account 4343. According to the most recent statement Claimant received from the Debtor, a copy of which is attached hereto as **Exhibit A**, the Account was, as of the date of the statement, valued as follows:

<b>Account Number</b>	<b>Account Type</b>	<b>Statement Date</b>	<b>Currency</b>	<b>Value</b>
4343	Portfolio	December 31, 2011	US Dollars	1,187,589.49

**RESERVATION OF RIGHTS**

6. Claimant asserts that the Debtor holds the Account, together with all funds, dividends, interest, rights and credits contained therein or attributable thereto (collectively, the "Investment Property") in trust for Claimant and that the Debtor has no right, title or interest in or to the Investment Property. Accordingly, Claimant further asserts that the Investment Property does not constitute property of the Debtor's estate pursuant to 11 U.S.C. § 541(a). Claimant is filing this Proof of Claim under compulsion of the Order entered by the Court on July 11, 2012 [Docket No. 308] requiring all claims (as defined by 11 U.S.C. § 101(27)) against the Debtor, except those of governmental units, to be filed on or before August 30, 2012. As such, Claimant is filing this Proof of Claim to protect its rights, claims and interests, without prejudice to its assertion that the Investment Property is not property of the Debtor's estate pursuant to 11 U.S.C. § 541(a) and/or to compel turnover of such Investment Property.

7. To the extent that all or any portion of the Investment Property is determined to be property of the Debtor's estate, Claimant asserts that it holds an unsecured claim against the Debtor in an amount equal to the aggregate value of the Investment Property as of the Petition Date.

8. Claimant further expressly reserves the right to amend or supplement this Proof of Claim for any reason, including an updated statement of the amounts due or for any other purpose for which a Proof of Claim filed in this case may be amended. In addition, Claimant expressly reserves the right to file additional proofs of claim or other claims for additional amounts due and owing to Claimant from the Debtor including, without limitation, a claim for administrative expenses, amounts due at law or in equity, arising prior to, on, or after the Petition Date.

9. Claimant reserves all rights and remedies accrued to it, and the filing of this Proof of Claim is not intended to, and shall not, be construed as: (a) an election of remedy; (b) a waiver of any past, present or future defaults or events of default; (c) a waiver or limitation of any of its rights or defenses; (d) a waiver of any of its claims against the Debtor or any of its subsidiaries or affiliates; or (e) a waiver of any of its claims against any other parties liable thereto.

10. This Proof of Claim is filed as a separate claim from other claims that may be filed by or on behalf of Claimant against the Debtor and does not replace or supersede such other claims.

11. Neither this Proof of Claim nor any subsequent appearance, pleading, claim, document, suit, motion nor any other writing or conduct, shall constitute a waiver of Claimant's: (a) right to have any and all final orders in any and all non-core matters entered only after *de novo* review by a court of competent jurisdiction; (b) right to trial by jury in any proceeding as to any and all matters so triable herein, whether or not the same be designated legal or private rights, or in any case, controversy or proceeding related hereto, and whether such jury trial right is pursuant to statute, a state constitution, the United States Constitution or any other governing document that may be applicable, whether under the laws of the United States or otherwise; (c) right to receipt of service of process in all actions, causes, claims or proceedings arising in, arising under or related to these proceedings to be served directly on Claimant required by law; (d) right to contest service of process; or (e) other rights, claims, actions, defenses, setoffs, recoupments or other matters to which any party is entitled under any agreements or at law or in equity or under the laws of the United States or any other country, state or province.

#### **NOTICES**

12. All notices to Claimant relating to this Proof of Claim should be sent as follows:

Lauren Lonergan Taylor, Esquire  
DUANE MORRIS LLP  
30 S. 17<sup>th</sup> Street  
Philadelphia, PA 19103





EXHIBIT "A"



**Performance Statement**

**As of December 31, 2011**

**Performance statement prepared for:**

**Your Relationship Manager:**

**National Industries Group**  
**Account Number: 4343**

**Ahmed Al-Zayani**  
**Associate, Investment Placement**

**P.O. Box 417**  
**Safat 13005**  
**Kuwait**

**Tel: + 973 17 218333 | Dir: +973 17218150**  
**Mob: +973 39607090 | Fax: +973 17218023**  
**azayani@arcapita.com | www.arcapita.com**

**Tel.: +96524849466**  
**Fax: +96524833568**

**Recent Arcapita News**

<b>Date</b>	<b>Summary</b>
<b>July 2011</b>	Arcapita completes Fiscal 2011 which saw seven exits that generated over \$1 billion in proceeds to Arcapita and its investors.
<b>June 2011</b>	Arcapita announces its sponsorship of the GCC Fast Growth 100, a pioneering and prominent program to find and rank the fastest growing private companies in the GCC region.
<b>May 2011</b>	Arcapita acquires a majority stake in J. Jill, a leading multi-channel specialty retailer of women's apparel based in the United States.

Account Number: 4343

**Account Summary**

**Cash Balances**

Currency	Balance	Exchange Rate	US Dollar Equivalent *
EUR	54.01	1.2933	69.85
USD	113.65	--	113.65
<b>TOTAL</b>			<b>183.50</b>

\* Based on exchange rate as at As of December 31, 2011

**Investment Portfolio**

Currency	Current Investments		Exited Investments	
	Investment Amount	Distributions	Investments Amount	Distributions & Exit Proceeds
EUR	0.00	218,232.55	--	--
USD	0.00	--	5,500,000.00	7,254,665.35

**Special Programs**

Deal Name	Return of Capital	Dividends & Rentals	Exits	Total Proceeds	Current Investment	Uninvested Amount
Strategic Investors Program II	26,593.20	150,383.55	139,670.21	212,522.27	333,736.59	--
Strategic Investors Program IV	--	237,616.32	146,330.60	--	219,594.80	634,074.60

Account Number: 4343

**Total Current Holdings**

Currency	Arcapita Shares	Investments	Special Programs	Other		Cash	Total	Total USD
				Investments	Murabaha / Restricted Mudaraba			
USD	--	--	1,187,405.99	--	0.00	113.65	1,187,519.64	1,187,519.64
EUR	--	--	--	--	0.00	54.01	54.01	69.85
							<b>TOTAL</b>	<b>1,187,589.49</b>

\* Total current holdings shows US dollar equivalent of initial investment amount less any return of capital plus cash as at As of December 31, 2011

Account Number: 4343

**Investment Portfolio**  
**Current Investments**

Currency	Asset Class	Investment	Geography	Sector	Investment Date	Investment Amount	Dividends	Return of Capital	Net Investment Amount
EUR	Real Estate	Arcapita	Europe	Industrial / Warehousing	29/7/2004	750,000.00	218,232.55	750,000.00	--
		European Industrial Yielding I							
USD	Infrastructure	Falcon Gas Storage	United States	Energy	30/12/2005	1,000,000.00	--	1,000,000.00	--
		Company Inc.							
<b>TOTAL</b>						<b>750,000.00</b>	<b>218,232.55</b>	<b>750,000.00</b>	<b>--</b>
<b>TOTAL</b>						<b>1,000,000.00</b>	<b>--</b>	<b>1,000,000.00</b>	<b>--</b>

Account Number: 4343

**Investment Portfolio**  
**Exited Investments**

Currency	Asset Class	Investment	Geography	Sector	Investment Date	Holding Period (Years)	Investment Amount	Distribution & Exit Proceeds	Return Multiple
USD	Private Equity	Smart Document Solutions, LLC	United States	Business Services	25/11/2002	4.56	1,000,000.00	1,801,649.03	1.80x
		Mediflex-EDI, Inc.	United States	Business Services	7/11/2002	1.28	1,600,000.00	3,514,193.26	2.20x
		Mediflex-EDI, Inc.	United States	Business Services	11/7/2002	5.20	400,000.00	849,841.11	2.12x
		Cirrus Industries, Inc.	United States	Industrial	20/2/2002	9.38	2,000,000.00	400,000.00	0.20x
		B.R. Lee Industries, Inc.	United States	Industrial	5/1/2000	6.11	500,000.00	688,981.95	1.38x
		<b>TOTAL</b>					<b>5,500,000.00</b>	<b>7,254,665.35</b>	

Account Number: 4343

## Disclaimer

### About Your Account

Your Investment Account is subject to General Conditions Governing Investment Accounts set forth in your Investment Account Application and Agreement with Arcapita Bank B.S.C.(c).

### About Your Performance

Statements are sent monthly to all Arcapita investors. Please review the statements carefully and keep them in your records. If you note any discrepancies in your account, please report this to your Relationship Manager via the contact information provided in the Performance Statement.

Your Performance Statement is intended only to provide a snapshot of your account with Arcapita. The information provided on the Performance Statement includes, among other things, your cash position as at the report date, a snapshot of your current holdings with Arcapita as well as a summary of your previous investments with Arcapita. Your Performance Statement does not provide any current or future projection of the value of your current holdings with Arcapita.

Your Performance Statement is not meant to be a statement prepared for the purpose of zakat. Additionally, if you have questions about your individual tax situation, please consult your tax advisor.

### About Your Investments

Investments made with Arcapita involve certain risks. Private alternative investments are subject to inherent risks and may produce losses of some or all of your capital invested in them. Investments with Arcapita are intended for sophisticated investors who are able to bear the risks associated with medium-term, illiquid investments. The terms of your investments are governed by the relevant Share Purchase Agreement and related documentation. Please consult the relevant Private Placement Memorandum for each of your investments for a description of risk factors.

From: (302) 657-4900  
Sommer Ross  
Duane Morris LLP  
222 Delaware Avenue  
Suite 1600  
Wilmington, DE 19801

Origin ID: ZWIA



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Ship Date: 29AUG12  
ActWgt: 0.5 LB  
CAD: 103433626/WSXI2500

Delivery Address Bar Code



SHIP TO: (999) 999-9999  
**Arcapita Bank B.S.C. (c)**  
**c/o GCG**  
**5151 Blazer Pkwy Ste A**

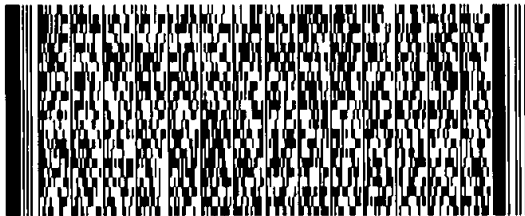
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Ref # 99999.00097  
Invoice #  
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Dept #

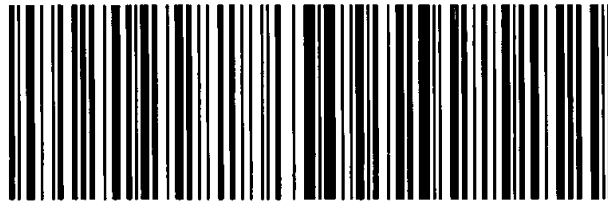
Dublin, OH 43017

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PRIORITY OVERNIGHT  
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OH-US  
LCK

TRK# 7988 5416 9727  
0201



**XX CMHA**



FOLD on this line and place in shipping pouch with bar code and delivery address visible

1. Fold the first printed page in half and use as the shipping label.
2. Place the label in a waybill pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.
3. Keep the second page as a receipt for your records. The receipt contains the terms and conditions of shipping and information useful for tracking your package.



**Exhibit B**

**Scott A. Rinaldi Declaration**

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

----- X  
In re: : Chapter 11  
: :  
ARCAPITA BANK B.S.C.(c), et al., : Case No. 12-11076 (SHL)  
: :  
Reorganized Debtors. : Confirmed  
: :  
----- X

**DECLARATION OF SCOTT A. RINALDI  
IN SUPPORT OF OBJECTION TO CLAIM NO. 336**

Pursuant to 28 U.S.C. § 1746, I, Scott A. Rinaldi, hereby declare:

1. I am a Managing Director at FTI Consulting, Inc. ("FTI"), the financial advisor for the above-captioned Reorganized Debtors.

2. In my capacity as Managing Director of FTI, I am authorized to submit this Declaration in support of the Reorganized Debtors' Objection to Claim No. 336 (the "Objection")<sup>1</sup> filed by National Industries Group Holding (the "Claimant").

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon: (a) my personal knowledge; (b) my review, or the review of employees of FTI under my supervision and direction, of the relevant documents, including the Books and Records, the Objection, and the proof of claim filed by the Claimant; and (c) information supplied to me by others at the request of the Reorganized Debtors or their professionals. If called upon to testify, I could and would competently testify to the facts set forth herein.

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<sup>1</sup> All capitalized terms not otherwise defined have the respective meanings ascribed to them in the Objection.

### **QUALIFICATIONS AND BACKGROUND**

4. I have extensive experience with chapter 11 cases and other distressed restructurings, having advised debtors and various other stakeholders in the chapter 11 process for approximately 16 years. Since joining FTI in 1997,<sup>2</sup> I have specialized in all aspects of bankruptcy case administration, including, among other things, claims review and reconciliation, preparation of statements and schedules, noticing and the development of custom solutions to complex case administration and claim reconciliation issues.

5. I received my Bachelor of Arts degree in Finance from Florida State University and an MBA from Indiana University. My business address is 3 Times Square 10<sup>th</sup> Floor, New York, NY 10036.

### **THE OBJECTED CLAIM**

6. Upon a review of the share registers of the relevant entities, as well as the supporting documentation for Claim No. 336, the Claimant does not hold any equity interests in Falcon or in any of (i) Gastorage Capital Limited, (ii) Gasdeposit Capital Limited, (iii) Gaswarehouse Capital Limited, and (iv) Gastock Capital Limited (collectively, the “Falcon Syndication Companies”). Instead, it is apparent from the face of Claim No. 336 that, prior to the filing of the Initial Debtors’ chapter 11 petitions, the Claimant had divested itself of any interest it held in Falcon or the Falcon Syndication Companies.

7. The Claimant attached an addendum to Claim No. 336 that itself attached a “Performance Statement” sent by Arcapita Bank to the Claimant, detailing his account status as of December 31, 2011 (the “Performance Statement”). The Performance Statement lists Falcon as one of two “Current Investments.” The Performance Statement also indicates, on the row

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<sup>2</sup> I joined Coopers & Lybrand in 1997, which merged in 1998 with Price Waterhouse to become PricewaterhouseCoopers (“PWC”). In 2002, FTI acquired PWC’s U.S. Business Recovery Services Division, of which I was a part.

allocated to Falcon, an “Investment Amount” of \$1,000,000, no “Dividends,” a “Return of Capital” of \$1,000,000, and no “Net Investment Amount.”

8. Thus, the evidence indicates that, prior to the filing of the Initial Debtors’ chapter 11 petitions, the Claimant relinquished any equity interest it had held in Falcon or the Falcon Syndication Companies.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Date: February 25, 2014  
New York, New York

/s/ Scott A. Rinaldi  
Scott A. Rinaldi

**Exhibit C**

**Proposed Order**

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

----- X  
In re: : Chapter 11  
ARCAPITA BANK B.S.C.(c), et al., : Case No. 12-11076 (SHL)  
Reorganized Debtors. : Confirmed  
----- X

**ORDER GRANTING RELIEF WITH RESPECT TO  
CLAIM NO. 336**

Upon consideration of (i) the objection to the proof of claim no. 336 (the "Objection") filed by the above-captioned Reorganized Debtors, seeking entry of an order, pursuant to section 502(b) of title 11 of the United States Code and Rule 3007(d) of the Federal Rules of Bankruptcy Procedure, disallowing Claim No. 336, (ii) the Declaration of Scott A. Rinaldi in Support of the Objection, dated February 25, 2014, filed as Exhibit B to the Objection, and (iii) the presentation of counsel at the hearing held on March 27, 2014; and the Court having jurisdiction to consider the Objection pursuant to 28 U.S.C. §§ 157 and 1334; and venue of this proceeding in this district being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Objection and the opportunity for a hearing being appropriate under the circumstances; and no other or further notice being required; and the Court having determined that the legal and factual bases set forth in the Objection, in the Rinaldi Declaration, and at the hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby:

1. **ORDERED** that the relief requested in the Objection is granted to the extent set forth herein.
2. **ORDERED** that, pursuant to section 502(b) of the Bankruptcy Code, the portion of Claim No. 336 previously reclassified as an equity interest in Falcon pursuant to the *Order*

*Granting Debtors' Second Omnibus Objection to Claims* [Docket No. 1389] is hereby disallowed in its entirety and shall be expunged from the claims register.

3. **ORDERED** that nothing in this Order shall affect the portion of Claim No. 336 that was previously reclassified as a general unsecured claim against Arcapita Bank in the amount of \$184.77 pursuant to the *Order Granting Debtors' Second Omnibus Objection to Claims* [Docket No. 1389].

4. **ORDERED** that GCG is hereby directed to adjust the claims register to reflect all of the provisions of this Order.

5. **ORDERED** that the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York  
\_\_\_\_\_, 2014

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THE HONORABLE SEAN H. LANE  
UNITED STATES BANKRUPTCY JUDGE