

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. 235**

PLEASE TAKE NOTICE that on February 25, 2014, the above-captioned Reorganized Debtors filed the annexed objection (the "Objection") to proof of claim no. 235 filed against their predecessors in interest (the "Debtors") by Combined National Industries Holding Co. for Energy (K.S.C.) (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*

Dennis F. Dunne  
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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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**OBJECTION TO CLAIM NO. 235**

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. 235”) filed against Falcon Gas Storage Company, Inc. (“Falcon”) by Combined National Industries Holding Co. for Energy (K.S.C.) (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 No. 235 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 B.S.C.(c) (“Arcapita Bank”) and certain of its affiliates (collectively, the “Initial Debtors”) filed for bankruptcy protection. On April 30, 2012 (the “Falcon Petition Date”), Falcon (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 28, 2012, the Claimant timely filed Claim No. 235, asserting an unsecured non-priority claim against Falcon in the amount of \$1,000,000.<sup>2</sup> As the “basis for claim,” the Claimant stated “Investor: par value of claimant [sic] 79,366.0000 shares in Falcon Gas Storage Company, Inc.” The Claimant attached an account statement, dated as of December 31, 2011, to Claim No. 235, stating that the Claimant held 79,366 shares in a portfolio investment named “Falcon Gas Storage Company, Inc.”

4. Pursuant to the *Debtors’ Second Omnibus Objection to Claims* [Docket No. 1050] (the “Second Omnibus Objection”), Claim No. 235 was reclassified as an equity interest in Falcon in an unspecified amount. The Debtors reserved their right to further object to Claim No.

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<sup>2</sup> The Claimant also timely filed proof of claim number 236, asserting an unsecured non-priority claim against Arcapita Bank in the amount of \$75,600,000. This claim was disallowed in its entirety pursuant to the Second Omnibus Objection (as defined below).

235 in the future. *Order Granting Debtors' Second Omnibus Objection to Claims* [Docket No. 1389], Sched. 1 at 25.

5. Upon a review of the share registers of the relevant entities, the Claimant does not hold any equity interests in Falcon. Instead, the claimant holds 19,841.5 ordinary shares in each of (i) Gastorage Capital Limited, (ii) Gasdeposit Capital Limited, (iii) Gaswarehouse Capital Limited, and (iv) Gastock Capital Limited (collectively, the "Falcon Syndication Companies"), for an aggregate of 79,366 ordinary shares of the Falcon Syndication Companies, as opposed to shares of Falcon itself. Rinaldi Decl. ¶ 6.

6. The Falcon Syndication Companies are the four "syndication companies" through which third-party investors have traditionally held equity interests in Falcon. Each of the Falcon Syndication Companies holds approximately 19.3% of the equity interests in GASStorage Funding Inc., which in turn owns 100% of the equity interests in Falcon. Rinaldi Decl. ¶ 7. None of the above-mentioned equity interests have been altered by any of the Debtors' chapter 11 cases.

### **RELIEF REQUESTED**

7. The Reorganized Debtors seek entry of an order in the form attached hereto as Exhibit C disallowing Claim No. 235 in its entirety, as the interests asserted by the Claimant are not interests in Falcon.

### **NOTICE**

8. 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**

9. 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. 235**



**UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK** **PROOF OF CLAIM**

Name of Debtor (Check Only One): Case No.

<input type="checkbox"/> Arcapita Bank B.S.C.(c)	12-11076	<input type="checkbox"/> Windturbine Holdings Limited	12-11079
<input type="checkbox"/> Arcapita Investment Holdings Limited	12-11077	<input type="checkbox"/> AEID II Holdings Limited	12-11080
<input type="checkbox"/> Arcapita LT Holdings Limited	12-11078	<input type="checkbox"/> Railinvest Holdings Limited	12-11081
		<input checked="" type="checkbox"/> Falcon Gas Storage Company, Inc.	12-11790

**Your Claim is Scheduled As Follows:**

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):

Name and address where notices should be sent:

**INVESTOR 51898  
ADDRESS ON FILE**

Telephone number:  
Email Address:

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: \_\_\_\_\_  
(If known)

Filed on: \_\_\_\_\_

FILED - 00235  
SDNY  
ARCAPITA BANK B.S.C. (C)  
12-11076 (S111)

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 payment should be sent (if different from above):

**COMBINED NATIONAL INDUSTRIES HOLDING CO. FOR ENERGY (K.S.C)  
P.O. BOX 14323, SAFAT 13104 - KUWAIT**

Telephone number: (x965) 22322190, Fax (x965) 22409358  
Email Address: msartawi@p-phc.com.kw

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.

1. Amount of Claim as of Date Case Filed: \$ 1,000,000

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.

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: INVESTOR: PAR VALUE OF CLAIMANT'S 79,366,000 SHARES IN 1 FALCON GAS STORAGE COMPANY, INC.

3. Last four digits of any number by which creditor identifies debtor: 2 3 6 7

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:  Real Estate  Motor Vehicle  Other

Describe: \_\_\_\_\_

Value of Property: \$ \_\_\_\_\_

Annual Interest Rate \_\_\_\_\_ %  Fixed or  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"/> 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"/> Contributions to an employee benefit plan - 11 U.S.C. § 507 (a)(5).	Amount entitled to priority: \$ _____
<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)( ).	

\*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: RELATED DOCUMENTATION ATTACHED FROM ARCAPITA

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.  I am a guarantor, surety, indorser, or other codebtor.

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: MITHGAL M. SARTAWI

Title: VICE CHAIRMAN

Company: COMBINED NATIONAL INDUSTRIES HOLDING

U.P. FOR ENERGY (K.S.C.)  
Address and telephone number (if different from notice address above):

P.O. Box: 4323  
SAFAT 13104  
STATE OF KUWAIT

(Signature) (Date)

 August 26 2012

Telephone number: (x965) 22322190 email: msartawi@phc.com.kw

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) (12/11)

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 AUGUST 30, 2012 AT 5:00 P.M. (PREVAILING EASTERN TIME)  
THE GOVERNMENTAL BAR DATE IN THESE CHAPTER 11 CASES IS SEPTEMBER 17, 2012 AT 5:00 P.M. (PREVAILING EASTERN TIME)

Items to be completed in Proof of Claim form

Bankruptcy Court Information:

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.

A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.

Creditor's Name and Address:

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).

1. Amount of Claim as of Date Case Filed:

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.

2. Basis for Claim:

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.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the Debtor's account or other number used by the Debtor to identify the Debtor.

a. Debtor May Have Scheduled Account As:

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.

b. Uniform Claim Identifier:

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.

4. Secured Claim:

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.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a):

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.

6. Credits:

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.

7. Documents:

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.

8. Date and Signature:

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.

**DEFINITIONS**

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**INFORMATION****Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**Creditor**

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).

**Claim**

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.

**Proof of Claim**

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.

**Secured Claim Under 11 U.S.C. § 506 (a)**

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).

**Unsecured Claim**

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

**Claim Entitled to Priority Under 11 U.S.C. § 507 (a)**

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Redacted**

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.

**Evidence of Perfection**

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.

**Acknowledgment of Filing of Claim**

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.

**Offers to Purchase a Claim**

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 *et seq.*), and any applicable orders of the bankruptcy court.

**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 ←

# ARCAPITA

Combined National Industries Holding Co. for Energy  
(K.S.C.) Holding

ACCOUNT NUMBER: 2367

P. O. Box 4323  
Safat 13104  
State of Kuwait

INVESTOR CONTACTS:  
Tel: 965 22322190  
Fax: 965 22409358

**As at 31 December 2011**

## Portfolio Summary

U. S. Dollars Investments	
Infrastructure	76,600,000.00
<b>Total</b>	<b>76,600,000.00</b>

**Note:**

- Please quote reference no. 236/ in all future correspondence. This is your unique customer number which will enable us to process your instructions in the most efficient manner
- Discrepancies, if any, should be notified to the bank in writing within one month from the date of this statement.

For more information, Please contact your Account Executive on +973 17 218333

ARCAPITA

Combined National Industries Holding Co. for Energy (K.S.C.)  
Holding

ACCOUNT NUMBER: 2367

As at 31 December 2011

Portfolio by Investment Type

Investment	Currency	No. of Shares	Cost Value
Infrastructure			
Falcon Gas Storage Company Inc.	U. S. Dollars	79,366,0000	1,000,000.00
Arcapita GCC Utilities Development I	U. S. Dollars	6,000,000,0000	75,600,000.00



April 9, 2012

Dear Investor,

**Arcapita Chapter 11 Reorganization: Update 1**

As you are aware, Arcapita Bank B.S.C.(c) and certain of its affiliates ("Arcapita") are seeking to reorganize its business through the Chapter 11 process in the United States. Arcapita's decision to seek protection through the US court system was driven by its overriding goal to protect the interests of its investors and stakeholders.

The Chapter 11 process is well regarded as an open and transparent means to reorganize a business. It allows Arcapita time to make the changes to the business that will protect value and represent the best interests of the majority of Arcapita's Investors and stakeholders.

As a valued investor of Arcapita, we are committed to ensuring that as far as is possible, you receive timely and informative updates throughout the Chapter 11 process. We believe that the most effective way to achieve this will be via email communications. We will aim to keep these updates concise and relevant to you as an investor.

**Correspondences from Garden City Group**

Given the complexity of the Chapter 11 proceedings, Arcapita has appointed a number of very experienced professional advisors to help us achieve the best outcome possible from the process. These advisors have been approved by the judge presiding over the court proceedings. Legal advice is being provided by Gibson Dunn & Crutcher LLP, financial advice is being provided by Rothschild, restructuring advice is being provided by Alvarez and Marsal and compilation of creditor claims and noticing will be done by the noticing agent, Garden City Group. In due course, and as required by the court, you will begin receiving communications directly from Garden City Group relating to certain milestones in the case. Once Arcapita has assessed and organized its outstanding liabilities, Garden City Group will also be sending you notice of any outstanding claims you may have with Arcapita.

We would like to emphasize that the nature of the process means that it will not always be possible to provide advance or real-time updates for every outcome. Court appearances and court filings are open to the public, and as a result, we expect that Arcapita's reorganization proceedings will attract attention from the press. We request your patience, as we cannot provide real time updates for every news item or public filing. Our mission continues to be the pursuit of superior risk adjusted returns for our investors, and we will remain focused on this task.

Thank you for your continued support.

Regards,

Atif A. Abdulmallik  
Chief Executive Officer



March 19, 2012

**Dr. Mithqal M. Sartawi**

Combined National Industries Holding Co. for Energy(K.S.C.) Holding  
P. O. Box 4323  
Safat 13104  
State of Kuwait  
Fax: 965 22409358

**Re: Arcapita filing for Chapter 11 protection**

As you may have heard, or will shortly hear, Arcapita has today filed a voluntary petition for protection under Chapter 11 in the United States to allow the bank to reorganize. The following is to give you some of the background behind the reasons for the filing, and to reassure you about what this means to you as an investor.

Since the economic downturn that commenced in 2008, Arcapita has faced considerable challenges within its business. The revenues that we derive from placing deals, from exiting investments and from performance fees on successful outcomes have been negatively impacted. The interbank credit markets all but closed, requiring us to repay approximately \$1.7 billion since 2008. At the same time, our portfolio companies too faced similarly barren credit markets, and we have stepped in extensively to provide funding that has been unavailable to them from the commercial banks, a total of approximately \$900 million since 2008.

At the same time, longer dated maturities within our balance sheet have come due, and the ability to rollover maturing facilities on commercially acceptable terms has been very limited. In particular, a \$1.1 billion 5-year facility taken out in April 2007, comes due on 28<sup>th</sup> March 2012. We began extensive efforts to prepare ourselves for the refinancing of this facility 18 months ago, and until the Eurozone crisis erupted in July 2011, we were on track to pay down a portion of the facility with cash raised through monetizations of our investment portfolio, and use a new facility to refinance the balance. However, as a result of the Eurozone crisis which escalated towards the end of 2011, this process faltered, and our options for repayment became limited.

We engaged with the 50 participants in the \$1.1 billion facility with the objective of extending the facility by three years. These negotiations started several weeks ago and began as a consensual and constructive process. However, a number of hedge funds had traded into the facility in recent months and it was clear right from the outset that one or two of these in particular had absolutely no interest in finding an agreement that would take account of the long-term interests of the bank. They began aggressive action to disrupt the process, and in doing so, threatened to destroy value for all of the bank's stakeholders by pursuing a forced liquidation.

After reviewing all of the options available to us with our advisors, we came to the conclusion that the correct course of action was to give ourselves the protection afforded by Chapter 11 to allow us to reorganize our business for the long term. The Central Bank of Bahrain has been informed and we will continue to have a dialogue with the regulators.



We cannot predict the terms of this reorganization at this stage, and how long it will take to complete. But there are some assurances that we can make, and that will help you understand what effect this might have on your investments with Arcapita.

- Arcapita will continue to be run as normal. Arcapita management will remain in control, the deal teams will all remain in place, and your investments will continue to be managed by those best qualified to do so. This is very important, as it means there will be no disruption to the efficient and smooth running of your investment.
- There will be no change in the ownership structure of the investments. Arcapita, its investors, investment company management and other parties will all retain their shareholdings in the business as they are today.
- The way you interact with Arcapita will not change. You will contact Arcapita in the same way, you will receive updates about your investments in the same way, your statements and other correspondence will continue to come to you in the same way.
- All decisions related to exits from the portfolio will also remain solely with Arcapita.
- As in the normal course of our business, portfolio exits will only be carried out at a time we judge to be the appropriate point in the investment cycle. There will be no forced sale of investments under the reorganization process.
- Once Arcapita completes the process of reorganization, it is anticipated that we will emerge from the process with the right capital structure and the necessary changes to leave us well positioned to continue our business of managing investments on your behalf.

**Your investments with Arcapita**

In summary, there will be no change to the status of your investments with Arcapita as a result of the reorganization process. Arcapita's first concern in all of our business decisions is to our investors, and the process of reorganization will not change that fact.

**Your funds placed with Arcapita**

If you have a deposit account, murabaha or other funds placed with Arcapita Bank B.S.C.(c) then unfortunately, under the terms of the Chapter 11 filing, this means your funds with Arcapita will be frozen for the duration of the process as we work with all creditors to reach agreement. We recognize that this will be extremely unwelcome news for you, but given the circumstances, the advice from our legal and financial advisors was that this was the only option available to us that would allow us to complete productive negotiations with all parties, and maximize recoveries for all creditors.

I am of course available to answer any questions that you might have or to give you a fuller briefing if you require it. We will continue to update you through the process as and when there are relevant developments, and will do all that we can to minimize the disruption to our normal business, and to our valuable relationship with you.

I look forward to speaking with you very soon.

With regards

A handwritten signature in black ink, appearing to read "Atif A. Abdullhalk".

Atif A. Abdullhalk  
Chief Executive Officer



MINISTRY OF  
COMMERCE & INDUSTRY



وزارة التجارة والصناعة

Ref :

019934

الإشارة :

Date :

11 JUN 2012

التاريخ :

## شهادة لمن يهده الأمر

تشهد إدارة الشركات المساهمة بوزارة التجارة والصناعة:

السيد / صلاح عبد الوهاب محمد التركيت

رئيس مجلس الإدارة لشركة الصناعات

الوطنية المشتركة للطاقة القابضة (ش.م.ك)

السيد / د. مقال محمد سرطاوي

نائب رئيس مجلس الإدارة

وطبقا للمادة (21) من النظام الأساسي للشركة يملك حق التوقيع على أفراد

كل من رئيس مجلس الإدارة أو نائبة .

وقد أعطيت هذه الشهادة بناءً على طلب الشركة دون أدنى مسؤولية على

الوزارة .

وتفضلوا بقبول خالص التحية ،،،

وكيل وزارة التجارة والصناعة

السيد / مقال محمد سرطاوي



**TRANSLATION**

**MINISTRY OF  
COMMERCE & INDUSTRY**

Ref#: 019934

Date: 11 June 2012-08-26

**CERTIFICATION TO WHOM IT MAY CONCERN**

The Directorate of Shareholding Companies at the Ministry of Commerce & Industry hereby certifies that :

Mr. Salah Abdel Wahab Mohamed Al-Terkeit –Chairman of the Board of , Combined National Industries Holding Co. for Energy (K.S.C)

Dr. Mithqal Mohamed Sartawi – Vice Chairman

Pursuant to Article (21) of the company's Articles of Association, are each and separate authorized signatories , as Board Chairman or Vice Chairman.

This certification has been issued pursuant to the company's request , without any liability to the Ministry.

Kind regards,

Under Secretary of The Ministry of Commerce & Industry\

Ossama Basir Al-Mannai – Head Division of Licensing & Statistics

*(Stamped)*

**C.N.I.H. Energy**



الصناعات الوطنية المشتركة للطاقة القابضة

ARCAPITA BANK B.S.C.  
c/o: GCG  
5151 BLAZER PARKWAY  
STE A.  
DUBHIN , OH 43017  
U.S.A

# aramex

International Express Air Waybill

Copy 3



**FROM (SHIPPER)**  
Shipper's Account No. 202980  
Shipper's Ref. RED 1

**ORG. STN** KW **DEST. STN** OH  
\* 3 2 5 4 6 3 4 3 0 5 \*

**FROM (Your Name) Print Please**  
Company: Privatization Holding Company  
Phone Number: 022322190

**4. SHIPMENT INFORMATION**  
No. of Pieces: 01 Actual Weight: 0.5 Chargeable Weight: 0.5 Country of Manufacture: KUWAIT

Street Address: Ahmed AlJaber Street 4323

**5. SERVICES**  
Description of Goods/Harmonized Code: 02

City: Kuwait State/Province: Kuwait

**6. TRANSPORTATION CHARGES**  
Default to Shipper Account if not noted

Country: Kuwait ZIP/Postal Code: 04

**7. DUTIES AND TAXES**  
Default to Receiver Account if not noted

**TO (RECEIVER)**  
Receiver's Account No. 1-440-1389-7311  
Receiver's Ref. 1-440-1389-7311

**8. COST OF GOODS**  
No Charges if not noted

Company: ARCAPITA BANK (B.S.C.)  
Phone Number: 1-800-762-7029

**9. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Street Address: 5151 BLAZER PARKWAY

**10. SHIPPER'S SIGNATURE & AUTHORIZATION**  
I agree that Aramex's standard Conditions of Carriage apply to this shipment and limit Aramex's liability.

City: STE A State/Province: DUBLIN

**11. BILL SHIPPER**  
 Cash  Prepaid Stock  Account

Country: U.S.A. ZIP/Postal Code: 43017

**12. BILL RECEIVER**  
 Bill Shipper Account (Free Domicile)  Bill Receiver

**SHIPPER'S SIGNATURE & AUTHORIZATION**  
Signature (Required) X [Signature]

**13. BILL 3RD PARTY "APPROVED" ACCOUNT**  
APP A/C No. [Blank]

City: DUBLIN State/Province: OH 43017

**14. BILL 3RD PARTY "APPROVED" ACCOUNT**  
APP A/C No. [Blank]

Country: U.S.A. ZIP/Postal Code: 43017

**15. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

**SHIPPER'S SIGNATURE & AUTHORIZATION**  
Signature (Required) X [Signature]

**16. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

City: DUBLIN State/Province: OH 43017

**17. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**18. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

City: DUBLIN State/Province: OH 43017

**19. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**20. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**21. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**22. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**23. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**24. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**25. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**26. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**27. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**28. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**29. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**30. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**31. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**32. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**33. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**34. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**35. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**36. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**37. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**38. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

Country: U.S.A. ZIP/Postal Code: 43017

**39. RECEIVER'S SIGNATURE**  
Received shipment in good order and condition

REF 1: 3254634305  
REF 2: KWJ

REF 1: 3254634305  
REF 2: KWJ

REF 1: 3254634305  
REF 2: KWJ

**UPS NEXT DAY AIR SAVER 1P**

TRACKING #: 1Z AOX 526 13 6084 8315

**SHIP TO:**  
ARCAPITA BANK  
(440) 389-1731  
ARCAPITA BANK  
CALL SHIPPER IF ANY DELIVERY PROBLE  
5151 BLAZER PKWY  
DUBLIN OH 43017

ALFONSEY KOGAN  
(718) 593-8740  
ARAMEX INTL  
182-25 150TH AVE  
JAMAICA NY 11413

0.5 LBS LTR 1 OF 1

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

**DECLARATION OF SCOTT A. RINALDI  
IN SUPPORT OF OBJECTION TO CLAIM NO. 235**

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. 235 (the “Objection”)<sup>1</sup> filed by Combined National Industries Holding Co. for Energy (K.S.C.) (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.

---

<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**

1. Upon a review of the share registers of the relevant entities, the Claimant does not hold any equity interests in Falcon. Instead, the claimant holds 19,841.5 ordinary shares in each of (i) Gastorage Capital Limited, (ii) Gasdeposit Capital Limited, (iii) Gaswarehouse Capital Limited, and (iv) Gastock Capital Limited (collectively, the “Falcon Syndication Companies”), for an aggregate of 79,366 ordinary shares of the Falcon Syndication Companies, as opposed to shares of Falcon itself.

2. The Falcon Syndication Companies are the four “syndication companies” through which third-party investors have traditionally held equity interests in Falcon. Each of the Falcon Syndication Companies holds approximately 19.3% of the equity interests in GASStorage Funding Inc., which in turn owns 100% of the equity interests in Falcon.

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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.

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

**ORDER GRANTING RELIEF WITH RESPECT TO  
CLAIM NO. 235**

Upon consideration of (i) the objection to the proof of claim no. 235 (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. 235, (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, Claim No. 235 is hereby disallowed in its entirety and shall be expunged from the claims register.

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

4. **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