

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

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	:
IN RE:	: Chapter 11
	:
ARCAPITA BANK B.S.C.(c), et al.,	: Case No. 12-11076 (SHL)
	:
Debtors.	: Jointly Administered
	:
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**THIRD INTERIM ORDER (A) AUTHORIZING DEBTORS TO
(I) CONTINUE USE OF EXISTING CASH MANAGEMENT SYSTEM,
BANK ACCOUNTS AND BUSINESS FORMS AND (II) CONTINUE
ORDINARY COURSE INTERCOMPANY TRANSACTIONS; AND
(B) GRANTING AN EXTENSION OF THE TIME TO COMPLY WITH
THE REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE**

Upon consideration of the motion (the "*Motion*")¹ of Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the "*Debtors*" and each, a "*Debtor*"), for entry of interim and final orders (a) authorizing the Debtors to (i) continue using their Cash Management System, Bank Accounts, and business forms and (ii) continue Intercompany Transactions in the ordinary course of business; and (b) granting an extension of time to comply with the requirements of section 345(b) of the Bankruptcy Code, all as set forth in the Motion; and upon the Thompson Declaration in support thereof; and the Court having found that it has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Motion and the

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

opportunity for a hearing on the Motion was appropriate under the particular circumstances; and an initial hearing having been held on March 21, 2012 (the “**First Interim Hearing**”) to consider the relief requested in the Motion on an interim basis; and the Court having entered an interim order granting the relief requested in the Motion on an interim basis and scheduling a hearing for the Motion on March 29, 2012 [Docket No. 22] (the “**First Interim Order**”); and the Debtors having filed the *Notice of Filing of Budget to Debtors’ Motion for Interim and Final Order (A) Authorizing Debtors to (I) Continue Existing Cash Management System, Bank Accounts, and Business Forms and (II) Continue Ordinary Course Intercompany Transactions; and (B) Granting an Extension of Time to Comply with the Requirements of Section 345(b) of the Bankruptcy Code* [Docket No. 31] in accordance with the First Interim Order; and a second hearing on the Motion having been held on March 29, 2012 (the “**Second Interim Hearing**”); and the Court having entered a second interim order granting the relief requested in the Motion on a further interim basis and scheduling a hearing on the Motion for April 17, 2012 [Docket No. 62] (the “**Second Interim Order**”); and the Debtors having filed the *Notice of Filing of Budget to Debtors’ Motion for Interim and Final Order (A) Authorizing Debtors to (I) Continue Existing Cash Management System, Bank Accounts, and Business Forms and (II) Continue Ordinary Course Intercompany Transactions; and (B) Granting an Extension of Time to Comply with the Requirements of Section 345(b) of the Bankruptcy Code* [Docket No. 72] in accordance with the Second Interim Order; and a third hearing on the Motion having been held on April 17, 2012 (the “**Third Interim Hearing**,” and together with the First Interim Hearing, and the Second Interim Hearing, the “**Hearings**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearings establish just cause for the relief granted herein; and

upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Motion is granted to the extent set forth herein on a further interim basis through May 12, 2012 (the “*Third Interim Period*”), provided that (a) the \$1.1 million identified in the line item entitled Deal Funding & Expense and (ii) the \$802,000 cash identified in the line item entitled Intercompany Transfers (Cash Outflows), both entries for the period from May 5, 2012 through May 12, 2012, are not authorized by this Order.

2. The Debtors are authorized to maintain and use the Cash Management System as described in the Motion during the Third Interim Period.

3. The Debtors are authorized to: (a) continue to use, with the same account numbers, the Bank Accounts in existence on the Petition Date, including, without limitation, those accounts identified on *Exhibit A* to the First Interim Order; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; and (c) use their existing Business Forms and are not required to obtain new Business Forms, but shall, to the extent practicable, print the legend “debtor in possession” on such existing Business Forms and, furthermore, as soon as reasonably practicable, the Debtors shall print the legend “debtor in possession” on any newly printed or newly ordered Business Forms, unless such requirement is subsequently waived by further order of the Court; *provided* that for Business Forms outside of the United States, the term “debtor in possession” may be translated into the language of the local jurisdiction to identify the Debtors as debtors in possession in chapter 11 bankruptcy cases.

4. Except as otherwise provided in this Order, the Banks are authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession,

without interruption and in the ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wires, and automated clearing house transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

5. The Banks are authorized to debit the Bank Accounts in the ordinary course of business without need for further order of the Court on account of: (a) all checks drawn on the Bank Accounts that are cashed at such Banks' counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Bank Accounts with such Banks prior to the Petition Date that have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

6. Notwithstanding any other provision of this Order, no Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order (a) in the good-faith belief that the Court has authorized such prepetition check or item to be honored, or (b) as the result of an innocent mistake made despite implementation of reasonable item handling procedures, shall be deemed to be liable to the Debtors or their estates or otherwise in violation of this Order.

7. The Banks are authorized to charge, and the Debtors are authorized to pay, honor, or allow the Bank Fees, and charge-back returned items to the Bank Accounts in the ordinary course of business.

8. The Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; *provided*,

however, that (i) any new account shall comply with the requirements of section 345 of the Bankruptcy Code or (ii) if the Debtors seek to open one or more accounts that do not comply, at least three (3) business days prior to opening any such account, the Debtors shall consult with the U.S. Trustee and the Official Committee of Unsecured Creditors in these chapter 11 cases (the “**Creditors’ Committee**”) regarding the reasons why the account is not compliant and the need for opening any such non-compliant account. All accounts opened by any of the Debtors on or after the Petition Date at any bank shall, for purposes of this Order, be deemed a Bank Account (as if it had been listed on **Exhibit A** to the First Interim Order).

9. The Debtors are authorized during the Third Interim Period to continue performing Intercompany Transactions in the ordinary course of business and to honor and pay obligations in connection with the Intercompany Transactions in accordance with the budget (the “**Budget**”) attached hereto as **Exhibit A**; *provided however*, that if a protocol regarding intercompany transfers is approved by this Court (an “**Approved Protocol**”), then the Approved Protocol shall supersede the treatment provided in this Order, if so provided in the Approved Protocol.

10. With respect to any post-petition intercompany transfer from Arcapita Bank to Arcapita Investment Holdings Limited (“**AIHL**”) (such transfer an “**Bank Intercompany Loan**”), Arcapita Bank shall obtain an administrative expense claim against AIHL in the amount so transferred; *provided however*, that any Approved Protocol shall supersede the treatment provided in this Order, including retroactively, if so provided in the Approved Protocol.

11. With respect to any post-petition intercompany transfer from one Debtor to another, the transferor Debtor shall receive an administrative expense claim against the Debtor recipient in an amount equal thereto.

12. With respect to cash proceeds resulting from assets held by direct or indirect subsidiaries of Arcapita LT Holdings Limited (“*AIHL Sub*”) (such cash proceeds referred to herein as “*AIHL Sub Related Cash*”) that are transferred to a Debtor on or after the Petition Date through the end of the Third Interim Period, AIHL Sub shall receive an administrative expense claim against the Debtor recipient of the AIHL Sub Related Cash in an amount equal to such transfer; *provided, however*, that no such claim shall result from the transfer of any cash in which the Debtors and/or their direct or indirect subsidiaries have no ownership interest (including, for example, investor funds); *provided further*, that any Approved Protocol shall supersede the treatment provided in this Order, if so provided in the Approved Protocol. The Debtors shall provide Standard Chartered Bank (“*SCB*”) with an accounting of all AIHL Sub Related Cash and the corresponding administrative claims within 15 days after the end of the Third Interim Period. The Debtors shall further undertake to promptly respond to reasonable inquiries by SCB or its advisors with respect to AIHL Sub Related Cash received by AIHL Sub and corresponding administrative claims, in each case solely if and to the extent such cash was received or such claim arose prior to the end of the Third Interim Period.

13. The administrative expense claims in respect of any Bank Intercompany Loan and/or any AIHL Sub Related Cash shall be *pari passu*; *provided, however*, that notwithstanding any other provision of this Order, the rights of each Debtor, the Creditors’ Committee, SCB and all other parties in interest with respect to (i) the priority or characterization of such claims or interests, (ii) further interim or final orders on the Motion after the Third Interim Period and (iii) any protocols regarding intercompany transfers are hereby reserved; *provided further*, that the foregoing proviso shall not limit the authorization granted herein to the Debtors for any intercompany transfer.

14. The Banks are authorized to pay obligations in accordance with this or any separate order of the Court.

15. Except as otherwise provided in this Order or in a separate order of the Court, the Banks shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued prior to the Petition Date.

16. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

17. Except as otherwise expressly provided herein, nothing contained in this Order shall determine the relative rights or priorities of any parties with respect to claims against any of the Debtors or security interests in any of the Debtors' assets.

18. Nothing contained in this Order shall determine the allocation of any costs or expenses among the Debtors and their non-Debtor affiliates.

19. Within three (3) business days of entry of this Order, the Debtors shall serve a copy of this Order on the Banks.

20. Notwithstanding Bankruptcy Rules 6003 and 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry by this Court.

21. The notice requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

22. A final hearing shall be held on May 7, 2012 at 11:00 a.m. prevailing Eastern Time.

23. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
April 20, 2012

/s/ Sean H. Lane
HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE



Cash Flow Forecast - CONSOLIDATED
 For the Period Ending 6/2/12

(\$'s in 000's)	4/22/12	4/29/12	5/6/12	5/13/12	5/20/12	5/27/12	6 Weeks Ending
	4/28/12	5/5/12	5/12/12	5/19/12	5/26/12	6/2/12	6/2/12
Receipts							
Proceeds from Exits	\$ -	\$ 2,700	\$ -	\$ -	\$ -	\$ -	\$ 2,700
Deal Company Murabahas	-	-	-	-	-	-	-
Management Fees	-	-	-	125	-	-	125
Yield from Deal Companies	-	206	-	-	-	189	395
Total Receipts	-	2,906	-	125	-	189	3,220
Disbursements							
G&A Expenses							
Atlanta	9	8	165	8	173	8	371
Bahrain	34	444	34	34	494	717	1,758
Hong Kong	4	7	35	2	2	6	57
London	25	260	18	50	15	323	691
Singapore	11	11	140	34	15	11	223
Total G&A Expenses	84	730	393	128	699	1,065	3,099
Staff Expenses							
Atlanta	313	-	-	275	313	-	901
Bahrain	43	-	194	-	1,196	12	1,445
Hong Kong	76	-	-	-	68	-	145
London	527	-	11	-	527	-	1,065
Singapore	-	-	-	240	-	-	240
Total Staff Expenses	959	-	205	515	2,104	12	3,795
Other Expenses							
AHQ Payments	-	-	-	-	-	-	-
Other	-	-	788	318	133	-	1,240
Total Other Expenses	-	-	788	318	133	-	1,240
Deal Funding & Expenses							
Private Equity	-	-	-	-	-	-	-
Real Estate	175	-	1,100	1,389	-	-	2,664
Infrastructure	-	-	-	-	-	-	-
Venture Capital	-	-	-	-	-	-	-
Total Deal Funding & Expenses	175	-	1,100	1,389	-	-	2,664
Total Disbursements	1,218	730	2,486	2,350	2,935	1,078	10,797
Operating Cash Flow	(1,218)	2,176	(2,486)	(2,225)	(2,935)	(888)	(7,577)
Restructuring							
Restructuring Fees	10	408	-	-	-	363	780
Critical / Foreign Vendor Payments	173	173	273	273	73	73	1,038
Payroll Adjustments	-	-	-	-	-	-	-
Other Restructuring Costs	-	-	-	-	-	-	-
Total Restructuring	183	580	273	273	73	435	1,818
Net Cash Flow	(1,401)	1,596	(2,759)	(2,498)	(3,008)	(1,324)	(9,395)
Intercompany Transfers							
Cash Inflows (Source of Cash)	83	-	802	274	114	-	1,273
Cash Outflows (Use of Cash)	83	-	802	274	114	-	1,273
Total Intercompany Transfers	-	-	-	-	-	-	-
Balances & Liquidity							
Beginning Book Balance	161,827	160,427	162,022	159,263	156,765	153,756	162,022
Net Receipts, Disbursements & Transfers	(1,401)	1,596	(2,759)	(2,498)	(3,008)	(1,324)	(9,395)
Ending Book Balance	160,427	162,022	159,263	156,765	153,756	152,432	152,627
Float / Foreign Exchange	500	500	500	500	500	500	3,000
Ending Bank Balance	\$ 160,927	\$ 162,522	\$ 159,763	\$ 157,265	\$ 154,256	\$ 152,932	\$ 155,627



Cash Flow Forecast - DEBTOR

For the Period Ending 6/2/12

(\$'s in 000's)	4/22/12	4/29/12	5/6/12	5/13/12	5/20/12	5/27/12	6 Weeks Ending 6/2/12
	4/28/12	5/5/12	5/12/12	5/19/12	5/26/12	6/2/12	
Receipts							
Proceeds from Exits	\$ -	\$ 2,700	\$ -	\$ -	\$ -	\$ -	\$ 2,700
Deal Company Murabahas	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-
Yield from Deal Companies	-	206	-	-	-	189	395
Total Receipts	-	2,906	-	-	-	189	3,095
Disbursements							
G&A Expenses							
Bahrain	34	444	34	34	494	717	1,758
Total G&A Expenses	34	444	34	34	494	717	1,758
Staff Expenses							
Bahrain	43	-	194	-	1,196	12	1,445
Total Staff Expenses	43	-	194	-	1,196	12	1,445
Other Expenses							
AHQ Payments	-	-	-	-	-	-	-
Other	-	-	-	318	96	-	414
Total Other Expenses	-	-	-	318	96	-	414
Deal Funding & Expenses							
Private Equity	-	-	-	-	-	-	-
Real Estate	175	-	1,100	1,389	-	-	2,664
Infrastructure	-	-	-	-	-	-	-
Venture Capital	-	-	-	-	-	-	-
Total Deal Funding & Expenses	175	-	1,100	1,389	-	-	2,664
Total Disbursements	252	444	1,329	1,742	1,785	729	6,281
Operating Cash Flow	(252)	2,462	(1,329)	(1,742)	(1,785)	(540)	(3,186)
Restructuring							
Restructuring Fees	10	408	-	-	-	363	780
Critical / Foreign Vendor Payments	173	173	273	273	73	73	1,038
Payroll Adjustments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Restructuring	183	580	273	273	73	435	1,818
Net Cash Flow	(435)	1,881	(1,602)	(2,015)	(1,858)	(975)	(5,004)
Intercompany Transfers							
Cash Inflows (Source of Cash)	-	-	-	-	-	-	-
Cash Outflows (Use of Cash)	83	-	802	274	114	-	1,273
Total Intercompany Transfers	(83)	-	(802)	(274)	(114)	-	(1,273)
Balances & Liquidity							
Beginning Book Balance	149,624	149,106	150,987	148,583	146,295	144,322	150,987
Net Receipts, Disbursements & Transfers	(518)	1,881	(2,404)	(2,288)	(1,973)	(975)	(6,277)
Ending Book Balance	149,106	150,987	148,583	146,295	144,322	143,347	144,710
Float / Foreign Exchange	400	400	400	400	400	400	2,400
Ending Bank Balance	\$ 149,506	\$ 151,387	\$ 148,983	\$ 146,695	\$ 144,722	\$ 143,747	\$ 147,110

