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Proposed Attorneys for the Debtors
and Debtors in Possession

**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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**DEBTORS' MOTION FOR AN ORDER FURTHER EXTENDING
THE TIME TO FILE REPORTS OF FINANCIAL INFORMATION
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2015.3(a)**

Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the “*Debtors*” and each, a “*Debtor*”), submit this motion (the “*Motion*”) for entry of an order substantially in the form annexed hereto as *Exhibit A* pursuant to section 105(a) of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 9006(b) of the Federal Rule of Bankruptcy Procedure (the “*Bankruptcy Rules*”) granting the Debtors an additional 45 days to file reports of financial information of non-Debtor entities in which the Debtors hold a controlling or substantial interest in accordance with the requirements of Bankruptcy Rule 2015.3 (the “*Rule 2015.3 Reports*”). In support thereof, the Debtors respectfully represent:

BACKGROUND

1. On March 19, 2012 (the “*Petition Date*”), each of the Debtors commenced cases (the “*Chapter 11 Cases*”) under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or an examiner in the Chapter 11 Cases.

2. On April 5, 2012, the United States Trustee for the Southern District of New York (the “*U.S. Trustee*”) appointed an Official Committee of Unsecured Creditors (the “*Creditors’ Committee*”) pursuant to section 1102 of the Bankruptcy Code.

3. Information regarding the Debtors’ business, capital structure, and the circumstances leading to the commencement of the Chapter 11 Cases is set forth in detail in the *Declaration of Henry A. Thompson in Support of the Debtors’ Chapter 11 Petitions and First Day Motion and in Accordance with Local Rule 1007-2*, dated March 19, 2012 [Docket No. 6].

4. On the Petition Date, the Debtors filed the *Debtors’ Motion for Order Granting the Debtors Additional Time to File Reports of Financial Information Pursuant to Federal Rule of Bankruptcy Procedure 2015.3(a)* [Docket No. 9] (the “*Initial Extension Motion*”), requesting a total of 45 days from the Petition Date to file the Rule 2015.3 Reports.

5. At the “first day” hearing held on March 21, 2012, the Court granted the relief requested in the Initial Extension Motion. A day later, the Court entered the *Order Granting the Debtors Additional Time to File Reports of Financial Information Pursuant to Federal Rule of Bankruptcy Procedure 2015.3(a)* [Docket No. 20] (the “*Extension Order*”), thereby granting the Debtors 45 days from the Petition Date to file the Rule 2015.3 Reports, with the revised deadline for filing being and including May 3, 2012.

6. The Debtors have since sought the Court's approval of a limited extension of the deadline to file the Rule 2015.3 Reports to permit the Court to rule on the relief requested herein. [Docket No. 87]

JURISDICTION AND VENUE

7. The Court has jurisdiction to consider this Motion 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.

RELIEF REQUESTED

8. By this Motion, the Debtors seek entry of an order pursuant to Bankruptcy Rule 9006(b), granting the Debtors 45 additional days to file the Rule 2015.3 Reports, through and including June 21, 2012, without prejudice to the Debtors' ability to request additional time, or modification or waiver of the requirement, to file the Rule 2015.3 Reports, should it become necessary.

BASIS FOR RELIEF REQUESTED

9. Bankruptcy Rule 2015.3(a) states that:

In a chapter 11 case, the trustee or debtor in possession shall file periodic financial reports of the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in a case under title 11, and in which the estate holds a substantial or controlling interest.

10. The Debtors operate an investment bank and manage or otherwise invest in numerous portfolio companies. As previously disclosed, including the representations made orally to the Court and via the Thompson Declaration, the broader Arcapita Group¹ operates and invests worldwide both on its own account and for third party beneficial investors. In such

¹ "*Arcapita Group*" consists of Arcapita Bank B.S.C.(c) and its affiliated Debtor and non-Debtor subsidiaries.

capacity, certain of the Debtors hold “a substantial or controlling interest,” as those terms are defined by Bankruptcy Rule 2015.3(c), in at least 150 non-Debtor affiliate entities (the “*Non-Debtor Affiliates*”), many of which have separate businesses and separate credit facilities with different investors, and some of which have joint venture partners. The Non-Debtor Affiliates are located in various countries including Hong Kong, Singapore, Malaysia, multiple European countries, and the United States. Many of these Non-Debtor Affiliates have substantial assets and operations. Assembling and compiling the financial reports of the value, operations, and profitability of these various Non-Debtor Affiliates throughout the world will require significant time and effort by the Debtors’ personnel.

11. Pursuant to Bankruptcy Rule 9006(b)(1), this Court may, “for cause shown,” enlarge the period of time within which an act is required to be done. Fed. R. Bankr. P. 9006(b)(1). The Court granted such an extension in the Extension Order, giving the Debtors until May 3, 2012 to file the Rule 2015.3 Reports and further providing the Debtors with the “right[] to request further extensions of time to file their Rule 2015.3 Reports upon notice of presentment or to file a motion seeking modification of the reporting requirements of Bankruptcy Rule 2015.3 for cause.” *See* Extension Order ¶ 3.

12. The Debtors submit that cause exists to further extend the deadline to file the Debtors’ Rule 2015.3 Reports by 45 additional days. In addition to the size, complexity and volume of information that must be reviewed, the Debtors’ professionals anticipate that they will need additional time to continue consideration of the nuanced legal issues that are presented by the Debtors’ financial statements, operational procedures, and organizational structure. The Debtors’ complex organization and investment ownership structures create certain unique legal issues that require careful consideration. Further, due to the Debtors’ organizational structure,

information regarding certain investments held by the Debtors' Non-Debtor Affiliates will necessarily need to be identified to give the most accurate picture of the Debtors' information in the Rule 2015.3 Reports.

13. In light of the size and complexity of the Debtors' businesses and the number of non-Debtor entities in which the Debtors hold a controlling or substantial interest, substantial effort will be required to complete the Rule 2015.3 Reports within the time period proposed herein, much less the period permitted under the Extension Order. As a global manager of Shari'ah-compliant alternative investments and an investment bank, the Debtors maintain assets, in particular equity positions in large private companies, throughout the world. Production of financial reports, which value the Non-Debtor Affiliates on an entity-by-entity basis and summarize each such Non-Debtor Affiliate's operations, will require a tremendous amount of information maintained by or relating to the Debtors' foreign affiliates and third parties. This information is located in numerous facilities throughout the world. Further, most of those accounting systems, along with key personnel who are responsible for oversight of the accounting systems, are located outside of the U.S. with no direct reports located domestically. As such, a considerable amount of work will be necessary to reconcile and consolidate balances to accurately report the activities of the Debtors and the Non-Debtor Affiliates.

14. The Arcapita Group employs a relatively small administrative staff. Out of its 268 employees worldwide, only a handful of employees are engaged in accounting and legal functions. Moreover, the Debtors' accounting and legal personnel are focused on numerous critical operational matters that must be addressed during the course of the Chapter 11 Cases. For example, the Debtors' personnel are diligently working to assess the impact of the filings of these Chapter 11 Cases on the Debtors' various businesses, investments and Debtor

and non-Debtor contracts, and maintain investor relationships. Further, the Debtors and their professionals have spent a considerable amount of time sharing information with the professionals of the Creditors' Committee.

15. Although the Debtors have made progress in collecting information necessary to complete the Rule 2015.3 Reports, they may require additional time to finalize their Rule 2015.3 Reports prior to filing. The Debtors therefore believe that they may be unable to complete their Rule 2015.3 Reports on or before May 7, 2012. Accordingly, as a precautionary measure, the Debtors are hereby seeking an additional 45 days to complete their Rule 2015.3 Reports. To the extent possible, the Debtors will endeavor to provide any portions of the Rule 2015.3 Reports that they are able to finalize before the proposed revised deadline on a rolling basis.

16. An extension of time will enable the Debtors sufficient time to digest the collected information and present the Rule 2015.3 Reports in a cognizable and usable fashion. The Debtors and their professionals are working to provide all parties with complete and insightful disclosure. Without sufficient time to consider these critical issues, the Rule 2015.3 Reports are more likely to inadvertently mischaracterize information or contain errors. Both the Debtors and the Debtors' creditors will benefit from an extension of time because additional time will minimize the risk of inaccuracies and ensure that the Rule 2015.3 Reports reflect careful analysis of the underlying legal issues.

17. Given the nuanced legal issues created by the Debtors' Shari'ah-compliant investments, the complexity of the information that must be compiled and reviewed, the substantial burdens already imposed on the Debtors' management by the prosecution of the Chapter 11 Cases, the limited number of employees available to collect the information, the

competing demands upon such employees, and the geographic scope of the Debtors and their affiliates' operations, the Debtors submit that "cause" exists to grant the Debtors through and including June 21, 2012 to file the Rule 2015.3 Reports, which will give the Debtors additional 45 days after hearing on the Motion. The requested extension will enhance the accuracy of the Rule 2015.3 Reports and avoid the necessity of substantial subsequent amendments.

18. Bankruptcy courts in the Southern District of New York have granted relief in other chapter 11 cases similar to the relief requested herein. *See, e.g., In re Motors Liquidation Co. (f/k/a General Motors Corp.)*, Case No. 09-50026 (REG) (Bankr. S.D.N.Y. Aug. 18, 2009) [Docket No. 3832] (granting the debtors 60 additional days subsequent to an initial extension to file the Rule 2015.3 Reports); *In re BearingPoint, Inc.*, Case No. 09-10691 (REG) (Bankr. S.D.N.Y. July 7, 2009) [Docket No. 1021] (granting the debtors 60 additional days subsequent to an initial extension to file the Rule 2015.3 Reports).

19. The relief requested herein will not prejudice the rights of any party in interest in the Chapter 11 Cases. The Debtors will work cooperatively with the Office of the United States Trustee, the Creditors' Committee, and other constituents to provide them with access to the Debtors' books and records, including disclosures relating to the Debtors' Non-Debtor Affiliates (subject to the establishment of appropriate confidentiality protocol). The Debtors are committed to working with the U.S. Trustee and the Creditors' Committee to gain their respective support for the relief sought herein.

20. Based on the foregoing, the Debtors respectfully request that the Court further extend the time to file the Rule 2015.3 Reports by 45 additional days, through and including June 21, 2012. The Debtors submit the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted.

NOTICE

21. No trustee or examiner has been appointed in the Chapter 11 Cases. The Debtors have provided notice of filing of the Motion by electronic mail, facsimile, and/or overnight mail to the parties listed in the Master Service List established in the Chapter 11 Cases, and any other party who has requested service of documents filed in the Chapter 11 Cases. Due to the nature of the relief requested herein, the Debtors submit that no other or further notice is required. A copy of the Motion is also available on the website of the Debtors' notice and claims agent, GCG, Inc., at <http://www.gcginc.com/cases/arcapita>.

NO PRIOR REQUEST

22. Other than the Initial Extension Motion, no prior motion for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the 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: New York, New York
April 23, 2012

Respectfully submitted,

/s/ Michael A. Rosenthal

Michael A. Rosenthal (MR-7006)

Janet M. Weiss (JW-5460)

Matthew K. Kelsey (MK-3137)

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**PROPOSED ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION**

Objection Deadline: April 30, 2012 at noon (prevailing U.S. Eastern Time)
Hearing Date and Time: May 7, 2012 at 11:00 a.m. (prevailing U.S. Eastern Time)

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Proposed Attorneys for the Debtors
and Debtors in Possession

**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), et al.,	:	Case No. 12-11076 (SHL)
	:	
Debtors.	:	Jointly Administered
	:	
-----X		

**NOTICE OF DEBTORS' MOTION FOR AN ORDER FURTHER EXTENDING
THE TIME TO FILE REPORTS OF FINANCIAL INFORMATION
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2015.3(a)**

PLEASE TAKE NOTICE that on April 23, 2012, the above-captioned debtors and debtors in possession (the "**Debtors**") filed the annexed *Debtors' Motion for an Order Further Extending the Time to File Reports of Financial Information Pursuant to Federal Rule of Bankruptcy Procedure 2015.3(a)* (the "**Motion**").

PLEASE TAKE FURTHER NOTICE that a hearing (the "**Hearing**") to consider the Motion will take place 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 (the "**Bankruptcy Court**") on **May 7, 2012 at 11:00 a.m. (prevailing U.S. Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any and all objections to the Motion (the “*Objections*”) shall be filed electronically with the Court on the docket of *Arcapita Bank B.S.C.(c), et al.*, Ch. 11 Case No. 12-11076 (SHL) (the “*Docket*”), pursuant to the Case Management Procedures approved by this Court and the Court’s General Order M-399 (available at <http://nysb.uscourts.gov/orders/orders2.html>), by registered users of the Court’s case filing system and by all other parties in interest on a 3.5 inch 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 Bankruptcy Court and General Order M-399, to the extent applicable, and served in accordance with General Order M-399 on (i) proposed counsel for the Debtors, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, New York, 10166 (Attn: Michael A. Rosenthal, Esq., Janet M. Weiss, Esq. and Matthew K. Kelsey, Esq.); (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.); and (iii) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis Dunne, Esq. and Evan Fleck, Esq.), so as to be received no later than **April 30, 2012 at 12:00 p.m. (prevailing U.S. Eastern Time)** (the “*Objection Deadline*”).

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

Dated: New York, New York
April 23, 2012

/s/ Michael A. Rosenthal
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PROPOSED ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

Proposed Order

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

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: **Chapter 11**
: **Case No. 12-11076**
: **Jointly Administered**
: **Debtors.**
: **Jointly Administered**
: **Jointly Administered**
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**ORDER FURTHER EXTENDING THE TIME
TO FILE REPORTS OF FINANCIAL INFORMATION
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2015.3(a)**

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 an order pursuant to Bankruptcy Rule 9006(b), granting the Debtors 45 additional days, through and including June 21, 2012, to file their Rule 2015.3 Reports; 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 jurisdiction and 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 Debtors’ estates, their creditors, and other parties in interest; and the Court having reviewed the Motion and having considered the statements in support of the relief requested therein; and the Court having determined that the legal and factual bases set forth in the Motion 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.
2. The Debtors are hereby granted 45 additional days, through and including June 21, 2012, to file their Rule 2015.3 Reports.
3. The relief granted in this Order is without prejudice to the Debtors' rights to request further extensions of time to file their Rule 2015.3 Reports or to file a motion seeking a modification or waiver of the reporting requirements of Bankruptcy Rule 2015.3 for cause.
4. This Court shall retain jurisdiction with respect to any and all matters arising from or related to the interpretation or implementation of this Order.

Dated: New York, New York
_____, 2012

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

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