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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 ENTRY OF ORDER FURTHER EXTENDING THE TIME
TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

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 (a) an additional 45 days to file Items 3 and 23 of the Debtors’ statements of financial affairs (regarding payments to creditors and withdrawals from a partnership or distributions by a corporation) (“*SOFA 3 and 23*”) as well as the Schedules D, E and F (collectively, the “*Liability Schedules*” and together with SOFA 3 and 23, the “*Subject Schedules and Statements*”) and (b) an additional 14 days to file the remainder of the schedules

and statements of financial affairs (“*Schedules and Statements*” and all Schedules and Statements excluding the Subject Schedules and Statements, the “*Remaining Schedules and Statements*”). 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 Schedules and Statements of Financial Affairs* [Docket No. 3] (the “*Initial Extension Motion*”), requesting a total of 45 days from the Petition Date to file their Schedules and Statements.

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 Schedules and Statements of Financial Affairs* [Docket No. 18] (the “*Extension Order*”), thereby granting the Debtors 45 days from the Petition

Date to file the Schedules and Statements, with the revised deadline to make such filings 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 Schedules and Statements 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 Subject Schedules and Statements, through and including June 21, 2012 and 14 additional days to file the Remaining Schedules and Statements, through and including May 21, 2012, without prejudice to the Debtors' ability to request additional time, or modification or waiver of the requirement, to file the Subject Schedules and Statements, should it become necessary.

BASIS FOR RELIEF REQUESTED

9. Section 521 of the Bankruptcy Code and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*") require debtors to file their Schedules and Statements within fourteen days after the commencement of bankruptcy cases administered under Chapter 11 of the Bankruptcy Code unless extended for cause shown. Pursuant to Bankruptcy Rule 9006(b)(1), however, 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 Schedules and Statements and further providing the Debtors with the “right[] to seek further extensions of time within which to file their Schedules and Statements or to seek other relief from the Court regarding the filing of, or waiver of the requirement to file, the Schedules and Statements.” *See* Extension Order ¶ 3.

10. The Debtors submit that cause exists to further extend the deadline to file the Subject Schedules and Statements by 45 additional days and the Remaining Schedules and Statements by 14 additional days. As a global manager of Shari’ah-compliant alternative investments and an investment bank, the Debtors maintain assets and contracts throughout the world. Production of financial statements (which by definition reflect the assets and activities of non-debtor affiliates and the Debtors’ various large equity interests in numerous private companies) requires analysis of a tremendous amount of information maintained by or relating to the Debtors’ foreign affiliates and third parties. To prepare their Schedules and Statements, the Debtors must compile information from books, records, documents, and electronic databases relating to thousands of claims, assets, and contracts. This information is located in numerous facilities throughout the world.

11. In addition, the Debtors’ professionals anticipate that they will need additional time to continue consideration of nuanced legal issues that are presented by the Debtors’ financial statements, operational procedures, and organizational structure, in particular, payments and distributions to and from insiders and other affiliates. The Debtors’ investment ownership structures create certain unique legal issues relating to jointly owned investments that require careful consideration. For example, the Shari’ah-compliant nature of the Debtors’ investments requires a thorough analysis of some of the characterizations required by the Schedules and Statements. In light of the size and complexity of the Debtors’ business,

substantial effort will be required to complete the Schedules and Statements within the time limits proposed herein, much less the limit permitted via the Extension Order.

12. Moreover, although the Debtors have engaged Alvarez & Marsal North America, LLC, in part, to assist them with the Schedules and Statements, the Debtors employ a relatively small administrative staff. And, 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, in particular, assessing the impact of the filings of the Chapter 11 Cases on the Debtors' various businesses and interests and maintaining investor relationships with parties, many of whom are unknowledgeable regarding the United States bankruptcy process.

13. Despite the volume of information that must be collected and analyzed and the Debtors' limited potential dedicated staff, the Debtors and their professionals have made substantial progress in preparing their Schedules and Statements. A considerable amount of work is being performed to collect information and reconcile and consolidate balances to accurately report each Debtor entity's activities.¹ The relief requested herein reflects the work completed to date. Notably, the Debtors and their professionals believe that the majority of the Schedules and Statements will be complete at or shortly after the current filing deadline (hence, the bifurcated relief).

14. The relief sought herein, if granted, will enable the Debtors sufficient time to digest the collected information and present the Schedules and Statements in a cognizable and usable fashion. Without sufficient time to consider critical disclosure issues, the Schedules and

¹ Additionally, as would be expected of any similar financial institution, the Debtors have a large number of contracts related to their business, including investment contracts, shareholder agreements, organizational documents for portfolio companies, joint venture agreements, and confidentiality agreements. The Debtors currently plan to file Schedule G in respect of such agreements by the proposed May 21, 2012 deadline, but will reserve the right to supplement Schedule G, as necessary.

Statements may inadvertently mischaracterize information or contain errors. Accordingly, both the Debtors and the Debtors' creditors will benefit from the relief sought herein; additional time will minimize the risk of inaccuracies and ensure that the Schedules and Statements reflect careful analysis of the underlying legal and accounting issues. Finally, even if the Court grants the relief sought herein, the Debtors will continue to diligently work to complete and file the Schedules and Statements as quickly as possible.

15. 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 (a) through and including June 21, 2012 to file the Subject Schedules and Statements and (b) through and including May 21, 2012 to file the Remaining Schedules and Statements. The requested extension will enhance the accuracy of the Schedules and Statements and avoid the necessity of substantial subsequent amendments.

16. 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 Eastman Kodak Co.*, Case No. 12-10202-alg (Bankr. S.D.N.Y. Feb. 28, 2012) [Docket No. 443] (granting the debtors 30 additional days to subsequent to an initial filing extension to file their schedules and statements); *In re AMR Corp.*, Case No. 11-15463-shl (Bankr. S.D.N.Y. Jan. 27, 2012) [Docket No. 881] (granting the debtors 30 additional days subsequent to an initial filing extension to file their schedules and statements); *In re General Maritime Corp.*, Case No. 11-

15285-mg (Bankr. S.D.N.Y. Dec. 28, 2011) [Docket No. 156] (granting the debtors 14 additional days subsequent to an initial extension to file their schedules and statements).

17. 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 U.S. 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.

18. Based on the foregoing, the Debtors respectfully request that the Court further extend the time to file the Schedules and Statements and as set forth herein. The Debtors submit that the relief requested herein is reasonable under the circumstances and in the best interest of the Debtors' estates, and therefore should be granted.

NOTICE

19. 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

20. 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)

GIBSON, DUNN & CRUTCHER LLP

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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)
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Debtors.	: Jointly Administered
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**NOTICE OF DEBTORS' MOTION FOR ORDER FURTHER EXTENDING THE TIME
TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

PLEASE TAKE NOTICE that on April 23, 2012, the above-captioned debtors and debtors in possession (the "**Debtors**") filed the annexed *Debtors' Motion for Entry of Order Further Extending the Time to File Schedules and Statements of Financial Affairs* (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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IN RE: : **Chapter 11**
:
ARCAPITA BANK B.S.C.(c), *et al.*, : **Case No. 12-11076 (SHL)**
:
Debtors. : **Jointly Administered**
:
-----X

**ORDER FURTHER EXTENDING THE TIME
TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS**

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 (a) 45 additional days, through and including June 21, 2012, to file the Subject Schedules and Statements and (b) 14 additional days, through and including May 21, 2012, to file the Remaining Schedules and Statements; 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 notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances; and the Court having reviewed the Motion and having considered the statements in support of the relief requested therein at a hearing before the Court (the “*Hearing*”); and the Court having determined that the

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

legal and factual bases set forth in the Motion and at the Hearing 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 Items 3 and 23 of the Debtors' statements of financial affairs as well as the Schedules D, E and F.
3. The Debtors are hereby granted 14 additional days, through and including May 21, 2012, to file the Remaining Schedules and Statements.
4. The relief granted in this Order is without prejudice to the Debtors' rights to request further extensions of time to file the Schedules and Statements or to file a motion seeking a modification or waiver of the Schedules and Statements for cause.
5. 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