

GIBSON, DUNN & CRUTCHER LLP

Michael A. Rosenthal (MR-7006)

Janet M. Weiss (JW 5460)

Matthew K. Kelsey (MK-3137)

200 Park Avenue

New York, New York 10166-0193

Telephone: (212) 351-4000

Facsimile: (212) 351-4035

Proposed Attorneys for the Debtors
and Debtors in Possession

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

IN RE:

ARCAPITA BANK B.S.C. (c), et al.,

Debtors.

Chapter 11

Case No. 12-11076 (SHL)

Jointly Administered

**DEBTORS' APPLICATION PURSUANT TO
SECTIONS 327(e), 328(a), AND 330(a) OF THE BANKRUPTCY CODE FOR
AN ORDER AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
LINKLATERS LLP AS SPECIAL COUNSEL TO THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

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 application (the “*Application*”) for entry of an order substantially in the form annexed hereto as *Exhibit A* pursuant to sections 327(e) and 328(a) of title 11 of the United States Code (the “*Bankruptcy Code*”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the Southern District of New York (the “*Local*

Rules”) authorizing the Debtors to retain and employ Linklaters LLP (“*Linklaters*” or the “*Firm*”) as special counsel to the Debtors *nunc pro tunc* to the Petition Date and to compensate Linklaters pursuant to section 330 of the Bankruptcy Code.

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. The United States Trustee appointed an Official Committee of Unsecured Creditors on April 5, 2012 [Docket No. 60].

2. Founded in 1996, Arcapita, through its Debtor and non-Debtor subsidiaries (collectively, with Arcapita, the “*Arcapita Group*”), is a leading global manager of Shari’ah-compliant alternative investments and operates as an investment bank. Arcapita is not a domestic bank licensed in the United States, nor does it have a branch or agency in the United States as defined in section 109(b)(3)(B) of the Bankruptcy Code. Arcapita is headquartered in Bahrain and is regulated under an Islamic wholesale banking license issued by the Central Bank of Bahrain. In addition to its Bahrain headquarters, the Arcapita Group, together with the other Debtors and their non-Debtor Subsidiaries, has offices in Atlanta, London, Hong Kong, and Singapore. The Arcapita Group’s principal activities include investing for its own accounts and providing investment opportunities to third-party investors in conformity with Islamic Shari’ah rules and principles (the “*Investments*”). The Arcapita Group also derives revenue from managing assets for its third party investors.

3. The Arcapita Group has approximately \$7 billion in assets currently under management comprised of its Investments and those of its third party investors. As of the

Petition Date, on a consolidated basis, the Arcapita Group owns assets valued at approximately \$3.06 billion¹ and has liabilities of approximately \$2.55 billion. Approximately \$1.1 billion of the Debtors' prepetition liabilities are comprised of that certain murabaha, Shari'ah-compliant syndicated facility, issued on March 28, 2007, which matured on March 28, 2012 (the "***Syndicated Facility***"). Additional factual background relating to the Debtors' business and the commencement of these 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 Motions and in Accordance with Local Rule 1007-2* [Docket No. 6].

4. Like virtually all investment banks and private equity institutions, the Arcapita Group has been adversely impacted by the global economic downturn, and has been especially hard hit by the recent debt crisis in the Eurozone. This global recession has hampered the Arcapita Group's ability to obtain liquidity from the capital markets, and has also resulted in a reduction in asset values (and concomitant difficulties in monetizing certain of the Debtors' illiquid and complex investments held by the Debtors' affiliated portfolio companies). As a result thereof, the Debtors did not have the liquidity necessary to repay the Syndicated Facility when it would have come due on March 28, 2012, and this directly impacted the timing of the filing of these Chapter 11 Cases. On a more general basis, the Debtors commenced these Chapter 11 Cases to facilitate the development and implementation of a comprehensive proposal designed to enable the Debtors to (a) restructure their debts, (b) weather the current economic conditions, and (c) realize the full value of their assets over time for the benefit of the Debtors' creditors and other stakeholders.

¹ This includes Arcapita's beneficial interest in assets under management.

JURISDICTION AND VENUE

5. The Court has jurisdiction to consider this Application pursuant to 28 U.S.C. sections 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. section 157(b)(2). Venue is proper pursuant to 28 U.S.C. sections 1408 and 1409.

RELIEF REQUESTED

6. By this Application, the Debtors request entry of an order pursuant to sections 327(e) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014(a), and Local Rule 2014-1 authorizing the Debtors to retain and employ Linklaters² as special counsel to the Debtors *nunc pro tunc* to the Petition Date. In support of the Application, the Debtors submit the declaration of Richard Good (the “*Good Declaration*”), annexed hereto as *Exhibit B*.

THE DEBTORS’ RETENTION OF LINKLATERS

A. Linklaters’ Qualifications

7. Linklaters is one of the largest law firms in the world, employing over 2,200 attorneys in 27 offices in 19 countries. Linklaters provides legal services in virtually every practice area for its clients, which include a number of the world’s leading companies, financial institutions, and governments. Linklaters has substantial expertise and global reach in the areas of restructuring and insolvency. It regularly provides and coordinates advice on large multi-jurisdictional restructuring and insolvency issues (including in relation to cases under chapter 11 of the Bankruptcy Code) to creditors, banks, financial investors, steering committees, insolvency practitioners, corporate debtors and their directors and officers. For example, Linklaters has advised in relation to the restructurings and/or insolvencies of Eastman Kodak, Almatris B.V.,

² The Debtors have entered into standard engagement terms with Linklaters as required under the professional rules to which the firm is subject in the United Kingdom. Those terms, however, are subject to any applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable orders entered by this Court.

Nortel Networks, Truvo USA, Lehman Brothers, European Directories, Eircom, Waterford Wedgwood, Woolworths, KCA Deutag, MF Global and Enron, among others. The Debtors selected Linklaters due to the firm's extensive expertise in corporate, financing and restructuring matters and because of the firm's extensive prior representation of the Debtors.

8. Prior to the Petition Date, Linklaters provided extensive advice to the Debtors in connection with, among other things, the potential restructuring and refinancing of their existing indebtedness. Linklaters first began acting for the Debtors in 2003. Since then the Arcapita Group has engaged Linklaters on a number of matters, with the Firm acting for the Debtors and certain of their portfolio companies in Europe, the Middle East and across Asia. Linklaters' work over the years has been, predominantly, in connection with the Arcapita Group's Investments, including assisting them in the acquisition and disposition of various assets. Prior to the Petition Date, Linklaters provided extensive assistance to the Debtors with their proposed financial restructuring and assisted the Debtors in connection with the negotiation of possible restructuring terms, including out-of-court restructuring alternatives.

9. As a result of these representations, Linklaters professionals have developed relevant experience and expertise regarding the Debtors and their Investments that will assist them in providing effective and efficient services to the Debtors.

10. The Debtors believe that Linklaters is both well-qualified and uniquely able to represent them with respect to the matters described below in an efficient and effective manner. If the Debtors are required to retain counsel other than Linklaters with respect to those matters, the Debtors, their estates, and all parties in interest will be unduly prejudiced by the time and expense necessary to enable such other counsel to become familiar with the matters described below.

B. Scope of Services to be Provided

11. Subject to the direction of the Debtors and further order of this Court, Linklaters, with the assistance as necessary of barristers retained by Linklaters, will perform the following services (the “*Services*”):

- (a) advising the Debtors and assisting the Debtors’ general bankruptcy counsel, Gibson, Dunn & Crutcher LLP (“*General Bankruptcy Counsel*” or “*Gibson Dunn*”) in connection with the Debtors’ prepetition credit, security and intercreditor agreements (which are, in the main, governed by the laws of England and Wales) and providing non-bankruptcy services and advice to the Debtors in connection with financing, security and capital structure, and negotiating and drafting documents with respect to non-U.S. laws, primarily the laws of England and Wales, relating thereto;
- (b) advising the Debtors and assisting General Bankruptcy Counsel in relation to issues arising from the impact of the Debtors’ Chapter 11 Cases on its underlying investments in portfolio companies;
- (c) advising the Debtors with respect to non-bankruptcy matters and assisting General Bankruptcy Counsel in formulating and drafting any disclosure statement accompanying any plan of reorganization;
- (d) advising the Debtors and assisting General Bankruptcy Counsel with respect to cross-border issues implicating laws of foreign jurisdictions, in particular the laws of the United Kingdom and the Cayman Islands;
- (e) attending meetings with third parties and participating in negotiations with respect to the above matters;
- (f) except as set forth below, appearing before the Bankruptcy Court, any district or appellate courts, and the U.S. Trustee with respect to the matters referred to above;
- (g) performing the full range of services normally associated with the matters referred to above; and
- (h) providing such other services as the Debtors may request.

The preparation and presentation of bankruptcy motions and related pleadings postpetition in the Chapter 11 Cases will be within the purview of the services to be provided by General Bankruptcy Counsel, and shall not be included within the scope of the Services unless necessary

to provide non-duplicative factual and legal support (but in any event, only within the purview of the Services). Linklaters will not be appearing before the Bankruptcy Court on issues pertaining to the conduct of the case, except as necessary to provide non-duplicative factual and legal support to General Bankruptcy Counsel and on matters related to the Services.

12. The Services are consistent with the services Linklaters performed prepetition for the Debtors. Linklaters is able and willing to provide the Services.

13. Linklaters will work with General Bankruptcy Counsel to avoid the performance of any duplicative services.

C. Connections of Linklaters

14. The Good Declaration discloses Linklaters' connections to the Debtors and parties in interest in these cases and is incorporated herein by reference. Notwithstanding Linklaters' representation of certain parties as disclosed in the Good Declaration, the Debtors' retention of Linklaters is appropriate under the Bankruptcy Code. During these Chapter 11 Cases, Linklaters will represent only the Debtors in connection within the scope of the Services.

15. Linklaters has a large and diversified legal practice that encompasses the representation of many financial institutions and commercial entities. Accordingly, Linklaters has in the past represented, currently represents, and may in the future represent entities that are claimants or interest holders of the Debtors or that otherwise have interests in the Chapter 11 Cases. However, to the best of the Debtors' knowledge, information and belief, as discussed in the Good Declaration, as required by section 327(e) of the Bankruptcy Code, Linklaters does not represent or hold any interest adverse to the Debtors or their estates with respect to the matters for which Linklaters is proposed to be retained. Accordingly, the Debtors believe that Linklaters satisfies the requirements for employment as special counsel pursuant to section 327(e) of the

Bankruptcy Code. The Debtors submit that their employment of Linklaters is necessary, essential, and in the best interests of the Debtors' estates and their creditors, and, therefore, should be approved.

16. If any new material facts or relationships are discovered or arise, Linklaters will provide the Court with a supplemental declaration. Linklaters has agreed not to share with any person or firm the compensation to be paid for professional services rendered in connection with the Chapter 11 Cases, other than as permitted pursuant to section 504 of the Bankruptcy Code and with respect to Linklaters' retention of an external U.K. barrister as outlined in the Good Declaration.

D. Professional Compensation

17. Subject to the Court's approval of this Application, Linklaters intends to (a) charge for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates in effect on the date services are rendered and (b) seek reimbursement of actual and necessary out-of-pocket expenses according to its customary reimbursement policies, including reimbursements for its instruction of Mr. Antony Zacaroli QC, an external U.K. barrister, as described in greater detail in the Good Declaration. For timekeepers in the London office, applicable hourly rates in these chapter 11 proceedings, subject to periodic adjustments to reflect economic and other conditions, plus applicable Value Added Tax ("*VAT*"), if any, are (in U.K. sterling £):³

Partners: 670-775
Counsels: 600
Managing Associates: 510-570
Associates: 300-480

³ On May 1, 2012, Linklaters' hourly rates will increase by 1.8% as a result of a firm-wide, periodic adjustment coinciding with the beginning of the new fiscal year.

Trainee Solicitors: 200-290
Paralegals: 120-200

18. Linklaters intends to maintain detailed, contemporaneous time records and apply to the Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any additional procedures that may be established by the Court in this case. Linklaters has agreed to accept as compensation such sums as may be allowed by the Court and understands that interim and final fee awards are subject to approval by this Court.

BASIS FOR RELIEF REQUESTED

19. The Debtors' knowledge, information, and belief regarding the matters set forth in this Application are based on and made in reliance upon the Good Declaration.

20. The retention of Linklaters under the terms described herein is appropriate under Bankruptcy Code sections 327(e), 328(a) and 1107. Section 327(e) provides for the appointment of special counsel where the proposed counsel does not possess any interest that is materially adverse to the debtor with regard to the matter(s) that will be handled by counsel. Section 327(e) provides:

The trustee, with the court's approval, may employ, for a specified special purpose, other than to represent the trustee in conducting the case, an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtor or to the estate with respect to the matter on which such attorney is to be employed.

Moreover, section 1107(b) provides that "a person is not disqualified for employment under section 327 of this title by a debtor in possession solely because of such person's employment by or representation of the debtor before the commencement of the case."

21. Accordingly, section 327(e) of the Bankruptcy Code authorizes the retention of counsel who previously represented a debtor prepetition provided that: (a) the appointment is in the best interest of the debtor's estate; (b) counsel does not hold an interest adverse to the estate with respect to the matter for which counsel is to be employed; and (c) the specified special purpose for which counsel is being retained does not rise to the level of conducting the bankruptcy case for the debtor in possession. *See In re AroChem Corp.*, 176 F.3d 610, 622 (2d Cir. 1999) (noting that "where the interest of the special counsel and the interest of the estate are identical *with respect to the matter for which special counsel is retained*, there is no conflict and the representation can stand") (emphasis in original); *In re DeVlieg, Inc.*, 174 B.R. 497 (N.D. Ill. 1994). As explained more fully below, the Debtors submit that each of these factors is satisfied with respect to Linklaters and that, therefore, its retention should be approved under section 327(e) of the Bankruptcy Code.

A. The Employment and Retention of Linklaters is in the Best Interests of the Estates

22. As described more fully in the Good Declaration, Linklaters first began acting for the Debtors in 2003 and has since acted for the Debtors and certain of their portfolio companies in Europe, the Middle East and across Asia. Linklaters' work over the years has been, predominantly, in connection with Arcapita Group's Investments, including assisting them in the acquisition and disposition of various assets. Prior to the Petition Date, Linklaters provided extensive assistance to the Debtors with their proposed financial restructuring and assisted the Debtors in connection with the negotiation of possible restructuring terms, including out-of-court restructuring alternatives.

23. As a result, Linklaters is intimately familiar with the facts and circumstances surrounding the Debtors that will assist in the effective and efficient restructuring of the Debtors. The Debtors believe that the continued employment of Linklaters as special counsel for the Debtors will enable the Debtors to avoid the unnecessary expense otherwise attendant to having another law firm familiarize itself with the matters described above. For these reasons, the Debtors submit that the continued employment of Linklaters is in the best interests of the Debtors, their estates and their creditors.

B. Linklaters Holds No Interest Adverse to the Debtors or the Debtors' Estates With Respect to the Services

24. To the best of the Debtors' knowledge, and except as may be set forth in the Good Declaration, Linklaters does not represent or hold any interest adverse to the Debtors or their estates with respect to the matters as to which Linklaters is to be employed. *See In re AroChem*, 176 F.3d at 622 (emphasizing that, under section 327(e) of the Bankruptcy Code, potential conflicts must be evaluated only with respect to the scope of the proposed retention). The Debtors have been informed that Linklaters will conduct an ongoing review of its files to ensure that no disqualifying circumstances arise and, if any new relevant facts or relationships are discovered, Linklaters will supplement its disclosure to the Court.

25. Based on the foregoing and the disclosures set forth in the Good Declaration, the Debtors submit that Linklaters does not hold or represent any interest adverse to the Debtors or the Debtors' estates with respect to the matters on which Linklaters is to be employed.

C. Linklaters will not Provide Duplicative Services

26. By separate application, Debtors are seeking the Court's approval to retain and employ Gibson Dunn as the Debtors' General Bankruptcy Counsel [Docket No. 51]. By contrast, Linklaters' postpetition work will be comprised substantially of the Services described above. Accordingly, the services rendered and functions to be performed by Linklaters have not been and will not be duplicative of any bankruptcy-related work performed by other law firms retained by the Debtors. Furthermore, Linklaters will coordinate with the Debtors' other professionals to ensure that its services are, to the maximum extent possible, complimentary to other professionals' services.

CONCLUSION

27. As described above, the Debtors' proposed retention of Linklaters as special counsel to the Debtors falls squarely within the scope of and purpose for which Congress enacted section 327(e). As stated above, the Debtors do not believe that Linklaters holds or represents any interest adverse to the Debtors or their estates with respect to the matters for which Linklaters is proposed to be retained. Accordingly, the Debtors submit that the retention of Linklaters is in the best interests of the Debtors, their estates, and their creditors and should be approved by the Court.

NOTICE

28. No trustee or examiner has been appointed in the Chapter 11 Cases. The Debtors have provided notice of filing of the Application to the Master Service List in accordance with the Court's *Order (A) Waiving the Requirement that Each Debtor File a List of Creditors and Equity Security Holders and Authorizing Maintenance of Consolidated List of Creditors in Lieu of a Matrix; (B) Authorizing Filing of a Consolidated List of Top 50 Unsecured*

Creditors; and (C) Approving Case Management Procedures [Docket No. 21]. Due to the nature of the relief requested herein, the Debtors submit that no other or further notice is required. A copy of the Application is also available on the website of the Debtors' notice and claims agent, The Garden City Group, Inc., at <http://www.gcginc.com/cases/arcapita/index.php>.

NO PRIOR REQUEST

29. No prior motion for the relief sought in this Application 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: Manama, Kingdom of Bahrain ARCAPITA BANK B.S.C.(c)
April 23, 2012

/s/ Mohammed A. Muiz Chowdhury

By: Mohammed A. Muiz Chowdhury

Title: Executive Director

EXHIBIT A
Proposed Order

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

IN RE:

**ARCAPITA BANK B.S.C. (c), et al.,
Debtors.**

Chapter 11

Case No. 12-11076 (SHL)

Jointly Administered

**ORDER PURSUANT TO SECTIONS 327(e), 328(a) AND 330 OF THE
BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
LINKLATERS LLP AS SPECIAL COUNSEL TO THE DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

Upon consideration of the Application (the “*Application*”)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 sections 327(e) and 328(a) of title 11 of the United States Code (the “*Bankruptcy Code*”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the Southern District of New York (the “*Local Rules*”) authorizing the Debtors to retain and employ Linklaters LLP (“*Linklaters*”) as special counsel *nunc pro tunc* to the Petition Date and to compensate Linklaters pursuant to section 330 of the Bankruptcy Code; and upon the Good Declaration in support thereof; and the Court having found that it has jurisdiction to consider this Application pursuant to 28 U.S.C. sections 157 and 1334; and the Court having found that venue of this proceeding and the Application in this

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

district is proper pursuant to 28 U.S.C sections 1408 and 1409; and the Court having found that the relief requested in the Application is in the best interests of Debtors' estates, their creditors, and other parties in interest; and notice of the Application and the opportunity for a hearing on the Application was appropriate under the particular circumstances; and the Court having reviewed the Application 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 legal and factual bases set forth in the Application 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 Application is granted as set forth below on a final basis.
2. In accordance with sections 327(e), 328(a), and 330(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Local Rule 2014-1, the Debtors are authorized to employ and retain Linklaters as special counsel on the terms and conditions set forth in the Application to perform the Services described in the Application, *nunc pro tunc* to the Petition Date.
3. Linklaters shall be compensated for its services and reimbursed for any related expenses in accordance with Linklaters' normal hourly rates and disbursement policies as set forth in the Application and the Good Declaration and the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, any Guidelines promulgated by the Office of the United States Trustee and any other applicable orders or procedures of this Court. Notwithstanding the above, in accordance with ¶ 29 of the Good Declaration, to the extent that Linklaters is acting directly for any non-Debtor affiliates, and except as may be otherwise agreed

as appropriate in connection with particular transactions, Linklaters will seek compensation for its services and reimbursement of expenses directly from such non-Debtor affiliates, and not from the Debtors or the Debtors' assets, and such compensation and reimbursement of incurred expenses shall not be subject to approval by the Court pursuant to the Bankruptcy Code, Bankruptcy Rules, Local Rules or any order of the Court; *provided, however*, that any amounts sought from a Debtor as compensation for services and reimbursement of expenses in connection with particular transactions shall be subject to approval by the Court pursuant to the Bankruptcy Code, Bankruptcy Rules, Local Rules or any order of the Court.

4. If at any time Linklaters increases the rates for its services, Linklaters will file a supplemental declaration with the Court describing such increases and provide notice of such increases to the United States Trustee.

5. Linklaters will apply any remaining portion of the Estimated Amount (after application to prepetition fees and expenses) as a credit toward post-petition fees and expenses, as such post-petition fees and expenses become payable by the Debtors to Linklaters pursuant to the procedures for interim compensation of professionals adopted by the Bankruptcy Court in these Chapter 11 Cases.

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

[Remainder of Page Intentionally Blank]

7. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
_____, 2012

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B
Good Declaration

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

IN RE:

ARCAPITA BANK B.S.C. (c), et al.,

Debtors.

Chapter 11

Case No. 12-11076 (SHL)

Jointly Administered

**DECLARATION OF RICHARD GOOD IN SUPPORT OF DEBTORS' APPLICATION
PURSUANT TO SECTIONS 327(e), 328(a), AND 330(a) OF THE BANKRUPTCY CODE
FOR AN ORDER AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
LINKLATERS LLP AS SPECIAL COUNSEL TO THE DEBTORS *NUNC PRO TUNC*
TO THE PETITION DATE, TOGETHER WITH
DISCLOSURE OF COMPENSATION PURSUANT TO BANKRUPTCY RULE 2016(b)**

I, Richard Good, declare and state as follows:

FOUNDATION

1. I am a partner in the law firm of Linklaters LLP ("*Linklaters*" or the "*Firm*"), which maintains an office for the practice of law, among other places, at One Silk Street, London, EC2Y 8HQ, United Kingdom. I am a solicitor of the Senior Courts of England and Wales and am duly authorized to practice as such. I submit this Declaration, pursuant to sections 327(e) and 329 of title 11 of the United States Code (the "*Bankruptcy Code*"), Rules 2014 and 2016(b) of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*"), and Rule 2014-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the "*Local Rules*"), in support of the Debtors' *Application Pursuant to Sections 327(e), 328(a), and 330(a) of the Bankruptcy Code for an Order Authorizing the Debtors to Retain and Employ Linklaters LLP as Special Counsel to the Debtors Nunc Pro Tunc to the*

Petition Date (the “*Application*”). Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.¹

THE DEBTORS’ RETENTION OF LINKLATERS

A. Linklaters’ Qualifications

1. Linklaters is one of the largest law firms in the world, employing over 2,200 attorneys in 27 offices in 19 countries. Linklaters provides legal services in virtually every practice area for its clients, which include a number of the world’s leading companies, financial institutions, and governments. Linklaters has substantial expertise and global reach in the areas of restructuring and insolvency. It regularly provides and coordinates advice on large multi-jurisdictional restructuring and insolvency issues (including in relation to cases under chapter 11 of the Bankruptcy Code) to creditors, banks, financial investors, steering committees, insolvency practitioners, corporate debtors and their directors and officers. For example, Linklaters has advised in relation to the restructurings and/or insolvencies of Eastman Kodak, Almatris B.V., Nortel Networks, Truvo USA, Lehman Brothers, European Directories, Eircom, Waterford Wedgwood, Woolworths, KCA Deutag, MF Global and Enron, among others. The Debtors selected Linklaters due to the firm’s extensive expertise in corporate, financing and restructuring matters and because of the firm’s extensive prior representation of the Debtors.

2. Prior to the Petition Date, Linklaters provided extensive advice to the Debtors in connection with, among other things, the potential restructuring and refinancing of their existing indebtedness. Linklaters first began acting for the Debtors in 2003. Since then the Arcapita Group has engaged Linklaters on a number of matters, with the Firm acting for the Debtors and their non-debtor subsidiaries in Europe, the Middle East and across Asia. Linklaters’

¹ Capitalized terms used but not defined herein shall have the meanings set forth in the Application.

work over the years has been, predominantly, in connection with the Arcapita Group's Investments, including assisting them in the acquisition and disposition of various assets. Prior to the Petition Date, Linklaters provided extensive assistance to the Debtors with their proposed financial restructuring and assisted the Debtors in connection with the negotiation of possible restructuring terms, including out-of-court restructuring alternatives. Accordingly, Linklaters has extensive knowledge of the Debtors, their Investments and their corporate structure. As a result of these representations, I and other Linklaters professionals have developed relevant experience and expertise regarding the Debtors and their Investments that will assist us in providing effective and efficient services to the Debtors.

B. Scope of Services to be Provided

3. I understand that the Debtors are seeking to employ Linklaters to render, among others, the following professional services (the "**Services**"):

- (a) advising the Debtors and assisting the Debtors' general bankruptcy counsel, Gibson, Dunn & Crutcher LLP ("**General Bankruptcy Counsel**" or "**Gibson Dunn**") in connection with the Debtors' prepetition credit, security and intercreditor agreements (which are, in the main, governed by the laws of England and Wales) and providing non-bankruptcy services and advice to the Debtors in connection with financing, security and capital structure, and negotiating and drafting documents with respect to non-U.S. laws, primarily the laws of England and Wales, relating thereto;
- (b) advising the Debtors and assisting General Bankruptcy Counsel in relation to issues arising from the impact of the Debtors' Chapter 11 Cases on its underlying investments in portfolio companies;
- (c) advising the Debtors with respect to non-bankruptcy matters and assisting General Bankruptcy Counsel in formulating and drafting any disclosure statement accompanying any plan of reorganization;
- (d) advising the Debtors and assisting General Bankruptcy Counsel with respect to cross-border issues implicating laws of foreign jurisdictions, in particular the laws of the United Kingdom and the Cayman Islands;

- (e) attending meetings with third parties and participating in negotiations with respect to the above matters;
- (f) except as set forth below, appearing before the Bankruptcy Court, any district or appellate courts, and the U.S. Trustee with respect to the matters referred to above;
- (g) performing the full range of services normally associated with the matters referred to above; and
- (h) providing such other services as the Debtors may request.

The preparation and presentation of bankruptcy motions and related pleadings postpetition in the Chapter 11 Cases will be within the purview of the services to be provided by General Bankruptcy Counsel, and shall not be included within the scope of the Services unless necessary to provide non-duplicative factual and legal support (but in any event, only within the purview of the Services). Linklaters will not be appearing before the Bankruptcy Court on issues pertaining to the conduct of the case, except as necessary to provide non-duplicative factual and legal support to General Bankruptcy Counsel and on matters related to the Services.

4. The Services are consistent with the services Linklaters performed prepetition for the Debtors. Linklaters is able and willing to provide the Services.

5. In order to minimize costs, Linklaters is prepared to work closely with the Debtors and each of their other retained professionals to delineate clearly the professionals' respective duties so as to prevent unnecessary duplication of services whenever possible.

C. Payment of Linklaters' Fees and Expenses

6. Linklaters intends to apply to the Court for payment of legal services and reimbursement of actual and necessary out-of-pocket expenses in accordance with the procedures set forth in the applicable provisions of section 330 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the guidelines promulgated by the U.S. Trustee and

orders of this Court. No promises have been received by Linklaters or any member or associate thereof as to payment or compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules. Linklaters has agreed not to share with any person or firm the compensation paid for professional services in connection with these Chapter 11 Cases, other than as permitted pursuant to section 504 of the Bankruptcy Code and with respect to the Firm's retention of an external U.K. barrister as outlined in ¶ 9 below. Compensation will be payable to Linklaters on an hourly basis at its customary hourly rates for similar services as in effect from time to time, in addition to reimbursement of actual and necessary expenses incurred by the Firm.

7. Linklaters' engagement will be led by a team in Linklaters' London office under my direction, and will incorporate the efforts of Linklaters' lawyers through the world, as appropriate, including Europe, the Middle East, Asia and the Americas. Linklaters' hourly rates will be consistent with its customary hourly rates for similar services rendered in the applicable jurisdiction. For timekeepers in the London office the applicable hourly rates in these chapter 11 proceedings, subject to period adjustments to reflect economic and other conditions, plus applicable Value Added Tax ("*VAT*") are (in U.K. sterling £):²

Partners: 670 to 775
Counsels: 600
Managing Associates: 510 to 570
Associates: 300 to 480
Trainee Solicitors: 200 to 290
Paralegals: 120 to 200

8. It is Linklaters' general policy to charge its clients in all areas of practice for all other expenses incurred in connection with a client's case. The expenses generally

² On May 1, 2012, Linklaters' hourly rates will increase by 1.8% as a result of a firm-wide, periodic adjustment coinciding with the beginning of the new fiscal year.

charged to Linklaters' clients include, among other things, photocopying charges, long-distance telephone calls, facsimile transmissions, messenger and delivery services, online and external research services, word processing, secretarial and temporary employees, overtime meals, overtime and late night transportation, travel, lodging, food charges for business meetings, postage, printing, transcript filing fees, document retrieval, fees and expenses of barristers instructed by Linklaters and expert fees.

9. Subject to the approval of this Court, Linklaters intends to retain an external U.K. barrister, Antony Zacaroli QC of 3-4 South Square Chambers, to represent the Debtors in the ongoing ancillary provisional liquidation proceedings relating to the Debtors in the Cayman Islands.³ Mr. Zacaroli QC appeared before the Grand Court of Cayman on behalf of Arcapita Investment Holdings Limited on March 19 and March 20, 2012 when the directors of Arcapita Investment Holdings Limited made the application for ancillary, provisional liquidation proceedings under the Cayman Islands' Companies Law (2011 Revision). The Firm wishes to retain Mr. Zacaroli QC, in the event that it is necessary, to represent the Debtors in an English or Cayman Islands proceeding or otherwise assert their rights under English or Cayman Islands law. The Debtors have been informed that, consistent with U.K. practice, it is Linklaters' policy to charge its clients the fees and expenses of barristers instructed by Linklaters. Mr. Zacaroli QC's hourly rate applicable in these Chapter 11 Cases, subject to periodic adjustments to reflect economic and other conditions, is (in U.K. sterling £) £650 plus VAT and, to the extent

³ It is standard practice in England and the Cayman Islands for solicitors to instruct barristers who have the necessary rights of audience in the applicable courts to make and defend formal court applications.

applicable, travel expenses.⁴ The fees and expenses of barristers instructed by Linklaters shall be paid by Linklaters and reimbursed by the Debtors as an expense in accordance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, the Local Rules, and the guidelines promulgated by the U.S. Trustee, as those provisions and guidelines may be modified or supplemented by order of this Court.

10. Linklaters will maintain detailed, contemporaneous records of time spent, as well as any actual and necessary expenses incurred, in connection with the rendering of the legal Services described above by category and nature of the services rendered. Linklaters will include the barrister's timekeeping and expense details in the applications for compensation it will file with this Court.

D. Prepetition Payments to Linklaters

11. In the one-year period immediately preceding the Commencement Date, Linklaters received payments totaling approximately £934,960.58 (or approximately \$1,495,936.91)⁵ (the "***Prepetition Payments***") on account of services rendered and expenses incurred by Linklaters in connection with its representation of the Debtors. The Prepetition Payments do not include approximately £289,880.59 (or approximately \$463,808.94) of fees and expenses incurred by Linklaters in connection with its representation of the Debtors that, subject to its retention to act as Debtors' special counsel in these Chapter 11 Cases, Linklaters has voluntarily written off and with respect to which Linklaters will not seek recompense (such amount, the "***Prepetition Write-Off***").

⁴ Mr. Zacaroli QC does not charge expenses other than travel and lodging expenses. In the event Mr. Zacaroli QC is required to travel in connection with his instruction by Linklaters, Linklaters will charge Mr. Zacaroli QC's travel, lodging and food expenses to the Debtors.

⁵ For the purpose of this filing only, all British Pound to US Dollar conversions were completed using the rate effective on March 30, 2012: GB £1/US \$1.6.

12. Linklaters received the Prepetition Payments during the 90-day period prior to the Filing Date, as follows:

- On February 2, 2012, Linklaters received £111,233.96 (or approximately \$177,974.34) for fees and disbursements incurred in connection with Linklaters' representation of the Debtors in their restructuring (the "*Restructuring Engagement*").
- On March 15, 2012, Linklaters received payments in the aggregate approximate amount of £823,726.62 (or approximately \$1,317,962.56), the vast majority of which related to fees and expenses incurred by Linklaters in connection with the Restructuring Engagement.

13. With respect to the payments on March 15, 2012, £498,748.53 (or approximately \$797,997.63) was related to fees and expenses incurred by Linklaters for services rendered to the Debtors in connection with the Restructuring Engagement, while £235,097.50 (or approximately \$376,155.98) was related to anticipated prepetition fees and expenses (the "*Estimated Amount*") to be incurred by Linklaters in connection with the Restructuring Engagement, including with respect to the fees of Antony Zacaroli QC to represent Arcapita Investment Holdings Limited in connection with the commencement of provisional liquidation proceedings in the Cayman Islands.⁶

14. Subsequent to Linklaters' receipt of the Estimated Amount and through the period on or around the Petition Date, Linklaters incurred approximately £156,963.56 (or approximately \$251,141.70) in fees and £84,894.28 (or approximately \$135,830.85) in expenses

⁶ The balance of the March 15, 2012 payments, in the amount of £89,880.59 (or approximately \$143,808.94) related to fees and expenses incurred for advice in connection with the Debtors' efforts to establish a private wealth management business. This amount reflects a discount of 50% of the fees and expenses incurred by Linklaters in connection with this matter. In addition, Linklaters has written off fees and expenses it incurred in connection with the representation of the Debtors in relation to one of their portfolio companies, PointPark Properties S.p. z. o.o., in the amount of £200,000. Together, these reductions comprise the Prepetition Write-off.

totaling £241,857.84 (or approximately \$386,972.54).⁷ These amounts included actual fees and expenses that had been incurred and recorded on Linklaters' billing system as well as an estimate of fees and expenses that were anticipated to be incurred through such date, but had not yet been recorded on Linklaters' billing system. After taking into account the Prepetition Payments and the Prepetition Write-Off, Linklaters' outstanding fees and expenses owed by the Debtors as of the Petition Date are approximately £6,760.34 (or approximately \$10,823.98).

15. However, Linklaters' status as a prepetition creditor should not be an impediment to its retention by the Debtors under section 327(e) of the Bankruptcy Code. *See* 3 Collier on Bankruptcy ¶ 327.04[9][d] at 327-63 to 327-64 (15th ed. rev. 2009) (“[T]he ‘disinterested’ test of section 327(a) does not apply to section 327(e) because the attorney may, in fact, be a creditor of the debtor for fees related to such prepetition representation of the debtor.”); *see also In re DeVlieg, Inc.*, 174 B.R. 497, 503 (N.D. Ill. 1994) (holding that proposed attorney due outstanding prepetition fees did not hold interest adverse to the debtor or its estate for the matters for which it was to be retained under the “more relaxed conflict-of-interest standard” of section 327(e)). For so long as Linklaters serves as special counsel to the Debtors, Linklaters will not act in these Chapter 11 Cases on account of the Debtors' prepetition obligations to it, other than by filing a proof of claim or otherwise prosecuting or defending its entitlement to payment for postpetition legal services to be provided to the Debtors.

⁷ Given the nature of the Debtors' filings, a significant amount of work was undertaken on and around the Petition Date. To the extent that the reconciliation of fees indicates that the Estimated Amount exceeds the actual fees and expenses incurred prior to the Petition Date, Linklaters will apply any such excess amount to fees and expenses incurred after the Petition Date as and when such fees and expenses are approved by this Court.

E. Linklaters Does Not Represent or Hold any Adverse Interest With Respect to the Matters on Which it is to be Employed

16. The Debtors have provided Linklaters with a list of the names

(collectively, the “*Interested Parties*”) of individuals or institutions in the following categories:

1. the Debtors and non-Debtor affiliates;
2. the Debtors’ prepetition and postpetition secured bank lenders, advisors and counsel;
3. holders of more than 5% of the Debtors’ equity securities;
4. the Debtors’ current officers and directors, board members of the Debtors and individuals who have served as officers or directors of the Debtors in the past two years;
5. professionals to be employed by the Debtors in these chapter 11 cases;
6. the Debtors’ 50 largest unsecured creditors on a consolidated basis;
7. the Debtors’ ordinary course professionals;
8. the Debtors’ landlords;
9. the Debtors’ utility providers;
10. the Debtors’ insurers and insurance brokers;
11. the Debtors’ list of bank accounts;
12. the Debtors’ 50 largest customers;
13. parties relating to significant litigation to Debtors; and
14. parties to executory contracts.

17. The identities of the Interested Parties are set forth on Schedule 1, attached hereto (the “*Interested Parties List*”).

18. To check and clear potential conflicts of interest in these cases, as well as determine all “connections” (as such term is used in Bankruptcy Rule 2014) to the Debtors, their creditors, other parties in interest, their respective attorneys and accountants, the United States trustee (the “*United States Trustee*”) or any person employed in the office of the United States Trustee, Linklaters researched its client database to determine whether it has any relationships with Interested Parties.

19. In preparing this Declaration, I used a set of procedures developed by Linklaters to ensure compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules regarding the retention of special counsel by a debtor under section 327(e) of the Bankruptcy Code (the “*Disclosure Procedures*”). Pursuant to the Disclosure Procedures, Linklaters performed the actions described below to determine whether Linklaters or any of its attorneys have any connections with, or are currently representing potential parties in interest in these Chapter 11 Cases.

- (a) Linklaters compared each of the Interested Parties to the names that Linklaters maintains in its master client database created from its conflict clearance and billing records. Linklaters’ client database includes (i) the name of each current or former client and (ii) the names of the Linklaters attorneys responsible for managing such current or former client relationships and matters.
- (b) Any matches between the Interested Parties and the entities in Linklaters’ client database were identified, reviewed by an attorney, and compiled for purposes of this Declaration. To the extent that Linklaters currently represents any Interested Parties in active matters, the identities of such entities are set forth on Schedule 2, attached hereto. In determining whether a client is presently represented by Linklaters, Linklaters attorneys relied on the existence of a “live” notation in its client database and/or billing records to reflect current representation.

20. Linklaters has represented, currently represents, and/or may represent in the future persons or entities listed among the Interested Parties on Schedule 1 attached hereto in matters totally unrelated to the Chapter 11 Cases. The list of the Interested Parties that Linklaters either currently represents or has represented in the past three years to the best of my knowledge and information are provided on Schedule 2 attached hereto.

21. The client connections listed on Schedule 2 were reviewed by an attorney working under my supervision, and based upon such review, it is my belief that, in respect of each connection between Linklaters and such parties, Linklaters, as required by

section 327(e) of the Bankruptcy Code, does not hold or represent an interest that is adverse to the Debtors' estates with respect to the matters for which Linklaters is proposed to be employed.

22. Linklaters, which employs more than 2,200 qualified lawyers in 27 offices in 19 countries around the globe, has a large and diversified legal practice that encompasses the representation of many financial institutions and commercial corporations. Some of these entities are or may consider themselves to be creditors or parties in interest in the Debtors' Chapter 11 Cases or to otherwise have interests in these cases.

23. As a supplement to the disclosure of Linklaters' connections with the Interested Parties set forth in Schedule 2, and without limiting such disclosure, to the best of my knowledge and information, none of the entities from the Interested Parties List represented five percent (5%) or more of Linklaters' gross revenues for the 12-month period ending December 31, 2011. In addition, none of the entities from the Interested Parties List represented one percent (1%) or more of Linklaters' gross revenues for the 12-month period ending December 31, 2011 other than (in each case including their affiliates) Barclays, Goldman Sachs, Bank of America Merrill Lynch, Deutsche Bank, J.P. Morgan Chase, The Royal Bank of Scotland plc, PricewaterhouseCoopers, Credit Suisse and Commerzbank. Of these, one entity represents 4.7% and each other entity represents less than 3.5% of Linklaters' gross revenues for the 12-month period ending December 31, 2011. To the extent issues may arise that would cause the Debtors to be adverse to the above listed entities, or any other client of Linklaters, such that it would not be appropriate for Linklaters to represent the Debtors with respect to those matters, the Debtors' other professionals or special conflicts counsel will represent the Debtors with respect to such issues.

24. As a further supplement to the disclosure of Linklaters' connections with the Interested Parties set forth in Schedule 2, and without limiting such disclosures, until December 2010, Linklaters represented Interested Party Natixis S.A. in its capacity as agent of a syndicate of lenders to a non-Debtor affiliate in a matter unrelated to these Chapter 11 Cases. All work on this matter has concluded and Linklaters has closed the matter. None of the services rendered by Linklaters to Natixis S.A. in any way relate to the matters on which the Firm is to be employed in connection with these Chapter 11 Cases.

25. As a further supplement to the disclosure of Linklaters' connections with the Interested Parties set forth in Schedule 2, and without limiting such disclosure, Linklaters represented LaCaixa Bank S.A. as a real estate financing lender to a group of Polish special purpose vehicles controlled by Poland Residential (Lux) Holding Company S.a. r.l., a joint venture involving the Debtors, in a matter that concluded in September 2008. Linklaters also represented Triton Managers II Ltd. in a potential investment in a joint venture company involving the Debtors, which was never consummated and which concluded in October 2009. Linklaters has closed each of the matters.

26. As a further supplement to the disclosure of Linklaters' connections with the Interested Parties set forth in Schedule 2, and without limiting such disclosure, Linklaters represented Compass Group in establishing a facilities management agreement with Dubai Sports LLC, a joint venture partner with Victory Heights Lifestyle Holdings Limited (and/or its affiliates) in a matter that closed in 2009.

27. As a further supplement to the disclosure of Linklaters' connections with the Interested Parties set forth in Schedule 2, and without limiting such disclosure, in the past three years Linklaters represented, and in some cases continues representing, certain clients in a

number of matters involving or relating to certain of the Debtors' non-Debtor affiliates who are not included among the entities on the Interested Parties List. Specifically, Linklaters currently represents (i) Bank Polska Kasa Opieki S.A. in connection with a loan to finance certain acquisition and construction costs to certain entities established in Poland and controlled by AEID II (Lux) Holding Company S.a r.l., an entity indirectly owned by the Debtors, (ii) KBC Bank NV as a lender in relation to a real estate loan to a group of Polish special purpose vehicles controlled by Poland Residential (Lux) Holding Company S.a. r.l., a joint venture involving non-Debtor affiliates, (iii) First Shurgard Sprl in relation to its acquisition of an 80% stake in two European real estate joint ventures from two non-Debtor affiliates (Crescent Euro Self Storage Investments S.a.r.l. and Crescent Euro Self Storage Investments II S.a.r.l.) and (iv) Second Shurgard Sprl in relation to advising on financing and general corporate matters in connection with a new development joint venture that the Debtors are arranging.

28. To be clear, while Linklaters continues to represent the parties identified in ¶ 27 above, Linklaters does not and will not represent said parties in connection with any matter substantially related to the matters on which Linklaters is to be retained by the Debtors. Moreover, Linklaters will implement appropriate ethical screens between the team advising the Debtors and the teams advising the parties above in the event that such screens become necessary. As a result, I do not believe that Linklaters' representation of these clients precludes Linklaters from being retained as special counsel pursuant to Section 327(e) of the Bankruptcy Code.

29. As a supplement to the disclosure of Linklaters' connections with the Interested Parties set forth in Schedule 2, and without limiting such disclosure, Linklaters represents, formerly has represented and in the future likely will represent, and may enter into

separate engagement letters directly with, certain non-Debtor affiliates and/or portfolio companies in various situations pertaining to corporate, commercial and operational issues. To the extent that Linklaters is acting directly for any such non-Debtor affiliate and/or portfolio company, and except as may be otherwise agreed as appropriate in connection with particular transactions, Linklaters will seek compensation for its services and reimbursement of expenses incurred directly from such entity and such compensation and reimbursement shall not be subject to approval by the Court pursuant to the Bankruptcy Code, Bankruptcy Rules, the Local Rules or any order of the Court; *provided, however*, that any amounts sought from a Debtor as compensation for services and reimbursement of expenses in connection with particular transactions shall be subject to approval by the Court pursuant to the Bankruptcy Code, Bankruptcy Rules, Local Rules or any order of the Court.

30. With the Debtors' consent, Linklaters has been engaged to provide advice to the following non-Debtor affiliates:

- a. Honiton Energy Caymans Limited ("**Honiton**") in connection with general corporate advice in matters including, but not limited to, shareholder and lender relationships and an ongoing group reorganization involving asset sales, amendments to corporate documents and the negotiation of employment contracts. In limited circumstances, Linklaters has advised Honiton on the impact of these Chapter 11 Cases on certain of its transactional documents;
- b. Freightliner Group Limited ("**FGL**") and Railway Investments Limited ("**RIL**") in connection with a dispute with its joint venture partner over whether the joint venture partner can enforce a buyout provision in the joint venture partnership agreement. Further, Linklaters is advising FGL regarding these Chapter 11 Cases as they relate to an ongoing sales process under English law;
- c. Viridian Group Investments Limited and Viridian Group Holdings Limited (together, "**Viridian**") in connection with general corporate advice on an

ongoing basis, including with respect to various financing options.⁸ In limited circumstances, Linklaters has advised Viridian on the impact of these Chapter 11 Cases on certain of its transactional documents; and

- d. P3 (f/k/a PointPark Properties Sp. z o.o., together with Point Park Properties s.r.o.), a portfolio company, with regards to ongoing advice in connection with the acquisition and management of industrial development projects, including the drafting of leases and construction contracts, obtaining financing and matters related to corporate governance in Poland. Further, Linklaters is advising P3 regarding these Chapter 11 Cases as they relate to P3's ongoing financing and development projects.

31. Linklaters does not believe that the interests of the Debtors and the non-Debtor affiliates that it represents as identified above are adverse. In the unlikely event that a conflict arises, Linklaters will erect ethical walls between the team acting on behalf of the Debtors and the teams acting on behalf of non-Debtor affiliates above. To be clear, Linklaters will not represent any non-Debtor affiliate or portfolio company in matters adverse to the Debtors with respect to the Services for which Linklaters was retained.

32. As further supplement to the disclosure of Linklaters' connections with the Interested Parties set forth in Schedule 2, and without limiting such disclosure, I am the Firm's managing relationship partner for Standard Chartered Bank. I have not and will not advise Standard Chartered Bank in connection with any matters relating to the Debtors' insolvency.

33. In addition to the foregoing, to the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, neither I, nor

⁸ In connection with this matter, Linklaters jointly represents the following entities that are or may be affiliated with the Debtors: EI Ventures Limited, ElectricInvest Acquisitions Limited, ElectricInvest Holding Company Limited, Huntsdown Power Company Limited, Viridian Capital Limited, Viridian Energy Limited, Viridian Enterprises Limited, Viridian Group Investments Limited, Viridian Group Limited, Viridian Power and Energy Holdings Limited, Viridian Power Limited and Viridian Properties Limited. In addition, Linklaters previously provided represented ElectricInvest Acquisitions Limited in connection with post-acquisition services and general corporate advice in a matter that closed in 2009.

Linklaters, nor any partner or associate thereof, has any connection with (a) the United States Trustee for the Southern District of New York or any person employed by the Office of the United States Trustee or (b) any creditors or other parties in interest that would be adverse to the Debtors or their estates with respect to the matters for which Linklaters seeks to be retained.

34. As part of its practice, Linklaters may represent certain affiliates or parties otherwise related to the Interested Parties. Linklaters may also represent from time to time other clients that are co-defendants with one or more of the Debtors. Moreover, Linklaters may represent, in matters unrelated to the Debtors, competitors of the Debtors. Linklaters also appears in cases, proceedings and transactions involving many different parties that are not represented by Linklaters, some of which now or may in the future be parties in interest in these Chapter 11 Cases. Those cases, proceedings, and transactions also involve numerous attorneys, accountants, financial consultants and investment bankers, some of whom now or may in the future represent claimants and other parties in interest in these Chapter 11 Cases. Linklaters is not aware of any relationship it has with any such affiliates or parties or their attorneys, accountants, financial consultants, and investment bankers that would be adverse to the Debtors or their estates with respect to the matters for which Linklaters is proposed to be retained. Linklaters has not and will not represent any such parties in relation to the matters for which Linklaters is proposed to be retained by the Debtors.

35. Because Linklaters is an international law firm with more than 2,200 attorneys and many other employees in 27 offices in 19 countries, some Linklaters attorneys or employees may have banking, insurance, brokerage or other commercial relationships with the parties in interest or professionals involved in these cases. Linklaters attorneys or other employees and their spouses or relatives may own, directly or indirectly, securities of the

Debtors or other parties in interest in these cases. Linklaters attorneys or other employees may have relatives or spouses who are members of professional firms involved in these cases or employed by parties in interest.

36. Linklaters' Law & Compliance Department has conducted a general inquiry of all legal personnel and certain non-legal personnel to determine whether any of these individuals owns any debt or equity securities of the Debtors or their affiliates other than in connection with investments in mutual funds, blind trusts or other investments as to which such individual has no discretion as to the selection of the individual underlying assets. Based on responses to this inquiry, I understand that as of the date hereof, none of the Linklaters personnel surveyed owns any debt or equity securities of the Debtors or their affiliates. It should be noted that Linklaters has a long-standing policy prohibiting all personnel from using confidential information that may come to their attention in the course of their work. In this regard, all Linklaters personnel are barred from trading in securities with respect to which they possess confidential information. For both listed and unlisted shares, Linklaters' policy is to prohibit dealing in any shares or securities in situations where personnel may have confidential market- or price- sensitive information relating to the company or the shares or securities in question as a result of work for Linklaters. Further, Linklaters' policy is to prohibit its personnel and any companies, trusts or other entities that personnel control or influence in relation to decisions to trade from dealing in listed securities absent approval from Linklaters' Law & Compliance Department or is carried out by an investment manager under a discretionary management agreement. Linklaters further restricts share dealing by family members of personnel to the extent those dealings are controlled, influenced, or advised by Linklaters personnel.


37. Linklaters is confident that its diligence has resulted, to the greatest extent possible, in the disclosure of all potential conflicts. However, despite the efforts described above to identify and disclose Linklaters' connections with parties in interest in these cases, Linklaters is unable to state with absolute certainty that every relevant client representation or other connection has been disclosed because the Debtors are a large global enterprise with thousands of parties in interest and Linklaters is an international law firm with approximately 2,200 attorneys in 27 offices in 19 countries. Client relationships with persons or entities that are not listed on Schedules 1 and 2, but who may nonetheless be or later become parties in interest in these Chapter 11 Cases, would not be disclosed in this Declaration. In this regard, if Linklaters discovers additional information regarding Interested Parties that requires disclosure, it will submit a supplemental disclosure to the Court containing such additional information.

38. To the best of my knowledge, information, and belief, Linklaters does not hold or represent an interest adverse to the Debtors or their respective estates in the matters for which Linklaters is proposed to be retained. Accordingly, I believe that Linklaters satisfies the requirements for employment as special counsel pursuant to section 327(e) of the Bankruptcy Code.

39. The foregoing constitutes the statement of Linklaters pursuant to sections 327(e), 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b).

Pursuant to 28 U.S.C. section 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated this 23 day of April.

By: 
Richard Good
Partner

SCHEDULE 1
Interested Parties List

LIST OF INTERESTED PARTIES

(i) Debtor and non-debtor affiliates:

Arcapita Bank B.S.C (c)
Arcapita Investment Holdings Limited
Arcapita LT Holdings Limited
WindTurbine Holdings Limited
AEID II Holdings Limited
RailInvest Holdings Limited
AEI II Cayman Holdings Limited
AEI II Holdings Limited
AHQ Cayman Holdings Limited
AIA Limited
AIDT India Holdings Limited
AIFL Investment Holdings Limited
AMPAD Holdings Limited
AquaInvest Holdings Limited
ARC (Cayman) Real Estate Fund Holdings Limited
ARC Management Limited
Arcapita (Europe) Limited
Arcapita (HK) Limited
Arcapita (Singapore) Limited
Arcapita (US) Limited
Arcapita Fund Administration Services Limited
Arcapita GCC Real Estate Management I Limited
Arcapita Hong Kong Limited
Arcapita Inc. Arcapita Industrial Management I Limited
Arcapita Industrial Management II Limited
Arcapita Industrial Management Sarl
Arcapita Investment Management Limited
Arcapita Investment Funding Limited
Arcapita Limited (UK)
Arcapita Pte. Limited (Singapore)
Arcapita Structured Finance Limited
Arcapita Ventures I Holdings Limited
Arcapita Ventures I WCF Limited
ArcIndustrial European Development Holdings Limited
ArcResidential Japan Holdings Limited
ArcResidential Japan WCF Limited
Ard Limited
Aspen Valley Ranch Holdings Limited
Aspen Valley Ranch WCF Limited
Avionics Holdings Limited
Avionics WCF Limited
Bert Funding Company Limited
Blacktop Holdings Limited

Bospower Holdings Limited
Bospower WCF II Limited
BosPower WCF Limited
BT Holdings Limited
BT WCF Limited
Cajun Holdings Limited
Castello Holdings Limited
Castello WCF Limited
CEE Residential I Holdings Limited
CEIP Holdings Limited
CEIP WCF Limited
Chicago Condominium Holdings Limited
Chicago Condominium WCF Limited
Commerce - MGI (Malaysia) Ltd.
Commerce MGI SDN. BHDCompufin Limited
Condo Conversion WCF Limited
DAH Holdings Limited
Distric Cooling Holdings Limited
Drillbit Holdings Limited
Drillbit WCF II Limited
Drillbit WCF Limited
Earth Holdings Limited
Earth WCF Limited
ElectricInvest Holdings Limited
ElectricInvest WCF II Limited
ElectricInvest WCF Limited
Eternal Holdings Limited FEDI Limited
FlowInvest WCF Limited
Fountains WCF Limited
French Kitchen Holdings Limited
Gas Holdings Limited
Gas WCF Limited
HEDI Investments Limited
India Growth Holdings Limited
Innovations Holdings Limited
Insulation Holdings Limited
Isle Holdings II Limited
Isoftechnology WCF Limited
ISP International Limited
JEDI Limited
JJ Holdings Limited
KEDI Limited
La Mesa Holdings Limited
Locker Room Holdings II Limited
Locker Room Holdings Limited

Loghomes Holdings Limited
Loghomes II WCF Limited
LogHomes WCF Limited
Logistics Holdings Limited
Logistics WCF Limited
Longwood Holdings Limited
Lusail Heights Holdings Limited
Majestic Global Investments Limited
MC Limited
MEDI Limited
Medifax Holdings Limited
MS Surgery Holdings Limited
NavIndia Holdings Limited
Oman Industrial Holdings Limited
Oman Logistics Fund Holdings Limited
Orlando Residential Holdings Limited
OSP Holdings Limited OSP WCF Limited
Outlet Center Holdings Limited
Outlet Center WCF Limited
Palatine Holdings Limited
Perennial Holdings II Limited
Perennial Holdings III Limited
Perennial Holdings IV Limited
Perennial Holdings Limited
PointPark Properties EOOD
Pointpark Properties France SAS
Pointpark Properties GmbH
PointPark Properties Pte. Limited
Pointpark Properties S.p.z.o.o.
Pointpark Properties S.r.o.
Pointpark Properties SK S.r.o.
PointPark Properties W.L.L.
PointPark Properties, S.L.
Poland Residential Holdings Limited
Pond Bay Holdings Limited
Premium Coffee Holdings Limited
PVC Holdings Limited
PVC WCF Limited
Rapids Limited
Riffa Holdings Limited
Riffa WCF Limited
Ritzy Property Holdings Limited
Saudi Industrial Holdings Limited
Singapore Industrial Holdings Limited

Singapore Industrial II Holdings Limited
Singapore Industrial II WCF Limited
Singapore Industrial WCF Limited
Small Smiles Holdings Limited
Sonar Holdings Limited
Sortalogic Holdings Limited
StockMore Holdings Limited
StoraFront Holdings Limited
Storapod Holdings Limited
Storapod WCF II Limited
Storapod WCF Limited
TechInvest Holdings Limited
TechInvest WCF Limited
Tender Loving Care Holdings Limited
US Senior Living WCF Limited
VGC WCF Limited
Victory Heights Lifestyle Holdings Limited
Victory Heights WCF Limited
WaterWarf Holdings II Limited
WaterWarf Holdings Limited
Waverly Holdings Limited
Wind Power Holdings Limited
WindTurbine WCF Limited
YAK Holdings Limited

(ii) Debtors' prepetition and postpetition secured bank lenders, advisors and counsel:

Standard Charter Bank
WestLB AG

(iii) Holders of more than 5% of the Debtors' equity securities:

Jasmine Quadrilateral Investment Corp.

(iv) Current officers and directors, board members of the Debtors and individuals who have served as officers or directors of the Debtors in the past two years:

Dr. Khalid Boodai
Mr. Khalifa Mohammed Al-Kindi
Hajah Hartini Binti Haji Abdulla
Dr. HJ Mohd. Amin Liew Bin Abdullah
Sheikh Mohammed Abdulaziz Aljomaih
Mr. Abdulaziz Hamad Aljomaih
Mr. Ghazi Fahad Alnafisi
Sheikh Khalid Bin Thani Bin Abdullah Al-Thani

Mr. Ibrahim Yusuf Al-Ghanim
Mr. Abdulla Abdullatif Al-Fozan
Mr. Abdulrahman Abdulaziz Al-Muhanna
Mr. Junaidi Masri
H.E. Sheikh Jassim Bin Hamad Bin Jassim Bin Jabr
Mr. Atif Ahmed Abdulmalik
Mr. Aamer Abduljalil Al-Fahim

(v) **Professionals to be employed by the Debtors in these chapter 11 cases:**

Gibson, Dunn & Crutcher LLP
Linklaters
Rothschild
The Garden City Group, Inc.
Alvarez & Marsal
KPMG
Hatim S. Zu'Bi & Partners
Trowers & Hamlins
Mourant Ozannes

(vi) **The Debtors' 50 largest unsecured creditors on a consolidated basis as identified in their chapter 11 petitions:**

Central Bank of Bahrain
Commerzbank
National Bank of Bahrain
Bahrain Bay Development B.S.C.(c)
District Cooling Capital Limited
Arcsukuk (2011 - 1) Limited
Euroville Sarl (formally Satinland Finance Sarl)
Riyad Bank
VR Global Partners LP
Midtown Acquisitions LP
Thornbeam Limited
Perbadanan Tabung Amanah Islam Brunei
Fortis Bank NA/NV
Overseas Fund Co. S.P.C.
Devonshire Limited
Standard Bank plc
BBB Holding Company II Limited
Goldman Sachs Lending Partners
Barclays Bank plc
Bank of America N.A.
CIMB Bank Berhad
Credit Suisse, London

Deutsche Bank Luxembourg S.A.
European Islamic Investment Bank Plc
Malayan Banking Berhad, London Branch
Mashreqbank psc
Royal Bank of Scotland N.V.
The Royal Bank of Scotland plc
The Arab Investment Company S.A.A.
ING Bank N.V.
HSH Nordbank AG, Luxembourg Branch
Yayasan Sultan Haji Hassanal Bolkiah
Bandtree SDN BHD
Saudi Industrial Capital I Limited
Fuad Al Ghanim & Sons General Trading and Contracting
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse
Aktiengesellschaft
BBK B.S.C.
Boubyan Bank K.S.C.
Doha Bank
Natixis
Perbadanan Tabung Amanah Islam Brunei
Tadhamon Capital B.S.C.
Kuwait Finance House KSC
NavIndia Holding Company Limited
Commerzbank (beneficiary PVC (Lux) Lux Holding Company S.a. r.l.)
Falcon Gas Storage Company, Inc.
The Governor and Company of the Bank of Ireland
Bank of Taiwan, Singapore Branch
G.P. Zachariades Overseas Ltd.
Tabung Amanah Pekerja

(vii) The Debtors' ordinary course professionals:

Ernst & Young
Keypoint Consulting
Haya Rashed Al Khalifa Law Firm
Farid Hassani

(viii) The Debtors' landlords:

Noon Investment Company (storage)

(ix) The Debtors' utility providers:

Ministry of Electricity
Bahrain Telecom. Company
Zain Bahrain B.S.C.(c)

Menatelecom
Bahrain Bay Utilities Company BSC(c)
2Connect

(x) **The Debtors' insurers and insurance brokers:**

Solidarity General
Marsh Ltd.

(xi) **The Debtors' list of bank accounts:**

JP Morgan Chase, New York
Arab Banking Corporation
Bank of Bahrain & Kuwait
National Bank of Bahrain
Bahrain Islamic Bank
DBS Bank Ltd
Standard Chartered Bank
Standard Bank PLN
Standard Bank SGD

(xii) **The Debtors' 50 largest customers:**

[REDACTED]

(xiii) **The Debtors' 50 largest vendors:**

Keypoint Consulting WLL
Nass Contracting Co. W.L.L / Murray & Ro
ADP Total Source
Bahrain Bay Development B.S.C. (c)
King & Spalding
American Express
Advent Resource Consultancy
Ernst & Young
Paget Brown & Co
Bahrain Bay Utilities Company BSC(c)
Al-Gosaibi Travel Agency
KPMG
Social Insurance Organization (GOSI)
Yousef A Alammar
Korn / Ferry International
National Bank of Bahrain BSC
Gibson, Dunn & Crutcher
Bahrain Telecom. Company
Cleary Gottlieb Steen & Hamilton LLP

Navigant Consulting Inc
CDL Properties Ltd.
Linklaters
Walter Knoll AG & Co. KG
Illinois Department of Revenue
PointPark Properties s.r.o.
Path Solutions K.S.C.C
Sima Samiealhak Q Malak
Dawnay, Day & Co. Limited
Takaful International Co.
ASM Formule 3 / Art Grand Prix
GlassRanter Advisory & Capital Group, LL
CrediMax
Rothschild
The Blackstone Group International Limit
Central Bank of Bahrain
Marsh
MAF Dalkia Bahrain
Treasurer, State of Maine
2Connect WLL
Oliver Wyman Limited
Siteco
Riyadh House Est
Ministry of Electricity
Maples and Calder
KMS Team New York Inc.
Peter Paul Pardi
Pricewaterhouse Coopers LLP
CMS Cameron McKenna LLP
St. Christophers School
Al-Moayyed Computers

(xiv) Parties relating to significant litigation to Debtors:

Riffa Views B.S.C.(c)
GP Zachariades Overseas Ltd.
Tide Natural Gas Storage I, LP
Tide Natural Gas Storage II, LP
Falcon Gas Storage Company, Inc.
Profine GmbH
Commerzbank

(xv) Parties to executory contracts:

Shutdown Maintenance Service

Quick Zebra Services
MAF Dalkia Bahrain
Path Solutions
Microsoft Bahrain
Zutecgulf W.L.L., Bahrain
EastNets
Xerox
Prevention Software
Honeywell
Sonar Security

SCHEDULE 2
Relationship of Interested Parties

<i>A. Debtor and non-Debtor affiliates</i>	
Matched Entity	Relationship to Linklaters
Arcapita Bank B.S.C.(c)	Current Client
AEID II Holdings Limited	Affiliate of Former Client
Arcapita Investment Holdings Limited	Current Client and Affiliate of Current Client
Arcapita LT Holdings Limited	Affiliate of Current Client
Railinvest Holdings Limited	Affiliate of Current Client
WindTurbine Holdings Limited	Affiliate of Current Client
ElectricInvest Holdings Limited	Affiliate of Current Client
PointPark Properties s.r.o.	Current Client
PointPark Properties S.p.z.o.o	Current Client
Sortalogic Holdings Limited	Affiliate of Former Client

<i>B. Debtors' prepetition and postpetition secured bank lenders, advisors and counsel</i>	
Matched Entity	Relationship to Linklaters
Standard Chartered Bank	Current Client
WestLB AG	Current Client and Affiliate of Former Client

<i>C. Professionals to be employed by the Debtors in these Chapter 11 Cases</i>	
Matched Entity	Relationship to Linklaters
Gibson, Dunn & Crutcher LLP	Current Client
Rothschild	Current Client and Affiliate of Current Client
Trowers & Hamlins	Former Client
KPMG	Current Client and Affiliate of Current Client

<i>D. Debtors' 50 largest unsecured creditors on a consolidated basis</i>	
Matched Entity	Relationship to Linklaters
Commerzbank	Current Client and Affiliate of Current Client
Goldman Sachs Lending Partners	Affiliate of Current Client
Barclays Bank plc	Current Client and Affiliate of Current Client
Bank of America N.A.	Current Client and Affiliate of Current Client

<i>D. Debtors' 50 largest unsecured creditors on a consolidated basis</i>	
Matched Entity	Relationship to Linklaters
Credit Suisse, London	Current Client and Affiliate of Current Client
Deutsche Bank Luxembourg S.A.	Former Client and Affiliate of Current Client
Royal Bank of Scotland N.V.	Current Client and Affiliate of Current Client
The Royal Bank of Scotland plc	Current Client and Affiliate of Current Client
ING Bank N.V.	Current Client and Affiliate of Current Client
Natixis	Former Client and Affiliate of Current Client
Kuwait Finance House KSC	Former Client
Commerzbank (beneficiary PVC (Lux) Lux Holding Company S.a.r.l	Affiliate of Current Client
The Governor and Company of the Bank of Ireland	Current Client and Affiliate of Current Client
Midtown Acquisitions LP	Current Client and Affiliate of Former Client
Fortis Bank NA/NV	Current Client and Affiliate of Current Client
CIMB Bank Berhad	Current Client
Malayan Banking Berhad, London Branch	Current Client
Mashreqbank psc	Current Client
HSH Nordbank AG, Luxembourg Branch	Affiliate of Current Client
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft	Former Client
Euroville Sarl (formally Satinland Finance Sarl)	Former Client
Standard Bank plc	Current client

<i>E. Debtors' ordinary course professionals</i>	
Matched Entity	Relationship to Linklaters
Ernst & Young	Current Client

<i>F. Debtors' utility providers</i>	
Matched Entity	Relationship to Linklaters
Bahrain Telecom. Company	Current Client
Zain Bahrain B.S.C.(c)	Affiliate of Current Client and Affiliate of Former Client

<i>G. Debtors' insurers and insurance brokers</i>	
Matched Entity	Relationship to Linklaters
Marsh Ltd.	Current Client and Affiliate of Current Client

<i>H. Debtors' list of bank accounts</i>	
Matched Entity	Relationship to Linklaters
JP Morgan Chase, New York	Current Client and Affiliate of Current Client
Arab Banking Corporation	Current Client
DBS Bank Ltd	Current Client and Affiliate of Current Client
Standard Chartered Bank	Current Client
Standard Bank PLN	Affiliate of Current Client
Standard Bank SGD	Affiliate of Current Client

<i>I. Debtors' 50 largest customers</i>	
Matched Entity	Relationship to Linklaters
[REDACTED]	Current Client and Affiliate of Current Client
[REDACTED]	Current Client
[REDACTED]	Affiliate of Former Client

<i>J. Parties relating to significant litigation to Debtors</i>	
Matched Entity	Relationship to Linklaters
Profine GmbH	Former Client

<i>K. Parties to executory contracts</i>	
Matched Entity	Relationship to Linklaters
Microsoft Bahrain	Affiliate of Current Client and Former Client
Honeywell	Current Client

<i>L. Debtors' 50 largest vendors</i>	
Matched Entity	Relationship to Linklaters
American Express	Affiliate of Former Client
Bahrain Telecom. Company	Current Client
CDL Properties Ltd.	Current Client
Cleary Gottlieb Steen & Hamilton LLP	Current Client
Dawnay, Day & Co. Limited	Affiliate of Current Client
Gibson, Dunn & Crutcher LLP	Current Client
Ernst & Young	Current Client
KPMG	Current Client and Affiliate of Current Client
PointPark Properties s.r.o.	Current Client and Affiliate of Current Client
Rothschild	Current Client and Affiliate of Current Client
The Blackstone Group International Limit	Current Client and Affiliate of Current Client
Marsh	Current Client and Affiliate of Current Client
Oliver Wyman Limited	Former Client
Siteco	Affiliate of Former Client
Maples and Calder	Current Client
Pricewaterhouse Coopers LLP	Current Client
CMS Cameron McKenna LLP	Current Client

Hearing Time: May 7, 2012 at 11:00 a.m. (Eastern Time)
Objection Deadline: April 30, 2012 at 12:00 p.m. (Eastern Time)

GIBSON, DUNN & CRUTCHER LLP

Michael A. Rosenthal (MR-7006)
Janet M. Weiss (JW-5460)
Matthew K. Kelsey (MK-3137)
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

Proposed Attorneys for the Debtors
and Debtors in Possession

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

-----X		
	:	
IN RE:	:	Chapter 11
	:	
ARCAPITA BANK B.S.C.(c), <i>et al.</i>,	:	Case No. 12-11076 (SHL)
	:	
Debtors.	:	Jointly Administered
	:	
	:	
-----X		

**NOTICE OF HEARING ON DEBTORS' APPLICATION PURSUANT TO
SECTIONS 327(e), 328(a), AND 330(a) OF THE BANKRUPTCY CODE FOR
AN ORDER AUTHORIZING THE DEBTORS TO RETAIN AND
EMPLOY LINKLATERS LLP AS SPECIAL COUNSEL TO THE
DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

PLEASE TAKE NOTICE that a hearing on the annexed Application, dated April 23, 2012 (the "*Application*") of Arcapita Bank B.S.C.(c) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, the "*Debtors*") will be held before the Honorable Sean H. Lane, United States Bankruptcy Judge, in Room 701 of the United States Bankruptcy Court for the Southern District of New York (the "*Bankruptcy Court*"), One Bowling Green, New York, New York, 10004, on **May 7, 2012 at 11:00 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Application (the “**Objections**”) shall be filed electronically with the Court on the docket of *In re 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 Court¹ 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 (“**PDF**”), 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 F. Dunne and Evan R. Fleck), as proposed counsel for the Official Committee of Unsecured Creditors, so as to be received no later than **April 30, 2012 at 12:00 p.m. (Eastern Time)** (the “**Objection Deadline**”).

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Application, 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 Application, which order may be entered with no further notice or opportunity to be heard.

¹ See Order (A) Waiving the Requirement That Each Debtor File a List of Creditors and Equity Security Holders and Authorizing Maintenance of Consolidated List of Creditors in Lieu of a Matrix; (B) Authorizing Filing of a Consolidated List of Top 50 Unsecured Creditors; and (C) Approving Case Management Procedures [Docket No. 21].

Dated: New York, New York
April 23, 2012

/s/ Michael A. Rosenthal
Michael A. Rosenthal (MR-7006)
Janet M. Weiss (JW-5460)
Matthew K. Kelsey (MK-3137)
GIBSON, DUNN & CRUTCHER LLP
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

PROPOSED ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION