

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

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In re : Chapter 15 Case No.
 :
KAUPTHING BANK hf., :
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 : 08-14789 (MG)
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Debtor in a Foreign Proceeding :
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**ORDER GRANTING PROVISIONAL RELIEF
PURSUANT TO 11 U.S.C. § 1519(a)**

A hearing having been held on December 1, 2008 (the “Hearing”) to consider the motion (the “Motion”),¹ dated November 30, 2008 of Olafur Gardarsson, the court-appointed Assistant and authorized foreign representative (the “Foreign Representative”) of Kaupthing Bank hf. (“Kaupthing” or the “Debtor”), in a proceeding commenced under Act No. 21/1991, pending before the District Court of Reykavík (the “Icelandic Proceeding”) for entry of an order, pursuant to section 1519(a) of title 11 of the United States Code (the “Bankruptcy Code”), granting provisional relief and enjoining, among other things, the commencement or continuation of all proceedings against Kaupthing in the United States and establishing the Foreign Representative as the exclusive representative of Kaupthing in the United States with exclusive authority to manage and control Kaupthing’s assets, all as more fully set forth in the Motion; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and venue being proper before this Court pursuant

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

to 28 U.S.C. § 1410(1); and the Court having considered and reviewed the Motion, the petition, the memorandum of law filed by the Foreign Representative under chapter 15 of the Bankruptcy Code, the Declaration of Olafur Gardarsson, Foreign Representative of Kaupthing Bank hf., Pursuant to 11 U.S.C. §§ 1515 and 1519(a) (I) in Support of Chapter 15 Petition for Recognition of Foreign Proceeding and (II) Provisional and Related Relief, dated November 30, 2008, and the other pleadings filed in support of recognition (collectively the “Supporting Papers”), and based on the foregoing and the record of the Hearing, the Court finds and concludes as follows:

a) Any objections to the Motion and the relief requested therein that have not been withdrawn or resolved have been overruled;

b) Mr. Olafur Gardarsson has demonstrated a substantial likelihood of success that the Debtor is subject to a pending foreign main proceeding in Iceland and that Mr. Olafur Gardarsson is the foreign representative of the Debtor;

c) The commencement or continuation of any action or proceeding in the United States against Kaupthing or any of its assets or proceeds thereof should be enjoined pursuant to section 1519(a) of the Bankruptcy Code to permit the expeditious and economical administration of the foreign estate in the Icelandic Proceeding, and the relief requested will not cause either an undue hardship or that any hardship that is caused to the parties in interest is outweighed by its benefits;

d) Section 362 of the Bankruptcy Code is applicable to this proceeding on a provisional basis pursuant to section 1519(a)(3) of the Bankruptcy Code; and

e) The interest of the public will be served by this Court granting the relief requested by the Foreign Representative;

NOW THEREFORE, IT IS HEREBY ORDERED that, all persons and entities are hereby enjoined from (a) continuing any action or commencing any additional action, involving Kaupthing, or its assets or the proceeds thereof; (b) enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against Kaupthing or its assets; (c) commencing or continuing any action to create, perfect or enforce any lien, setoff or other claim against Kaupthing or against any of its property; or (d) managing or exercising control over Kaupthing's assets located within the United States except as expressly authorized by the Foreign Representative in writing, provided that, a minimum balance of \$2,487,050.28 shall be maintained in JPM Chase Acct. # T0011390325 pending the Recognition Hearing and further order of this Court, and it is further

ORDERED that, without limiting the foregoing decretal paragraph, if a plaintiff in an action in which Kaupthing is or was named as a party, or as a result of which liability against Kaupthing may be established, all persons and entities are required to place the Foreign Representative's United States counsel on the master service list of any such action or proceeding and take such other steps as may be necessary to ensure that such counsel receives at the address set forth below in the next decretal paragraph of this Order (i) copies of any and all documents served by the parties to such action or proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or proceeding and (ii) any and all correspondence or other documents circulated to parties listed on the master service list; and it is further

ORDERED that with respect to any action in which the Debtor may have an interest that may become known to the Debtor in the future (each a "Subsequent

Claim”) (i) when informed of a Subsequent Claim, United States counsel for the Foreign Representative shall serve upon the holder of such claim a copy of the Supporting Documents and this Order or any extension thereof; (ii) the holder of a Subsequent Claim will have twenty (20) days from service of the Supporting Documents in which to file a response thereto or otherwise be enjoined from commencing or continuing the action involving the Debtor, or its assets or proceeds thereof; and (iii) on not less than ten (10) business days’ notice to Foreign Representative’s counsel, Weil, Gotshal & Manges LLP, 757 Fifth Avenue, New York, New York 10153 (Attention: Marcia L. Goldstein, Gary T. Holtzer, and Sharon J. Richardson), the holder of a Subsequent Claim may file a motion seeking an order of the Court vacating or modifying the injunction entered in this proceeding with respect to such Subsequent Claim, and any such request shall be the subject matter of a hearing as scheduled by the Court and otherwise, the holder of a Subsequent Claim may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing in the future on any subsequent relief sought by the Foreign Representative in this case; and it is further

ORDERED that any party in interest may make a motion seeking relief from or modifying this Order by, on not less than ten business (10) days’ written notice to the Debtor and the Foreign Representative’s counsel, Weil, Gotshal & Manges LLP, 757 Fifth Avenue, New York, New York 10153 (Attention: Marcia L. Goldstein, Gary T. Holtzer, and Sharon J. Richardson), filing a motion seeking an order of this Court vacating or modifying the injunction entered in this proceeding, and any such request shall be the subject matter of a hearing as scheduled by the Court and otherwise, any party in interest may file objections and be heard by the Court in accordance with the

terms of any order of the Court providing for a hearing in the future on any subsequent relief sought by the Foreign Representative in this proceeding; and it is further

ORDERED, that until further order of this Court, the Foreign Representative is hereby established as the exclusive representative of Kaupthing in the United States with the exclusive authority to administer Kaupthing's assets and affairs in the United States including, without limitation, any transfer of or withdrawals from any bank accounts maintained by Kaupthing; and it is further

ORDERED, that pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure are hereby waived; and it is further

ORDERED that this Order will remain in effect until the entry of an order recognizing the Icelandic Proceeding as a foreign main proceeding in accordance with 11 U.S.C. § 1517; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: December 1, 2008
New York, New York

/s/ Martin Glenn
UNITED STATES BANKRUPTCY JUDGE