

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

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IN RE: : **Chapter 11**  
ARCAPITA BANK B.S.C.(c), *et al.*, : **Case No. 12-11076 (SHL)**  
Debtors. : **Jointly Administered**  
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**SECOND SUPPLEMENTAL DECLARATION OF DAVID FLETCHER IN SUPPORT  
OF DEBTORS' APPLICATION PURSUANT TO SECTIONS 327(a) AND 330 OF THE  
BANKRUPTCY CODE FOR AN ORDER AUTHORIZING THE DEBTORS  
TO RETAIN AND EMPLOY KPMG LLP AS VALUATION ADVISOR TO  
THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

I, David Fletcher, hereby declares as follows:

1. I am a Partner of KPMG LLP ("KPMG UK"), resident in the KPMG United Kingdom office, located in London. KPMG UK is part of KPMG Europe LLP, a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. I have personal knowledge of the matters set forth herein.<sup>1</sup>

2. I submit this Second Supplemental Declaration in support of the application (the "Application") of the above-captioned debtors and debtors in possession (the "Debtors"), for entry of an order, authorizing the Debtors to retain and employ KPMG UK as a valuation advisor to the Debtors [Docket No. 123] and to further supplement my initial Declaration (the "Initial Declaration") attached as Exhibit C to the Application and my First

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<sup>1</sup> Certain of the disclosures herein relate to matters within the knowledge of other professionals at KPMG UK.

Supplemental Declaration (the “First Supplemental Declaration”) in support of the Application [Docket No. 183].

3. In response to certain of the issues raised in the *Limited Objection of the Official Committee of Unsecured Creditors to Debtors’ Application for Approval of their Employment and Retention of KPMG LLP as Valuation Advisor* [Docket No. 185] (the “Objection”), KPMG UK states as follows. KPMG UK has been working diligently since the Petition Date to complete its valuation of the Debtors’ portfolio companies in a timely manner. To that end, KPMG UK has incurred approximately \$2 million in fees to date, with a substantial amount of its services projected to be completed prior to the next hearing date in these cases on June 26, 2012. KPMG UK, however, is restricted under its internal company procedures from issuing any opinion or deliverable, including work product, unless and until a properly evidenced contract is in place (i.e., its retention must be approved by the Court).

4. Regarding Section III of the Objection, the engagement of KPMG UK by a potential acquiror of a non-Debtor entity in which the Debtors own a minority interest currently is on hold and no services are being performed. The Committee also states in Section III of the Objection that “[a]t the very least, KPMG [UK] should institute appropriate ‘ethical wall’ procedures to (a) separate its employees providing services in connection with this engagement from its employees providing services in connection with any engagements in connection with portfolio companies, and (b) prevent the transmittal of any confidential information acquired by KPMG [UK] in the course of this engagement to any potential acquirers of portfolio companies or professionals providing services to such potential acquirers.” Objection at ¶22. KPMG UK confirms that it already has procedures in place that address these concerns.

5. Regarding the Committee's statement in Section III of the Objection that "a proper 'ethical wall' [should be] maintained in the applicable affiliated KPMG [International] member firms between any employees of such affiliated firms who provide services to the Debtors and those employees of such firms who provide services to any other party in connection with the cases" (Objection at ¶23), KPMG UK confirms that such procedures are already in place.

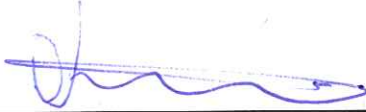
6. Lastly, regarding the Committee's statement in Section III of the Objection that affiliated KPMG International member firms performing work for the Debtors' estates be required to file a separate disinterested affidavit, as stated in my Initial Declaration and in the First Supplemental Declaration, KPMG UK has a global conflicts database. Accordingly, KPMG UK will make any appropriate disclosures, which necessarily includes disclosures respecting any KPMG International member firm assisting KPMG UK. Moreover, at the request of the Office of the United States Trustee for the Southern District of New York, KPMG UK has agreed to include language in the proposed retention order that it will ensure that appropriate disclosures are made.

7. It remains that neither KPMG UK nor its KPMG International member firms, insofar as I have been able to ascertain, represents any interest adverse to the Debtors or their estates. Except as may be stated above or in the Initial Declaration, KPMG remains a "disinterested person" as that term is defined in 11 U.S.C. § 101(14).

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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 30<sup>th</sup> day of May, 2012

By:   
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David Fletcher  
Partner