

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

-----	X	
	:	
In re:	:	Chapter 11
	:	
ARCAPITA BANK B.S.C.(c), <u>et al.</u> ,	:	Case No. 12-11076 (SHL)
	:	
Reorganized Debtors.	:	Confirmed
	:	
-----	X	

**DECLARATION OF SAMUEL E. STAR  
IN SUPPORT OF OBJECTION TO CLAIM NO. 46**

Pursuant to 28 U.S.C. § 1746, I, Samuel E. Star, hereby declare:

1. I am a Senior Managing Director at FTI Consulting, Inc. (“FTI”), the financial advisor for the above-captioned Reorganized Debtors.

2. In my capacity as Senior Managing Director of FTI, I am authorized to submit this Declaration in support of the Reorganized Debtors’ Objections to (i) Claim No. 46 filed by National Bank of Bahrain B.S.C., and (ii) Claim No. 505 filed by Commerzbank AG (the “Objections”).<sup>1</sup>

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon: (a) my personal knowledge; (b) my review, or the review of employees of FTI under my supervision and direction, of the relevant documents, including the Objections; and (c) information supplied to me or other employees of FTI under my supervision and direction, by the Debtors, the Reorganized Debtors or their respective professionals, or others at their request.

If called upon to testify, I could and would competently testify to the facts set forth herein.

---

<sup>1</sup> All capitalized terms not otherwise defined have the respective meanings ascribed to them in the applicable Objection.

### **QUALIFICATIONS AND BACKGROUND**

4. I have extensive experience with chapter 11 cases and other distressed restructurings, having advised debtors and creditors in the chapter 11 process for approximately 25 years. I joined FTI in 2004 and am familiar with all aspects of bankruptcy case administration.

5. I received my Bachelor of Arts degree in Accounting from State University of New York at Albany. My business address is 3 Times Square 10<sup>th</sup> Floor, New York, NY 10036.

### **ASSETS AND LIABILITIES OF ARCAPITA BANK**

6. During the course of the Debtors' chapter 11 cases, FTI conducted an analysis of certain assets and liabilities of Arcapita Bank B.S.C.(c) ("Arcapita Bank") and its affiliates, including Arcapita Investment Holdings Limited (n/k/a RA Investment Holdings Limited) ("AIHL").

7. Specifically, in August to October 2013, FTI estimated preliminary value indications for twelve (12) of the largest investments in Arcapita Bank's portfolio (held, at all times relevant to the Objections, through AIHL) as of or around September 2010, utilizing the limited information obtainable at the time the analysis was conducted. FTI's preliminary estimates for these investments indicated that their aggregate value was 72% lower than the value reflected on AIHL's balance sheet.

8. FTI conducted an extrapolation of the variance observed for these twelve (12) largest investments to all investments held by the Debtors, which resulted in a negative variance to the value of the Debtors' investments totaling approximately \$2 billion as of September 2010 (the "Negative Investment Value Variance").

9. The Negative Investment Value Variance is greater than the equity value (or the amount by which the value of the Debtors' assets exceeds the amount of their liabilities) on the consolidated Arcapita Bank balance sheet as of June 30, 2010 (which was approximately \$1.1 billion).

10. The Negative Investment Value Variance is also greater than the equity value on the consolidated Arcapita Bank balance sheet as of June 30, 2011 (which was approximately \$1.1 billion).

11. The equity value stated on the consolidated Arcapita Bank balance sheet as of June 30, 2012 was negative \$1.05 billion.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Date: April 30, 2014  
New York, New York

/s/ Samuel E. Star  
Samuel E. Star