

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

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: **Chapter 11**
: **Case No. 12-11076 (SHL)**
: **Jointly Administered**
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:
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**DECLARATION OF HOMER PARKHILL IN SUPPORT OF
THE DEBTORS' APPLICATION FOR AN ORDER APPROVING THE EMPLOYMENT
AND RETENTION OF ROTHSCHILD INC. AND N M ROTHSCHILD & SONS
LIMITED AS FINANCIAL ADVISORS AND INVESTMENT BANKERS
FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

I, Homer Parkhill, hereby declare the following under penalty of perjury.

1. I am a managing director at Rothschild Inc. (together with its affiliate N M Rothschild & Sons Limited, "*Rothschild*"), a financial advisory services and investment banking firm. I am duly authorized to make this Declaration on behalf of Rothschild in support of the application, filed April 3, 2012 (ECF No. 53) (the "*Application*")¹ of Arcapita Bank B.S.C.(c) ("*Arcapita*") and certain of its subsidiaries, as debtors and debtors in possession (collectively, the "*Debtors*" and each, a "*Debtor*") for entry of an order authorizing the employment and retention of Rothschild as financial advisor and investment banker, *nunc pro tunc* to the Petition Date. I submit this Declaration in accordance with sections 327(a) and 328(a) of title 11 of the United States Code (the "*Bankruptcy Code*"), Rules 2014(a), 2016 and 5002 of the Federal Rules of Bankruptcy Procedure (the "*Bankruptcy Rules*") and Rules 2014-1 and 2016-1 of the Local

¹ All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the original Declaration of David L. Resnick (the "*Resnick Declaration*"), which was attached as Exhibit B to the Application.

Rules for the United States Bankruptcy Court for the Southern District of New York (the “*Local Rules*”). Except as otherwise noted, I have personal knowledge of the matters set forth herein.

2. As described in the Resnick Declaration, Rothschild Inc. and N M Rothschild & Sons Limited have indirect affiliate relationships with numerous investment banking institutions located worldwide. None of these Affiliated Entities is being retained in connection with this engagement and none of the professionals or employees of the Affiliated Entities will provide services to the Debtor in connection with this engagement. None of the professionals or employees of Rothschild Inc. or N M Rothschild & Sons Limited has discussed or will discuss the Debtors’ cases with any professional or employee of the Affiliated Entities. There has not been and will not be any flow of information between Rothschild Inc. or N M Rothschild & Sons Limited and any Affiliated Entity with respect to any matter pertaining to these Chapter 11 Cases. As more fully described in the Resnick Declaration, appropriate Information Barriers are in place to prevent and such flow of information from occurring. As further stated in the Resnick Declaration, Rothschild Inc. and N M Rothschild & Sons Limited cannot make any representation as to the disinterestedness of the professionals or employees of the Affiliated Entities in respect of the Debtors’ Chapter 11 Cases.

3. Rothschild Inc. and N M Rothschild & Sons Limited were informed by one of their Affiliated Entities, Rothschild & Cie, that it was recently engaged to provide financial advisory services to CEPL Holding SAS that are unrelated to these Chapter 11 Cases. We were further informed that a non-debtor European subsidiary of Arcapita Bank B.S.C.(c) holds a non-controlling minority of the equity of CEPL Holding SAS. As described above and in the Resnick Declaration in connection with Rothschild’s Information Barriers, there has not been and will not be any flow of information between Rothschild Inc. or N M Rothschild & Sons

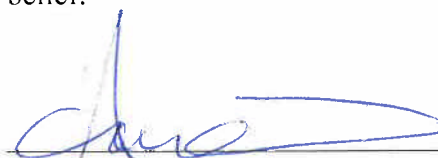
Limited and any Affiliated Entity, including Rothschild & Cie, with respect to any matter pertaining to the Debtors or these Chapter 11 Cases.

4. Accordingly, the engagement by our Affiliated Entity described above does not represent an interest of Rothschild Inc. or N M Rothschild & Sons Limited adverse to the Debtors or their estates.

5. If any new relevant facts or relationships are discovered or arise during the pendency of these Chapter 11 Cases, Rothschild will use reasonable efforts to identify such further developments and will promptly file a supplemental affidavit as required by Bankruptcy Rule 2014.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on June 25, 2012.



Homer Parkhill
Managing Director
Rothschild Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
Arcapita Bank B.S.C.(c), <i>et al.</i> ,	Case No. 12-11076 (SHL)
Debtors.	Jointly Administered

CERTIFICATE OF SERVICE

I, Derek P. Alexander, certify that I am over eighteen years of age and that on this 25th day of June, 2012, I caused to be served, (i) on all parties of record by ECF and (ii) upon the Court and the parties listed below by hand delivery, copies of the following:

- Declaration of Homer Parkhill in Support of the Debtors' Application for an Order Approving the Employment and Retention of Rothschild Inc. and N M Rothschild & Sons Limited as Financial Advisors and Investment Bankers for the Debtors Nunc Pro Tunc to the Petition Date.

Office of the United States
Trustee

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Dated: New York, New York,
June 25, 2012

/s/ Derek P. Alexander
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