

**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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**SUPPLEMENTAL DISCLOSURE OF TROWERS & HAMLINS
IN SUPPORT OF THE DEBTORS' RETENTION OF TROWERS & HAMLINS AS
BAHRAINI COUNSEL**

Trowers & Hamlins LLP ("*Trowers*"), counsel to Arcapita Bank B.S.C.(c) ("*Arcapita Bank*") and its affiliated debtors and debtors in possession (collectively, the "*Debtors*"), hereby supplements ("the *Second Supplemental Disclosure*") its previous disclosures in connection with its representation of the Debtors in the Chapter 11 Cases (as defined below) follows:

BACKGROUND

1. On March 19, 2012 (the "*Petition Date*"), Arcapita Bank and six of its subsidiaries and affiliates, as debtors and debtors in possession, each commenced a case under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*"). On April 30, 2012, Falcon Gas Storage Company, Inc. commenced a chapter 11 case, which is being jointly administered with the other Debtors (collectively, the "*Chapter 11 Cases*"). The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

TROWERS' RETENTION

2. On April 3, 2012, the Debtors filed the *Debtors' Application for an Order Approving the Employment and Retention of Trowers & Hamlins as Counsel for the Debtors in Possession Nunc Pro Tunc to the Petition Date* [Dkt. No. 46] (as later supplemented, the "**Application**"). Any terms that are hereby capitalised are to be defined as in the Application unless otherwise defined in this Second Supplemental Disclosure. The Declaration of Jeremy Ingham (the "**Ingham Declaration**"), which was annexed as Exhibit A to the Application and submitted in support thereof, set forth certain disclosures relating to Trowers' connection with various stakeholders in the Chapter 11 cases. No objections were filed to the Application. By an order entered on May 15, 2012 [Dkt. No. 142], this Court granted the Application, and Trowers was retained as the Debtors' Bahraini counsel in the Chapter 11 Cases, *nunc pro tunc* as of the Petition Date. On September 5, 2012 Trowers filed a supplemental disclosure with respect to the Application [Dkt. No. 459] (the "**First Supplemental Disclosure**" and collectively with the Application and the Ingham Declaration, the "**Prior Disclosures**"), disclosing Trowers' work for the Social Insurance Organisation (Pensions).

PRIOR CONFLICTS SEARCHES

3. In connection with the Prior Disclosures, Trowers compared a list of Interested Parties, attached as Schedule 3 to the Ingham Declaration, to Trowers' master client database created from its conflict clearance and billing records. All matches between the Interested Parties and entities in Trowers' client database were reviewed by an attorney, and to the extent that Trowers represented, or had represented within the three preceding years, any of the Interested Parties, the identities of such entities and, for current clients, brief descriptions of the type of work performed by Trowers for the clients, were disclosed.

CONTINUING AND SUPPLEMENTAL DISCLOSURE

4. On February 7, Nass Murray Roberts JV Co ("*Nass*") confirmed to Trowers that it wished to engage Trowers to act on its behalf in defence of an arbitration with Mivan Depak JV Co ("*Mivan*"). Nass is listed as an Interested Party. Nass is the main contractor in relation to the construction of the Arcapita Bank headquarters building and Mivan is the subcontractor in relation to the same. Mivan has commenced proceedings against Nass due to the non payment by Nass from the reconciliation of the final account under the subcontract. To the best of its knowledge, information and belief, Trowers believes that the arbitration does not affect either the Debtors or the Arcapita Bank headquarters building and should not result in any adverse interest against any of the Debtors.

5. As part of its ongoing disclosure responsibilities under Rule 2014 of the Federal Rules of Bankruptcy Procedure, Trowers periodically re-examines its relationships with its clients and with Interested Parties in the Chapter 11 Cases, to update the Prior Disclosures due to, among other things, the discovery of client representations that were not revealed by the Prior Conflict Searches and/or because of subsequent events.

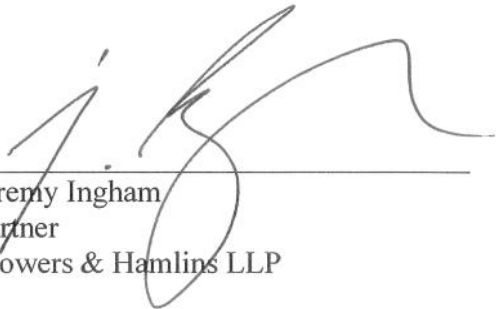
6. Trowers will not perform any work for Nass that relates to the Debtors in the Chapter 11 Cases.

DISINTERESTEDNESS

As reported in the Prior Disclosures, to the best of its knowledge, information and belief, Trowers does not represent, and has not represented any party as to an interest adverse to the Debtors or their respective estates. Trowers thus continues to believe that it is a "disinterested person", as defined in section 101(14) of the Bankruptcy Code. If Trowers discovers additional

information that requires disclosure, Trowers will file an additional supplemental disclosure as promptly as possible.

Dated: Manama, Bahrain
February 13, 2013



Jeremy Ingham
Partner
Trowers & Hamlins LLP