

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

BACKGROUND

1. On March 19, 2012 (the "*Petition Date*"), Arcapita Bank and five 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 2, 2012, the Debtors filed the *Debtors' Application for an Order Authorizing the Debtors to Retain and Employ Trowers & Hamlins LLP as Bahraini Counsel Nunc Pro Tunc to the Petition Date* [Dkt. No. 46] (as later supplemented, the "**Application**"). Any capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application. 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. 137], 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**") disclosing Trowers' work for the Social Insurance Organisation (Pensions), a long-standing client of the firm. On February 13, Trowers filed a further supplemental disclosure with respect to the Application [Dkt. No. 831] (the "**Second Supplemental Disclosure**") and collectively with the Application, the Ingham Declaration and the First Supplemental Disclosure, the "**Prior Disclosures**") disclosing Trowers' intention to carry out work for Nass Murray Roberts JV Co, a new client of the firm.

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 15 2013, Al Salam Bank Bahrain B.S.C.(c) ("*Al Salam*"), a bank regulated by the Central Bank of Bahrain and an existing, long-standing client of Trowers, approached Trowers to assist in respect of an acquisition of shares in Distinguished Warehouses Gulf LLC in the Sultanate of Oman. The shares to be acquired are currently owned by Distinguished Warehouses Company LLC ("*Distinguished Warehouses*"), an Omani limited liability company that is in turn owned by Makhazen Oman Acquisitions WLL and Makhazen Oman Acquisitions II WLL, two Bahrain-incorporated companies, which Trowers understands are both owned by two Bahrain-incorporated companies, Me Ventures I W.L.L. and Me Ventures II W.L.L (the "*Holding Companies*"). In turn, Trowers understands that the Holding Companies are owned by Atif Ahmed Yousif AbdulMalik and Hisham Adbdulrahman Abdulla Al Raei, who are directors of Arcapita Bank. The only party involved that is listed as an interested party is Atif Ahmed Yousif AbdulMalik.

Trowers proposes that Trowers' work on the transaction would be carried out by lawyers employed in Trowers' Oman office, and who have no dealings with, or knowledge of Arcapita Bank's corporate structure or any matters related to the Chapter 11 Cases. If and to the extent that any lawyer employed by Trowers' Bahrain office is required to assist, this would only be in connection with discrete due diligence tasks relating to the underlying

property owned by Distinguished Warehouses and will not include any lawyer advising Arcapita Bank in relation to the Chapter 11 Cases or with knowledge of Arcapita Bank's corporate structure. By having this transaction run by Trowers' Oman office (which has no involvement in the Chapter 11 Cases), Trowers believes that its involvement in the transaction should not adversely affect the Debtors as no information to the detriment of the Debtors could be disclosed to Al Salam through Trowers' knowledge of the Chapter 11 Cases.

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.

5. Trowers will not perform any work for Al Salam Bank that relates to any claims under 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
March 5, 2013



Jeremy Ingham
Partner
Trowers & Hamlins LLP