

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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<i>In re</i>	: Chapter 11
	:
ARCAPITA BANK B.S.C.(c) et al.,	: Case No. 12-11076
	:
Debtors.	: Jointly Administered
	:
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**FIRST SUPPLEMENTAL DECLARATION OF DAVID R. HILTY IN SUPPORT OF
THE APPLICATION FOR AN ORDER AUTHORIZING THE EMPLOYMENT AND
RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS INVESTMENT BANKER
AND FINANCIAL ADVISOR FOR THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ARCAPITA BANK B.S.C.(c).
NUNC PRO TUNC TO APRIL 12, 2012**

I, David R. Hilty, hereby declare as follows:

1. I am a Managing Director of Houlihan Lokey Capital, Inc. (“Houlihan Lokey”). I am duly authorized to make this Supplemental Declaration on behalf of Houlihan Lokey and submit this Supplemental Declaration in support of the application of the above-captioned Official Committee of Unsecured Creditors of Arcapita Bank B.S.C.(c) (“Committee”) in these chapter 11 cases for authorization of the employment and retention of Houlihan Lokey as financial advisor and investment banker to the Committee at the expense of the Debtors’ estates.

2. Unless otherwise stated in this Supplemental Declaration, I have personal knowledge of the facts set forth herein and, if called as a witness, I would testify thereto.

3. On June 12, 2012, the Committee filed an application to retain Houlihan Lokey as financial advisor and investment banker. In support of the application, Houlihan Lokey filed a declaration executed by the undersigned on behalf of Houlihan

Lokey in accordance with the Bankruptcy Code (the "Original Declaration"). On September 17, 2012, a final order was signed authorizing the retention and employment of Houlihan Lokey, nunc pro tunc to April 12, 2012.

4. Since the filing of the Original Declaration, Houlihan Lokey has continued to monitor client databases maintained with respect to Houlihan Lokey, to determine whether it has any relationships with the entities (individually, an "Original Interested Party" and collectively, the "Original Interested Parties") that were identified to Houlihan Lokey by the Debtors, as well as additional entities who have subsequently become involved in the chapter 11 cases referenced above (individually, an "Incremental Interested Party" and collectively, the "Incremental Interested Parties" and, together with the Original Interested Parties, the "Interested Parties"). The Incremental Interested Parties, which are listed on Schedule 1, include, among others:

- a) members of the ad hoc group of \$1.1 billion syndicated murabaha facility creditors and their counsel and financial advisors; and
- b) certain potential interested lenders under the contemplated exit financing facility.

5. The attached Schedule 2 details the relationship check performed by Houlihan Lokey, and identifies any relationships discovered through such investigation that members of Houlihan Lokey have with any Interested Parties in these chapter 11 cases.

6. Except as may be otherwise set forth herein, to the best of my knowledge, Houlihan Lokey, its principals and professionals (i) are "disinterested persons" under section 101(14) of the Bankruptcy Code, as modified by section 1107(b), and (ii) do not hold or represent any interest adverse to the Debtors' estates.

Pursuant to 28 U.S.C. § 1746, I declare that the foregoing is true and correct to the best of my knowledge. Executed this 4th day of June, 2013 in New York.

/s/ David R. Hilty
Name: David R. Hilty
Title: Managing Director

Incremental Conflict Parties Searched

Company

SilverPoint Capital, L.P.

Taconic Capital Advisors L.P.

York Global Finance BDH, LLC

Fortress Credit Corp.

Goldman Sachs International

Silver Point Finance, LLC

Zaff LLC

PIRINATE Consulting Group LLC

Kirkland & Ellis LLP

Parties in Interest to Whom Houlihan Has Provided Services

Client:	Job Code:	Start:	End:
Kirkland & Ellis	Financial Advisory Services - TFR - FV Opinion	4/5/2013	Ongoing
Natixis and others	Financial Restructuring Group - Creditor Advisors	3/28/2013	Ongoing
Morgan, Lewis, & Bockius, LLP	Financial Advisory Services - Lit - Exp Cons-Litigation	3/15/2013	Ongoing
HSH Nordbank AG, Royal Bank of Scotland N.V., and others	Financial Restructuring Group - Creditor Advisors	3/11/2013	Ongoing
Bracewell & Giuliani LLP	Financial Restructuring Group - Creditor Advisors	10/11/2012	Ongoing
Cleary Gottlieb Steen & Hamilton LLP	Financial Advisory Services - InSource	9/17/2012	Ongoing
Royal Bank of Scotland N.V. and others	Financial Restructuring Group - Creditor Advisors	8/29/2012	Ongoing
Silver Point Capital, L.P.	Financial Restructuring Group - Creditor Advisors	7/8/2012	Ongoing
Taconic Capital Advisors, LLC and others	Financial Restructuring Group - Creditor Advisors	7/3/2012	9/30/2012
Silver Point Capital, L.P.	Financial Advisory Services - FA - Portfolio - Deriv / Risk - Mgmt	6/8/2012	Ongoing
Silver Point Capital, L.P., Taconic Capital Advisors, LLC, and others	Financial Restructuring Group - Creditor Advisors	4/9/2012	Ongoing
Silver Point Capital, L.P.	Financial Advisory Services - FA - Portfolio - Valuation	6/29/2011	Ongoing
Kirkland & Ellis, LLP	Financial Advisory Services - Solvency	10/20/2010	2/15/2011
Taconic Capital Advisors, LLC	Financial Advisory Services - FA - Portfolio-Valuation	5/25/2010	3/30/2011
Silver Point Capital, L.P.	Financial Restructuring Group - Creditor Advisors	11/6/2007	3/31/2009
Silver Point Capital, L.P.	Financial Advisory Services - FA - Portfolio-Valuation	9/1/2006	10/22/2008
Silver Point Capital, L.P.	Financial Advisory Services - FA - Portfolio - Valuation	1/6/2006	Ongoing
Silver Point Capital, L.P.	Financial Advisory Services - FA - Portfolio-Valuation	6/23/2005	9/18/2006
Silver Point Capital, L.P.	Financial Advisory Services - FA - Portfolio-Valuation	3/9/2005	6/29/2005
Silver Point Capital, L.P.	Financial Restructuring Group - Creditor Advisors	10/20/2004	2/28/2006
Kirkland & Ellis, LLP	Financial Advisory Services - Consulting	8/31/1995	12/31/1997