

**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 DECLARATION OF MATT KVARDA  
IN CONNECTION WITH THE FINAL ORDER AUTHORIZING THE DEBTORS  
TO RETAIN AND EMPLOY ALVAREZ & MARSAL NORTH AMERICA, LLC  
AS FINANCIAL ADVISORS *NUNC PRO TUNC* TO THE PETITION DATE**

I, Matt Kvarda, declare and state as follows:

**FOUNDATION**

1. I am a Managing Director of Alvarez & Marsal North America, LLC (together with employees of its affiliates (all of which are wholly-owned by its parent company and employees), its wholly-owned subsidiaries, and independent contractors, “*A&M*”). I am authorized to submit this declaration on behalf of A&M. I submit this supplemental declaration (the “*Supplemental Declaration*”) pursuant to section 327(a) of title 11 of the United States Code (the “*Bankruptcy Code*”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) and Rule 2014-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “*Local Rules*”), in connection with the Court’s *Final Order Authorizing Debtors to Employ and Retain Alvarez & Marsal North America, LLC as Financial Advisors to Debtors and Debtors in Possession Pursuant to Sections 327(a) and*

328 of the Bankruptcy Code [Dkt. No. 317].<sup>1</sup> Unless otherwise stated in this Supplemental Declaration, I have personal knowledge of the facts set forth herein.

### **SUPPLEMENTAL DISCLOSURE**

2. In addition to A&M's disclosure of its representation of certain parties in interest in matters unrelated to the above-captioned chapter 11 cases (the "**Chapter 11 Cases**") set forth in the Hirsh Declaration and without limiting such disclosure, I hereby disclose that an affiliate of A&M Taxand (the "**A&M Affiliate**") is providing certain services as a subcontractor to a professional services firm which is providing tax-related due diligence services to a potential bidder for a non-Debtor affiliate in which certain of the Debtors indirectly hold an equity interest (the "**Target**"). Specifically, A&M Affiliate's role in connection with the matter disclosed in this paragraph 2 (the "**Supplemental Disclosure Matter**") will be solely to provide due diligence services with respect to United States tax matters, which generally includes a review of the Target's historical tax liabilities.

3. No A&M Affiliate personnel providing services in connection with the Supplemental Disclosure Matter has provided services to the Debtors. No persons providing services to the Debtors shall provide services in connection with the Supplemental Disclosure Matter.

4. To the best of my knowledge, information and belief, insofar as I have

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<sup>1</sup> Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Debtors' Application for Interim and Final Orders Approving the Employment and Retention of Alvarez & Marsal North America, LLC as Financial Advisors to Debtors and Debtors in Possession Pursuant to Sections 327(a) and 238 of the Bankruptcy Code [Dkt. No. 47] (the "**Application**") or in the Declaration of Lawrence R. Hirsh in Support of Debtors' Application for Interim and Final Orders Approving the Employment and Retention of Alvarez & Marsal North America, LLC as Financial Advisors to Debtors and Debtors in Possession Pursuant to Sections 327(a) and 238 of the Bankruptcy Code, annexed to the Application as Exhibit C (the "**Hirsh Declaration**")

been able to ascertain after reasonable inquiry, A&M is not aware of any other fact or situation that has the potential to represent a conflict of interest for A&M with regard to the Debtors, except as disclosed in this Supplemental Declaration and the Hirsh Declaration.

5. To the best of my knowledge, information and belief, A&M is not employed by, and has not been employed by any entity other than the Debtors in matters related to the Chapter 11 Cases.

6. To the best of my knowledge, information, and belief, insofar as I have been able to ascertain after reasonable inquiry, A&M has not been retained to assist any entity or person other than the Debtors on matters relating to, or in direct connection with, the Chapter 11 Cases. A&M will not accept any engagement or perform any service for any other entity in the Chapter 11 Cases.

7. A&M reserves the right to further supplement this Supplemental Declaration in the event that A&M discovers any facts bearing on matters described in this Supplemental Declaration regarding A&M's employment by the Debtors.

Pursuant to section 1746 of title 28 of the United States Code, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: Los Angeles, California  
August 28, 2013



Matt Kvarda  
Managing Director  
Alvarez & Marsal North America, LLC