

**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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**FIRST SUPPLEMENTAL DECLARATION OF DAVID FLETCHER IN SUPPORT OF  
DEBTORS' APPLICATION PURSUANT TO SECTIONS 327(a) AND 330 OF THE  
BANKRUPTCY CODE FOR AN ORDER AUTHORIZING THE DEBTORS  
TO RETAIN AND EMPLOY KPMG LLP AS VALUATION ADVISOR TO  
THE DEBTORS NUNC PRO TUNCO TO THE PETITION DATE**

I, David Fletcher, hereby declares as follows:

1. I am a Partner of KPMG LLP ("KPMG UK"), resident in the KPMG United Kingdom office, located in London. KPMG UK is part of KPMG Europe LLP, a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative. I have personal knowledge of the matters set forth herein.<sup>1</sup>

2. I submit this First Supplemental Declaration in support of the application (the "Application") of the above-captioned debtors and debtors in possession (the "Debtors"), for entry of an order, authorizing the Debtors to retain and employ KPMG UK as a valuation advisor to the Debtors [Docket No. 123] and to further supplement my initial Declaration (the "Initial Declaration") attached as Exhibit C to the Application.

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<sup>1</sup> Certain of the disclosures herein relate to matters within the knowledge of other professionals at KPMG UK.

3. Paragraph 18 of the Initial Declaration disclosed that KPMG UK has been engaged by a potential acquiror of a non-Debtor entity in which the Debtors own a minority interest (the "Potential Acquisition"). In connection therewith, since the Petition Date, customary ethical screens have been imposed such that none of the professionals providing services to the Debtors will provide services or share non-public information with those professionals providing services in connection with the Potential Acquisition and none of the professionals providing services in connection with the Potential Acquisition will provide services to the Debtors or share non-public information with those professional providing services to the Debtors.


4. In addition, as disclosed in the Initial Declaration, KPMG UK is using other KPMG International member firms to assist it in providing the required services to the Debtors. As set forth in footnote 6 of the Initial Declaration, while KPMG UK is a separate and distinct legal entity from all other member firms of KPMG International, in an attempt to identify conflicts among or between KPMG International member firms, KPMG International has a global conflicts internal computer database. Accordingly, to the extent necessary, KPMG UK will make any disclosures required to be made that relate to the other KPMG International member firms assisting KPMG UK.

5. Further, paragraph 19 of the Initial Declaration disclosed that a member of the engagement team has in the past provided services to two creditors of the Debtors in connection with matters pertaining to an entity in which the Debtors have an investment. It has come to my attention that two (rather than one) members of the engagement team have provided such services.

6. It remains that neither KPMG UK nor its KPMG International member firms, insofar as I have been able to ascertain, represents any interest adverse to the Debtors or their estates. Except as may be stated above or in the Initial Declaration, KPMG remains a “disinterested person” as that term is defined in 11 U.S.C. § 101(14).

Pursuant to 28 U.S.C. section 1746, 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 this 29<sup>th</sup> day of May, 2012

By:   
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David Fletcher  
Partner