

Objection Deadline: June 19, 2012 at 12:00 p.m. (Prevailing Eastern Time)
Hearing Date: June 26, 2012 at 11:00 a.m. (Prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ARCAPITA BANK B.S.C.(C), et al.,

Debtors.

Chapter 11

Case No. 12-11076 (SHL)

(Jointly Administered)

**APPLICATION OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ARCAPITA BANK B.S.C.(C), ET AL., UNDER
11 U.S.C. § 1103, FED. R. BANKR. P. 2014 AND 5002 AND S.D.N.Y. LBR
2014-1, FOR ORDER AUTHORIZING RETENTION AND
EMPLOYMENT OF WALKERS AS CAYMAN ISLANDS
COUNSEL, EFFECTIVE NUNC PRO TUNC TO APRIL 16, 2012**

TO THE HONORABLE SEAN H. LANE,
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the "Committee") of Arcapita
Bank B.S.C.(c) ("Arcapita") and its affiliated debtors and debtors in possession (collectively, the

“Debtors”¹ in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) hereby submits this application (the “Application”) for entry of an order, in the form attached hereto as Exhibit A, authorizing the retention and employment of Walkers (“Walkers”), effective as of April 16, 2012, as counsel for the Committee, pursuant to section 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “Bankruptcy Code”), rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rule 2014-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”), and respectfully represents as follows:

BACKGROUND

1. On March 19, 2012 (the “Petition Date”), each of the Debtors, with the exception of Falcon Gas Storage Company, Inc., filed with the Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On March 22, 2012, the Court entered an order consolidating the Chapter 11 Cases for joint administration. On April 20, 2012, Falcon Gas Storage Company, Inc. filed with the Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

2. The Debtors continue to manage and operate their businesses and 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.

3. On April 5, 2012, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed the Committee, consisting of: Arcsukuk (2011-1)

¹ The Debtors in the Chapter 11 cases are: Arcapita Bank B.S.C.(c), Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, WindTurbine Holdings Limited, AEID II Holdings Limited, RailInvest Holdings Limited, and Falcon Gas Storage Company, Inc.

Limited C/O BNY Mellon Corporate Trustee Services Limited; Barclays Bank PLC; Central Bank Of Bahrain; Commerzbank AG; Euroville S.à.r.l.; National Bank Of Bahrain; VR Global Partners, L.P. On April 11, 2012, the Committee duly selected Milbank as counsel to represent it during the pendency of the Chapter 11 Cases. The Committee also selected Hassan Radhi & Associates as Bahraini counsel.

4. Arcapita Investment Holdings Limited (“AIHL”) acts as a holding company principally with respect to the investments of its parent company, Arcapita. In addition, AIHL has entered into a series of guarantees and pledges in respect of Arcapita's financing liabilities, which include (i) two secured *murabaha* facilities with Standard Chartered Bank totaling \$100 million which matured on March 28, 2012; (ii) and unsecured syndicated *murabaha* facility of \$1.1 billion which matured on March 28, 2012 and (iii) a *murabaha* facility of \$100 million due to mature on September 7, 2013. In addition, AIHL has an intercompany loan, which is repayable on demand, in an amount of \$455,914,763. AIHL was unable to pay. AIHL is unable to meet its obligations under the guarantees and is likely to become unable to pay its debts.

5. Arcapita, as the sole shareholder of AIHL, passed a written resolution on March 18, 2012 requiring AIHL to be wound up by the Grand Court of the Cayman Islands (the “Cayman Court”) and seeking a stay of the winding up petition and the appointment of joint provisional liquidators pursuant to Section 104(3) of the Companies Law (2011 Revision) (the “Companies Law”). Accordingly on March 19, 2012 AIHL presented a petition to the Cayman Court seeking its winding up by the Court (the “Petition”). In conjunction with the Petition, AIHL also issued an *ex parte* summons to the Cayman Court requesting the appointment of provisional liquidators and that the provisional liquidators be directed by the Cayman Court to

authorize the directors of AIHL to continue to exercise all powers of management conferred on them by AIHL and to remain the representatives of AIHL in its capacity as a debtor in possession under s.1107 of the Bankruptcy Code (subject to the supervision of the provisional liquidators). Pursuant to an order of the Cayman Court dated March 19 and 20, 2012 (and filed with the Cayman Court on March 21, 2012) the Cayman Court ordered, among other matters, that: (i) Gordon MacRae and Simon Appell of Zolfo Cooper LLP, be appointed joint provisional liquidators of AIHL (the "Provisional Liquidators") with the powers to act jointly and severally under section 104(3) of the Companies Law; and (ii) the Provisional Liquidators be directed by the Cayman Court to authorize the directors of AIHL to continue to exercise all powers of management conferred on them by AIHL and to remain the representatives of AIHL in its capacity as a debtor in possession under section 1107 of the Bankruptcy Code (subject to the supervision of the provisional liquidators) (the "Cayman Insolvency Proceeding").

6. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

RETENTION OF WALKERS

Services to Be Provided by Walkers

7. The Committee respectfully submits that it will be necessary to employ and retain Walkers pursuant to section 1103(a) of the Bankruptcy Code to render the following services, among others, as directed by the Committee:

- (a) advise the Committee with respect to all aspects of Cayman law;
- (b) assist and advise the Committee on issues relative to Cayman law that may arise in the Cayman Insolvency Proceeding;

- (c) attend hearings and monitors other developments in the Cayman Insolvency Proceeding; and
- (d) perform such other legal services as may be in the interests of the Committee in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code.

8. The Committee believes that Walkers has extensive experience and knowledge in the fields of Cayman corporate (and specifically segregated portfolio companies) law, Cayman insolvency law, and general Cayman commercial litigation, and that Walkers is well qualified to represent the Committee. Walkers has the largest dedicated insolvency group of any of the offshore firms and has worked on many of the largest insolvency and restructuring matters over the past decade including Enron, Parmalat, Fruit of the Loom, Bear Stearns and Lehman Brothers. Walkers has significant experience in working with liquidation and creditor committees within the context of Cayman Islands liquidations (including provisional liquidations). In selecting its Cayman counsel, the Committee sought counsel based on their special expertise in this area.

Disclosure Concerning Conflicts of Interest

9. To the best of the Committee's knowledge, information and belief, based on and except as otherwise set forth in the annexed declaration of Neil Lupton, a partner in Walkers' Insolvency and Corporate Recovery Group (the "Lupton Declaration"), a copy of which is attached hereto as Exhibit B, Walkers does not have any connection with or represent any other entity having an interest adverse to the Debtors, their creditors or any other party in interest, or their respective attorneys, accountants or other professionals. The Lupton Declaration also sets forth, pursuant to Bankruptcy Rule 2014(a), to the best of Mr. Lupton's knowledge, Walkers' connections with the Debtors, their known creditors, other known parties in interest, their respective attorney's and accountants, the U.S. Trustee for Region 2, and any

person employed in the Southern District of New York Office of the United States Trustee. To the best of the Committee's knowledge and subject to the Lupton Declaration, Walkers represents no other entity in connection with the Chapter 11 Cases, is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, and does not hold or represent any interest adverse to the Committee with respect to the matters upon which it is to be employed.

10. Based on the Committee's review of the Lupton Declaration, including the description of Walkers' connections with the parties in interest set forth therein, the Committee has no objection thereto. The Committee believes that employment of Walkers as its counsel on the terms of this Application and the Lupton Declaration is appropriate, necessary and in the best interests of the unsecured creditor body that the Committee represents. The Committee, thus, seeks entry of an order authorizing and approving Walkers' engagement by the Committee on the terms set forth in the Lupton Declaration and in this Application.

Effective Date of Retention

11. The Committee requests that Walkers retention be approved effective as of April 16, 2012 – the date Walkers was selected as Committee counsel and began work on the Committee's behalf. The Committee believes retention effective as of April 16, 2012 is appropriate due to the nature of the Chapter 11 Cases and the Committee's immediate and urgent need for the provision of legal services upon its formation and selection of counsel.

Compensation of Walkers

12. Walkers intends to apply to the Court for payment of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Guidelines promulgated by the Office of the United States Trustee and

the Local Rules and orders of this Court, and pursuant to the interim compensation procedures that have been approved by the Court for the Chapter 11 Cases.

13. Walkers will be compensated for its services to the Committee at its standard hourly rates, which are based on each professionals' level of experience, plus reimbursement of the actual and necessary expenses that Walkers incurs in accordance with the ordinary and customary rates which are in effect on the date the services are rendered. At present, the standard hourly rates charged by Walkers range from \$800 to \$900 for partners, \$700 to \$750 for of counsel, \$500 to \$700 for associates and senior attorneys, and \$200 to \$300 for legal assistants. These hourly rates are subject to annual firm-wide adjustments in the ordinary course of Walkers' business. Walkers will maintain detailed, contemporaneous records of time and any necessary expenses incurred in connection with the rendering of the legal services described above.

Notice

14. No trustee or examiner has been sought or appointed in the Chapter 11 Cases. Notice of this Application has been provided to the following parties and/or their legal counsel (if known, and as applicable): (i) the Debtors and their counsel; (ii) the U.S. Trustee; and (iii) all other parties that have requested receipt of notices in the Chapter 11 Cases or otherwise in accordance with the case management order entered in the Chapter 11 Cases. In view of the relief requested, the Committee submits that no other or further notice need be provided.²

² On May 30, 2012, Walkers sent a draft of this Application to the U.S. Trustee for review and comment.

No Prior Request

15. No previous request for the relief sought herein has been made to this or any other court.

Memorandum of Law

16. Pursuant to Local Rule 9013-1, because there are no novel issues of law presented herein, the Committee respectfully reserves the right to file a brief in reply to any objection to this Application.

WHEREFORE, the Committee respectfully requests that the Court enter an order, in the form attached hereto as Exhibit A, (a) authorizing the Committee to retain Walkers effective as of April 16, 2012 and (b) granting such further relief as is just and proper.

Dated: New York, New York
June 12, 2012

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF ARCAPITA BANK B.S.C.(C),
ET AL.

By: BARCLAYS BANK PLC, as
Chair of Official Committee of Unsecured Creditors

By: /s/ Marc Glogoff
Name: Marc Glogoff
Title: Head of the Credit Restructuring Advisory
Group, Americas at Barclays Bank PLC

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ARCAPITA BANK B.S.C.(C), et al.,

Debtors.

Chapter 11

Case No. 12-11076 (SHL)

(Jointly Administered)

**ORDER UNDER 11 U.S.C. § 1103, FED. R. BANKR. P. 2014 AND 5002 AND
S.D.N.Y. LBR 2014-1, AUTHORIZING RETENTION AND EMPLOYMENT
OF WALKERS GLOBAL AS CAYMAN COUNSEL TO OFFICIAL
COMMITTEE OF UNSECURED CREDITORS OF ARCAPITA BANK
B.S.C.(C), ET AL., EFFECTIVE AS OF APRIL 16, 2012**

Upon the application, dated June 12, 2012 (the “Application”), of the Official Committee of Unsecured Creditors (the “Committee”) of Arcapita Bank B.S.C.(c) and its affiliated debtors and debtors in possession (collectively, the “Debtors”)¹ in the above-captioned jointly administered chapter 11 cases, for entry of an order authorizing the retention and employment of Walkers (“Walkers”), effective as of April 16, 2012, as counsel for the Committee, pursuant to section 1103(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rule 2014-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”); and the Court having considered the declaration of Neil Lupton, sworn on June 12, 2012 (the “Lupton Declaration”), in connection

with the Application; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Application; and the Court having determined that the legal and factual bases set forth in the Application and the Lupton Declaration establish just cause for the relief granted herein and that Walkers represents no interest adverse to the Debtors' estates or to any class of creditors or equity security holders in the matters upon which Walkers is to be engaged and Walkers is disinterested within the meaning of 11 U.S.C. § 101(14); and upon all of the proceedings had before the Court, and after due deliberation and sufficient cause appearing therefor, it is hereby:

ORDERED that the Application is granted, effective as of April 16, 2012; and it is further

ORDERED that Walkers' employment is necessary and is in the best interest of the Debtors' estates, creditors, and other parties in interest, and Walkers' hourly rates for its paralegals and attorneys described in the Lupton Declaration are reasonable; and it is further

ORDERED that pursuant to section 1103(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 5002 and Local Rule 2014-1, the Committee is authorized to employ and retain

...(continued)

¹ The Debtors in the Chapter 11 cases are: Arcapita Bank B.S.C.(c), Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, WindTurbine Holdings Limited, AEID II Holdings Limited, RailInvest Holdings Limited, and Falcon Gas Storage Company, Inc.

Walkers, effective as of April 16, 2012, as counsel for the Committee, on the terms set forth in the Application and the Lupton Declaration, as provided herein; and it is further

ORDERED that Walkers shall be compensated upon appropriate application in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any interim compensation procedures order entered in these cases; and it is further

ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: New York, New York
June __, 2012

HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Lupton Declaration

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

ARCAPITA BANK B.S.C.(C), et al.,

Debtors.

Chapter 11

Case No. 12-11076 (SHL)

(Jointly Administered)

**DECLARATION OF NEIL LUPTON IN SUPPORT OF APPLICATION OF OFFICIAL
COMMITTEE OF UNSECURED CREDITORS OF ARCAPITA BANK B.S.C.(C), ET AL.,
UNDER 11 U.S.C. § 1103, FED. R. BANKR. P. 2014 AND 5002 AND
S.D.N.Y. LBR 2014-1, FOR ORDER AUTHORIZING RETENTION AND
EMPLOYMENT OF WALKERS AS COUNSEL, EFFECTIVE AS OF APRIL 16 , 2012**

Neil Lupton of Walkers House, 87 Mary Street, George Town, Grand Cayman

KY1-9001, Cayman Islands, under penalty of perjury, says:

1. I am a partner in the Insolvency and Corporate Recovery Group of the firm of Walkers (“Walkers”), proposed counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Arcapita Bank B.S.C.(c) and certain of its affiliated debtors and debtors in possession (collectively, the “Debtors”)¹ in these chapter 11 cases (the “Chapter 11 Cases”).

2. I submit this declaration (the “Declaration”) pursuant to section 1103(b) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “Bankruptcy Code”) and rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”),

¹ The Debtors in the Chapter 11 cases are: Arcapita Bank B.S.C.(c), Arcapita Investment Holdings Limited, Arcapita LT Holdings Limited, WindTurbine Holdings Limited, AEID II Holdings Limited, RailInvest Holdings Limited, and Falcon Gas Storage Company, Inc.

in support of the application, dated June 12, 2012 (the "Application"),² of the Committee, seeking authorization for the employment and retention of Walkers as Cayman counsel to the Committee, effective as of April 16, 2012.

3. Unless otherwise stated in the Declaration, I have knowledge of the facts set forth herein and, if called as a witness, I would testify thereto.³

Background

4. On March 19, 2012 (the "Petition Date"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On March 22, 2012, the Court entered an order consolidating the Chapter 11 Cases for joint administration.

5. The Debtors continue to manage and operate their businesses and 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.

6. On April 5, 2012, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the Committee, consisting of: Arcsukuk (2011-1) Limited C/O BNY Mellon Corporate Trustee Services Limited; Barclays Bank PLC; Central Bank Of Bahrain; Commerzbank AG; Euroville S.à.r.l.; National Bank Of Bahrain; VR Global Partners, L.P. On April 11, 2012, the Committee duly selected Milbank as counsel to represent it during the pendency of the Chapter 11 Cases.

² Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Application.

³ Certain of the disclosures set forth herein relate to matters not within my personal knowledge but rather within the knowledge of other attorneys and employees at Walkers and are based on information provided to me by them.

Qualifications of Walkers

7. Walkers is an international law firm with its principal office located at Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands, and with other offices located in the British Virgin Islands, Dubai, Hong Kong, Jersey, London and Singapore. Walkers possesses extensive knowledge and expertise in the areas of Cayman Islands law relevant to the Chapter 11 Cases, particularly with respect to the Cayman liquidation proceedings and Walkers is well qualified to represent the Committee. Specifically, Walkers has significant experience in representing creditors' committees and other parties in large chapter 11 cases and other financial and operational restructuring scenarios.

Services to Be Rendered

8. The Committee has requested that Walkers render the following services, among others, in connection with the Chapter 11 Cases:

- (a) advise the Committee with respect to all aspects of Cayman law;
- (b) assist and advise the Committee on issues relative to Cayman law that may arise in the Cayman Insolvency Proceeding;
- (c) attend hearings and monitors other developments in the Cayman Insolvency Proceeding; and
- (d) perform such other legal services as may be in the interests of the Committee in accordance with the Committee's powers and duties as set forth in the Bankruptcy Code.

9. Subject to Court approval of the Application, Walkers is willing to serve as the Committee's Cayman counsel and to perform the services described above. The Committee may, from time to time, request that Walkers undertake specific matters beyond the scope of the responsibilities set forth above. Walkers may, in its discretion, undertake any such specific matters.

Walkers' Disinterestedness

10. Walkers does not represent and will not represent any entity, other than the Committee, in matters related to the Chapter 11 Cases.

11. To the best of my knowledge and except as otherwise set forth herein and particularly as set out in paragraph 12 below, the partners, counsel, associates and employees of Walkers: (i) do not have any connection with the Debtors, their known creditors, other known or potential parties in interest, their respective attorneys or accountants or other professionals, the U.S. Trustee for the Southern District of New York or any person employed in such office of the U.S. Trustee, any United States Bankruptcy Judge or District Judge for the Southern District of New York or the Clerk of the Bankruptcy Court for the Southern District of New York or any person employed by the office of such Clerk; and (ii) do not represent any other entity having an adverse interest in connection with the Chapter 11 Cases.

12. Walkers acts for a wide variety of institutional clients, hedge funds, trustees, investment and retail banks and further to our database search of the list of Interested Parties we have acted for a number of the interested parties, however, not as far as I am aware in respect of the Debtors.

13. In connection with its proposed retention by the Committee in these cases, Walkers searched its client database to determine whether it had any relationships with the following entities which, to the knowledge of Walkers based upon information provided to Walkers by the Debtors or reflected in public filings made by the Debtors, may be parties in interest in the Chapter 11 Cases:

- (a) the Debtors and non-Debtor affiliates;
- (b) Debtors' prepetition and postpetition secured bank lenders, advisors and counsel;

- (c) Holders of more than 5% of the Debtors' equity securities;
- (d) Current officers and directors, board members of the Debtors and individuals who have served as officers or directors of the Debtors in the past two years;
- (e) Professionals to be employed by the Debtors in the Chapter 11 Cases;
- (f) The Debtors' 50 largest unsecured creditors on a consolidated basis as identified in their chapter 11 petitions;
- (g) The Debtors' ordinary course professionals;
- (h) The Debtors' landlords;
- (i) The Debtors' utility providers;
- (j) The Debtors' insurers and insurance brokers;
- (k) The Debtors' list of bank accounts;
- (l) The Debtors' 50 largest vendors;
- (m) Parties relating to significant litigation to Debtors; and
- (n) Parties to executory contracts.

14. To conduct the searches set forth in paragraph 13 above, Walkers searched:

(i) each of the names set forth in (x) a composite list of parties in interest that the Debtors' counsel provided to Walkers (the "Debtors' Interested Party List") and (y) the Debtors' filings in the Chapter 11 Cases, including their list of creditors and "first-day" pleadings; and (ii) the names of (a) the members of the Committee and their respective advisors, (b) the Debtors and their affiliates, (c) the Debtors' proposed professionals, and (d) other known or potential parties in interest. A list of the names of each of the entities searched is attached hereto as Schedule 1 and incorporated herein.

15. Any matches between the entities on Schedule 1 and the entities in Walkers' client data base were identified and reviewed by an attorney and compiled for the

purposes of the Declaration. To the extent that Walkers currently represents any entity on Schedule 1 in active matters, the identities of such entities were included on a list (the "List"). The List is not attached hereto because, according to the Confidential Relationships (Preservation) Law (2009 Revision), such information is confidential and to disclose the same would amount to a criminal offence. As far as I am aware, Walkers has not had any relationship with any such entity within the last three (3) years insofar as that relationship relates directly to any of the Debtors.

16. A conflicts search was conducted with respect to all members of the Committee. As far as I am aware, Walkers has not had any relationship with any member of the Committee within the last three (3) years in so far as it relates directly to any of the Debtors. Disclosing the nature of the relationship between Walkers and each member of the Committee would arguably also be a breach of the Confidential Relationships (Preservation) Law (2009 Revision).

17. From time to time, Walkers interacts with certain of the professional firms that have been or are proposed to be employed by the Debtors or other parties in the Chapter 11 Cases and that may be rendering advice to other parties in interest in these cases. To the best of my knowledge, Walkers has not represented any of the law firms set forth on Schedule 1 during the three-year period prior to the date hereof in relation to any of the Debtors. In connection with unrelated matters, certain of the financial advisors and investment bankers who are or proposed to be retained in the Chapter 11 Cases have been retained by Walkers or Walkers' clients.

18. To the best of my knowledge, during the three-year period prior to the date hereof, Walkers did not represent any of the Debtors or their respective officers or directors.

19. The Debtors have numerous relationships and creditors. Consequently, although every reasonable effort has been made to discover and eliminate the possibility of any connection or conflict, including the efforts outlined above, Walkers is unable to state with certainty which of its clients or such clients' affiliated entities hold claims or otherwise are parties in interest in the Chapter 11 Cases. If Walkers discovers any information that is contrary or pertinent to the statements made herein, Walkers will promptly disclose such information to the Court on notice to such creditors and to the U.S. Trustee and such other creditors or other parties in interest as may be required under noticing procedures applicable in the Chapter 11 Cases.

Professional Compensation

20. As of the date of the Declaration, Walkers has received no compensation for its work on behalf of the Committee.

21. Subject to the Court's approval, Walkers will be compensated at its standard hourly rates, which are based on each respective professionals' level of experience, for its services to the Committee. At present the standard hourly rates charged by Walkers range from \$800 to \$900 for partners, \$700 to \$750 for of counsel, \$500 to \$700 for associates and senior attorneys, and \$200 to \$300 for legal assistants. These hourly rates are subject to annual firm-wide adjustments in the ordinary course of Walkers' business. Walkers will maintain detailed, contemporaneous records of time and any necessary expenses incurred in connection with the rendering of the legal services described above.

22. The hourly rates set forth herein are the firm's standard hourly rates for work of this nature. These rates are set at a level designed to compensate Walkers for the work of its attorneys and legal assistants and to cover fixed and routine overhead expenses. It is the firm's policy to charge its clients for all disbursements and expenses incurred in the rendition of services. These disbursements and expenses include, among other things, costs for telephone and

facsimile charges, photocopying, travel, business meals, computerized research, messengers, couriers, postage, witness fees, and other fees related to trials and hearings.

23. Walkers intends to apply to the Court for payment of compensation and reimbursement of actual and necessary expenses incurred as counsel to the Committee in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the guidelines promulgated by the Office of the United States Trustee, the Local Bankruptcy Rules and orders of this Court, and pursuant to any additional procedures that may be established by the Court in the Chapter 11 Cases.

24. Other than as set forth above, there is no proposed arrangement between the Committee and Walkers for compensation to be paid in the Chapter 11 Cases. Walkers has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under section 504(b)(1) of the Bankruptcy Code.

25. The proposed employment of Walkers is not prohibited by or improper under Bankruptcy Rule 5002. To the best of my knowledge, no attorney or employee at the firm is related to any United States Bankruptcy Judge or District Court Judge for the Southern District of New York or to the United States Trustee for such district or any employee in the office thereof.

26. Walkers is carrying on further inquiries of its partners, counsel, associates, and employees with respect to the matters contained herein. Walkers will file supplemental declarations regarding this retention if any additional relevant information comes to its attention.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on June 12, 2012

/s/ Neil Lupton_____

Name: Neil Lupton

Schedule 1 to Lupton Declaration

List of Interested Parties

SCHEDULE 1 – LIST OF INTERESTED PARTIES

1. Debtor and non-debtor affiliates:

Arcapita Bank B.S.C.(c)
Arcapita Investment Holdings Limited
Arcapita LT Holdings Limited
WindTurbine Holdings Limited
AEID II Holdings Limited
RailInvest Holdings Limited
AEI II Cayman Holdings Limited
AEI II Holdings Limited
AHQ Cayman Holdings Limited
AIA Limited
AIDT India Holdings Limited
AIFL Investment Holdings Limited
AMPAD Holdings Limited
AquaInvest Holdings Limited
ARC (Cayman) Real Estate Fund Holdings Limited
ARC Management Limited
Arcapita (Europe) Limited
Arcapita (HK) Limited
Arcapita (Singapore) Limited
Arcapita (US) Limited
Arcapita Fund Administration Services Limited
Arcapita GCC Real Estate Management I Limited
Arcapita Hong Kong Limited
Arcapita Inc.
Arcapita Industrial Management I Limited
Arcapita Industrial Management II Limited
Arcapita Industrial Management Sarl
Arcapita Investment Management Limited
Arcapita Investment Funding Limited
Arcapita Limited (UK)
Arcapita Pte. Limited (Singapore)
Arcapita Structured Finance Limited
Arcapita Ventures I Holdings Limited
Arcapita Ventures I WCF Limited
ArcIndustrial European Development Holdings Limited
ArcResidential Japan Holdings Limited
ArcResidential Japan WCF Limited
Ard Limited
Aspen Valley Ranch Holdings Limited
Aspen Valley Ranch WCF Limited
Avionics Holdings Limited
Avionics WCF Limited
Bert Funding Company Limited

Blacktop Holdings Limited
Bospower Holdings Limited
Bospower WCF II Limited
BosPower WCF Limited
BT Holdings Limited
BT WCF Limited
Cajun Holdings Limited
Castello Holdings Limited
Castello WCF Limited
CEE Residential I Holdings Limited
CEIP Holdings Limited
CEIP WCF Limited
Chicago Condominium Holdings Limited
Chicago Condominium WCF Limited
Commerce - MGI (Malaysia) Ltd.
Commerce MGI SDN. BHD
Compufin Limited
Condo Conversion WCF Limited
DAH Holdings Limited
Distric Cooling Holdings Limited
Drillbit Holdings Limited
Drillbit WCF II Limited
Drillbit WCF Limited
Earth Holdings Limited
Earth WCF Limited
ElectricInvest Holdings Limited
ElectricInvest WCF II Limited
ElectricInvest WCF Limited
Eternal Holdings Limited
FEDI Limited
FlowInvest WCF Limited
Fountains WCF Limited
French Kitchen Holdings Limited
Gas Holdings Limited
Gas WCF Limited
HEDI Investments Limited
India Growth Holdings Limited
Innovations Holdings Limited
Insulation Holdings Limited
Isle Holdings II Limited
Isoftechnology WCF Limited
ISP International Limited
JEDI Limited
JJ Holdings Limited
KEDI Limited
La Mesa Holdings Limited

Locker Room Holdings II Limited
Locker Room Holdings Limited
Loghomes Holdings Limited
Loghomes II WCF Limited
LogHomes WCF Limited
Logistics Holdings Limited
Logistics WCF Limited
Longwood Holdings Limited
Lusail Heights Holdings Limited
Majestic Global Investments Limited
MC Limited MEDI Limited
Medifax Holdings Limited
MS Surgery Holdings Limited
NavIndia Holdings Limited
Oman Industrial Holdings Limited
Oman Logistics Fund Holdings Limited
Orlando Residential Holdings Limited
OSP Holdings Limited
OSP WCF Limited
Outlet Center Holdings Limited
Outlet Center WCF Limited
Palatine Holdings Limited
Perennial Holdings II Limited
Perennial Holdings III Limited
Perennial Holdings IV Limited
Perennial Holdings Limited
PointPark Properties EOOD
Pointpark Properties France SAS
Pointpark Properties GmbH
PointPark Properties Pte. Limited
Pointpark Properties S.p.z.o.o.
Pointpark Properties S.r.o.
Pointpark Properties SK S.r.o.
PointPark Properties W.L.L.
PointPark Properties, S.L.
Poland Residential Holdings Limited
Pond Bay Holdings Limited
Premium Coffee Holdings Limited
PVC Holdings Limited
PVC WCF Limited
Rapids Limited
Riffa Holdings Limited
Riffa WCF Limited
Ritzy Property Holdings Limited
Saudi Industrial Holdings Limited
Singapore Industrial Holdings Limited

Singapore Industrial II Holdings Limited
Singapore Industrial II WCF Limited
Singapore Industrial WCF Limited
Small Smiles Holdings Limited
Sonar Holdings Limited
Sortalogic Holdings Limited
StockMore Holdings Limited
StoraFront Holdings Limited
Storapod Holdings Limited
Storapod WCF II Limited
Storapod WCF Limited
TechInvest Holdings Limited
TechInvest WCF Limited
Tender Loving Care Holdings Limited
US Senior Living WCF Limited
VGC WCF Limited
Victory Heights Lifestyle Holdings Limited
Victory Heights WCF Limited
WaterWarf Holdings II Limited
WaterWarf Holdings Limited
Waverly Holdings Limited
Wind Power Holdings Limited
WindTurbine WCF Limited
YAK Holdings Limited

2. Debtors' prepetition and postpetition secured bank lenders, advisors and counsel:

Standard Charter Bank
WestLB AG

3. Holders of more than 5% of the Debtors' equity securities:

Jasmine Quadrilateral Investment Corp.

4. Current officers and directors, board members of the Debtors and individuals who have served as officers or directors of the Debtors in the past two years:

Dr. Khalid Boodai
Mr. Khalifa Mohammed Al-Kindi
Hajah Hartini Binti Haji Abdulla
Dr. HJ Mohd. Amin Liew Bin Abdullah
Sheikh Mohammed Abdulaziz Aljomaih
Mr. Abdulaziz Hamad Aljomaih
Mr. Ghazi Fahad Alnafisi
Sheikh Khalid Bin Thani Bin Abdullah Al-Thani
Mr. Ibrahim Yusuf Al-Ghanim
Mr. Abdulla Abdullatif Al-Fozan

Mr. Abdulrahman Abdulaziz Al-Muhanna
Mr. Junaidi Masri
H.E. Sheikh Jassim Bin Hamad Bin Jassim Bin Jabr
Mr. Atif Ahmed Abdulmalik
Mr. Aamer Abduljalil Al-Fahim

5. Professionals to be employed by the Debtors in these chapter 11 cases:

Gibson, Dunn & Crutcher LLP
Linklaters
Rothschild
The Garden City Group, Inc.
Alvarez & Marsal KPMG
Hatim S. Zu'Bi & Partners
Trowers & Hamlins
Mourant Ozannes

6. The Debtors' 50 largest unsecured creditors on a consolidated basis as identified in their chapter 11 petitions:

Central Bank of Bahrain
Commerzbank
National Bank of Bahrain
Bahrain Bay Development B.S.C.(c)
District Cooling Capital Limited
Arcsukuk (2011 - 1) Limited
Euroville Sarl (formally Satinland Finance Sarl)
Riyad Bank
VR Global Partners LP
Midtown Acquisitions LP
Thornbeam Limited
Perbadanan Tabung Amanah Islam Brunei
Fortis Bank NA/NV
Overseas Fund Co. S.P.C.
Devonshire Limited
Standard Bank plc
BBB Holding Company II Limited
Goldman Sachs Lending Partners
Barclays Bank plc
Bank of America N.A.
CIMB Bank Berhad
Credit Suisse, London
Deutsche Bank Luxembourg S.A.
European Islamic Investment Bank Plc
Malayan Banking Berhad, London Branch
Mashreqbank psc
Royal Bank of Scotland N.V.

The Royal Bank of Scotland plc
The Arab Investment Company S.A.A.
ING Bank N.V.
HSH Nordbank AG, Luxembourg Branch
Yayasan Sultan Haji Hassanal Bolkiah
Bandtree SDN BHD
Saudi Industrial Capital I Limited
Fuad Al Ghanim & Sons General Trading and Contracting
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse
Aktiengesellschaft
BBK B.S.C.
Boubyan Bank K.S.C.
Doha Bank Natixis
Perbadanan Tabung Amanah Islam Brunei
Tadhamon Capital B.S.C.
Kuwait Finance House KSC
NavIndia Holding Company Limited
Commerzbank (beneficiary PVC (Lux) Lux Holding Company S.a. r.l.)
Falcon Gas Storage Company, Inc.
The Governor and Company of the Bank of Ireland
Bank of Taiwan, Singapore Branch
G.P. Zachariades Overseas Ltd.
Tabung Amanah Pekerja

7. The Debtors' ordinary course professionals:

Ernst & Young
Keypoint Consulting
Haya Rashed Al Khalifa Law Firm
Farid Hassani

8. The Debtors' landlords:

Noon Investment Company (storage)

9. The Debtors' utility providers:

Ministry of Electricity
Bahrain Telecom. Company
Zain Bahrain B.S.C.(c)
Menatelecom
Bahrain Bay Utilities Company BSC(c)
2Connect

10. The Debtors' insurers and insurance brokers:

Solidarity General
Marsh Ltd.

11. The Debtors' list of bank accounts:

JP Morgan Chase, New York
Arab Banking Corporation
Bank of Bahrain & Kuwait
National Bank of Bahrain
Bahrain Islamic Bank
DBS Bank Ltd
Standard Chartered Bank
Standard Bank PLN
Standard Bank SGD

12. The Debtors' 50 largest customers:

[REDACTED]

13. The Debtors' 50 largest vendors:

Keypoint Consulting WLL
Nass Contracting Co. W.L.L / Murray & Ro
ADP Total Source
Bahrain Bay Development B.S.C. (c)
King & Spalding
American Express
Advent Resource Consultancy
Ernst & Young
Paget Brown & Co
Bahrain Bay Utilities Company BSC(c)
Al-Gosaibi Travel Agency
KPMG
Social Insurance Organization (GOSI)
Yousef A Alammar
Korn / Ferry International
National Bank of Bahrain BSC
Gibson, Dunn & Crutcher
Bahrain Telecom. Company
Cleary Gottlieb Steen & Hamilton LLP
Navigant Consulting Inc
CDL Properties Ltd.
Linklaters
Walter Knoll AG & Co. KG
Illinois Department of Revenue
PointPark Properties s.r.o.
Path Solutions K.S.C.C
Sima Samiealhak Q Malak
Dawnay, Day & Co. Limited
Takaful International Co.

ASM Formule 3 / Art Grand Prix
GlassRanter Advisory & Capital Group, LL
CrediMax
Rothschild
The Blackstone Group International Limit
Central Bank of Bahrain
Marsh
MAF Dalkia Bahrain
Treasurer, State of Maine
2Connect WLL
Oliver Wyman Limited
Siteco
Riyadh House Est
Ministry of Electricity
Maples and Calder
KMS Team New York Inc.
Peter Paul Pardi
Pricewaterhouse Coopers LLP
CMS Cameron McKenna LLP
St. Christophers School
Al-Moayyed Computers

14. Parties relating to significant litigation to Debtors:

Riffa Views B.S.C.(c)
GP Zachariades Overseas Ltd.
Tide Natural Gas Storage I, LP
Tide Natural Gas Storage II, LP
Falcon Gas Storage Company, Inc.
Profine GmbH
Commerzbank

15. Parties to executory contracts:

Shutdown Maintenance Service
Quick Zebra Services
MAF Dalkia Bahrain
Path Solutions
Microsoft Bahrain
Zutecgulf W.L.L., Bahrain
EastNets
Xerox
Prevention Software
Honeywell
Sonar Security