

GIBSON, DUNN & CRUTCHER LLP

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Attorneys for the Debtors
and Debtors in Possession

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

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IN RE:	:
	:
ARCAPITA BANK B.S.C.(c), et al.,	:
	:
Debtors.	:
	:
-----X	

Chapter 11
Case No. 12-11076 (SHL)
Jointly Administered

**SUPPLEMENTAL DISCLOSURE OF GIBSON, DUNN & CRUTCHER LLP
IN SUPPORT OF THE DEBTORS’ RETENTION OF GIBSON, DUNN &
CRUTCHER LLP AS GENERAL BANKRUPTCY COUNSEL**

Gibson, Dunn & Crutcher LLP (“*Gibson Dunn*”), counsel to Arcapita Bank B.S.C.(c) (“*Arcapita Bank*”) and its affiliated debtors and debtors in possession (collectively, the “*Debtors*”), hereby supplements its previous disclosures in connection with its representation of the Debtors in the Chapter 11 Cases (as defined below). In support of this supplemental disclosure Gibson Dunn respectfully represents as follows:

BACKGROUND

1. On March 19, 2012 (the “*Petition Date*”), Arcapita and six of its subsidiaries and affiliates (collectively, the “*Arcapita Group*”), 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 have continued 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.

GIBSON DUNN’S RETENTION

2. On April 3, 2012, the Debtors filed the *Debtors’ Application for an Order Approving the Employment and Retention of Gibson, Dunn & Crutcher LLP as Counsel for the Debtors in Possession Nunc Pro Tunc to the Petition Date* [Dkt. No. 51] (the “*Application*”). The Declaration of Michael A. Rosenthal (the “*Rosenthal Declaration*”), which was annexed as Exhibit A to the Application and submitted in support thereof, set forth certain disclosures relating to Gibson Dunn’s connection with various stakeholders in the cases. No objections were filed to the Application. By an order entered on May 15, 2012 [Dkt. No. 142], this Court granted the Application, and Gibson Dunn was retained as the Debtors’ counsel in the Chapter 11 Cases, *nunc pro tunc* as of the Petition Date. On August 23, 2012, Gibson Dunn filed a supplemental disclosure with respect to the Application [Dkt. No. 435] (the “*First Supplemental Disclosure*,” and collectively with the Application and the Rosenthal Declaration, the “*Prior Disclosures*”), disclosing Gibson Dunn’s work for Standard Chartered Bank in June 2012.

PRIOR CONFLICTS SEARCHES

3. In connection with the Prior Disclosures, Gibson Dunn compared a list of Interested Parties, attached as Schedule 3 to the Rosenthal Declaration, to Gibson Dunn’s master client database created from its conflict clearance and billing records. All matches between the Interested Parties and entities in Gibson Dunn’s client database were reviewed by an attorney,

and to the extent that Gibson Dunn represented, or had represented within the three preceding years, any of the Interested Parties, the identities of such entities and, for current clients, a brief description of the type of work performed by Gibson Dunn for the clients, were disclosed.

CONTINUING AND SUPPLEMENTAL DISCLOSURE

4. On September 28, 2012, Kirkland and Ellis LLP filed a Verified Statement Pursuant to Bankruptcy Rule 2019 in connection with its representation of certain holders (the “*Ad Hoc Group*”) of a portion of the \$1.1 billion unsecured Murabaha, Shari’ah-compliant syndicated facility, dated as of March 28, 2007, issued by Arcapita Bank [Dkt. No. 522] (the “*K&E Statement*”). Exhibit A of the K&E Statement listed Silver Point Capital LP (“*Silver Point*”), Taconic Capital Advisors LP (“*Taconic*”) and York Capital Management Global Advisors, LLC as the members of the Ad Hoc Group. The members of the Ad Hoc Group are now “Interested Parties”, as defined in the Application.

5. As part of its ongoing disclosure responsibilities under Rule 2014 of the Federal Rules of Bankruptcy Procedure, Gibson Dunn 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,

6. Gibson Dunn has discovered that Gibson Dunn has represented Silver Point and Taconic in matters unrelated to the Arcapita Group within the last three years. Gibson Dunn represented Silver Point in connection with its debt and equity investments in GBGH, LLC, an energy facility operator, in connection with GBGH, LLC’s winding down its operations. In addition, Gibson Dunn has represented Taconic in connection with discrete matters relating to its investments in the debt of financially distressed companies unrelated to the Arcapita Group.

Gibson Dunn will not perform any work for Silver Point or Taconic that relates to the Arcapita Group in the Chapter 11 Cases.

DISINTERESTEDNESS

7. As reported in the Prior Disclosures, to the best of its knowledge, information and belief, Gibson Dunn does not represent, and has not represented any party as to an interest adverse to the Debtors or their respective estates. Gibson Dunn thus continues to believe that it is a “disinterested person,” as defined in section 101(14) of the Bankruptcy Code. If Gibson Dunn discovers additional information that requires disclosure, Gibson Dunn will file an additional supplemental disclosure as promptly as possible.

Dated: New York, New York
November 21, 2012

Respectfully submitted,

/s/ Michael A. Rosenthal
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