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

-----X	:	
In re	:	Chapter 11
	:	
GSC Group, Inc., et al., ¹	:	Case No. 10-14653 (AJG)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X	:	

**SECOND SUPPLEMENTAL DECLARATION OF JAMES L. GARRITY, JR.
REGARDING ELIGIBILITY FOR APPOINTMENT AS
CHAPTER 11 TRUSTEE AND APPOINTMENT
OF SHEARMAN & STERLING AS TRUSTEE'S COUNSEL**

James L. Garrity, Jr., declares as follows:

1. I am an attorney admitted to practice in the State of New York and before the United States District Courts for the Southern and Eastern Districts of New York. I am a member of the law firm of Shearman & Sterling LLP ("**Shearman & Sterling**"), which maintains its offices at, among other places, 599 Lexington Avenue, New York, New York 10022.

2. By order of this Court dated January 7, 2011, I was appointed Chapter 11 Trustee of the estates of the above-captioned debtors (the "**Debtors**") [Docket No. 388]. In

¹ The Debtors, along with the last four digits of each Debtors' federal tax identification number, are: GSC Group, Inc. (6382), GSCP, LLC (6520), GSC Active Partners, Inc. (4896), GSCP (NJ), Inc. (3944), GSCP (NJ) Holdings, L.P. (0940), GSCP (NJ) L.P. (0785), and GSC Secondary Interest Fund, LLC (6477).

support of the United States Trustee's Application For An Order Approving the Appointment of a Chapter 11 Trustee [Docket No. 380], and to demonstrate (i) that I am eligible to serve as Chapter 11 Trustee in these cases under section 1104(d) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Bankruptcy Code**") and Rule 5002 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"); and (ii) that Shearman & Sterling is eligible to serve as my counsel under section 327 of the Bankruptcy Code, I filed my Declaration Regarding Eligibility for Appointment of Chapter 11 Trustee and Appointment of Shearman & Sterling as Trustee's Counsel, on January 7, 2011 (the "**Initial Declaration**"). Upon learning about additional parties in interest in these cases, I filed a Supplemental Declaration Regarding Eligibility for Appointment of Chapter 11 Trustee and Appointment of Shearman & Sterling as Trustee's Counsel, dated February 10, 2011 (the "**First Supplemental Declaration**").

3. I submit this supplemental declaration (this "**Second Supplemental Declaration**") in furtherance of the representation I made in paragraph 20 of my Initial Declaration that "[i]f I or Shearman & Sterling learns that it has a relationship with, or has represented, a party in interest in these cases, I will supplement this declaration immediately and promptly notify the United States Trustee."

4. To the best of my knowledge, both Shearman & Sterling and I continue to be "disinterested persons" under section 101(14) and 327 of the Bankruptcy Code and sections 101(14) and 1104(d) of the Bankruptcy Code, respectively, and continue to satisfy Bankruptcy Rule 5002. Moreover, to the best of my knowledge, for purposes of section 327 of the Bankruptcy Code, Shearman & Sterling does not hold or represent an interest adverse to the Debtors' estate.

5. After submitting my Initial Declaration and my First Supplemental Declaration, I identified additional parties who may have an interest in these cases.

6. In preparing this Supplemental Declaration, and to ascertain Shearman & Sterling's connection, if any, to those parties, I used the same set of procedures developed by Shearman & Sterling to ensure compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules regarding the retention of professionals by a chapter 11 trustee under the Bankruptcy Code, that I used to prepare my Initial Declaration and First Supplemental Declaration. Those procedures are described in paragraphs 12 and 13 of the Initial Declaration. A copy of the list of Interested Parties that I reviewed is attached as Schedule 1.

7. On the strength of my review of the additional parties who may have an interest in these cases, I have determined that the parties listed on Schedule 2 attached hereto are current clients or affiliates of current clients of Shearman & Sterling. Shearman & Sterling has not and does not represent any of these entities or their affiliates or subsidiaries in matters related to the Debtors or their chapter 11 cases.

8. To the best of my knowledge and information, the annual fees for the parties listed on Schedule 2 did not exceed 0.5% of the annual gross revenue of Shearman & Sterling for the year 2010.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: New York, New York
August 10, 2011

/s/ James L. Garrity, Jr.
James L. Garrity, Jr.

SCHEDULE 1

888 Seventh Avenue LLC
ABN Amro
ACA Compliance Group
ACE
Ace America
AHW Investment Partnership
AIG
Akin Gump Strauss Hauer & Feld LLP
Alcatel – Lucent
Allison Bahen
Ambac Assurance Corporation
American Express
American Express Centurion Bank
American Home Assurance Co.
American Trading And Production Corp.
Ancefin Ltd.
Anna M. Martinez
Applied Insights LLC
Arbor Investments Prop Trust UAD 5/16/97
Archimedes Funding IV (Cayman), Ltd.
AT&T, Inc.
Axa Secondary Fund II
B.M.A. Tall One, Inc.
Bank of Ireland Connecticut Branch
Bank Of Nova Scotia
Barclays Bank PLC
Baxter Investments, LLC
Benecard Services, Inc.
Big Woods II, L.L.C.
Bipco Investments
Bishnu Patnaik
Blackrock PE Select Holdings II LLC
Bloomberg, L.P.
BMA Tall One, Inc.
BMS Tenant Services LLC
Boisi Family Limited Partnership
BoS Mezzanine Partners Fund
Bradley Evan Comp
Brush Creek Capital, LLC
Callidus Debt Partners CLO Fund V, ltd.
Calyon New York Branch, Green Lane CLO Ltd.
Capital Source Finance LLCs
Capitalsource CF LLCs
Carolina McCann
Catletha Brooks
Challenge Foundation
Chemical Investments, Inc.

Chubb Insurance Company Of Europe SE
CIT Communications Finance Corp.
Cobalt Management
Coller Lothian 70, LP
Commonwealth of Pennsylvania
Continental Casualty Company
Copper River CLO Ltd.
Corporate Trust Services UK
Corporation Of Haverford College, The
Crow Family Partnership, L.P.
D.F.G. Capital Corp.
Danny A. Choy
Darier Hentsch Bank & Trust Cayman Ltd.
Dave Ray
David L. Goret
Deb Toner
Dell Financial Services, L.P.
Deltec Bank & Trust
Detroit Fire & Police Retirement System
Deutsche Bank
DFP Investments, LP
Directv, Inc.
Double Mako Investments, LLC
Dukes Place Holdings LLC
Dukes Place Holdings LP
Dukes Place Holdings Ltd.
Elizabeth C. Dub
Ellison Capital, LLC
Emirates Bank International
Endurance CLO Ltd.
Enstar (US) Inc.
Enstar Group Ltd.
EOS, Inc.
Ercilia A. Mendoza
Erlbaum Family Foundation
Erlbaum Family, L.P.
Erlbaum Investments, L.P.
Ernst & Young LLP
Ernst & Young, Inc.
EURO Mezzanine, L.P.
F/B/O Florence Elisa Wigley UAD 7/15/85
Faust Oppenheim LLP
FedEx, Corp.
Ferguson Assoc. Family Partners, LP
Ferguson Associates Family Partners, LP
Feronia, LP
Financial Security Assurance Inc.
Fine Family Limited Partnership
Firststrand (Ireland) Public Limited Co.
Fisher Fund, The
Flight Options

Fluor Corporation
Fortis Nominees
Gadle Partners, L.P.
General Reinsurance Corp.
General Retirement System Of The City of Detroit
Gerald Abell Foundation
Glenn P. Murray
Graham Alternative Investment Partners I
Graham Foundation
Greenwich Insurance Company
Greenwich Street
GTE Service Corp. Master Pension Trust
Guggenheim Partners
Gulf Investment Corporation
Gulfstream – Compass CLO
Hanna Frank Investment LLC
Hanna Frank Investments LLC
Hare & Co.
Hayden Family, LP
Hayden Foundation
Highland CDO Opportunity Master Fund
Highland Partners, L.P.
Horizon BCBSNJ Inc.
IBM Retirement Fund
ING Capital LLC
ING Funds Trust
Intex Solutions, Inc.
JCP&L
Jersey Boy Bagels
Jimit Sheth
Joe Ubaldo
John A. Giampetroni
Jones Investment Fund
Joseph H. Wender
JPMorgan Chase Retirement Plan
JVB Properties, LLP
KBS 300-500 Campus Drive LLC
Kennecott Funding, Ltd.
Key Equipment Finance
Kirk Kapital A/S
Koomar Consulting LLC
L.F. Investments, L.P.
Laguna Seca ABS CDO, Corp.
Laguna Seca ABS CDO, Ltd.
LAL Family Partners, L.P.
Landesbank Baden-Wuerttemberg, London Branch
Landmark II CDO Limited
Landmark III CDO Limited
Landmark IV CDO Limited
Landmark V CDO Limited
Landmark VI CDO Limited

Landmark VII CDO Limited
Landmark VIII CDO Limited
Latham & Watkins LLP
Latitude CLO I Ltd.
Lawrence Loeb
Leanda Cabral
Lehman Ali, Inc.
Lehman Brother International (Europe)
Lehman Brothers, Inc.
Lexington Capital Partners V, LP
Lexington Insurance Company
Lexington Partners - Hamilton Lane 2000
Lloyds TSB
LPAF I, LLC
Mac & Co.
Madison Tower Associates Limited Partner
Magnetar Constellation Master Fund III Ltd.
Maples & Calder
Maria Catapano
Marilyn Felton
Marsh USA Inc.
Mary V. Moroney
Mayank Girdhar
MC AI Holdings (Euro) Limited
McCall Preferred Partners, L.P.
MD Mezzanine SA, SICAR
Meretz Partners, LP
Merrill Lynch Pierce Fenner & Smith
Metlife Insurance Co. of Connecticut
Metlife Insurance Company
Metropolitan Life Insurance Company
Mira Durica
Montauk Partners, L.P.
Moody's Investors Service
Morgan Stanley Dean Witter, Inc.
Morris Saffer Holdings Inc.
MSD Portfolio L.P. - Investments
Multi-Strategy Holdings, L.P.
Myrna R. Fields
Nadkarni Joseph
Natexis Investment Corp.
Natexis Strategic Partners I, LP
National Indemnity Company
National Union Fire Ins. Co. Of Pittsburgh
National Union Insurance Company
NBK Capital
New Mexico State Investment Council
New York City Employees' Retirement System
New York City Police Pension Fund Subchapter 2
New York Life Insurance And Annuity Corporation
New York Life Insurance Company

New York Life Insurance Company Private Equity Separate Account No 39-001
 Newcourt Commercial Finance
 Nextone, LLC
 Nigel Phillips
 Nitin Arora
 Ocean Trails CLO I
 P&J Frank GmbH
 Palmer ABS CDO 2007-1, Ltd.
 Park Avenue Realty Holding, Inc.
 Paul Capital Ellis Holdings, LLCs
 Paul Capital Partners VII Holdings
 Paul Laud
 Pine Street Holdings, LLC
 PJM McDonald Partners, Ltd.
 PMI Mortgage Insurance Company
 Pointblank Co.
 Police & Fire Retirement SYS of Detroit
 Pollard-Parker Partnership
 Polygon Global Opportunities Master Fund
 Pratik Mehta
 Premium Loan Trust I, Ltd.
 Primerica Life Insurance Company
 Principal Life
 Proban Holdings SA
 Property Asset Management, Inc.
 Provco Venture I, L.P. 2
 Psers Cash Management
 Pymrk Greenwich Partnership
 Quail Brook Gs Partners, L.P.
 Rahul Golchha
 Reicon 2006 CLO Investments LLC
 Republic Nominees Limited – 2482
 Restructured Assets Securities - Enhanced Returns Series 2001-35 PT Trust
 Retirement Annuity Plan For Employees Of The Army And Air Force Exchange Service
 Ricoh Americas Corp.
 Ricoh Customer Finance Corp.
 RMPH 1, LLC
 Robert F. Cummings, Jr.
 Robert H. Lessin Venture Capital, LLC
 Round Hill Investment Partners L.P.
 Royal Bank of Scotland PLC
 Sacramento Partners Limited Partnership
 Sailorlaunch Co.
 Salomon Smith Barney Inc.
 Sandra Fontela
 Savitri Nguyen
 Scott Van Den Bosch
 SG Partners, Inc
 Sidley Austin LLP
 SK Private Investment Fund 1998 L.L.C.
 Skidmore, Owings & Merrill LLP

Skyline Credit Ride, Inc.
 Societe Generale
 Southvest Cdo Fund Ltd Partnership
 Squared CDO 2007-1, Inc.
 Squared CDO 2007-1, Ltd.
 Standard & Poor's
 Standard & Poor's Financial Services LLC
 Standard Fire Insurance Company
 Starbird Funding Corp.
 Stephanie B. Crowder
 Stichting Pensioenfond
 Stichting Pensioenfond Metaal EN;
 Stony Point Foundation
 Striker Investment Group, L.P.
 Studley, Inc.
 Sullivan & Cromwell
 Swiss Reinsurance Company Ltd.
 Sylvester Sharp
 Syncora
 Taylor Winfield Corp.
 Teachers' Retirement System of The City Of New York
 Tetragon Financial Group Master Fund Limited
 TFINN & Co.
 The Bank Of Nova Scotia
 The European Mezzanine Fund L.P.
 The Fisher Fund
 The Gerson Group
 The Governor and Company of the Bank of Scotland
 The Hallmark Master Trust
 The Hayden Family Foundation
 The Henry Francis Du Pont Winterthur Museum, Inc.
 The Lynde & Harry Bradley Foundation Inc
 The Phoenix Insurance Company
 The Robert Wood Johnson Foundation
 The Rothchild Foundation Europe
 The Schwarzwaelde Investment Co. L.P.
 The Striker Investment Group, LP
 The Travelers Indemnity Company
 The University of Maryland Foundation, Inc.
 Thorn Communications, LLC
 Tindy Foreign, Inc.
 Tintoretto Investments, LLC
 T-Mobile
 Travelers Indemnity U.K. Investments LLC
 Treasurer Of The State Of Connecticut
 Trust For Retiree Medical, Dental & Life Insurance Plan Of The Army & Air Force
 TRV Employees Fund
 TRV Executive Fund, L.P.
 Tzedakah Foundation
 U.S. Bank, N.A.
 UBS AG, Stamford Branch

UBS Securities LLC
Unicredit Bank AG, London Branch
Unilever United States
US AG, Stamford Branch
Verizon
Versa Capital
VF III Holdings, L.P.
Victor Abriano
Vornado Investments LLC
VZ Recovery IIA Investors, Inc.
Wachovia Bank, National Association
Wargrave Partners Ltd.
Wayne County Employees Retirement System
Wells Fargo Bank, NA FBO Dalton CDO, LTD.
West Gate Horizons Advisors
Westlb AG
Westpoint Stevens Inc.
WG Horizons CLO I
White & Case LLP
Whitecap (US) Fund ISPV LLC
William Kruse
Winston & Strawn LLP
WLD Equity Partners 1999, L.P.
Wolverine Trading Fund A, LLC
WP Global Mezzanine Capital Strategy LP
Wp Global Mezzanine Capital Strategy, L.P.
XL Capital Assurance Inc.
Yahaira Matias
Yale Levin Trust
Yash Shah
Yates Brothers
Yates Drilling Co.
Yates Petroleum Corp.
Zinnah Investments Limited

SCHEDULE 2

Current Clients

American International Group
American Trading & Production Corp.
Bank of America N.A.
Bank of Nova Scotia
Barclays Bank PLC
Calyon New York Branch, Green Lane CLO Ltd.
Credit Suisse
Deutsche Bank
Goldman Sachs & Co.
Key Equipment Finance
Landesbank Baden-Wuerttemberg
Royal Bank of Scotland PLC
Unicredit Bank AG, London Branch
West LB

Affiliates of Current Clients

Alcatel-Lucent
American Express Centurion Bank
AXA Group
Bank of Ireland Connecticut Branch
Chubb Insurance Company of Europe SE
CIT Communications Finance Corp.
Ernst & Young LLP
Ernst & Young, Inc.
Faust Oppenheim LLP
Fortis Nominees
Lehman Brothers Inc.
Metropolitan Life Insurance Company
Polygon Global Opportunities Master Fund
Standard & Poor's
U.S. Bank, N.A.
UBS AG, Stamford Branch
Verizon
Wachovia Bank, National Association
Wells Fargo & Co.