

**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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<b>IN RE:</b>	:	<b>Chapter 11</b>
	:	
<b>ARCAPITA BANK B.S.C.(c), et al.,</b>	:	<b>Case No. 12-11076 (SHL)</b>
	:	
<b>Debtors.</b>	:	<b>Jointly Administered</b>
	:	
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**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 “*Debtors*”), 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’ chapter 11 cases (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.

3. On August 23, 2012 and November 21, 2012, Gibson Dunn filed supplemental disclosures with respect to the Application (Dkt. Nos. 435 and 648) (collectively, the “*Supplemental Disclosures*” and, together with the Application and the Rosenthal Declaration, the “*Prior Disclosures*”), disclosing the services performed by Gibson Dunn in June 2012 for Standard Chartered Bank, and Gibson Dunn’s past representation of Silver Point Capital LP and Taconic Capital Advisors LP.

**PRIOR CONFLICTS SEARCHES**

4. 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 services performed by Gibson Dunn for the clients, were disclosed.

**CONTINUING AND SUPPLEMENTAL DISCLOSURE**

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. Arcapita Ventures I Limited ("*Arcapita Ventures*"), a non-Debtor affiliate of the Debtors, holds approximately 15.6% of the common stock of Aspen Aerogels, Inc. ("*Aspen*"). Gibson Dunn has not represented either Arcapita Ventures or Aspen in any matter in connection with the equity investment in Aspen by Arcapita Ventures.

7. GKFF Ventures I, LLC (f/k/a Argonaut Ventures I, LLC) ("*GKFF*") holds approximately 18.1% of the common stock of Aspen. Gibson Dunn has been retained to represent GKFF in connection with Aspen's raise of additional financing from GKFF and other investors (the "*Aspen Matter*"). Gibson Dunn established an ethical screen after being retained by GKFF in connection with the Aspen Matter between (a) the Gibson Dunn attorneys who are

performing or have performed services to the Debtors in connection with the Chapter 11 Cases (the “*Arcapita Team*”), and (b) the Gibson Dunn attorneys who are performing services to GKFF in connection with the Aspen Matter (the “*Aspen Matter Team*”). No member of the Aspen Matter Team will perform services for the Debtors, and no member of the Arcapita Team will perform services for GKFF.

8. While Gibson Dunn does not believe that its representation of GKFF in the Aspen Matter constitutes a conflict with its representation of the Debtors, Gibson Dunn, in an abundance of caution, requested that Arcapita’s general counsel, Henry Thompson, grant a waiver of any potential conflict and such waiver was given subject to establishment of the ethical screen referenced in paragraph 7 above.

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**DISINTERESTEDNESS**

9. 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  
April 5, 2013

Respectfully submitted,

/s/ Michael A. Rosenthal  
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