

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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*In re* : Chapter 11  
 WASHINGTON MUTUAL, INC., et al.,<sup>1</sup> : Case No. 08-12229 (MFW)  
 :  
 : (Jointly Administered)  
 Debtors. :  
 : Re: Docket No. 4851  
 -----X

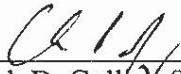
**NOTICE OF FILING OF PROPOSED LETTER ATTACHMENTS TO  
DISCLOSURE STATEMENT FOR THE FIFTH AMENDED  
JOINT PLAN OF AFFILIATED DEBTORS PURSUANT  
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

PLEASE TAKE NOTICE that, in response to a request by Washington Mutual, Inc., a copy of which is annexed hereto as Exhibit A, certain parties objecting to the *Disclosure Statement for the Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* [Docket No. 4851] (as may be further amended, the "Disclosure Statement") have submitted forms of letters, attached hereto as Exhibits B through D, to be attached to the Disclosure Statement and distributed to creditors and parties in interest.

<sup>1</sup> The Debtors in these chapter 11 cases along with the last four digits of each Debtor's federal tax identification number are: (i) Washington Mutual, Inc. (3725); and (ii) WMI Investment Corp. (5395). The Debtors' principal offices are located at 925 Fourth Avenue, Suite 2500, Seattle, Washington 98104.



Dated: July 8, 2010  
Wilmington, Delaware

  
\_\_\_\_\_  
Mark D. Collins (No. 2981)  
Chun I. Jang (No. 4790)  
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-and-

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*Counsel for Debtors and Debtors in  
Possession*

**Exhibit A**

**Request by Washington Mutual, Inc.**

**WEIL, GOTSHAL & MANGES LLP**

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MUNICH  
PARIS  
PRAGUE  
PROVIDENCE  
SHANGHAI  
SILICON VALLEY  
WARSAW  
WASHINGTON, D. C.

BRIAN S. ROSEN  
PARTNER  
DIRECT LINE 212-310-8602  
brian.rosen@weil.com

July 6, 2010

To the Persons Listed  
on Exhibit "A" Hereto:

Re: Washington Mutual, inc.

Reference is made to that certain Disclosure Statement for the Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, dated July 1, 2010 (the "Disclosure Statement").

While Washington Mutual, Inc. and WMI Investment Corp. (collectively, the "Debtors") believe that the Disclosure Statement satisfies the requirements of section 1125 of the Bankruptcy Code and the various objections that have been interposed by, among others, your respective clients, the Debtors would like to afford your respective clients the opportunity include a letter to accompany the Disclosure Statement and be distributed to creditors and equity interest holders. In doing so, you will have the option to state any remaining views in the form you deem most desirable. As some of you are aware, this is exactly the request made previously by counsel to the Consortium of Trust Preferred Securities.

The Debtors submit that this opportunity should be made available to the following seven principal objecting groups and be limited to one letter per group:

- (1) Creditors' Committee (Akin Gump)
- (2) Equity Committee (Susman Godfrey)
- (3) WMI Senior Noteholders (White & Case)
- (4) WMI Subordinated Noteholders (Fried Frank)
- (5) Litigation Tracking Warrants (Andrews/King & Spalding)
- (6) Consortium of Trust Preferred Securities (Brown & Rudnick)
- (7) WMB Bank Noteholders (Pachulski Stang/Bracewell Giuliani)

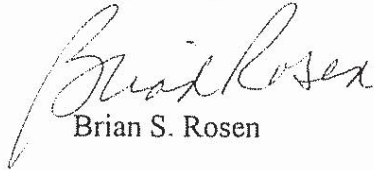
July 6, 2010  
Page 2

As a result, in certain circumstances, it would be incumbent upon counsel to coordinate and develop a unified letter.

If you would like to avail yourself of this opportunity, please provide a copy of your proposed letter to the undersigned by the close of business on July 7, 2010. The Debtors will compile the respective letters received and provide a copy to the Bankruptcy Court so that they may be considered at Thursday's hearing and receive the approval of the Bankruptcy Court. Of course, if you decline to contribute, please let me know as soon as possible.

Thank you in advance for your assistance and cooperation.

Very truly yours,



Brian S. Rosen

cc: Bill Kosturos  
Jon Goulding  
John Maciel  
Charles E. Smith, Esq.  
Mark D. Collins, Esq.  
Chun Jang, Esq.  
Peter Calamari, Esq.  
Susheel Kirpalani, Esq.  
David Elsberg, Esq.  
Benjamin Finestone, Esq.

**Exhibit A**

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Evan Flaschen, Esq.  
Bracewell & Giuliani  
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Hartford, Connecticut 06103-1516

**Exhibit B**

**Letter from Official Committee of Unsecured Creditors**



THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF WASHINGTON MUTUAL, INC., et al.  
c/o Akin Gump Strauss Hauer & Feld LLP  
One Bryant Park, New York, NY 10036

July 7, 2010

To All Unsecured Creditors of Washington Mutual, Inc., et al.:

The Official Committee of Unsecured Creditors (the "Creditors' Committee") of Washington Mutual, Inc., et al. (the "Debtors") writes this letter to unsecured creditors in connection with their consideration of whether to vote in favor of the Debtors' Fifth Amended Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code (the "Plan"). The Plan represents the culmination of extensive negotiations among the Debtors, the Creditors' Committee, JPMorgan Chase Bank, N.A. ("JPMC"), the Federal Deposit Insurance Corporation, as receiver for Washington Mutual Bank (the "FDIC-Receiver"), the Federal Deposit Insurance Corporation, in its corporate capacity (the "FDIC-Corporate"), and certain other parties in interest, as embodied in that certain settlement agreement dated as of May 21, 2010 (the "Settlement Agreement"). The Creditors' Committee is supportive of the Plan based on the current facts and circumstances and urges all unsecured creditors to vote in favor of the Plan.

The principal issues for consideration in connection with the Plan are (i) the reasonableness of the compromise of the Debtors' claims, potential claims, and rights to certain assets embodied in the Settlement Agreement, including (a) the Debtors' rights to certain tax refunds, (b) the Debtors' rights in certain deposit accounts, (c) the Debtors' potential recovery from certain litigations or potential litigations against JPMC, the FDIC-Receiver, and the FDIC-Corporate, (d) the Debtors' potential liability to JPMC, the FDIC-Receiver, and the FDIC-Corporate in certain litigations or potential litigations against the Debtors, and (e) other assets or potential assets of the estate that have been the subject of disputes among certain of the parties to the Settlement Agreement; and (ii) the distributions to be received by unsecured creditors and, potentially, equity holders of cash, liquidating trust interests, and equity interests (the "Reorganized Debtor Stock") to be issued under the Plan.

The Debtors filed petitions for reorganization under chapter 11 of the United States Bankruptcy Code on September 26, 2008 (the "Petition Date"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On October 15, 2008, the United States Trustee appointed the Creditors' Committee, the fiduciary representative of unsecured creditors in the Debtors' chapter 11 cases. The Creditors' Committee is currently composed of four members: The Bank of New York Mellon, Law Debenture Trust Company of New York, Wells Fargo Bank, N.A., and Wilmington Trust FSB, each in its sole capacity as an indenture trustee (each, a "Committee Member" and, collectively, the "Committee Members").

Since the Petition Date, the Creditors' Committee has been actively and extensively involved in (i) investigating the Debtors' assets and liabilities, (ii) litigating the Debtors' rights to certain assets and recoveries, and (iii) formulating the Plan and negotiating the Settlement Agreement upon which the Plan is predicated. After protracted and contentious litigation and arm's-length negotiations, the parties to the Settlement Agreement have agreed to compromise

their respective rights and claims. Under the Plan and Settlement Agreement, the Debtors project that funds in excess of \$7 billion may become available for distribution to the Debtors' creditors on account of their claims. The Debtors, in valuations contained in the disclosure statement relating to the Plan, estimate that unsecured creditors, as a whole, will receive substantial recoveries on account of their claims in cash, interests in a liquidating trust, and/or in Reorganized Debtor Stock. The amount of the recovery for each class of unsecured creditors will be dependent upon the timing and amount of tax refunds that are projected to be received and other factors.

In determining to support the Plan, the Creditors' Committee considered a variety of factors, including, without limitation, (i) the likelihood of success on the merits of the Debtors' litigations and potential litigations, (ii) the Debtors' rights to the potential assets of the estate, many of which rights are disputed by JPMC and the FDIC-Receiver, and (iii) the cost, risks, and delay attendant to litigating the above rights and interests. The Creditors' Committee believes that the Plan represents the best alternative for the Debtors and maximizes value for unsecured creditors. Based on the foregoing, the Creditors' Committee supports the Plan and urges each unsecured creditor to complete and return a ballot voting in favor of the Plan.

Although the Creditors' Committee, by this letter, expresses its support for the Plan, this letter does not necessarily reflect the views of any of the individual Committee Members, each of which reserves any and all of its rights.

If you have any questions with respect to the Plan or the treatment of your claims, please contact the Creditors' Committee's counsel, Akin Gump Strauss Hauer & Feld LLP, by emailing [WMIcreditorscommittee@akingump.com](mailto:WMIcreditorscommittee@akingump.com) or calling (310) 552-6630.

Very truly yours,

The Official Committee of Unsecured Creditors of  
Washington Mutual, Inc., et al.

**Exhibit C**

**Letter from TPS Consortium**



JEREMY B. COFFEY  
Counselor at Law  
direct dial: 617-856-8595  
direct fax: 617-289-0518  
jcoffey@brownrudnick.com

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Massachusetts  
02111  
tel 617 856 8200  
fax 617 856 8201

July 7, 2010

**RE: In re Washington Mutual, Inc., et al. (the "Debtors")**

To the Holders of Class 19 Interests:

We write today in our capacity as counsel to a consortium of investors (the "TPS Consortium") proposed to be treated under Class 19 of the Debtors' chapter 11 plan (the "Plan"), a copy of which is enclosed in the solicitation materials you have received with this letter. In connection with your receipt of the Plan and accompanying materials, the Debtors are seeking your approval of the Plan, which would then be subject to consideration by the United States Bankruptcy Court for the District of Delaware (the "Court").

**AS DISCUSSED BELOW, THE TPS CONSORTIUM BELIEVES THE PLAN, IF APPROVED IN ITS CURRENT FORM, WOULD INAPPROPRIATELY: (A) DEPRIVE HOLDERS OF CLASS 19 INTERESTS OF SIGNIFICANT VALUE; AND (B) RELEASE INAPPROPRIATELY VALUABLE CLAIMS AND CAUSES OF ACTION OF CLASS 19 INTEREST HOLDERS AGAINST NUMEROUS THIRD PARTIES. AS SUCH, THE TPS CONSORTIUM BELIEVES THE MEMBERS OF CLASS 19 SHOULD VOTE AGAINST THE PLAN AND DECLINE TO GRANT THE PROPOSED RELEASES (AS DISCUSSED BELOW).**

The TPS Consortium and its professionals have carefully reviewed the Plan, including the proposed "global settlement" in connection with which the Debtors seek authority to deliver significant additional value (in the form of assets and/or valuable releases of claims) to: (a) JPMorgan Chase, N.A. ("JPMC"); (b) other parties involved in the seizure and sale of Washington Mutual Bank to JPMC in September 2008; and (c) third parties involved in creation, issuance and sale of the Trust Preferred Securities associated with your Class 19 interest. Before casting your vote on the Plan, you should carefully review the accompanying disclosure statement and the contents of this letter.

In particular, the TPS Consortium believes you should be aware of the following critical issues before casting your ballot on the Plan and/or electing whether to grant the requested releases of third parties:



- On July 6, 2010, members of the TPS Consortium commenced litigation against Washington Mutual, Inc. (“WMI”), JPMC and certain other parties involved in the structuring and sale of the Trust Preferred Securities. In that litigation, the TPS Consortium has challenged the Debtors’ assertions as to the purported occurrence of conditional exchange of your Trust Preferred Securities into preferred stock of WMI immediately prior to the filing of the Debtors’ Chapter 11 cases. More specifically, the TPS Consortium believes that important conditions to the consummation of that transaction were not, and cannot now be, fulfilled. Moreover, the TPS Consortium believes the pre-bankruptcy fraud and other misconduct of WMI and other parties in connection with the Trust Preferred Securities provide ample equitable grounds to block any transfer of the Trust Preferred Securities to JPMC, as is contemplated under the Plan. **If the members of TPS Consortium prevail in their lawsuit, members of Class 19 would potentially be entitled to recovery of the full \$4 billion liquidation preference associated with the Trust Preferred Securities, rather than the approximately one penny on the dollar offered under the Plan.** While the Complaint filed by members of the TPS Consortium is of public record with the Court, upon request, counsel to the TPS Consortium will provide you with a copy of the Complaint initiating this litigation.
- Prior to entering into the “global settlement,” the Debtors were a party to other significant litigation against, among others, JPMC and the FDIC (the agency responsible for seizing and selling Washington Mutual Bank). In such other litigation, the Debtors made numerous claims of value purportedly owned by, or owed to, the Debtors, which claims, if successful, could have resulted in significant distributions to creditors in these cases, including members of Class 19. But, prior to entering into the “global settlement” to compromise substantially all of those claims (including claims as to the ownership of the Trust Preferred Securities), the Debtors had conducted, in the view of the TPS Consortium, minimal (and in some cases, perhaps, no) discovery or analysis of such claims. Moreover, it appears the Debtors’ attorneys responsible for negotiating the “global settlement” had potentially disabling conflicts of interest with certain parties who, under the settlement, would receive significant additional benefits, including, without limitation, JPMC.
- By the “global settlement,” the Debtors seek permission to release their claims against JPMC, the FDIC, and others. Through the Plan, the Debtors also seek an



Order of the Court prohibiting **you** from pursuing potentially valuable claims you hold in your own right against such parties.

- The Plan purports to allow you to “opt out” of such releases of your claims. But, the Debtors have indicated their intent to ask the Court to invalidate your exercise of such “opt out” rights, and still force you to release your claims. The TPS Consortium believes a forced release of your claims is inappropriate and contrary to applicable law.

In sum, the TPS Consortium believes the Plan and “global settlement” fail to provide members of Class 19 with an appropriate recovery on account of their interests. In that regard, the TPS Consortium believes members of Class 19 will benefit by voting against the Plan and electing to “opt out” of the releases proposed to be granted to JPMC, the FDIC and others.

We would welcome the opportunity to speak with you and further explain our views prior to the casting of your ballot. In that regard, please feel free to contact me (617-856-8595) or my partners, Robert Stark (212-209-4862) or Sigmund Wissner-Gross (212-209-4930), if you would like to discuss the TPS Consortium’s concerns regarding the Plan.

Very truly yours,

Jeremy B. Coffey

**Exhibit D**

**Letter from Official Committee of Equity Security Holders**



July 7, 2010

To the Preferred Shareholders of Washington Mutual, Inc.,

RE: In re Washington Mutual, Inc., Case No. 08-12229 (MFW)

Dear Preferred Shareholders:

The Susman Godfrey, L.L.P. and Ashby & Geddes, P.A. firms are counsel to the Official Committee of Equity Security Holders (the "Equity Committee"), which was formed in these Chapter 11 cases on January 11, 2010. The Equity Committee is a fiduciary representative of all Washington Mutual Inc. ("Washington Mutual") equity security holders and is charged with investigating the circumstances giving rise to the bankruptcy proceedings commenced by Washington Mutual and WMI Investment Corp. ("WMI Investment", and with Washington Mutual, the "Debtors"), and negotiating with the Debtors and various creditor constituencies a plan of reorganization that appropriately treats all Washington Mutual equity holders. The Equity Committee is currently comprised of five members that, in the aggregate, hold both preferred and common equity securities in Washington Mutual.

With this letter, you are receiving the Debtors' *Disclosure Statement for the Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* (referred to as the "Disclosure Statement"). Attached to the Disclosure Statement is Washington Mutual's *Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* (referred to as the "Plan"). The Plan is a legal document that, if accepted by claimants and approved by the Bankruptcy Court, will provide what you will receive on account of your preferred equity holdings. The Disclosure Statement is meant to provide you with information to help you evaluate whether to vote in favor of the Plan. The Equity Committee recommends that you read the Disclosure Statement and the Plan carefully and completely. Under the Plan, the holders of Preferred Equity Interests may, in certain circumstances, receive a recovery of up to 1% on account of their Preferred Equity Interests, and therefore are entitled to vote to accept or reject the Plan. On the other hand, under the Plan the holders of Common Equity Interests will receive no distribution on account of their Common Equity Interests, and are deemed to reject the Plan.

**THE EQUITY COMMITTEE DOES NOT SUPPORT THE PLAN, DOES NOT BELIEVE THAT THE PLAN IS IN THE BEST INTERESTS OF THE HOLDERS OF PREFERRED EQUITY INTERESTS AND COMMON EQUITY INTERESTS AND RECOMMENDS THAT PREFERRED EQUITY SECURITY HOLDERS VOTE TO REJECT THE PLAN.**

The Plan is based largely on a proposed settlement agreement (the "Settlement") among the Debtors, JPMorgan Chase Bank, N.A. ("JPMC"), the Federal Deposit Insurance Corporation (the "FDIC"), the Official Committee of Unsecured Creditors and certain of the holders of the Debtors' unsecured notes. The Equity Committee was excluded from the negotiations that led to the proposed settlement agreement and formulation of the Plan, both of which remain subject to Bankruptcy Court approval. Through the proposed Settlement and the Plan, Washington Mutual proposes to settle and release the claims it has asserted against JPM and the FDIC in the Bankruptcy Court and elsewhere, and additional potential claims the Debtors hold against JPMC, the FDIC and numerous third parties which the Equity Committee believes could potentially aggregate in multiple billions of dollars more than the amount Washington Mutual stands to receive under the Settlement.

For these reasons, the Equity Committee does not believe that the Plan and the Settlement on which the Plan is based are in the best interests of Washington Mutual's equity security holders, and intends to oppose approval of the Plan and the Settlement. The Equity Committee recommends that holders of Preferred Equity Interests vote to reject the Plan.

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Susman Godfrey, L.L.P.  
654 Madison Avenue, 5<sup>th</sup> Fl.  
New York, NY 10065

---and---

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Co-Counsel for the Official Committee  
of Equity Security Holders

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Co-Counsel for the Official Committee of  
Equity Security Holders