

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	X	
	:	
<i>In re</i>	:	<b>Chapter 11</b>
	:	
WASHINGTON MUTUAL, INC., <u>et al.</u> , <sup>1</sup>	:	
	:	<b>Case No. 08-12229 (MFW)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
	:	<b>Hearing Date: May 20, 2009 at 11:30 a.m. ET</b>
	:	<b>Objection Deadline: April 30, 2009 at 4:00 p.m. ET</b>
	X	

**NOTICE OF APPLICATION AND HEARING**

PLEASE TAKE NOTICE that on April 8, 2009, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the **Application of Debtors Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014 for Authorization to Employ and Retain Quinn Emanuel Urquhart Oliver & Hedges, LLP, as Special Litigation and Conflicts Counsel to the Debtors, *Nunc Pro Tunc* to April 3, 2009** (the “Application”) with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801 (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Application must be filed in writing with the Bankruptcy Court, 824 Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned counsel for the Debtors on or before **April 30, 2009 at 4:00 p.m.**

PLEASE TAKE FURTHER NOTICE that if an objection is timely filed, served and received and such objection is not otherwise timely resolved, a hearing to consider such objection and the Application will be held before The Honorable Mary F. Walrath at the

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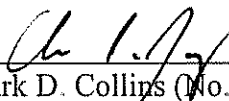
<sup>1</sup> The Debtors in these chapter 11 cases along with the last four digits of each Debtor’s federal tax identification number are: (i) Washington Mutual, Inc. (3725); and (ii) WMI Investment Corp. (5395). The Debtors’ principal offices are located at 1301 Second Avenue, Seattle, Washington 98101.



Bankruptcy Court, 824 Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801 on  
May 20, 2009 at 11:30 a.m.

**IF NO OBJECTIONS TO THE APPLICATION ARE TIMELY FILED,  
SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE  
BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE  
APPLICATION WITHOUT FURTHER NOTICE OR HEARING.**

Dated: April 8, 2009                      **RICHARDS, LAYTON & FINGER, P.A.**  
Wilmington, Delaware

  
\_\_\_\_\_  
Mark D. Collins (No. 2981)  
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– and –

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*Attorneys to the Debtors  
and Debtors in Possession*

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

-----X	:	
<i>In re</i>	:	Chapter 11
	:	
WASHINGTON MUTUAL, INC., <u>et al.</u> , <sup>1</sup>	:	
	:	Case No. 08-12229 (MFW)
	:	
	:	(Jointly Administered)
Debtors.	:	
-----X	:	
	:	Hearing Date: May 20, 2009 at 11:30 a.m. ET
	:	Objection Deadline: April 30, 2009 at 4:00 p.m. ET

APPLICATION OF DEBTORS PURSUANT TO SECTIONS 327(e) AND 328(a)  
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2014 FOR  
AUTHORIZATION TO EMPLOY AND RETAIN QUINN EMANUEL  
URQUHART OLIVER & HEDGES, LLP, AS SPECIAL LITIGATION AND  
CONFLICTS COUNSEL TO THE DEBTORS, NUNC PRO TUNC TO APRIL 3, 2009

TO THE HONORABLE MARY F. WALRATH,  
UNITED STATES BANKRUPTCY JUDGE:

Washington Mutual, Inc. ("WMI") and WMI Investment Corp. ("WMI Investment"), as debtors and debtors in possession (together, the "Debtors"), respectfully represent:

**General Background**

1. On September 26, 2008 (the "Commencement Date"), each of the Debtors commenced with this Court a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). As of the date hereof, the Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

<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 1301 Second Avenue, Seattle, Washington 98101.

2. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

3. On October 15, 2008, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the Official Committee of Unsecured Creditors (the "Creditors' Committee").

4. On November 7, 2008, this Court issued an order, pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, authorizing the Debtors to employ and retain Weil, Gotshal & Manges LLP ("Weil Gotshal") as attorneys for the Debtors in connection with these chapter 11 cases, *nunc pro tunc* to the Commencement Date.

#### **WMI's Business**

5. WMI is a holding company incorporated in the State of Washington and headquartered at 1301 Second Avenue, Seattle, Washington 98101. WMI is the direct parent of WMI Investment, which serves as an investment vehicle for WMI and holds a variety of securities. WMI Investment is incorporated in the State of Delaware.

6. Prior to the Commencement Date, WMI was a savings and loan holding company that owned Washington Mutual Bank ("WMB") and such bank's subsidiaries, including Washington Mutual Bank fsb ("WMBfsb"). WMI also has certain non-banking, non-debtor subsidiaries.

7. Prior to the Commencement Date, WMI, like all savings and loan holding companies, was subject to regulation by the Office of Thrift Supervision (the "OTS"). WMB and WMBfsb, like all depository institutions with federal thrift charters, were also subject to regulation and examination by the OTS. In addition, WMI's banking and nonbanking

subsidiaries were overseen by various federal and state authorities, including the FDIC and the Comptroller of the Currency of the United States. On September 25, 2008, the Director of the OTS, by order number 2008-36, appointed the Federal Deposit Insurance Corporation (“FDIC”) as receiver for WMB and advised that the receiver was immediately taking possession of WMB (the “Bank Receivership”). The Debtors have been advised that the receiver sold substantially all the assets of WMB to JPMorgan Chase Bank, National Association (“JPMorgan Chase”) pursuant to an agreement dated September 25, 2008.

8. WMI’s assets include its common stock interest in WMB, its interest in its non-banking subsidiaries, and approximately \$4 billion of cash that WMI and its non-banking subsidiaries (including WMI Investment) had on deposit at WMB and WMBfsb immediately prior to the time the FDIC was appointed as receiver. WMI is in the process of evaluating these and other assets for purposes of ultimate distribution to its creditors.

#### **Litigation With The FDIC And JPMorgan Chase**

9. On December 30, 2009, the Debtors filed a proof of claim against the FDIC, as receiver of WMB. By letter, dated January 23, 2009, the FDIC notified the Debtors that the FDIC had disallowed the Debtors’ proof of claim in its entirety. The FDIC’s letter also notified the Debtors of their right to challenge the disallowance of their claim by commencing a lawsuit within sixty (60) days of the notice of disallowance.

10. Consistent therewith, on March 20, 2009, in order to challenge the disallowance of their proof of claim, the Debtors filed a complaint against the FDIC in the United States District Court for the District of Columbia, seeking, among other relief, to recover approximately \$6.5 billion in capital contributions, \$4 billion in preferred securities and \$3 billion in tax refunds (the “FDIC Action”).

11. On March 24, 2009, notwithstanding concurrent negotiations between the Debtors and JPMorgan, JPMorgan commenced an adversary proceeding against the Debtors and the FDIC (Adv. Proc. No. 09-50551 (MFW)) in this Court (the “JPMorgan Adversary”). On March 30, 2009, JPMorgan Chase moved to intervene in the FDIC Action (the “JPMorgan Intervention,” and together with the JPMorgan Adversary, the “JPMorgan Actions”).

### **Jurisdiction**

12. This Court has jurisdiction to consider this matter 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.

### **Relief Requested**

13. By this application (the “Application”), the Debtors request, pursuant to sections 327(e) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), entry of the proposed order, substantially in the form attached hereto as Exhibit “B,” authorizing the retention and employment of Quinn Emanuel Urquhart Oliver & Hedges, LLP (“Quinn Emanuel”), as special litigation and conflicts counsel for the Debtors in connection with the JPMorgan Actions, *nunc pro tunc* to April 3, 2009.

14. In support of the Application, the Debtors rely on the Declaration of Susheel Kirpalani, Esq. (the “Kirpalani Declaration”), a partner of Quinn Emanuel, a copy of which is annexed hereto as Exhibit “A.”

### **Retention Of Quinn Emanuel**

15. Section 327(e) of the Bankruptcy Code provides:

The trustee, with the court's approval, may employ, for a specified special purpose, other than to represent the trustee in conducting the case, an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtors or to the estate with respect to the matter on which such attorneys are to be employed.

11 U.S.C. § 327(e).

16. After JPMorgan Chase commenced the JPMorgan Adversary and moved to intervene in the FDIC Action, the Debtors determined that it would be necessary to retain special counsel to represent them in connection with the JPMorgan Actions, due to a conflict that prevented Weil Gotshal from representing the Debtors in these actions. In that regard, at the October 30, 2008 hearing regarding the Debtors' application to retain Weil Gotshal, and in the Affidavit of Brian S. Rosen filed in support of the Debtors' application, Weil Gotshal notified this Court and parties in interest of the need for the Debtors to utilize conflicts counsel in certain circumstances involving JPMorgan Chase, including, but not limited to, a lender liability or avoidance action.

17. Accordingly, on April 3, 2009, the Debtors selected Quinn Emanuel, as special litigation and conflicts counsel. The Debtors believe that retaining Quinn Emanuel is reasonable and necessary in order for the Debtors to prosecute the JPMorgan Actions and to discharge their responsibilities to their estates and creditors. In light of the impending deadlines in the JPMorgan Actions, the Debtors requested that Quinn Emanuel begin its work immediately. Accordingly, as set forth in the Kirpalani Declaration, beginning on April 3, 2009, Quinn Emanuel began representing the Debtors in connection with the JPMorgan Actions.

Accordingly, the Debtors request that the Court approve Quinn Emanuel's retention *nunc pro tunc* to April 3, 2009.

18. Quinn Emanuel possesses extensive knowledge, expertise, and experience in matters concerning complex bankruptcy and commercial litigation including aiding and abetting actions, avoidance actions, cash collateral and DIP financing disputes, contested confirmations, fraud claims, intercompany disputes, fiduciary and lender liability claims, and auditor accountability actions. This extensive experience in handling complex litigation makes Quinn Emanuel particularly well-suited to deal effectively with the myriad of legal issues that may arise in the JPMorgan Actions.

19. The attorneys in charge of this engagement are Peter E. Calamari and Michael B. Carlinsky, partners in Quinn Emanuel's Litigation Department, and Susheel Kirpalani, a partner in Quinn Emanuel's Bankruptcy and Restructuring group. Mr. Calamari and Mr. Carlinsky have extensive experience representing clients in complex commercial litigation, particularly in the financial services industry. Mr. Kirpalani has extensive experience in reorganizations and liquidations, and he is currently the National Chair of the Quinn Emanuel Bankruptcy and Restructuring group. Mr. Kirpalani and other attorneys at Quinn Emanuel, who will be involved in this engagement, while with Quinn Emanuel and at previous firms, have represented the debtors in possession or the official creditors' committees in numerous bankruptcy cases including, without limitation, In re Lehman Brothers Holdings Inc., In re SemGroup L.P., In re Sentinel Management Group, Inc., In re Refco Inc., In re Enron Corp., In re Mirant Corp., In re RCN Corp., In re ICO Global Communications, In re Safety-Kleen Corp., In re Solutia, Inc., In re American Home Mortgage Holdings, Inc., In re Buffets Holdings, Inc., In re The Loewen Group Inc., In re Lernout & Haurpie Speech Products N.V., In re Fruit of the



Loom, Inc., In re National Century Financial Enterprises, Inc., In re Winstar Communications,  
and In re USG Corporation. Quinn Emanuel also has extensive experience representing the  
debtor, bankruptcy trustee, bankruptcy estates, or creditor interests in special litigation matters  
arising in connection with the bankruptcy cases of Refco, Enron, Parmalat, and K-Mart, among  
others.

20. Importantly, Quinn Emanuel's services are not duplicative of the services  
provided by other professionals presently retained in these chapter 11 cases. The Debtors will  
use reasonable efforts to coordinate Quinn Emanuel's services with those of its other  
professionals to avoid unnecessary duplication of services. Weil Gotshal and Quinn Emanuel  
will work to ensure that they do not perform duplicative services for the Debtors.

**Quinn Emanuel Holds No Interest Adverse To The Debtors Or Their Estates**

21. To the best of the Debtors' knowledge, information, and belief, and except  
as otherwise set forth in the Kirpalani Declaration, Quinn Emanuel does not represent or hold  
any interest adverse to the Debtors or their estates with respect to the matters as to which Quinn  
Emanuel is to be employed. The Debtors have been informed that Quinn Emanuel will conduct  
an ongoing review of its files to ensure that no disqualifying circumstances arise and, if any new  
relevant facts or relationships are discovered, Quinn Emanuel will supplement its disclosure to  
the Court.

22. Based on the foregoing and the disclosures set forth in the Kirpalani  
Declaration, Quinn Emanuel does not hold or represent any interest adverse to the Debtors'  
estates that would impair Quinn Emanuel's ability to perform professional services for the  
Debtors, objectively and in accordance with section 327(e) of the Bankruptcy Code, regarding  
the matters on which Quinn Emanuel is proposed to be engaged.

23. To the best of the Debtors' knowledge, and upon information and belief, Quinn Emanuel is not a creditor, equity security holder, or an insider of the Debtors.

#### **Compensation**

24. The Debtors understand that Quinn Emanuel hereafter intends to apply to the Court for allowances of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the U.S. Trustee Guidelines for Reviewing Applications for Compensation & Reimbursement of Expenses Filed under 11 U.S.C. § 330 (the "Guidelines"), that certain Amended Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated November 14, 2008, and further orders of this Court (the "Orders") for all services performed and expenses incurred after the date their retention is approved.

25. For services rendered by Quinn Emanuel in these cases, the Debtors, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, and the Orders, propose to pay Quinn Emanuel its customary hourly rates that are in effect from time to time, as set forth in the Kirpalani Declaration. The Debtors respectfully submit that such rates are reasonable and comparable to the rates other firms charge for similar services.

26. In addition to the foregoing, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines and any Orders, the Debtors propose to reimburse Quinn Emanuel for all reasonable and necessary expenses incurred in connection with their representation of the Debtors, including, among other things, word processing, telephone and telecopier usage, photocopying charges, travel expenses, expenses for "working meals," and computer-aided research, courier services, deposition and transcript fees.

### **The Relief Requested Is Appropriate**

27. Since April 3, 2009, Quinn Emanuel has performed work on the Debtors' behalf in good faith in order to properly advance and protect the Debtors' interests. Quinn Emanuel has performed this work at the direction of the Debtors. Accordingly, it is appropriate that Quinn Emanuel be retained *nunc pro tunc* to April 3, 2009.

28. Based on the foregoing, the Debtors submit that the relief requested is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

### **Notice**


29. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Application has been provided to: (i) the U.S. Trustee; (ii) counsel for the Creditors' Committee; (iii) and parties entitled to receive notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. The Debtors submit that no other or further notice need be provided.

### **No Previous Request**

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

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: Wilmington, Delaware  
April 8, 2009

  
\_\_\_\_\_  
Mark D. Collins (No. 2981)  
Chun I. Jang (No. 4790)  
Lee E. Kaufman (No. 4877)  
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— and —

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ATTORNEYS TO THE DEBTORS  
AND DEBTORS IN POSSESSION

**Exhibit A**

**Kirpalani Declaration**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	X	
	:	
<i>In re</i>	:	<b>Chapter 11</b>
	:	
WASHINGTON MUTUAL, INC., <u>et al.</u> , <sup>1</sup>	:	
	:	<b>Case No. 08-12229 (MFW)</b>
	:	
	:	<b>(Jointly Administered)</b>
	:	
Debtors.	:	
	:	Hearing Date: May 20, 2009 at 11:30 a.m. ET
	:	Objection Deadline: April 30, 2009 at 4:00 p.m. ET
	X	

**DECLARATION OF SUSHEEL KIRPALANI IN SUPPORT OF THE APPLICATION OF  
DEBTORS PURSUANT TO SECTION 327(e) AND 328(a) OF THE BANKRUPTCY  
CODE AND BANKRUPTCY RULE 2014 FOR AUTHORIZATION TO EMPLOY AND  
RETAIN QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP AS SPECIAL  
LITIGATION AND CONFLICTS COUNSEL TO THE DEBTORS. *NUNC PRO TUNC* TO  
APRIL 3, 2009**

Susheel Kirpalani, hereby declares, under penalty of perjury:

1. I am a member of the firm of Quinn Emanuel Urquhart Oliver & Hedges, LLP ("**Quinn Emanuel**" or the "**Firm**"), a law firm with offices at 51 Madison Avenue, New York, New York 10010, Los Angeles, San Francisco, and Silicon Valley, California, as well as London, England and Tokyo, Japan.
2. I submit this declaration in connection with the application of Washington Mutual Inc. and WMI Investment Corp. as debtors and debtors in possession (collectively, "**WMI**" or the "**Debtors**") to employ and retain Quinn Emanuel, *nunc pro tunc* to April 3, 2009, as Special Litigation and Conflicts Counsel to the Debtors in the above-captioned chapter 11 cases (the "**Application**") at its normal hourly rates in effect from time to time, and in

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<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 1301 Second Avenue, Seattle, Washington 98101.

accordance with its normal reimbursement policies, pursuant to section 327(e) of title 11, United States Code, 11 U.S.C. §§ 101 et seq. (the "**Bankruptcy Code**"), and to provide the disclosure required under Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"). Unless otherwise stated in this declaration, I have personal knowledge of the facts set forth herein.

3. In support of the Application, I hereby disclose all known connections with the Debtors, certain of the Debtors' known current and former non-debtor affiliates and subsidiaries, and JP Morgan Chase Bank, National Association ("**JPMC**").

4. I will supplement this declaration to provide additional disclosures relating to Quinn Emanuel's potential connections with other entities comprising potentially interested parties provided to us by counsel to the Debtors, which includes the Debtors' thirty (30) largest unsecured creditors as reflected in the Debtors' bankruptcy petitions and related filings and any members of the official committee of unsecured creditors, the Debtors' current and former directors and managers, affiliations of certain directors and officers, and prepetition secured lenders as of the Petition Date that was developed through discussions with senior management of the Debtors and the Debtors' lead counsel (the "**Potential Party List**").

5. I will further supplement this declaration if additional information becomes available during the pendency of these cases concerning any relationship between the creditors or interest holders of the Debtors and Quinn Emanuel.

#### **QUINN EMANUEL'S PRE-PETITION RELATIONSHIP WITH THE DEBTORS**

6. Quinn Emanuel has not previously represented the Debtors and is not a creditor or equity holder of the Debtors. Quinn Emanuel does not currently possess any retainer from the Debtors.

## **QUINN EMANUEL'S PRE-PETITION RELATIONSHIP WITH JPMC**

7. Quinn Emanuel does not currently and has not previously represented JPMC and is not a creditor or equity holder of JPMC.

## **QUINN EMANUEL'S DISCLOSURE PROCEDURES**

8. Quinn Emanuel, which employs approximately 400 attorneys, has a large and diversified legal practice that encompasses the representation of select institutions and corporations, partnerships, limited liability companies, partnerships, and individuals, some of which are or may consider themselves to be creditors, equity holders, or other parties in interest in the Debtors' pending chapter 11 cases, or otherwise to have interests in these cases.

9. In preparing this declaration, I used a set of procedures developed by Quinn Emanuel to comply with ethical constraints, including the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules regarding the retention of professionals by debtors and statutory committees under the Bankruptcy Code (the "**Quinn Emanuel Disclosure Procedures**"). Pursuant to the Quinn Emanuel Disclosure Procedures, I performed, or caused to be performed, the following actions to identify the parties relevant to this declaration and to ascertain Quinn Emanuel's connections, if any, to such parties:

(a) Quinn Emanuel received the Potential Party list from counsel to the Debtors. Quinn Emanuel identified those entities on the Potential Party List consisting of the Debtors, certain of the Debtors' known current and former non-debtor affiliates and subsidiaries, and JPMC (the "**Initial Parties List**").

(b) Quinn Emanuel maintains a database containing the name of each current and former client, the name of the parties who are or were related or adverse to such current or former client, and the names of the Quinn Emanuel personnel who are or were responsible for current or former matters for such client (the "**Database**"). Quinn Emanuel



maintains the Database to include additional entities that become related to current and former clients.

(c) Quinn Emanuel compared the names included in the Initial Parties List to the names in the Database to identify any matches, to determine whether such matches are current or former clients and identify the Quinn Emanuel personnel responsible for such matters (the "**Initial Client Match List**"). A copy of the Initial Client Match List is attached hereto as Schedule I.

(d) Using information in the Database and by making specific inquiries of Quinn Emanuel personnel, I verified that Quinn Emanuel did not represent any entity on the Initial Client Match List in connection with the Debtors or these chapter 11 cases. An attorney under my supervision and I then reviewed the Initial Client Match List and deleted obvious name coincidences. The remaining client connections were compiled for purposes of preparing this declaration.

**QUINN EMANUEL'S CONNECTIONS WITH THE DEBTORS AND CERTAIN  
FORMER NON-DEBTOR AFFILIATES IN MATTERS UNRELATED TO THESE  
CHAPTER 11 CASES**

10. Following the foregoing procedures, entities in the Initial Client Match List which Quinn Emanuel had represented in the last three years were reviewed by me or an attorney working under my supervision and from such review it was determined that, in respect of each connection between Quinn Emanuel and such parties, Quinn Emanuel does not hold or represent an interest that is adverse to the Debtors' estates with respect to the matters for which Quinn Emanuel is to be employed, except as otherwise stated herein.

11. To the best of my knowledge and information, the annual fees paid in the past three years to Quinn Emanuel by any one of the parties on the Initial Parties List did not exceed 1% (one percent) of Quinn Emanuel's annual gross revenue for such year.

12. Quinn Emanuel currently represents Fannie Mae in investigating its rights arising from transactions with several participants in the mortgage-backed securities industry, which may include the Debtors or its affiliates. No attorney or paraprofessional at Quinn Emanuel representing the Debtors has been or will be involved in the representation of Fannie Mae. Quinn Emanuel is not representing the Debtors in any matter related to Fannie Mae. Quinn Emanuel, on behalf of Fannie Mae, has not to date commenced any action adverse to the Debtors, and has not to date provided any legal advice specifically related to potential claims against the Debtors, and Quinn Emanuel will not represent Fannie Mae in connection with the Debtors' chapter 11 cases.

13. Quinn Emanuel formerly represented Washington Mutual Bank, a former affiliate of the Debtors, on a number of matters. Except as set forth immediately below, each of these representations has concluded and Quinn Emanuel does not currently represent Washington Mutual Bank.

14. Beginning in September 2002, the Firm represented Washington Mutual Bank and Washington Mutual Bank, FA, former affiliates of the Debtors and current subsidiaries of JPMC (the "**Former Affiliates**"), as defendants in connection with an employment class action litigation entitled *Larry Evans and Wesley Hairston on behalf of themselves and all others similarly situated v. Washington Mutual Bank and Washington Mutual Bank, FA* (the "**Class Action Litigation**"). The Firm's representation of the Former Affiliates on the Class Action Litigation has concluded, as the United States District Court adjudicating the Class Action Litigation granted final approval of a settlement agreement resolving the Class Action Litigation on September 25, 2008, and, on March 5, 2009, ordered that no further claims be accepted against the defendants in that litigation. As of the present date, the Court has not issued a written

order approving the settlement agreement. No attorney or paraprofessional at Quinn Emanuel representing the Former Affiliates in the Class Action Litigation has been or will be involved in the representation of the Debtors.

15. Except as disclosed herein, Quinn Emanuel has not, does not, and will not represent any entity or any respective affiliates or subsidiaries thereof, in matters directly related to the Debtors or their chapter 11 cases or in other matters directly adverse to the Debtors during the pendency of these chapter 11 cases. Quinn Emanuel may in the future represent entities that are claimants of, or interest holders in, the Debtors in matters unrelated to the Debtors.

16. As a matter of retention and disclosure policy, Quinn Emanuel will continue to apply the Quinn Emanuel Disclosure Procedures as additional information concerning entities having a material connection to the Debtors is developed and will file appropriate supplemental disclosures with this Court, if necessary.

17. Quinn Emanuel will work with the Debtors' lead counsel, Weil, Gotshal & Manges LLP, to coordinate tasks in matters where either firm cannot be adverse to opposing parties and to otherwise ensure there is no duplication of effort.

#### **QUINN EMANUEL'S RATES AND BILLING PRACTICES**

18. Subject to Court approval, compensation will be payable to Quinn Emanuel on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by the Firm. As is the case with respect to work for all Firm clients, Quinn Emanuel's rates are subject to periodic adjustments to reflect economic and other conditions. Currently, hourly rates of partners for Quinn Emanuel range from \$970 to \$730. Other attorneys' hourly rates, including counsel positions, range from \$950 to \$390. The hourly rates charged for Quinn Emanuel's legal assistants range from \$295 to \$265.

19. Quinn Emanuel's disbursement policies pass through all out-of-pocket expenses at actual cost, or at estimated actual cost when the actual cost is difficult to determine. These expenses include facsimiles, toll calls, overtime meals, computerized research, deliveries, court costs, transcript fees, travel, clerk fees, certain secretarial and other overtime expenses, and other expenses.


20. No promises have been received by Quinn Emanuel or any member, counsel, or associate thereof as to payment or compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code. Quinn Emanuel has no agreement with any other entity to share with such entity any compensation received by Quinn Emanuel or by any such entity.

21. The Debtors' Application requests approval of its retention of Quinn Emanuel as Special Litigation and Conflicts Counsel on rates, terms, and conditions consistent with what Quinn Emanuel charges clients that are not chapter 11 debtors, namely, prompt payment of its hourly rates as adjusted from time to time and reimbursement of out-of-pocket disbursements at cost or based on formulas that approximate the actual cost where the actual cost is not easily ascertainable. Subject to these terms and conditions, and consistent with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, Quinn Emanuel intends to apply for compensation for professional services rendered in these chapter 11 cases at its customary hourly rates and for reimbursement of expenses incurred in connection therewith.

22. The foregoing constitutes the statement of Quinn Emanuel pursuant to sections 327(e) and 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014.

23. I certify that the foregoing statements are true and correct to the best of my knowledge information and belief.

New York, New York  
April 7, 2009

  
Susheel Kirpalani

**SCHEDULE I**

**(INITIAL CLIENT MATCH LIST)**

# SCHEDULE I

## Initial Client Match List

<u>Entity Name</u>	<u>No Connection</u>	<u>Current Client</u>	<u>Former Client</u>	<u>Other Connection (E.g., Representation of Affiliate</u>	<u>Notes/Comments</u>
Washington Mutual, Inc.				X	Quinn Emanuel currently represents Fannie Mae in investigating its rights arising from transactions with several participants in the mortgage-backed securities industry, which may include the Debtors or its affiliates.
WMI Investment Corp.	X				
WM Aircraft Holdings LLC	X				
HS Loan Partners LLC	X				
Sutter Bay Associates LLC	X				
Sutter Bay Corporation	X				
Ahmanson GGC LLC	X				
Ahmanson Residential 2	X				
Washington Mutual Finance Group LLC	X				
Flower Street Corporation	X				
ACD3	X				
Riverpoint Associates	X				

<u>Entity Name</u>	<u>No Connection</u>	<u>Current Client</u>	<u>Former Client</u>	<u>Other Connection (E.g., Representation of Affiliate</u>	<u>Notes/Comments</u>
WMHFA Delaware Holdings LLC	X				
Great Western Service Corporation Two	X				
Ahmanson Obligation Company	X				
ACD2	X				
Ahmanson Residential Development	X				
H.S. Loan Corporation	X				
WM Citation Holdings, LLC	X				
Ahmanson Developments, Inc.	X				
WMI Rainier LLC	X				
PCA Asset Holdings LLC	X				
110 East 42nd Operating Company, Inc.	X				
620-622 Pelhamdale Avenue Owners Corporation	X				
Accord Realty Management Corporation	X				
Ahmanson Land Company	X				
Ahmanson Marketing, Inc.	X				
Bryant Financial Corporation	X				
California Reconveyance Company	X				
CCB Capital Trust IV	X				



<u>Entity Name</u>	<u>No Connection</u>	<u>Current Client</u>	<u>Former Client</u>	<u>Other Connection (E.g., Representation of Affiliate</u>	<u>Notes/Comments</u>
CCB Capital Trust IX	X				
CCB Capital Trust V	X				
CCB Capital Trust VI	X				
CCB Capital Trust VII	X				
CCB Capital Trust VIII	X				
Commercial Loan Partners L.P.	X				
Cranbrook Real Estate Investment Trust	X				
CRP Properties, Inc.	X				
Development, Inc.	X				
Dime Capital Partners, Inc.	X				
Dime Mortgage of New Jersey, Inc.	X				
ECP Properties, Inc.	X				
F.C. LTD.	X				
FA California Aircraft Holding Corp.	X				
FA Out-of-State Holdings, Inc.	X				
Great Western FS Corporation, Inc.	X				
H.F. Ahmanson & Company	X				
Harmony Agency, Inc.	X				
HCP Properties Holdings, Inc.	X				

<u>Entity Name</u>	<u>No Connection</u>	<u>Current Client</u>	<u>Former Client</u>	<u>Other Connection (E.g., Representation of Affiliate</u>	<u>Notes/Comments</u>
HCP Properties, Inc.	X				
HFC Capital Trust 1	X				
HHP Investment, LLC	X				
HMP Properties, Inc.	X				
Home Crest Insurance Services, Inc.	X				
Irvine Corporate Center, Inc.	X				
Ladue Service Corporation	X				
Long Beach Securities Corp.	X				
Marion Insurance Company, Inc.	X				
Mats Mats Bay BPS, Ltd	X				
Mid Country Inc.	X				
Murphey Favre Properties, Inc.	X				
NAMCO Securities Corp.	X				
Neah Bay BPS Holdco, Inc.	X				
Nickel Purchasing Company, Inc.	X				
Norstar Mortgage Corp.	X				
North Properties, Inc.	X				
Pacific Centre Associates LLC	X				
Pacoima Investment Fund I, LLC	X				
Pike Street Holdings, Inc.	X				

<u>Entity Name</u>	<u>No Connection</u>	<u>Current Client</u>	<u>Former Client</u>	<u>Other Connection (E.g., Representation of Affiliate</u>	<u>Notes/Comments</u>
Plainview Inn, Inc.	X				
Providian Bancorp Services	X				
Providian Services Corporation	X				
Providian Services LLC	X				
Providian Technology Services Private Limited	X				
Rivergrade Investment Corp.	X				
Robena Feedstock LLC	X				
Robena LLC	X				
Savings of America, Inc.	X				
Seafair Securities Holding Corp.	X				
Second and Union LLC	X				
Seneca Funding (UK) Limited	X				
Sivage Financial Services LLC	X				
SoundBay Leasing LLC	X				
Stockton Plaza, Incorporated	X				
The E-F Battery Accord Corporation	X				
WaMu 1031 Exchange	X				
WaMu Asset Acceptance Corp.	X				
WaMu Capital Corp.	X				

<u>Entity Name</u>	<u>No Connection</u>	<u>Current Client</u>	<u>Former Client</u>	<u>Other Connection (E.g., Representation of Affiliate</u>	<u>Notes/Comments</u>
WaMu Insurance Services, Inc.	X				
WaMu Investments, Inc.	X				
Washington Mutual - Seattle Art Museum Project Owners Association	X				
Washington Mutual Asset Securities Corp.	X				
Washington Mutual Brokerage Holdings, Inc.	X				
Washington Mutual Capital Trust 2001	X				
Washington Mutual Community	X				
Washington Mutual Mortgage Securities Corp.	X				
Washington Mutual Preferred Funding LLC	X				
Washington Mutual Trade Service Limited	X				
Washington Mutual, Inc.	X				
Western Service Co.	X				
WM Asset Holdings Corp.	X				
WM Enterprises & Holdings, Inc.	X				
WM Funds Disbursements, Inc.	X				
WM Marion Holdings, LLC	X				
WM Mortgage Reinsurance Company, Inc.	X				

<u>Entity Name</u>	<u>No Connection</u>	<u>Current Client</u>	<u>Former Client</u>	<u>Other Connection (E.g., Representation of Affiliate</u>	<u>Notes/Comments</u>
WM Specialty Mortgage LLC	X				
WM Winslow Funding LLC	X				
WMB Baker LLC	X				
WMB St. Helens LLC	X				
WMBFA Insurance Agency, Inc.	X				
WMFS Insurance Services, Inc.	X				
WMGW Delaware Holdings LLC	X				
WMICC Delaware Holdings LLC	X				
WMRP Delaware Holdings LLC	X				
Yellowstone Venture, Inc.	X				
Washington Mutual Bank			X		Quinn Emanuel formerly represented WMB in numerous matters, including the Class Action Litigation (as defined in the Kirpalani Declaration).
Washington Mutual Bank fsb	X				

**Exhibit B**

**Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

-----X	
	:
<i>In re</i>	:
	:
WASHINGTON MUTUAL, INC., <u>et al.</u> , <sup>1</sup>	:
	:
	:
Debtors.	:
	:
-----X	

**Chapter 11**

**Case No. 08-12229 (MFW)**

**(Jointly Administered)**

**ORDER PURSUANT TO SECTIONS 327(e) AND 328(a) OF  
THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2014  
AUTHORIZING THE EMPLOYMENT AND RETENTION OF QUINN  
EMANUEL URQUHART OLIVER & HEDGES, LLP AS SPECIAL LITIGATION  
AND CONFLICTS COUNSEL TO THE DEBTORS *NUNC PRO TUNC* TO APRIL 3, 2009**

Upon the application, dated April 8, 2009 (the "Application"), of Washington Mutual, Inc. ("WMI") and WMI Investment Corp. ("WMI Investment"), as debtors and debtors in possession (together, the "Debtors"), for entry of an order pursuant to sections 327(e) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the Debtors to employ and retain Quinn Emanuel Urquhart Oliver & Hedges, LLP ("Quinn Emanuel"), as special litigation and conflicts counsel to the Debtors, *nunc pro tunc* to April 3, 2009;<sup>2</sup> and upon the Declaration of Susheel Kirpalani, Esq. (the "Kirpalani Declaration"), a partner at Quinn Emanuel, which is annexed to the Application as Exhibit "A;" and the Court being satisfied, based on the representations made in the Application and in the Kirpalani Declaration, that Quinn Emanuel represents no interest adverse to the Debtors' or the Debtors' estates with respect

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<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 1301 Second Avenue, Seattle, Washington 98101.

<sup>2</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Application.

to the matters upon which they are to be engaged, under section 327 of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that their employment is necessary and in the best interests of the Debtors' estates; the terms of the engagement are reasonable terms for the purposes of section 328(a) of the Bankruptcy Code; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 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 to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Application is necessary and in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is granted; and it is further

ORDERED that, in accordance with sections 327(e) and 328(a) of the Bankruptcy Code, Bankruptcy Rule 2014, and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, the Debtors are authorized to employ and retain Quinn Emanuel, as special litigation and conflicts counsel to the Debtors on the terms set forth in the Application and this order, *nunc pro tunc* to April 3, 2009, in the above-captioned cases; and it is further

ORDERED that Quinn Emanuel shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the



Local Rules, this order, that certain Amended Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated November 14, 2008, and any other applicable orders of this Court; and it is further

ORDERED that, during the pendency of any of the Debtors' chapter 11 cases, this Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation or enforcement of this Order.

Dated: Wilmington, Delaware  
\_\_\_\_\_, 2009

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THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE