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I, UWE GOEKER, hereby declare under penalty of perjury as follows:

1. I joined Washington Mutual Bank, Henderson Nevada (“WMB”), in June 2004, as a Program Coordinator. I was promoted to my current position of Program Manager/Manger of Business Strategy Solutions and Vice President—Legal in June 2008 and became employed by JPMorgan Chase Bank, NA (“JPMC”), after JPMC acquired certain assets of WMB in September 2008. I submit this declaration in support of the JPMC’s Supplemental Opposition to Plaintiffs’ Motion for Summary Judgment based upon my personal knowledge of the matters described below.

2. Since joining JPMC, I have been responsible for, among other things, the oversight and management of all WMB-related litigation e-discovery projects at JPMC.

3. Employees of WMB and JPMC created and create many different types of electronic documents, including, but not limited to e-mail communications, in the ordinary course of business and of performing their job functions. To the best of my knowledge, these documents are prepared by employees with knowledge of the matters in those documents, at or near the time of the dates that are shown on the documents. In the course of the regularly conducted business activity, and as a regular practice, this electronic data was and is automatically captured by one of several technology platforms used by WMB and JPMC. WMB’s existing electronic data was preserved and transferred to JPMC following JPMC’s purchase of certain WMB assets on September 25, 2008.

4. Consistent with my responsibilities at JPMC, I have overseen the collection of various electronic documents that were captured and preserved by the various technology platforms used by WMB and JPMC. At my direction these documents were collected by members of the Technology and Messaging Departments and transferred to a centralized enterprise data management system. Attached hereto are true and correct copies of documents maintained by JPMC on this centralized system in the ordinary course of business.

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed this 10th day of September 2009 at Seattle, Washington.

  
Uwe Goeker

**From:** Logan, Doreen  
**Sent:** Monday, April 17, 2006 2:25:21 PM  
**To:** Phillips, Laura  
**CC:** Falls, Keith; Smallow, Timothy B  
**Subject:** RE: IC Master Note

Collateral is all mortgages, not mortgage securities. You can send the examiner to Keith Falls in Treasury. He pledges loans from Co 2 to Co 40 weekly.

Doreen Logan, CPA

-----Original Message-----

**From:** Phillips, Laura  
**Sent:** Monday, April 17, 2006 11:24 AM  
**To:** Logan, Doreen  
**Subject:** RE: IC Master Note

I haven't heard back from the Examiner. She isn't here today. What about on Co. 2's side? What is collateralizing the balance? Is it mostly mortgage securities? If she wanted to see the detail, where would she be able to get it?

Thanks!

*Laura L. Phillips*  
 Regulatory Reporting, Controller's Group  
 206-377-4833  
 email: Laura.L.Phillips@wamu.net

---

**From:** Logan, Doreen  
**Sent:** Monday, April 17, 2006 11:15 AM  
**To:** Phillips, Laura  
**Subject:** RE: IC Master Note

Did you need more info on this or is it all okay?

Doreen Logan, CPA

-----Original Message-----

**From:** Phillips, Laura  
**Sent:** Wednesday, April 12, 2006 1:51 PM  
**To:** Logan, Doreen  
**Subject:** RE: IC Master Note

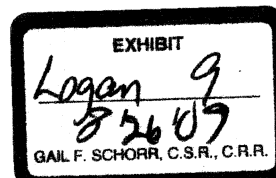
Doreen -

Thank you! Do we know the specifics of what made up the balance at 12/31/2005?

Laura

*Laura L. Phillips*  
 Regulatory Reporting, Controller's Group  
 206-377-4833  
 email: Laura.L.Phillips@wamu.net

-----Original Message-----



**From:** Logan, Doreen  
**Sent:** Wednesday, April 12, 2006 1:48 PM  
**To:** Phillips, Laura  
**Cc:** Smallow, Timothy B; Sherrington, Gregg R.; Berger, Monica J.; Schulte, Patricia  
**Subject:** RE: IC Master Note

Laura:

Thank you for your question on the Master Note between Co 2 and Co 40.

The Master Note was set up in September 2004 (and updated in September 2005) to create an earning asset for Co 40. Before the creation of the master note, excess cash was on deposit at Co 2 in a demand deposit account. The size of that deposit account rose to almost \$14 billion. It is unreasonable to assume that any business would leave \$14 billion in a demand deposit account, uninvested. Therefore, we created the master note between Co 2 and Co 40 to create an earning asset for Co 40.

Excess funds at Co 40 arise when there are asset sales or P&I collections on MBS, etc. Co 40 does not have substantial cash needs. Before the master note, when the incoming cash exceeded the need, Co 40 was left with only two options; leave it on deposit at the Federal Reserve Bank for no benefit or leave it on deposit with Co 2. Both of those options did provide an income stream to Co 40. Co 40 could have opened an MMDA account at Co 2, but there would be more than 6 debits a month so the account would no longer qualify for MMDA status.

The Master Note is basically a commercial loan from Co 40 to Co 2. Co 2 pays Co 40 interest on this note at the per annum rate of one-month LIBOR. Interest is calculated and posted monthly. The Master Note was executed by Robert Williams, under the authority in the Intercompany Transaction Standard of the ALMLP, Transaction Type 3.

The note is secured by a weekly pledge of loans from Co 2 to Co 40. Keith Falls is in charge of the weekly loan pledge.

There is no ALLL required for this master note because it is a loan from a sub to its parent, it is secured by real estate and it is eliminated in consolidation.

Let me know if you have any questions. I'll send a copy of the Master Note to your attention. (It says "VOID VOID VOID" all over the note because it is on safety paper; the original does not say "VOID VOID VOID".)

I've copied a few other folks that needed to know the information, too, as well as the potential recipients of other OTS questions about the Master Note.

Doreen Logan, CPA

-----Original Message-----

**From:** Phillips, Laura  
**Sent:** Wednesday, April 12, 2006 9:46 AM  
**To:** Logan, Doreen  
**Subject:** IC Master Note

Hi Doreen -

An OTS Examiner, Denise Mueller, has been tasked with finding out what the detail of the \$9 billion balance of the IC Master Note on fsb's books consists of. Do you have anything in writing that describes it?

Thanks!

Laura

*Laura L. Phillips*  
Regulatory Reporting, Controller's Group  
206-377-4833  
email: [Laura.L.Phillips@wamu.net](mailto:Laura.L.Phillips@wamu.net)

**From:** Bjorklund, Bob <bob.bjorklund@wamu.net>  
**Sent:** Friday, November 30, 2007 3:03 PM  
**To:** Logan, Doreen <doreen.logan@wamu.net>; Freilinger, Peter <peter.freilinger@wamu.net>; Falls, Keith <keith.falls@wamu.net>  
**Cc:** Sherrington, Gregg R. <gregg.sherrington@wamu.net>; Smallow, Timothy B. <timothy.smallow@wamu.net>  
**Subject:** RE: Transfer from Master Note to DDA

---

Damn good thing we figured out a way to get this done with out purchasing securities. \$3 billion would have been a BIG hole to fill.

Thank you again Doreen and Keith!

-Bob

---

**From:** Falls, Keith  
**Sent:** Friday, November 30, 2007 11:52 AM  
**To:** Koh, Rolando V.; Sherrington, Gregg R.; Noblezada, Yolanda B.; Winder, Brandon J.  
**Cc:** Smallow, Timothy B.; Bjorklund, Bob; Logan, Doreen  
**Subject:** Transfer from Master Note to DDA

Hello,

Please have company 2 repay \$3.2 billion on its master note with company 40; then have company 40 put those funds on deposit with company 2 in its DDA account.

Rolando & Gregg:

On MTS, please send \$3.2 billion from GL account 45798-9909 on company 2 to DDA account 095-014777-0.

Yolanda:

On the GL, please post a \$3.2 billion debit to the cash account 40-10450-9909 and a \$3.2 billion credit to the 40-20601-9909.

Please let me know if you have any questions. Thank you! :-)

-Keith

---  
Keith Falls  
Washington Mutual  
Treasury Department

phone 206.554.8626 fax 206.554.7207

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**B964**

**From:** Ryason, Tawnya <tawnya.ryason@wamu.net>  
**Sent:** Friday, December 14, 2007 1:37 PM  
**To:** Falls, Keith <keith.falls@wamu.net>  
**Cc:** Smallow, Timothy B. <timothy.smallow@wamu.net>; Logan, Doreen <doreen.logan@wamu.net>  
**Subject:** RE: Master note between companies 2 and 40

---

Keith,

Entity Accounting (or Intercompany Accounting) would not take care of the negative balance, that would be the account owner's responsibility (Lulu St. John) to monitor their balance and adjust the negative balance appropriately.

Intercompany Accounting monitors all I/C balances prior to quarter end (and year end) to ensure that any negative balances are appropriately settled or reclassified. If this balance is still negative as we near the end of the month, our process is to contact Lulu to either transfer cash to clear the negative balance or reclass it to a note where Co 40 is the borrower.

If you know that the balances will still be negative later in the month, the best course of action would be to reclass balance now instead of waiting until year end.

If you have any questions, please let me know.

Thanks!  
Tawnya

---

**From:** Falls, Keith  
**Sent:** Friday, December 14, 2007 10:01 AM  
**To:** Ryason, Tawnya  
**Cc:** Smallow, Timothy B.; Logan, Doreen  
**Subject:** Master note between companies 2 and 40

Hi Tawnya,

We were working to post collateral for the master note where company 2 borrows from company 40, but noticed that the receivable balance at company 40 had gone negative. Do we need to worry about that at all, or does entity accounting take care of it during the month-end close process? I know a new master note was recently opened that allows company 40 to borrow from company 2.

Thanks!

-Keith

Keith Falls  
Treasury Analyst Sr.  
Cash Management  
Treasury

Washington Mutual  
1101 Second Avenue, WMC1409  
Seattle, Washington 98101

206.554.8626 direct, 206.502.4489 fax  
zoeth.falls@wamu.net

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**From:** Hunt, James G.  
**Sent:** Wednesday, February 13, 2008 4:31:50 PM  
**To:** Logan, Doreen  
**CC:** Norman, Michael W.  
**Subject:** RE: Deposit of IRS Refund

Doreen:

Ask away... We have requested a wire transfer. I have a call into the IRS regarding when the transfer will take place. Any other details you want to know? I can ask the Service!!!!

Jim

---

**From:** Logan, Doreen  
**Sent:** Wednesday, February 13, 2008 1:20 PM  
**To:** Hunt, James G.  
**Cc:** Norman, Michael W.  
**Subject:** RE: Deposit of IRS Refund

I know I'm asking a bunch of detailed questions...but now we wonder how we'll be receiving the refund? Check? Wire? ACH? Whatever method, our crack Cash Mgmt team can track it...as long as they know it's coming.

Since WMI is the payer for the consolidated group, we assume that WMI will receive the refund and then WMB, as the largest sub of WMI, will receive most of the refund. We'll wait for Ace Award Winner Mike Norman to let us know if I've got that right.

Thanks Tax Gents!

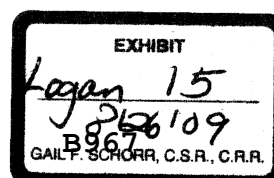
Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

---

**From:** Hunt, James G.  
**Sent:** Wednesday, February 13, 2008 1:14 PM  
**To:** Logan, Doreen  
**Cc:** Norman, Michael W.  
**Subject:** RE: Deposit of IRS Refund

Doreen:

Typically the refund is not broken down by legal entity because the tax return is filed on a consolidated basis. I think that this can be processed like any other tax refund we receive in the normal course of filing. Mike- am I correct about this?



Jim

---

**From:** Logan, Doreen  
**Sent:** Wednesday, February 13, 2008 1:10 PM  
**To:** Hunt, James G.  
**Subject:** RE: Deposit of IRS Refund

We'll need to know breakdown by legal entity when received. I don't think the refund stays at WMI; most likely passes down to WMB etc. The Cash Mgmt guys will ask so I'm heading them off at the pass.

Thanks Jim. Good news is nice to get.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

---

**From:** Hunt, James G.  
**Sent:** Wednesday, February 13, 2008 1:07 PM  
**To:** Logan, Doreen; Hunt, James W.  
**Cc:** Norman, Michael W.; Brouwer, Curt  
**Subject:** Deposit of IRS Refund

Doreen/Jim:

I am working with the IRS to process the deposit of a federal tax refund for the 2001-2003 tax years. The net refund (tax only) is in the amount of \$1,642,334,120. I am trying to get a precise deposit date (or series of dates) as well as, the amount of interest to be deposited. I will keep you posted. Please cascade as appropriate.

Jim

**James G. Hunt**  
**Washington Mutual**  
First Vice President  
Director of Tax Controversy  
1301 2nd Avenue, 22nd Floor MS: WMC 2202  
Seattle, WA 98101  
206-500-5761 Direct/ 206-377-3295 Fax  
E-mail: james.g.hunt@wamu.net

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**From:** Logan, Doreen  
**Sent:** Friday, February 22, 2008 1:27:10 PM  
**To:** Winder, Brandon J.; Suzuki, Dennis M.; Koh, Rolando V.  
**CC:** Sherrington, Gregg R.  
**Subject:** RE: Tax Refund

Oh yeah... for WMI cash planning, it keeps none of the refund.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

---

**From:** Winder, Brandon J.  
**Sent:** Friday, February 22, 2008 10:25 AM  
**To:** Suzuki, Dennis M.; Koh, Rolando V.  
**Cc:** Sherrington, Gregg R.; Logan, Doreen  
**Subject:** Tax Refund

Ro and Dennis,

As you know, on Tuesday 2/26 we will be receiving a large tax refund. When we receive the wire can you let me know? I need to move the money down to company 2 that day.

**Brandon Winder**  
Treasury Cash Management  
206-302-4135

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**From:** Logan, Doreen <doreen.logan@wamu.net>  
**Sent:** Tuesday, July 29, 2008 6:36 PM  
**To:** Stearns, Steve <steve.stearns@wamu.net>  
**Subject:** FW: Call at 2.00 p.m. Seattle time?

---

Rob explains below why failing the QTL is somewhat of a nuclear event for WaMu.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

---

**From:** Monheit, Robert S.  
**Sent:** Tuesday, July 29, 2008 3:26 PM  
**To:** Smith, Chad  
**Cc:** Logan, Doreen

**MATERIAL  
REDACTED**

**MATERIAL  
REDACTED**

Robert S. Monheit  
First VP & Assistant GC  
Washington Mutual Bank  
589 Fifth Avenue, 4th Floor  
New York, NY 10017  
Phone: (212) 326-6104  
Fax: (212) 326-6171  
Seattle: (206) 500-4359

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---

**From:** Smith, Chad  
**Sent:** Tuesday, July 29, 2008 12:24 PM  
**To:** Monheit, Robert S.  
**Cc:** Logan, Doreen  
**Subject:** Call at 2.00 p.m. Seattle time?

Can you do a call at 2.00 p.m. Seattle time?

Kindest regards,

Chad Smith, First Vice President  
Assistant General Counsel  
Team Lead--Capital Markets & Structured Finance  
Legal

Washington Mutual  
Legal Department  
1301 Second Avenue, WMC 3501  
Seattle, Washington 98101

Telephone: 206.500.4347  
Facsimile: 206.377.2236  
Email: [charles.e.smith@wamu.net](mailto:charles.e.smith@wamu.net)

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IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, I inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

**From:** Bjorklund, Bob <bob.bjorklund@wamu.net>  
**Sent:** Tuesday, July 29, 2008 8:50 PM  
**To:** Logan, Doreen <doreen.logan@wamu.net>; Falls, Keith <keith.falls@wamu.net>; Stearns, Steve <steve.stearns@wamu.net>  
**Cc:** DL Treasury Collateral <DLTreasuryCollateral@wamu.net>  
**Subject:** Re: QTL Update

---

Sounds good. I know there are several moving parts to the QTL going on right now, but for planning purposes I don't think we'll be making any additional DN purchases until late August at the earliest.

- Bob  
(sent from my BlackBerry)

----- Original Message -----

From: Logan, Doreen  
To: Falls, Keith; Bjorklund, Bob; Stearns, Steve  
Cc: DL Treasury Collateral  
Sent: Tue Jul 29 15:47:45 2008  
Subject: RE: QTL Update

We'll move the cash into the dda on the 31st. The one day of a high balance won't sway the FDIC premium too much. We'll just make sure Scott Maw has to pay for it and not Treasury.

Thanks.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

-----Original Message-----

From: Falls, Keith  
Sent: Tuesday, July 29, 2008 3:42 PM  
To: Bjorklund, Bob; Stearns, Steve; Logan, Doreen  
Cc: DL Treasury Collateral  
Subject: RE: QTL Update

Placing cash in the DDA account will probably make more sense (no negative carry). We'll just take those discount notes going away into account for our projection.

-Keith

Keith Falls

Treasury Analyst  
Cash Management  
Treasury

Washington Mutual  
1301 Second Avenue, WMC1409  
Seattle, Washington 98101

206.554.8626 direct, 206.302.4489 fax  
keith.falls@wamu.net

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-----Original Message-----

From: Bjorklund, Bob  
Sent: Tuesday, July 29, 2008 3:40 PM  
To: Falls, Keith; Stearns, Steve; Logan, Doreen  
Cc: DL Treasury Collateral  
Subject: Re: QTL Update

I was not planning on it. But could do if needed.  
How comfortable are we with a 1.2% cushion?  
- Bob  
(sent from my BlackBerry)

----- Original Message -----

From: Falls, Keith  
To: Bjorklund, Bob; Stearns, Steve; Logan, Doreen  
Cc: DL Treasury Collateral  
Sent: Tue Jul 29 15:34:43 2008  
Subject: QTL Update

Hello,

I took a look at the QTL again for today. The estimate is down to 67.0% because \$400mm of discount notes matured yesterday. There are \$479mm scheduled to mature tomorrow. If those go unreplaced, we'll be at 66.2%. I didn't see any other large changes come through.

Are we planning to replace the maturing discount notes?

Thanks!

-Keith

Keith Falls  
Treasury Analyst  
Cash Management  
Treasury

Washington Mutual

1301 Second Avenue, WMC1409  
Seattle, Washington 98101

206.554.8626 direct, 206.302.4489 fax  
keith.falls@wamu.net

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**From:** Falls, Keith <keith.falls@wamu.net>  
**Sent:** Monday, August 4, 2008 2:34 PM  
**To:** Im, Noreen <noreen.im@wamu.net>  
**Cc:** St John, Lourdes A. <lourdes.st.john@wamu.net>  
**Subject:** RE: Transfer from Master Note to DDA

---

Hi Noreen,

On Friday the cash that was put into the DDA account was put back on the master note. We had to hold the \$2 billion as cash over month-end to ensure we passed the QTL test.

The QTL (Qualified Thrift Lender) test is a regulatory test that's performed each month-end. To maintain our OTS bank charter, we're required to hold at least 65% of our "portfolio assets" in "qualified thrift investments". For the test, "portfolio assets" means total assets, minus up to 20% of total assets that are cash and unencumbered securities. "Qualified thrift investments" are mortgage loans, MBS securities and certain other assets. If it doesn't look like we're going to pass the test, we must increase qualified thrift investments, reduce total assets, or increase cash and unencumbered securities (up to the 20% limit).

Co 40's master note receivable with WMB is not a qualified asset for the test. Because it had grown so large, we estimated that we may come within 2 percentage points of not passing the test for Co. 40. Because not passing the test could have severe consequences, we had WMB repay \$2 billion on the master note and WMBfsb put that cash into its DDA account. This helps because it increases cash and unencumbered securities, which reduces the denominator on the test. The test is based on month-end, so we just needed to hold things that way over month-end. We put the cash back into the master note on Friday to minimize FDIC assessments on the large DDA account balance.

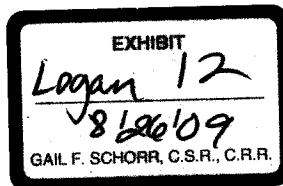
Let me know if you have any questions. I know there's several projects in the works to fix the situation at co.40 so we wont be so close on the test each month.

-Keith

Keith Falls  
Treasury Analyst  
Cash Management  
Treasury

Washington Mutual  
1301 Second Avenue, WMC1409  
Seattle, Washington 98101

206.554.8626 direct, 206.302.4489 fax  
keith.falls@wamu.net



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---

**From:** St John, Lourdes A.  
**Sent:** Monday, August 04, 2008 11:08 AM  
**To:** Falls, Keith  
**Cc:** Im, Noreen  
**Subject:** FW: Transfer from Master Note to DDA

Hi Keith,

Can you please respond to Noreen. Can you also give us a quick lesson on QTL.

Thanks,  
Lulu

---

**From:** Im, Noreen  
**Sent:** Monday, August 04, 2008 10:57 AM  
**To:** St John, Lourdes A.  
**Subject:** FW: Transfer from Master Note to DDA

Hi Lulu-

Can you tell me if the \$2B that was moved into Co 40's cash account from the master note will be reversed today? According to Keith Falls, this was supposed to be a temporary transfer to "help the QTL".

Also, can you explain what the QTL is?

Thank you so much-

Noreen Im  
Entity Accounting- Corporate Controllers Group  
ph (206) 500 3016 fx (206) 377 2077  
Mailstop: WMC2401

---

**From:** Vasallo, Elenita  
**Sent:** Friday, August 01, 2008 11:46 AM  
**To:** Im, Noreen  
**Cc:** Ryason, Tawnya  
**Subject:** FW: Transfer from Master Note to DDA

FYI

---

**From:** St John, Lourdes A.  
**Sent:** Friday, August 01, 2008 11:43 AM  
**To:** Vasallo, Elenita  
**Subject:** FW: Transfer from Master Note to DDA

Here you go. Let me know if you have further question on the money movement. Thanks Ms. Ellen.

---

**From:** Noblezada, Yolanda B.  
**Sent:** Thursday, July 31, 2008 1:29 PM  
**To:** Jaeger, Jessica; St John, Lourdes A.  
**Subject:** FW: Transfer from Master Note to DDA

FYI

---

**From:** Falls, Keith  
**Sent:** Thursday, July 31, 2008 10:51 AM  
**To:** DL Treasury Cash Management; Noblezada, Yolanda B.; Winder, Brandon J.  
**Cc:** DL Treasury Collateral; Logan, Doreen; Bjorklund, Bob; Stearns, Steve  
**Subject:** Transfer from Master Note to DDA

Hello,

To help with the QTL, we need to move cash from the master note to WMBfsb's DDA account today, and then put it back tomorrow.

On MTS (Rolando/Dennis/Gregg), please send \$2 billion from GL account 45798-9909 on company 2 to DDA account 095-014777-0.

On the GL (Yolanda/Brandon), please post a \$2 billion debit to the cash account 40-10450-9909 and a \$2 billion credit to 40-20601-9909.

Please let me know if you have any questions. We'll do the opposite thing tomorrow. Thank you!

-Keith

Keith Falls  
Treasury Analyst  
Cash Management  
Treasury

Washington Mutual  
1301 Second Avenue, WMC1409  
Seattle, Washington 98101

206.554.8626 direct, 206.302.4489 fax

B977

keith.falls@wamu.net

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**From:** Akre, Steven  
**Sent:** Tuesday, August 05, 2008 12:38:28 PM  
**To:** Logan, Doreen  
**Subject:** RE: FDIC Assessments - capital infusion

Doreen,

I realize we're rehashing what we talked about, but I just didn't fully understand the issues enough to be able to explain it to someone else. (repetition helps!)

The non-interest checking acct comment was just relaying information from the DDA spreadsheet I got from I/C Acctg, however and I thought it was interesting that we weren't putting that level cash to work, but your response clears that up.

Regarding our discussion last week, I really didn't fully grasp the concept of providing WMB funding (liquidity), this is because I didn't really understand the legal entity pieces, what difference does it make if the cash is sitting at WMI, or WMB? Its still liquidity, at least that was my thinking, especially because were paying minimal dividends/taxes.

If you go back to the Jan 08 WMI cash forecast, the avg balance is ~\$2.5B, including paying ~\$800M in dividends, and \$2.3B in debt service. Now, WMI's cash requirements have dropped (lower dividends and taxes) and were keeping more than dble the avg cash balance? Is this increase just for liquidity perceptions to pacify the rating agency's? I agree that its cheap funding, I just don't see that they need that much.

if WMB needed cash, would WMI "loan" them the cash, how does that work?

Whats driving this is that the FDIC fee forecast didn't include this level of I/C deposits, so while I deliver the bad news that we're short \$3 - \$4M in FDIC fees in the 08 forecast, I need to be able to explain what it is, and why its higher.

Thank you for your patience and helping walk me thru this.

Steve

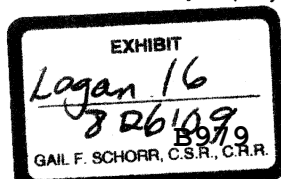
---

**From:** Logan, Doreen  
**Sent:** Tuesday, August 05, 2008 9:00 AM  
**To:** Akre, Steven  
**Subject:** RE: FDIC Assessments - capital infusion

As part of the planning for WMB fsb we'll likely shift the purchase of discount notes to WMI from WMB fsb. WMI recently contributed \$2 billion additional capital to WMB so the amount on deposit at WMB has decreased by that amount down to \$3.5 billion. Why do the funds being in a non-interest deposit account cause concern? Why would WMB pay interest to WMI when it would be eliminated in consolidation anyway? And since WMI owns WMB as its major investment it would be counter-intuitive to pay interest that would affect its own profitability.

When you say "what's driving this?" - WMI has always had their funds on deposit at WMB. It's "free funding" (except for the FDIC premium) to the bank. Rating Agencies gain comfort that the capital infusion from TPG to WMI actually provides funding to the bank. Don't forget that if WMI had to raise funds in the market, with our credit rating, we'd be paying LIBOR +1200 bps to 1400 bps so paying 10 bps to the FDIC does not get our shorts in a bunch. It's cheap! It's practically free!

Yes, there are ways to maximize the benefit by deploying the cash but it affects the liquidity of the



bank. Any funds on deposit at the bank that are taken off deposit at the bank (i.e. decreasing deposits) requires raising funds someplace else.

Tell me 1) why you're asking the same question we talked about last week 2) what is driving the concern and 3) what else I can help you understand.

This is nothing different than we talked about last week. Clear up my confusion? Thanks.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

---

**From:** Akre, Steven  
**Sent:** Tuesday, August 05, 2008 8:38 AM  
**To:** Logan, Doreen  
**Subject:** FDIC Assessments - capital infusion

Doreen,

The attached file shows \$5.9B of remaining cash proceeds from the capital infusion in a non-interest checking acct, in Co 70 GL 35025, can you provide guidance on what we're planning to do with this cash? You mentioned that we can't move it into a short-term investment due to liquidity requirements. Help me understand what's driving this?

Steve

<< File: Copy of Q2 DDA Avg Bal.xls >>

**From:** Freilinger, Peter <peter.freilinger@wamu.net>  
**Sent:** Tuesday, August 19, 2008 8:02 PM  
**To:** Wu, Vicky <vicky.wu@wamu.net>  
**Subject:** Re: State Tax Settlement

---

The deal is, what was reflected as an intercompany payable is now paid, and reported as cash. It increases cash on hand at WMI and could, if we want, be used to inject capital to WMB. You're viewing it correctly: right now there's no impact, we'd have to decide to downstream it, and then it would only be a WMB, not WMI, effect.

----- Original Message -----

**From:** Wu, Vicky  
**To:** Freilinger, Peter  
**Sent:** Tue Aug 19 16:54:59 2008  
**Subject:** FW: State Tax Settlement

Hey something's wrong here. It should not impact WMB or WMI capital. It's only intercompany transaction not refund by the state. Our previous characterization of this transaction's favorable impact on capital was incorrect. Pls advise on communication.

-----Original Message-----

**From:** Brouwer, Curt  
**Sent:** Tuesday, August 19, 2008 4:46 PM  
**To:** Casey, Tom; Freilinger, Peter; Williams, Robert J.  
**Cc:** Wu, Vicky  
**Subject:** RE: State Tax Settlement

Tom, pursuant to our discussion, we have already made the payment of \$600 MM to WMI. We will finalize final amount in early September and make a subsequent payment at that time. As we discussed, it could be around \$800 MM in total.

-----Original Message-----

**From:** Casey, Tom  
**Sent:** Tuesday, August 19, 2008 4:44 PM  
**To:** Freilinger, Peter; Williams, Robert J.  
**Cc:** Wu, Vicky; Brouwer, Curt  
**Subject:** Re: State Tax Settlement

This is approx 600M to 800M. My recommendation would be payment to WMI then downstream to WMB. I'm open to any other thoughts.

Thanks  
TC

----- Original Message -----

**From:** Freilinger, Peter  
**To:** Casey, Tom; Williams, Robert J.

Cc: Wu, Vicky; Brouwer, Curt  
Sent: Tue Aug 19 16:18:56 2008  
Subject: RE: State Tax Settlement

---

A bit of good news

Tom / Robert, we've had various discussions about whether or not we should downstream this capital to WMB. If we do intend to downstream all of it, I'd recommend doing so sooner rather than later, as we pay deposit insurance premiums on the intercompany deposit WMI has with WMB. I think the general opinion right now, though, is that we should keep it until further notice as additional liquidity at WMI.

Your call, but it's nice to have confirmation that the settlement has come through.

--P.

---

From: Brouwer, Curt  
Sent: Tuesday, August 19, 2008 4:16 PM  
To: Freilinger, Peter  
Subject: State Tax Settlement

Today, we had WMB pay WMI \$600 MM in partial settlement of state taxes due under the intercompany tax sharing agreement. I don't have the account numbers handy but will provide tomorrow morning if needed or desired.

Let me know if you need further information.

Curt Brouwer  
Washington Mutual  
Senior Vice President, Corporate Tax  
1301 Second Ave., WMC3201  
Seattle, WA 98101  
206.500.4155 direct / 206.377.3018 fax  
E-mail: curt.brouwer@wamu.net

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Monday, August 25, 2008

10:00 a.m. to 11:00 a.m. (PST)

**Liquidity Management Working Group Committee**

WMC 14 Greenlake Conference room  
 (877) 501-5642 pass code 7983910

<http://wm03.wamu.net/sites/239138648/liquidityrisk/default.aspx>

**Attendees**

**Voting Members**

Bob Bjorklund	Timothy Smallow
Peter Freilinger	Doreen Logan
Monica Berger	Steve Stearns
Jim Callahan	
Glen Simecek	

**Other Attendees**

Thomas Roe, secretary	Brandon Winder
Gregg Sherrington	Colin Trovato
Norman McIntyre	David Gilhooley
Rolando Koh	Joe Schenone

**Agenda**

	Topic	Presenter	Sponsor	Start Time
<b>Preliminary Business:</b>				
<b>A1.</b>	<b>None</b>	<b>Bjorklund</b>	<b>Bjorklund</b>	<b>10:00</b>
<b>Decision Items:</b>				
<b>B1.</b>	<b>Meeting Minutes – July 28, 2008</b>	<b>Bjorklund</b>	<b>Bjorklund</b>	
<b>Discussion Items:</b>				
<b>C1.</b>	<b>Update on Capital Activity</b>	<b>Stearns</b>	<b>Stearns</b>	
<b>C2.</b>	<b>Update on Funding Activity</b>	<b>Bjorklund</b>	<b>Bjorklund</b>	
<b>C3.</b>	<b>Operational Liquidity Review</b>	<b>Bjorklund</b>	<b>Bjorklund</b>	
<b>C4.</b>	<b>Strategic Liquidity Review</b>	<b>Stearns</b>	<b>Stearns</b>	
<b>C5.</b>	<b>Collateral Review</b>	<b>Bjorklund</b>	<b>Bjorklund</b>	
<b>C6.</b>				
<b>Other Business:</b>				
<b>D1.</b>	<b>Review BOD remediation plan</b>	<b>Stearns</b>	<b>Stearns</b>	
<b>D2.</b>	<b>Discuss review of existing ALM excess liquidity limits</b>	<b>Stearns/Bjorklund</b>	<b>Stearns</b>	

Monday, August 25, 2008

10:00 a.m. to 11:00 a.m. (PST)

**Liquidity Management Working Group Committee****Upcoming Meetings**

<b>Date</b>	<b>Time</b>	<b>Location</b>
8/25/2008	10:00 a.m. PST	WMC 14 Greenlake
9/22/2008	10:00 a.m. PST	WMC 14 Greenlake
10/27/2008	10:00 a.m. PST	WMC 14 Greenlake
11/24/2008	10:00 a.m. PST	WMC 14 Greenlake
12/22/2008	10:00 a.m. PST	WMC 14 Greenlake

Monday, August 25, 2008

10:00 a.m. to 11:00 a.m. (PST)

**Liquidity Management Working Group Committee**

A meeting of the Liquidity Management Working Group ("LMWG") of Washington Mutual, Inc. ("WMI" or the "Company"), Washington Mutual Bank ("WMB") and Washington Mutual Bank fsb ("WMBfsb") was held on Monday, August 25, 2008 in the Greenlake conference room of WMC 14.

**Attendees**
**Voting Members**

X Bob Bjorklund	X Timothy Smallow
Peter Freilinger	X Doreen Logan
X Monica Berger	X Steve Stearns
X Jim Callahan	
X Glen Simecek	

**Other Attendees**

X Thomas Roe, secretary	X Brandon Winder
Norman McIntyre	David Gilhooley
Rolando Koh	Joe Schenone

**Preliminary Business**

	<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>	<b>Decision</b>
<b>A1.</b>	<b>No Preliminary Business</b>	<b>Bjorklund</b>		<b>N/A</b>
	<i>Follow Up Items: None</i>		<i>Assigned: N/A</i>	<i>Due: N/A</i>

**Decision Items**

	<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>	<b>Decision</b>
<b>B1.</b>	<b>Meeting Minutes – July 28, 2008</b>	<b>Bjorklund</b>	<b>Bjorklund</b>	<b>Approved</b>
	Minutes for the previous month's LMWG meeting were distributed to members for review prior to the meeting. Mr. Bjorklund moved to approve the minutes subject to receipt of any further comments by the close of business Tuesday, July 26th. Mr. Stearns seconded the motion. The motion was unanimously approved.			
	<i>Follow Up Items: None</i>		<i>Assigned: N/A</i>	<i>Due: N/A</i>
	1.			
	2.			

**Discussion Items**

	<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>
<b>C1.</b>	<b>Update on Capital Activity</b>	<b>Stearns</b>	<b>Stearns</b>
	Mr. Stearns informed the Committee that \$500 million is in the process of being moved from WMI to WMB to strengthen capital ratios, especially tangible equity to tangible assets, at the bank level. Due to an incoming tax receipt of \$600mm at WMI this will not create any large cash flow changes at the WMI level post the capital reallocation.		

Monday, August 25, 2008

10:00 a.m. to 11:00 a.m. (PST)

**Liquidity Management Working Group Committee**

<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>
<i>Follow Up Items: None</i>		<i>Assigned: N/A      Due: N/A</i>
1.		
2.		

<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>
<b>C2. Update on Funding Activity</b>	<b>Bjorklund</b>	<b>Bjorklund</b>
Mr. Bjorklund informed the Committee that the main source of funding for the bank continues to be FHLB advances, retail brokered CDs and repos.		

Retail brokered CDs have not experienced a meaningful drop in volumes since the tightening of credit/liquidity began in 2007, even after the IndyMac bank failure. It continues to generate approximately \$500 million per week, (subject to variables such as market competition and customer preference, and offering window). The next couple weeks are expected to be lighter in volume given the Labor Day holiday season.

Mr. Stearns noted that the Retail Bank is launching a 5% CD special in an attempt to roll the \$3 billion in CDs maturing this week. The goal of this special is to mitigate maturities and not necessarily acquire additional growth. In early September there will be another CD special where the emphasis will be on balance acquisition. Overall for the year the Retail Bank is looking to be flat in CDs and grow in money market balances.

Ms. Logan gave an update on the Winslow 2 project. Winslow 2 is a transaction to move \$7 billion in UPB of SRF loans from FHLB SF to FHLB Seattle. Benefits include better advance rates at FHLB Seattle and relief on the WMBfsb master note collateral requirements. Ms. Logan expects the collateral to be online at FHLB Seattle by Tuesday, August 26<sup>th</sup>.

<i>Follow Up Items: None</i>	<i>Assigned: N/A</i>	<i>Due: N/A</i>
1.		
2.		

<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>
<b>C3. Operational Liquidity Review</b>	<b>Bjorklund</b>	<b>Bjorklund</b>
Mr. Bjorklund informed the Committee that the bank continues to exceed 1-day and 7-day minimum excess liquidity requirements for operational liquidity.		

WaMu's CDS was 1307.9 at the close of Friday, July 22<sup>nd</sup>. It remains at an elevated level amid the market's negative outlook on WaMu credit. Mr. Simecek noted that NCC is another bank with CDS quoted at these high levels despite being A-rated since they are viewed as not having a good business model.

Mr. Bjorklund reviewed the WMI Cash Forecast. The WMI ending cash and net short-term position exceed minimum requirements for 2009. Ms. Logan noted that in August 2008 the \$500 million in capital contributed from WMI to WMB is offset by \$600 million moved from WMB to WMI for taxes payable.

Monday, August 25, 2008

10:00 a.m. to 11:00 a.m. (PST)

**Liquidity Management Working Group Committee**

<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>
Mr. Bjorklund noted that the Fed has requested WaMu not participate in any 84-day TAF. The bank currently has \$10 billion in capacity pledged to the DW, and could bid up to \$2 billion in 28-day TAF and still keep \$8 billion in excess capacity available for operational risk.		
<i>Follow Up Items: None</i>		<i>Assigned: N/A      Due: N/A</i>
1.		
2.		

<b>Topic</b>	<b>Presenter</b>	<b>Sponsor</b>
<b>C4. Strategic Liquidity Review</b>	<b>Stearns</b>	<b>Stearns</b>
Mr. Stearns reported to the Committee that the liquidity breach remediation plan was presented to a subsection of the Board last Tuesday and shared with the OTS and FDIC. The liquidity benefits from implementing the remediation plan are now included in the strategic liquidity model. The full remediation plan covers a 90-day time horizon and once fully implemented will cure the bank's breach in the stress case for 3 and 6 month excess liquidity limits.		

The remediation plan identifies the following sources as boosting stress case liquidity \$16.5 billion over the next 60 to 90 days:

1. \$5 billion from retail deposit growth
2. \$4 billion from non-FHLB loan securitization
3. \$2 billion from repo and swap haircut marks
4. \$1.8 billion in SFR run-off
5. \$1.7 billion in subprime run-off
6. \$1 billion in card securitizations (retained)
7. \$1 billion FHLB Seattle pledge (Project Filmore)

The decision to sell corporate bonds has since been put on hold and subject to additional debate.

Mr. Stearns noted that excess liquidity was originally estimated to be \$31.3 billion for the 3 month stress case after incorporating remediation plan benefits. Excess liquidity is currently estimated to be \$25 billion given a \$5 billion reduction to FHLB capacity due to changes in FHLB pricing in August and an issue with negative taxes payable not being reclassified as deferred tax assets for July (a non quarter-end month).

Mr. Bjorklund commented that by the end of the quarter the FHLB is expected to reduce our borrowing capacity by another 1-3% either through pricing, additional haircuts or both. WaMu and the FHLBs continue to have an active dialog around these issues.

<i>Follow Up Items: None</i>	<i>Assigned: N/A</i>	<i>Due: N/A</i>
1.		
2.		

Monday, August 25, 2008

10:00 a.m. to 11:00 a.m. (PST)

**Liquidity Management Working Group Committee**

Topic	Presenter	Sponsor
<b>C5. Collateral Review</b>	<b>Bjorklund</b>	<b>Bjorklund</b>
Mr. Bjorklund reported to the Committee that there are not expected to be any significant changes to the amount or location of loan collateral as of the end of August. Winslow 2 will shift \$7 billion in loans from FHLB SF to FHLB Seattle in August.		
<i>Follow Up Items: None</i>		
<i>Assigned: N/A</i>		
<i>Due: N/A</i>		
1.		
2.		

**Other Business**

Topic	Presenter	Sponsor
<b>D1. Review BOD remediation plan</b>	<b>Stearns</b>	<b>Stearns</b>
Please reference C4 (Strategic Liquidity Review) for Mr. Stearns comments on the BOD remediation plan.		
<i>Follow Up Items: None</i>		
<i>Assigned:</i>		
<i>Due:</i>		
1.		
2.		

Topic	Presenter	Sponsor
<b>D2. Discuss review of existing ALM excess liquidity limits</b>	<b>Stearns/ Bjorklund</b>	<b>Stearns</b>
Mr. Bjorklund shared with the group that Mr. Stearns and he will do a comprehensive review of the ALM excess liquidity limits by the end of 3 <sup>rd</sup> quarter. Due to changing market conditions, changes in the balance sheet, and the impact of liquidity events experienced to date, the current ALM limits may need to be set higher or lower. The current requirements are for \$30 billion in excess liquidity for the 3, 6 and 12 month time periods in the base case and \$25 billion and \$20 billion in excess liquidity for the 3 month and 6 & 12 month time periods, respectively, for the stress case.		
Mr. Callahan noted that repurchases due to loans sold to Fannie and Freddie Mae may be a potential liquidity issue. Repurchases in total are currently running at \$100 to 200 million per a month and by some estimates could increase to four times current levels.		
<i>Follow Up Items: None</i>		
<i>Assigned:</i>		
<i>Due:</i>		
1.		
2.		

**Adjournment**

Meeting was adjourned the meeting at 11:00 a.m.

Monday, August 25, 2008

10:00 a.m. to 11:00 a.m. (PST)

**Liquidity Management Working Group Committee**

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**Upcoming Meetings**

<b>Date</b>	<b>Time</b>	<b>Location</b>
8/25/2008	10:00 a.m. PST	WMC 14 Greenlake
9/22/2008	10:00 a.m. PST	WMC 14 Greenlake
10/27/2008	10:00 a.m. PST	WMC 14 Greenlake
11/24/2008	10:00 a.m. PST	WMC 14 Greenlake
12/22/2008	10:00 a.m. PST	WMC 14 Greenlake

Friday May 30, 2008

**Liquidity Management Working Group Committee**



**From:** Williams, Robert J. <robert.j.williams@wamu.net>  
**Sent:** Friday, September 12, 2008 6:49 PM  
**To:** Freilinger, Peter <peter.freilinger@wamu.net>; Wu, Vicky <vicky.wu@wamu.net>  
**Subject:** Re: Debt for Equity

---

We have to have OTS and chain of command approval. Not a hugh problem, just alignment and timing.

Good idea, very supportive.

-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Freilinger, Peter  
To: Wu, Vicky; Williams, Robert J.  
Sent: Fri Sep 12 13:52:01 2008  
Subject: Re: Debt for Equity

I'd be for it - but we do need OTS approval. Generating 1.50 of TCE for ever 1.00 spent, though - not including the liquidity benefit forward - is compelling.

Joe's working on the form for bank debt, have him do the same for no more than \$200mm of hold coi sub and have Tax prepare a note describing the state tax settlement process to accompany it. Let's run it up the flagpole...

----- Original Message -----

From: Wu, Vicky  
To: Williams, Robert J.; Freilinger, Peter  
Sent: Fri Sep 12 13:43:53 2008  
Subject: RE: Debt for Equity

WMI subdebt traded at 30% today. Any chance we can simply repurchase moderate amount (\$200mm) without replacing with common? WMI received \$600mm tax settlement from WMB, downstreamed \$500mm. If we can get tax accelerate another \$200mm settlement as they suggested they can do. We can use \$300mm extra liquidity at WMI on repurchase.

-----Original Message-----

From: Williams, Robert J.  
Sent: Friday, September 12, 2008 11:29 AM  
To: Casey, Tom; Freilinger, Peter; Wu, Vicky  
Subject: Re: Debt for Equity

Will do and team pulling info/ analysis on debt buy. Will need OTS approval but can move on that also.

-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Casey, Tom

To: Freilinger, Peter; Wu, Vicky  
Cc: Williams, Robert J.  
Sent: Fri Sep 12 09:57:25 2008  
Subject: Debt for Equity

I spoke to Lee and Michael and they believe we can move forward with the debt for equity transaction we discuss. Lets refresh our analysis and start getting necessary analytics in place for a final approval. Peter, I know you are out so I have already spoken to Vicky.

Thanks  
TC

Tom Casey  
EVP/Chief Financial Officer

WaMu  
1301 Second Avenue/WMC 3301/Seattle,WA 98101  
206.500.4202 (phone) 206.377.3020 (fax)  
tom.casey@wamu.net

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**From:** Rotella, Steve  
**Sent:** Friday, September 19, 2008 11:55:00 AM  
**To:** Casey, Tom; clillis@lonetreecapital.com; dbonderman@tpg.com; Fishman, Alan; James (Jim) Stever (jamesstever@aol.com); larry.kellner@coair.com; momcquade@aol.com; mkmurphy1937@comcast.net; osmith30@comcast.net; pmatthews@haydencap.com; rtmontoya@aol.com; Rotella, Steve; steve\_chazen@oxy.com; steve@avantwireless.com; tleppert@tleppert.com; wreed@simpson.com; Williams, Robert J.  
**Subject:** FW: Daily Deposit Update: as of Thursday, September 18th  
**Attachments:** RBFS Deposits Daily 091808 vf.ppt

Our biggest day of withdrawals to date at \$2.8B. Yesterday was a very tough day in the stores for our folks, but thanks to lots of operating preparations, cash was handled and lines and traffic were managed well. Deposit outflows were, once again, centered in small business and large balance accounts. The news cycle overnight Wednesday and through the first half of Thursday drove concern through our customer base. That began to turn later in the day and accelerated as the Treasury plan began to unfold and the short selling rules were announced.

Very early reports today from the east coast indicate yesterday was the peak day. Traffic is back to normal levels and attitudes are up a tad with the markets, our stock price and more positive news. Not to be accused of being positive - - - it is early in the day.

Focus today is the same in the stores, but much more continuing work to settle down employees. That is our biggest opportunity today. Yesterday we sent out three communications, two from me, one from Alan, I did an NPR radio spot and Ken Kido was on local TV. We are also going to alter comp plans for our branch sales staff, who will be punished in their ability to earn a decent amount of pay due to this spike and outflow of deposits. That will help.

Thanks, talk to you later.

---

**From:** Bakhshi, Nandita  
**Sent:** Friday, September 19, 2008 8:34 AM  
**To:** Baier, Frank; Baker, Todd; Casey, Tom; Fishman, Alan; Freilinger, Peter; Robinson, John; Rodriguez, Adrian; Rotella, Steve; Williams, Robert J.  
**Cc:** Bakhshi, Nandita; Bartels, Melba; Blunck, Richard; Brennan, Carey; Cavanaugh, Sandy; Doperalski, Cathy L.; Gilhooley, David; Goulart III, Tony; Hale, Brian; Hattermer, Francis S.; Kido, Ken; Maw, Scott; McFarland, Rick; Simecek, Glen D.; Smith, Chad; Solender, Michael S.; Stearns, Steve; Vella, Frank; Wisdorf, Doug  
**Subject:** Daily Deposit Update: as of Thursday, September 18th



RBFS  
Deposits  
Daily 091808  
vf.ppt (335  
kB)

**Confidential. Please do not distribute.**

Good Morning,

Consumer IBD & small business core deposits **declined \$2.8B** on Thursday, September 18th.

Checking outflows added to declines on Thursday causing RBFS (excl Misc) to decrease \$2.9B  
**ending at \$129.4B**

- \* Official Checks: Total volume for Thursday was \$2.2B
- \* Domestic Wires: Thursday's domestic wire volume of \$224MM which was 4 times benchmark levels
- \* ACH: outflows of \$390MM were back to benchmark levels
- \* 100K+ Balances: Thursday's volume was very high at \$1B

IBD balances continue to decline with the uncertainty in the market around WaMu

- \* MMS decreased \$1040MM on Thursday
- \* Store CD's went down \$319MM
- \* Online (Savings + CD) decreased \$142MM
- \* Small Business declined \$318MM

No significant competitive rate changes today

Thanks  
Nandita

**From:** Rotella, Steve <steve.rotella@wamu.net>  
**Sent:** Saturday, September 20, 2008 6:20 PM  
**To:** Williams, Robert J. <robert.j.williams@wamu.net>  
**Subject:** Fw: Near term liquidity sources

---

Uh, did we need to use the tip language with the ots.

-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Freilinger, Peter  
To: 'daryl.duchow@ots.treas.gov' <daryl.duchow@ots.treas.gov>; 'benjamin.franklin@ots.treas.gov' <benjamin.franklin@ots.treas.gov>; 'john.bisset@ots.treas.gov' <john.bisset@ots.treas.gov>; 'christopher.rook@ots.treas.gov' <christopher.rook@ots.treas.gov>

Cc: Williams, Robert J.; Robinson, John; Rotella, Steve; Bjorklund, Bob  
Sent: Sat Sep 20 15:16:14 2008  
Subject: Near term liquidity sources

We have \$6.2bln in cash as of end of day Friday; \$2.6bln in government money market funds, \$1.7bln in fed funds sold, and the rest in agency discount notes. All of these are readily convertible to dollars.

We have approximately \$4 billion in FHLB Seattle capacity. We have had active discussions and believe all is readily available, with \$500mm per day being easy and \$1bln per day with modest effort.

We have approximately \$12bln in FHLB San Francisco capacity, and we have lined up \$1bln for Monday start. Beyond that, we are concerned that FHLB SF may not extend further advances.

We have \$9.2bln in Fed discount window access. I believe we will be able to roll out existing \$2bln discounting on Monday for a week, but do not believe further window advances will be forthcoming until a deal is signed.

We have about \$1.5bln in unencumbered agency passthroughs. Last week that market remained effectively closed, but it could get better this week. I wouldn't necessarily count on it.

Our forecast for monday has us \$1.4bln short, which we'd meet by the prearranged SF advance and another \$500mm from Seattle. The rest of the week should see similar reductions each day if we see Friday's activity repeated, and if Seattle advances \$500mm per day, we'd get to next weekend with \$1.5bln in cash left. Initial indications are that weekend activity is lighter than Friday, which is great - in that case we'd get to Friday with more cash or without needing to necessarily hit the Seattle FHLB every day.

If outflows reduce, we'll be good through QE. If they don't or they return to last Weds/Thurs levels, we'd probably tip on Monday Sept 29.

Hope this is clear - let me know what else I can provide.

--Peter

**From:** Koh, Rolando V. <rolando.koh@wamu.net>  
**Sent:** Monday, September 22, 2008 10:40 AM  
**To:** Bjorklund, Bob <bob.bjorklund@wamu.net>  
**Subject:** RE: Forecast

---

Yes, I confirm.

FYI, no wires are going out. The Fed stops all outgoing wires from going out once we get \$1.5 billion overdrawn. I'm \$3.0 billion in the hole right now. The Fed already took back their \$2.0bn Discount Window borrowing.

**Rolando V. Koh**

Senior Treasury Analyst, Cash Manager  
Treasury, Washington Mutual Bank  
(206) 302-4266 office  
(206) 302-4489 fax

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---

**From:** Bjorklund, Bob  
**Sent:** Monday, September 22, 2008 6:07 AM  
**To:** Koh, Rolando V.  
**Subject:** Forecast

Looks like you loaded up an extra \$3 billion in official checks and another \$2 outgoing between ACH and wires on top of what was in there from last week?  
Can you confirm?  
Thanks.

**From:** Bjorklund, Bob  
**Sent:** Tuesday, September 23, 2008 11:30 AM  
**To:** john.bisset@ots.treas.gov; 'Christopher.Rook@ots.treas.gov'; sfunaro@fdic.gov;  
benjamin.franklin@OTS.treas.gov; Patrick.J.Loncar@sf.frb.org  
**Cc:** Freilinger, Peter <peter.freilinger@wamu.net>; Stearns, Steve  
<steve.stearns@wamu.net>; Smallow, Timothy B. <timothy.smallow@wamu.net>;  
Schulte, Patricia <patricia.schulte@wamu.net>  
**Subject:** Morning update

---

You have all seen the deposit numbers from yesterday, so will not address that.  
This morning's forecasted short position is \$4.1 billion.  
Funding activity this morning will be as follows:  
\$500mm from each FHLB bank for a total of \$1 BN  
\$2 BN roll of the DW  
\$1BN in sales of agency discount notes.

FHLB continues to see pressure to place paper due to continuing investor nervousness, and large supply of FHLB paper in the secondary market. Money markets are light but trading a little above the fed target, and expected to drop to zero later this afternoon as it has every day for the last week.  
Due to the lower Official checks than forecast we expect to see a "pick up" of about \$500mm from this mornings forecast. There are still some holdups on the ACH outflows and Tim and team are having discussions with the Fed to determine what the issues are.

Next update will be around 11am  
Thanks.

**From:** Logan, Doreen <doreen.logan@wamu.net>  
**Sent:** Tuesday, September 23, 2008 4:23 PM  
**To:** Smith, Chad <charles.e.smith@wamu.net>; Smallow, Timothy B. <timothy.smallow@wamu.net>; Falls, Keith <keith.falls@wamu.net>  
**Subject:** FW: Plan to replace WMSM

---

FYI...does this plan work? I think it does (well of course I would think it works).

Chad – if this works we'd like to pledge the consolidated FAOOSH group to WMB fsb to cover the MN and SLA.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

---

**From:** Logan, Doreen  
**Sent:** Tuesday, September 23, 2008 1:20 PM  
**To:** Stearns, Steve  
**Subject:** Plan to replace WMSM

Steve:

Instead of having two pledges from WMB to WMB fsb to support the MN and the SLA – I suggest we combine the two into one pledge –both managed by Keith's team. Tung should give the info on securities lent to Keith's team to ensure the pledge covers both the MN and the SLA.

Falls has identified \$32 billion of SFR, MF and HELOC/HEL collateral for the MN. The MN capacity is only \$20 billion. If we use the excess above \$20B for the SLA there is only one pledge of assets and all the WMB companies are in play for anything needed.

To "top off" the pledge I suggest we have WMB pledge the FA Out-of-State Holdings (the consolidated group); the total assets there are just over \$2 billion.

That would be a pledge of \$34 billion...to cover not more than \$28-\$30 billion of potential...

How's that?

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

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JOURNAL ENTRY REQUEST FORM

DR					CR					
CO.	GL	CC	AMT	DESCRIPTION	CO.	GL	CC	AMT	DESCRIPTION	
70	10441	9909	3,674,000,000.00	WMI contributes to fsb	70	10450	9909	3,674,000,000.00	WMI contributes to fsb	
21	02	52915	9347	3,674,000,000.00	WMI contributes to fsb	02	45798	9909	3,674,000,000.00	WMI contributes to fsb
40	20601	9909	3,674,000,000.00	WMI contributes to fsb	40	28201	9331	3,674,000,000.00	WMI contributes to fsb	
01	48241	9331	3,674,000,000.00	WMI contributes to fsb	01	52915	9347	3,674,000,000.00	WMI contributes to fsb	

Total DR

\$14,696,000,000.00

Total CR

\$14,696,000,000.00

Balance check

\$0.00

Requested by:  
Approved by:  
Posted by:

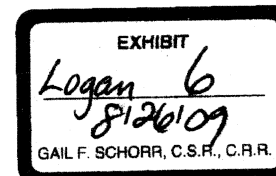
Yolanda Noblezada

*[Signature]*  
9/24/2008

930338

09/20/2008

B999



**From:** Logan, Doreen <doreen.logan@wamu.net>  
**Sent:** Wednesday, September 24, 2008 3:46 PM  
**To:** Falls, Keith <keith.falls@wamu.net>; Smallow, Timothy B. <timothy.smallow@wamu.net>; Bjorklund, Bob <bob.bjorklund@wamu.net>  
**Subject:** FW: ACTION REQ: WMB pledge of assets to WMB fsb

---

FYI - WMB will cease pledging assets to WMB fsb to cover the MN and SLA until further notice. This is temporary per Chad.

Chad will engage Heller to make the changes to the agreements.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

-----Original Message-----

From: Freilinger, Peter  
Sent: Wednesday, September 24, 2008 12:44 PM  
To: Smith, Chad; Logan, Doreen  
Cc: Stearns, Steve  
Subject: Re: ACTION REQ: WMB pledge of assets to WMB fsb

Approved.

----- Original Message -----

From: Smith, Chad  
To: Logan, Doreen; Freilinger, Peter  
Cc: Stearns, Steve  
Sent: Wed Sep 24 12:25:10 2008  
Subject: RE: ACTION REQ: WMB pledge of assets to WMB fsb

Note that this will be a temporary suspension of the requirement. I will advise Tax that this will take place. Thanks.

Kindest regards,

Chad Smith, First Vice President

Assistant General Counsel

Team Lead--Capital Markets & Structured Finance

**B1000**

Legal

Washington Mutual

Legal Department

1301 Second Avenue, WMC 3501

Seattle, Washington 98101

Telephone: 206.500.4347

Facsimile: 206.377.2236

Email: charles.e.smith@wamu.net

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IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, I inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

---

From: Logan, Doreen  
Sent: Wednesday, September 24, 2008 12:23 PM  
To: Freilinger, Peter  
Cc: Smith, Chad; Stearns, Steve  
Subject: ACTION REQ: WMB pledge of assets to WMB fsb

Peter:

Please approve the modification of both the Securities Lending Agreement and the Master Note Pledging agreement to cease the pledge of assets from WMB to WMB fsb in support of these two arrangements.

**B1001**

The pledge of assets and/or the treatment of these arrangements at arms-length are not required from a regulatory perspective per Bill Lynch. The arms-length requirement is specific for affiliates – other banks in the group are carved out of the term ‘affiliate’ so 3rd party treatment is not required.

Upon your approval Chad will ask that Heller modify the agreements. Let me know if you have any questions. Thanks.

Doreen Logan  
Treasury - Structured Finance  
Washington Mutual  
206-302-4168

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**From:** Noblezada, Yolanda B.  
**Sent:** Wednesday, September 24, 2008 2:15:12 PM  
**To:** Plummer, Nancy  
**Subject:** RE: DDA 441-000006423-4

Not FULLY yet....still groping for GL postings.  
Thank you so much for a speedy response to our needs.

Yolanda

---

**From:** Plummer, Nancy  
**Sent:** Wednesday, September 24, 2008 11:13 AM  
**To:** Noblezada, Yolanda B.  
**Subject:** RE: DDA 441-000006423-4

Congratulations! Glad you got it done!

Nancy D. Plummer  
Technology Manager  
Retail QA - Back Office  
Retail Bank Technology

Washington Mutual  
1111 3rd Avenue, EET1030  
Seattle WA 98101

206.500.8142 direct, 206.490.8155 fax  
nancy.plummer@wamu.net

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---

**From:** Noblezada, Yolanda B.  
**Sent:** Tuesday, September 23, 2008 3:22 PM  
**To:** Logan, Doreen  
**Cc:** Smallow, Timothy B.; Schulte, Patricia; Winder, Brandon J.; St John, Lourdes A.; Plummer, Nancy; Roybal, Heidi H.; Ryason, Tawnya; Ghasemi, Kim A.; McBurney, Norren L.; Priest, Adonis K.  
**Subject:** DDA 441-000006423-4

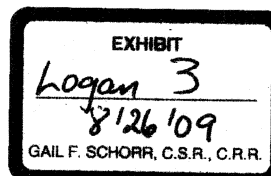
FINALLY after 3 grueling days, the new DDA on fsb is now LEGALLY on Co 40 – fsb, under our own cost center – 9911.

All GL entries will be posted as soon as GL accounts are open on the GL posting system.

Thank you everyone who helped me set this up RIGHTLY.

Yolanda

*Yolanda B. Noblezada*  
Treasury - Cash Management  
1301 2nd Avenue, WMC 1409  
Seattle, WA 98101



B1003

p - 206-302-4325

f - 206-554-7207

206-302-4489

yolanda.noblezada@wamu.net

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**From:** Bjorklund, Bob <bob.bjorklund@wamu.net>  
**Sent:** Wednesday, September 24, 2008 9:40 PM  
**To:** Bisset, John K <john.bisset@ots.treas.gov>; 'Christopher.Rook@ots.treas.gov'; Franklin, Benjamin D <benjamin.franklin@ots.treas.gov>; Funaro, Stephen P. <SFunaro@FDIC.gov>; Patrick.J.Loncar@sf.frb.org  
**Cc:** Freilinger, Peter <peter.freilinger@wamu.net>; Stearns, Steve <steve.stearns@wamu.net>; Schulte, Patricia <patricia.schulte@wamu.net>  
**Subject:** Liquidity Sources and End of day update 9/24  
**Attach:** WaMu\_Liquidity\_Sources.xls

---

I am going to stop apologizing for getting this out late. Also because I have not attached the file in a few days I have attached that as well.

Sources	Tuesday 9/23	Today 09/24
FHLB	\$12.4	\$9.2
DW	\$7.7	\$6.4
Repo	\$0.4	\$0.3
Ffds	\$0.25	\$0.25
Cash	\$3.9	\$4.4
Ffds	\$0.65	\$1.8
DNs	\$0.6	\$0.0
IMM	\$2.6	\$2.6
Rev	\$0.0	\$0.0

**Total   \$24.6   \$20.6**

**Commentary:**

We had \$2.5 BN in advances settle, sold \$600mm in agency discount notes, and rolled the \$2BN at the discount window. We saw reduced cash outflows from the forecast primarily due to continued lower deposit runoff, higher ACH credits, and smaller outgoing wires. We were not able to invest any of the roughly \$1 BN in excess cash back into the Inst MM funds due to the funds refusing to accept any cash after 10am. We were forced to sell \$1BN in ffd's at an average yield of .49% . We left \$800mm on deposit in the fed account to ensure the ACH wires get sent out in the morning. Please e-mail me with any questions.

Washington Mutual Inc.  
09/17/08

WMI Liquidity																										
Amount (\$ billions)																										
Available Sources	Wed 10-Sep <i>actual</i>	Mon 15-Sep <i>actual</i>	Tue 16-Sep <i>actual</i>	Wed 17-Sep <i>actual</i>	Thu 18-Sep	Fri 19-Sep	Mon 22-Sep	Tue 23-Sep	Wed 24-Sep	Thu 25-Sep	Fri 26-Sep	Mon 29-Sep	Tue 30-Sep	Wed 1-Oct	Thu 2-Oct	Fri 3-Oct	Mon 6-Oct	Tue 7-Oct	Wed 8-Oct	Thu 9-Oct	Fri 10-Oct	Mon 11-Oct	Tue 12-Oct	Wed 13-Oct	Thu 14-Oct	Fri 15-Oct
1 Remaining Capacity w/ FHLBs	23.3	19.1	19.1	17.5	14.2	16.0	13.5	12.4	9.2																	
2 FRB Discount Window & TAF	12.2	11.2	11.2	11.2	9.2	9.2	9.2	7.7	6.4																	
3 Repos	1.7	1.7	1.7	2.1	1.2	0.4	0.4	0.4	0.3																	
4 Federal Funds Lines	0.5	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.3																	
5 Cash & Equivalents	11.3	10.0	10.0	7.9	9.9	6.2	4.6	3.9	4.4																	
6 Cash	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	0.2	3.7	1.7	0.8	0.7	1.8																	
7 Discount Notes	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	3.1	2.1	1.6	1.6	0.6	0.0																	
8 Institutional Money Funds	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	2.6	3.1	2.9	2.2	2.6	2.6																	
9 Reverse Repos	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	2.0	1.0	0.0	0.0	0.0	0.0																	
<b>Total</b>	<b>49.0</b>	<b>42.5</b>	<b>42.5</b>	<b>39.2</b>	<b>34.7</b>	<b>32.0</b>	<b>28.0</b>	<b>24.6</b>	<b>20.6</b>																	

- 1 FHLB - Roughly 70/30 split between SF and Seattle. Ability to draw is limited by FHLB, currently - \$3B - \$5B per week.
- 2 DW - Does not include \$1B in TAF outstanding (28-day)
- 3 Repo - Ability to repo is unlikely due to the company's high counterparty credit risk
- 4 Fed Funds - Providers have been increasingly backing away or reducing capacity due to their own need for liquidity as well as the increased concern over WMI's credit standing
- 5 Cash & Equivalents - Until September 17th, all line items below cash were aggregated under cash but after September 17th, they are available on an itemized basis
- 6 Cash - vault cash
- 7 Discount Notes - cash settlement; can be sold & settled same day; all mature by November 7th
- 8 Institutional Money Funds - Same day redemption feature up to 1:00 p.m. otherwise, next day settlement
- 9 Reverse Repo - Can call counterparty to unwind transaction; wait until they mature (all will mature by 9/19), or rehypothecate with a third party

1006



Document ID: 0.7.313.23078

From: Noblezada, Yolanda B.  
To: Ghasemi, Kim A.  
Cc: Logan, Doreen; Winder, Brandon J.  
Bcc:  
Subject: RE: Balance Sheet Triple OPEN Request(s)  
Date: Thu Sep 25 14:16:57 EDT 2008  
Attachments:

Ok dokey Yeah. Even the \$3 million went to the suspense account last night. The drama SHOULD end tomorrow.  
Thanks again.

-----Original Message-----

From: Ghasemi, Kim A.  
Sent: Thursday, September 25, 2008 11:13 AM  
To: Noblezada, Yolanda B.  
Subject: RE: Balance Sheet Triple OPEN Request(s)

The GL entry that tried to post yesterday from suspense went to suspense again.. So Robert Sledge will post the item to the GL again today and you should see the funds in it tomorrow morning.

Sorry for all the drama with this.

-----Original Message-----

From: Noblezada, Yolanda B.  
Sent: Thursday, September 25, 2008 11:08 AM  
To: Ghasemi, Kim A.  
Subject: RE: Balance Sheet Triple OPEN Request(s)

Hey Kim,

I just got your phone message - I had a Dr's appt earlier.  
So we'll see the deposit on the account by tomorrow? Or do I have to manually move it from where it is sitting right now?

Thanks.

-----Original Message-----

From: Ghasemi, Kim A.  
Sent: Thursday, September 25, 2008 9:11 AM  
To: Noblezada, Yolanda B.  
Subject: FW: Balance Sheet Triple OPEN Request(s)

Here's the latest on the GL request.. They are saying the triple is now open ready for postings.

-Kim

-----Original Message-----

From: Sidhu, Harprit K.  
Sent: Thursday, September 25, 2008 9:03 AM  
To: Ghasemi, Kim A.

Proprietary and Confidential - Do Not Copy

Cc: Nguyen, Lynn; Jewett, Rittu K.  
Subject: RE: Balance Sheet Triple OPEN Request(s)

The triple is open now. You are able to use it as needed. Thanks!

-----Original Message-----

From: Ghasemi, Kim A.  
Sent: Thursday, September 25, 2008 8:56 AM  
To: Sidhu, Harprit K.  
Cc: Nguyen, Lynn; Jewett, Rittu K.  
Subject: RE: Balance Sheet Triple OPEN Request(s)

I appreciate your efforts to track down the issue. Does the special maintenance run mean it is opened now or will it show opened tomorrow.

Please advice.

Thank you.

-----Original Message-----

From: Sidhu, Harprit K.  
Sent: Thursday, September 25, 2008 8:54 AM  
To: Ghasemi, Kim A.  
Cc: Nguyen, Lynn; Jewett, Rittu K.  
Subject: RE: Balance Sheet Triple OPEN Request(s)  
Importance: High

Hi Kim,

There was an issue with the triple database. I am further researching the cause of this issue. Your triple was opened via a special maintenance run.

Please let me know if you have any questions.

Thanks!

-----Original Message-----

From: Jewett, Rittu K.  
Sent: Thursday, September 25, 2008 8:53 AM  
To: Sidhu, Harprit K.  
Cc: Ghasemi, Kim A.  
Subject: FW: Balance Sheet Triple OPEN Request(s)  
Importance: High

Harprit,

Please follow up on the below request and let us know the resolution.  
Thanks!

---

Rittu Jewett, AVP - Manager

Finance Systems & Operations  
Maintenance & Reporting  
206.500.1564 direct | 206.377.2076 fax  
rittu.jewett@wamu.net

-----Original Message-----

From: Ghasemi, Kim A.  
Sent: Thursday, September 25, 2008 8:43 AM  
To: Jewett, Rittu K.  
Subject: FW: Balance Sheet Triple OPEN Request(s)  
Importance: High

Here is the triple request with all the necessary approvals. We need to understand why this GL was not set up yesterday since we met the GL set up timeframe.

This GL needs to be set up as soon as possible since it has been requested by Executive Management to open.

Thank you for your support!

-Kim

-----Original Message-----

From: Nguyen, Lynn  
Sent: Thursday, September 25, 2008 8:24 AM  
To: GM GLRC Maintenance  
Cc: Ghasemi, Kim A.  
Subject: FW: Balance Sheet Triple OPEN Request(s)  
Importance: High

Can you tell us why this triple was not opened yesterday? Thanks.

-----Original Message-----

From: Ghasemi, Kim A.  
Sent: Wednesday, September 24, 2008 12:10 PM  
To: GM System Suspense; Nguyen, Lynn; Noblezada, Yolanda B.  
Subject: FW: Balance Sheet Triple OPEN Request(s)

FYI

All approvals received. GL will be set up today.

-----Original Message-----

From: Stewart, Jeff W.  
Sent: Wednesday, September 24, 2008 11:49 AM  
To: glrcmaint@wamu.net.  
Cc: Ghasemi, Kim A.  
Subject: FW: Balance Sheet Triple OPEN Request(s)

Approved

Jeff Stewart | Senior Vice President & Controller, Retail Banking | Retail Banking  
Controller's Group | 206.500.3458 | 206.377.2082 fax

-----Original Message-----

From: Ghasemi, Kim A.  
Sent: Wednesday, September 24, 2008 11:38 AM  
To: Stewart, Jeff W.  
Cc: Noblezada, Yolanda B.; Nguyen, Lynn; GM System Suspense  
Subject: FW: Balance Sheet Triple OPEN Request(s)

Approved.

Hi Jeff,

Please provide your approval and forward to GLRCMaint@wamu.net, for processing. This Hogan portfolio triple is for the 3.4 billion dollar Internal WaMu account that was opened to support an Executive initiative in Co 40.

Thank you for your immediate response.

-Kim

-----Original Message-----

From: Nguyen, Lynn  
Sent: Wednesday, September 24, 2008 11:32 AM  
To: Ghasemi, Kim A.  
Cc: GM System Suspense; Noblezada, Yolanda B.  
Subject: Balance Sheet Triple OPEN Request(s)

The following 1 B/S triple(s) have been requested to be opened:

ID # 370787 - Co: 040 GL: 35045 (NON-INT CKG-B3-WAMU INTERNAL) RC: 9911

ACCOUNT OWNER AND SUB SEGMENT CONTROLLER REPRESENTATIVE, PLEASE NOTE: By approving the opening of the above triple(s), you are also certifying that you have read and agree to the Accounting Plan Policy and the Policy to Request New Company, GL Account, and Responsibility Center Combinations (triples). You understand that you have up to 60 days to create the necessary documentation outlining the usage of your triples requested herein, as defined in these policies. You will maintain the necessary documentation, keep it up to date, and make available upon request.

GL Owner: Please approve and forward the above request(s) to Sub Segment Controller Representative, Stewart, Jeff, U225943@wamu.net, for final approval.

Sub Segment Controller Rep: Please review and forward your concurrence to GL Systems, glrcmaint@wamu.net, for processing.

**From:** Schulte, Patricia <patricia.schulte@wamu.net>  
**Sent:** Thursday, September 25, 2008 10:10 PM  
**To:** Brennan, Carey <carey.brennan@wamu.net>; Smith, Chad <charles.e.smith@wamu.net>  
**Subject:** Fw: Limits to Fedwire Transactions Through the FRB (SF)

---

So you know the wire goes via FSB. If fed enforces this dlod we won't be able to send until we get collateral.

Pat Schulte-----

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

**From:** Schulte, Patricia  
**To:** Williams, Robert J.  
**Sent:** Thu Sep 25 18:23:11 2008  
**Subject:** Fw: Limits to Fedwire Transactions Through the FRB (SF)

This could stop any wire.

Pat Schulte-----

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

**From:** Smallow, Timothy B.  
**To:** Schulte, Patricia  
**Sent:** Thu Sep 25 18:22:08 2008  
**Subject:** Limits to Fedwire Transactions Through the FRB (SF)

WMB currently has a DLOD limit of \$1.5 billion. No Fedwire transactions will be sent if a wire overdraws our WMB master account (321180748) at the FRB by >\$1.5 billion

WMB fsb currently has a DLOD limit of \$181 million. No Fedwire transactions will be sent if a wire overdraws our WMB fsb master account (123271978) at the FRB by >\$181 million.

Timothy Smallow  
First Vice President  
Treasury  
Cash Management

Washington Mutual  
1301 Second Avenue WMC1409  
Seattle, WA 98101

206.302.4300 direct  
206.554.7207 fax  
timothy.smallow@wamu.net

**B1011**

**From:** Smith, Chad  
**To:** Smallow, Timothy B.  
**Cc:**  
**Bcc:**  
**Subject:** Re: Limits to Fedwire Transactions Through the FRB (SF)  
**Date:** Fri Sep 26 10:36:06 EDT 2008  
**Attachments:**

---

And can you provide color re what's limiting fsb from doing this itself?

Kindest regards,

Chad Smith  
Assistant General Counsel & Team Lead

Washington Mutual  
1301 Second Avenue, WMC 3501  
Seattle, Washington 98101

Tel.: 206.500.4347  
Fax: 206.377.2236  
email: charles.e.smith@wamu.net

NOTICE: This email may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. If you have any questions, please do not hesitate to call my assistant at 206.500.4349. Thank you.

----- Original Message -----

**From:** Smallow, Timothy B.  
**To:** Smith, Chad  
**Sent:** Fri Sep 26 07:34:32 2008  
**Subject:** Re: Limits to Fedwire Transactions Through the FRB (SF)

We have until 3 pm PT today to make the transfer.

Tim

----- Original Message -----

**From:** Smith, Chad  
**To:** Smallow, Timothy B.  
**Sent:** Fri Sep 26 07:32:48 2008  
**Subject:** Re: Limits to Fedwire Transactions Through the FRB (SF)

Need to touch base with carey. What's the cutoff? Is Pat signed off (assuming you have what you need)?

Kindest regards,

---

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Chad Smith  
Assistant General Counsel & Team Lead

Washington Mutual  
1301 Second Avenue, WMC 3501  
Seattle, Washington 98101

Tel.: 206.500.4347  
Fax: 206.377.2236  
email: charles.e.smith@wamu.net

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----- Original Message -----

From: Smallow, Timothy B.  
To: Smith, Chad  
Sent: Fri Sep 26 07:31:39 2008  
Subject: Re: Limits to Fedwire Transactions Through the FRB (SF)

Exactly.

We need \$ to come into WMB first...at least another \$1.5 B to bring us under the FRB OD, then we can send out the \$4 B.

Let me know if we should proceed with moving \$ back to WMB from WMB fsb then out the door.

Tim

----- Original Message -----

From: Smith, Chad  
To: Smallow, Timothy B.; Schulte, Patricia  
Sent: Fri Sep 26 07:27:55 2008  
Subject: Re: Limits to Fedwire Transactions Through the FRB (SF)

So, how would that work? Obviously sensitive to the need to touch base with new constituents. Would you transfer from fsb to WMB and then to WMI's bny acct?

Kindest regards,

Chad Smith  
Assistant General Counsel & Team Lead

Washington Mutual  
1301 Second Avenue, WMC 3501  
Seattle, Washington 98101

Tel.: 206.500.4347  
Fax: 206.377.2236  
email: charles.e.smith@wamu.net

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----- Original Message -----

From: Smallow, Timothy B.  
To: Schulte, Patricia; Smith, Chad  
Sent: Fri Sep 26 07:26:01 2008  
Subject: Re: Limits to Fedwire Transactions Through the FRB (SF)

We can not send the WMI wires. PSR is on.

We will never be in a + position at WMB fsb today.

If we want this to happen, it will have to go out of WMB.

Tim

----- Original Message -----

From: Schulte, Patricia  
To: Smallow, Timothy B.  
Sent: Fri Sep 26 05:46:23 2008  
Subject: Fw: Limits to Fedwire Transactions Through the FRB (SF)

Let it go.

Pat Schulte-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Smith, Chad  
To: Schulte, Patricia; Brennan, Carey  
Cc: Smallow, Timothy B.  
Sent: Thu Sep 25 22:38:50 2008  
Subject: Re: Limits to Fedwire Transactions Through the FRB (SF)

The FDIC confirmed that WMI is entitled to withdraw the cash it has on deposit at the FSB. The withdrawal may be processed during regular morning hours and no special measures are required. Let me know whether you have any questions. Thanks.

Kindest regards,

Chad Smith

---

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Assistant General Counsel & Team Lead

Washington Mutual  
1301 Second Avenue, WMC 3501  
Seattle, Washington 98101

Tel.: 206.500.4347  
Fax: 206.377.2236  
email: charles.e.smith@wamu.net

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----- Original Message -----

From: Schulte, Patricia  
To: Brennan, Carey; Smith, Chad  
Sent: Thu Sep 25 19:10:23 2008  
Subject: Fw: Limits to Fedwire Transactions Through the FRB (SF)

So you know the wire goes via FSB. If fed enforces this dlod we won't be able to send until we get collateral.

Pat Schulte-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Schulte, Patricia  
To: Williams, Robert J.  
Sent: Thu Sep 25 18:23:11 2008  
Subject: Fw: Limits to Fedwire Transactions Through the FRB (SF)

This could stop any wire.  
Pat Schulte-----  
Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Smallow, Timothy B.  
To: Schulte, Patricia  
Sent: Thu Sep 25 18:22:08 2008  
Subject: Limits to Fedwire Transactions Through the FRB (SF)

WMB currently has a DLOD limit of \$1.5 billion. No Fedwire transactions will be sent if a wire overdraws our WMB master account (321180748) at the FRB by >\$1.5 billion

WMB fsb currently has a DLOD limit of \$181 million. No Fedwire transactions will be sent if a wire overdraws our WMB fsb master account (123271978) at the FRB by >\$181 million.

---

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---

Timothy Smallow  
First Vice President  
Treasury  
Cash Management

Washington Mutual  
1301 Second Avenue WMC1409  
Seattle, WA 98101

206.302.4300 direct  
206.554.7207 fax  
timothy.smallow@wamu.net

---

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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

	x	
	:	
<i>In re</i>	:	Chapter 11
	:	
WASHINGTON MUTUAL, INC., <i>et al.</i>	:	Case No. 08-12229 (MFW)
	:	
Debtors.	:	Jointly Administered
	:	
	:	
	:	
	:	
WASHINGTON MUTUAL, INC. AND WMI INVESTMENT CORP.,	:	Adv. Pro. No. 09-50934 (MFW)
	:	
Plaintiffs,	:	
	:	
v.	:	<b>DECLARATION OF CORRINE M. BURGER</b>
	:	
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	:	
	:	
Defendant.	:	
	x	

I, Corrine M. Burger, declare under penalty of perjury as follows:

1. I am the Controller of Retail Financial Services for JPMorgan Chase Bank, N.A. (“JPMC”) and have been continuously employed in that capacity from and after September 26, 2008. My responsibilities include the supervision of certain deposit accounts and regulatory reporting of certain deposit account liabilities maintained at or by JPMC.

2. I am aware that there is a dispute in this action involving six accounts, having ending numbers 4234, 1206, 0667, 9626, 9663, and 4704 (the “Accounts”). The Accounts are captioned as follows: 4234 – “WMI”; 1206 – “Washington Mutual Inc. FBO Washington

Mutual Bank FA”; 0667 – “Washington Mutual, Inc.”; 9626 – “Washington Mutual, Inc.”; 9663 – “Washington Mutual Inc. to Indemnity for 3/1/2006 LBMC Transfer”; and 4704 – “WAMU Investment Corp.”

3. Since acquiring various assets and liabilities of Washington Mutual Bank from the Federal Deposit Insurance Corporation (“FDIC”) on September 25, 2008, JPMC (i) has not made any changes to the titles on the Accounts, (ii) has not adjusted the balances purported to exist in the Accounts as of September 25, 2008, and (iii) has generated and sent statements for these Accounts, which reflect certain entries and/or transactions since September 25, 2008 that I understand to have been agreed upon with Debtors.

4. JPMC has continued to send these statements and maintain the Accounts pending the resolution of the current dispute involving these Accounts. By sending these statements and maintaining the Accounts, I understand JPMC has not determined or intended to acknowledge that the balances in these Accounts represent valid deposits of or are owed to Debtors or anyone else. Rather, I understand JPMC has maintained these Accounts and generated statements so as to avoid claimed violations of federal bankruptcy laws or federal banking laws and regulations pending the ultimate outcome of this dispute.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Columbus, Ohio on August 26, 2009.

  
CORRINE M. BURGER



I, BRIAN D. GLUECKSTEIN, declare under penalty of perjury as follows:

1. I am a member of the bar of the State of New York and an associate at the law firm of Sullivan & Cromwell LLP. I am counsel for Defendant JPMorgan Chase Bank, National Association (“JPMC”) in this action. I submit this declaration in support of JPMC’s Supplemental Opposition to Plaintiffs’ Motion for Summary Judgment.

2. Attached hereto as Exhibit A is a true and correct copy of the transcript of the deposition of Doreen A. Logan, which took place on August 26, 2009.

3. Attached hereto as Exhibit B is a true and correct copy of the Memorandum of Law of Cross-Claim Defendant Federal Deposit Insurance Corporation, as Receiver, in Opposition to Plaintiffs’ Motion for Summary Judgment in *Washington Mutual, Inc. et al. v. JPMorgan Chase Bank, N.A., et al.*, Adv. No. 09-50934 (MFW) (Bankr. D. Del.), filed on July 24, 2009.

4. Attached hereto as Exhibit C is a true and correct copy of Federal Election Commission Individual Contribution search results, <http://www.fec.gov/finance/disclosure/noridsea.shtml> (last visited September 11, 2009).

5. Attached hereto as Exhibit D is a true and correct copy of The Center for Responsive Politics search results, <http://www.opensecrets.org> (last visited September 11, 2009).

I hereby declare under penalty of perjury that the foregoing is true and correct. Executed this 11th day of September 2009 at New York, New York.

A handwritten signature in cursive script, appearing to read "Brian D. Glueckstein". The signature is written in black ink and is positioned above a horizontal line.

Brian D. Glueckstein

# **EXHIBIT A**



**In The Matter Of:**

*In re: WASHINGTON MUTUAL, INC., et al.*

---

**DOREEN A. LOGAN**

*August 26, 2009*

---

**CONTAINS -  
ATTORNEY'S EYES ONLY  
MERRILL CORPORATION**

*25 West 45th Street - Suite 900*

*New York, NY 10036*

*PH: 212-557-7400 / FAX: 212-692-9171*

**LOGAN, DOREEN A. - Vol. 1**

CONFIDENTIAL - ATTORNEY'S EYES ONLY

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

-----x  
In re Chapter 11  
Case No. 08-12229  
WASHINGTON MUTUAL, INC., (MFW)  
et al., Jointly Administered  
Debtors.

-----x  
WASHINGTON MUTUAL, INC. AND  
WMI INVESTMENT CORP., Adversary Proceeding  
No. 09-50934(MFW)  
Plaintiffs and Counterclaim  
Defendants,  
v.  
JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION,

Defendant and Counterclaimant.

-----x  
JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION,  
Cross-Claimant,  
v.

FEDERAL DEPOSIT INSURANCE  
CORPORATION, as Receiver of  
Washington Mutual Bank, Henderson,  
Nevada,

Cross-Claim Defendant.

-----x  
WITNESS: DOREEN A. LOGAN  
DATE: AUGUST 26, 2009

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August 26, 2009  
9:40 a.m.

Videotaped deposition of DOREEN A. LOGAN, pursuant to notice, at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, New York, before Gail F. Schorr, a Certified Shorthand Reporter, Certified Realtime Reporter and Notary Public within and for the State of New York.

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CONFIDENTIAL - ATTORNEY'S EYES ONLY  
A P P E A R A N C E S (Continued):  
AKIN GUMP STRAUSS HAUER & FELD LLP  
Attorneys for The Official Committee of Unsecured Creditors  
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New York, NY 10036  
BY: ROBERT A. JOHNSON, ESQ.  
-and-  
PEPPER HAMILTON LLP  
Attorneys for The Official Committee of Unsecured Creditors  
3000 Two Logan Square  
Eighteenth and Arch Streets  
Philadelphia, PA 19103-2799  
BY: LAURENCE Z. SHIEKMAN, ESQ.  
WILMER CUTLER PICKERING HALE & DORR LLP  
Attorneys for the Intervenor Defendants  
The Bank Bondholders  
1875 Pennsylvania Avenue  
Washington, D.C. 20006  
BY: NANCY L. MANZER, ESQ.  
WHITE & CASE LLP  
Attorneys for the WMI Noteholders Group  
1155 Avenue of the Americas  
New York, NY 10036-2787  
BY: GREGORY M. STARNER, ESQ.  
-and-  
KASOWITZ, BENSON, TORRES & FRIEDMAN LLP  
Attorneys for the WMI Noteholders Group  
1633 Broadway  
New York, NY 10019-6799  
BY: TREVOR J. WELCH, ESQ.

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A P P E A R A N C E S:  
QUINN EMANUEL URQUHART OLIVER & HEDGES, LLP  
Proposed Special Litigation and Conflicts  
Co-Counsel to the Plaintiffs  
51 Madison Avenue  
New York, NY 10010  
BY: ADAM ABENSOHN, ESQ.  
SULLIVAN & CROMWELL LLP  
Attorneys for JPMorgan Chase, National Association  
1888 Century Park East  
Los Angeles, CA 90067-1725  
BY: ROBERT A. SACKS, ESQ.  
-and-  
SULLIVAN & CROMWELL LLP  
Attorneys for JPMorgan Chase, National Association  
125 Broad Street  
New York, NY 10004  
BY: BRIAN D. GLUECKSTEIN, ESQ.  
WEIL, GOTSHAL & MANGES LLP  
Attorneys for Debtors  
1300 Eye Street, NW  
Suite 900  
Washington, DC 20005  
BY: ADAM P. STROCHAK, ESQ.

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A P P E A R A N C E S (Continued):  
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP  
Attorneys for Centerbridge and Appaloosa  
One New York Plaza  
New York, NY 10004-1980  
BY: MICHAEL B. de LEEUW, ESQ.  
DLA PIPER US LLP  
Attorneys for the Federal Deposit Insurance Corporation  
1251 Avenue of the Americas  
New York, NY 10020-1104  
BY: ANTHONY P. COLES, ESQ.  
ALSO PRESENT:  
LAWRENCE N. CHANEN, ESQ.  
J.P. Morgan Chase & Co.  
CHARLES EDWARD SMITH, ESQ.  
Washington Mutual, Inc.  
Robert Gibbs, Videographer  
Merrill Legal Solutions

6	<p>1 CONFIDENTIAL - ATTORNEY'S EYES ONLY</p> <p>2 THE VIDEOGRAPHER: Good</p> <p>3 morning, everybody. This is the</p> <p>4 video operator speaking, Robert</p> <p>5 Gibbs, of Merrill Legal Solutions,</p> <p>6 25 West 45th Street, New York, New</p> <p>7 York 10036. Today is August 26th</p> <p>8 of 2009 and the time is 9:40 a.m.</p> <p>9 We're at the offices of Sullivan &amp;</p> <p>10 Cromwell LLP, 125 Broad Street, New</p> <p>11 York City, New York, to take the</p> <p>12 videotaped deposition of Ms. Doreen</p> <p>13 <b>A. Logan, in the matter of</b></p> <p>14 <b>Washington Mutual, Incorporated, et</b></p> <p>15 <b>al., in the United States</b></p> <p>16 <b>Bankruptcy Court, District of</b></p> <p>17 <b>Delaware, Case Number 08-12229</b></p> <p>18 <b>(MFW), and Adversary Proceedings</b></p> <p>19 <b>Number 09-50934 (MFW).</b></p> <p>20 <b>Will examining and defense</b></p> <p>21 <b>counsel please introduce yourselves</b></p> <p>22 <b>for the record.</b></p> <p>23 MR. SACKS: Robert Sacks from</p> <p>24 Sullivan &amp; Cromwell LLP, on behalf</p> <p>25 of JPMorgan Chase.</p>	8	<p>1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY</p> <p>2 confidential certainly for 30 days</p> <p>3 following the completion of the</p> <p>4 transcript and then subject to</p> <p>5 possible further confidentiality</p> <p>6 going forward based on the</p> <p>7 provisions of that agreement which</p> <p>8 is yet to be worked out.</p> <p>9 MR. SACKS: That's correct.</p> <p>10 And I just think there are a number</p> <p>11 of other people here today who are</p> <p>12 not technically parties to this</p> <p>13 adversary proceeding and I think</p> <p>14 everybody ought to know that this</p> <p>15 transcript will be designated as</p> <p>16 confidential pursuant to that, and</p> <p>17 since it is not public, we,</p> <p>18 everybody should know, particularly</p> <p>19 people who represent people who are</p> <p>20 actively trading in public debt and</p> <p>21 the like that we regard this as</p> <p>22 material nonpublic information and</p> <p>23 they should act accordingly with</p> <p>24 respect to that.</p> <p>25 MR. ABENSOHN: Let me just add</p>
7	<p>1 CONFIDENTIAL - ATTORNEY'S EYES ONLY</p> <p>2 MR. ABENSOHN: Adam Abensohn</p> <p>3 from Quinn Emanuel, debtors'</p> <p>4 counsel, here for Ms. Logan.</p> <p>5 THE VIDEOGRAPHER: Will the</p> <p>6 court reporter, Gail Schorr of</p> <p>7 Merrill Legal Solutions, please</p> <p>8 swear the witness.</p> <p>9 DOREEN A. LOGAN,</p> <p>10 called as a witness, having been</p> <p>11 first duly sworn by the Notary</p> <p>12 Public (Gail F. Schorr), was</p> <p>13 examined and testified as</p> <p>14 follows:</p> <p>15 MR. SACKS: Before we start I</p> <p>16 think we want to put something on</p> <p>17 the record if we could.</p> <p>18 MR. ABENSOHN: It is our</p> <p>19 understanding today that the</p> <p>20 deposition will be subject to the</p> <p>21 terms of the confidentiality</p> <p>22 agreement currently being worked</p> <p>23 out as between debtors and</p> <p>24 JPMorgan. And it will be subject</p> <p>25 to its terms and it will remain</p>	9	<p>1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY</p> <p>2 one other point on the record</p> <p>3 before we begin. We've made Ms.</p> <p>4 Logan available today in connection</p> <p>5 with the pending summary judgment</p> <p>6 motion, in connection with the</p> <p>7 motion to strike pending by</p> <p>8 JPMorgan. We've made clear to</p> <p>9 JPMorgan last week I think that we</p> <p>10 are making Ms. Logan available</p> <p>11 specifically to be examined with</p> <p>12 respect to the subject matter of</p> <p>13 that affidavit, and we do reserve</p> <p>14 the option to instruct Ms. Logan</p> <p>15 not to respond to questions that go</p> <p>16 beyond that scope.</p> <p>17 MR. SACKS: In summary, we</p> <p>18 understand that this is a limited</p> <p>19 deposition, we may have some</p> <p>20 agreement or disagreement around</p> <p>21 the edges as to the scope, but we</p> <p>22 understand that it is limited and</p> <p>23 therefore, that there might come a</p> <p>24 time in the course of this or the</p> <p>25 related litigations that Ms. Logan</p>

10

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 will be returning for further  
3 deposition, and this is not  
4 precluding her further deposition.  
5 Is that your understanding as well?  
6 MR. ABENSOHN: We recognize  
7 that if the matter proceeds into  
8 discovery there may be a basis for  
9 further examination.  
10 MR. SACKS: Fine.  
11 MS. MANZER: On that note, can  
12 I also just add a note for the  
13 record. Nancy Manzer, Wilmer  
14 Cutler Pickering Hale and Dorr. On  
15 behalf of certain holders of the  
16 senior note of WMB, I just wanted  
17 to state for the record, because we  
18 just learned about the deposition a  
19 short time ago, because we just  
20 became parties to the case, we have  
21 not seen any documents and we do  
22 reserve our right to either  
23 renote the deposition or continue  
24 it, although with the statements  
25 you just made it sounds like that

11

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 would not be precluded in any  
3 event.  
4 EXAMINATION BY MR. SACKS:  
5 Q. Good morning, Ms. Logan.  
6 A. **Good morning.**  
7 Q. How are you?  
8 A. **Good.**  
9 Q. Are you feeling well? Are you  
10 under any medication, is there any reason  
11 you can't give your best and accurate  
12 testimony today?  
13 A. **No.**  
14 Q. Before we begin, I just want  
15 to -- I know you've have an opportunity,  
16 you did have an opportunity to meet with  
17 your counsel in preparation for today's  
18 deposition, didn't you?  
19 A. **Yes.**  
20 Q. And I'm sure that he told you  
21 all sorts of things about what's going to  
22 happen today and some of the rules we  
23 follow, but I'd just like to go over a  
24 few of them with you before we begin so  
25 that we end up with a record that is

12

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 hopefully clear, clean and understandable  
3 to all of us who have to use it. Okay?  
4 A. **Yes.**  
5 Q. By the way, have you ever had  
6 your deposition taken before?  
7 A. **No.**  
8 Q. Have you ever testified in a  
9 court proceeding?  
10 A. **I would call what I -- a  
11 deposition light in a review of a  
12 transaction between the bank and someone  
13 else, but it wasn't -- it wasn't this  
14 formal.**  
15 Q. Was your testimony  
16 transcribed?  
17 A. **I don't think it was because I  
18 never saw a transcript.**  
19 Q. We are on the record today,  
20 and as you can tell, you're being both  
21 videotaped and your testimony is being  
22 transcribed in written form by the court  
23 reporter sitting next to you. The court  
24 reporter's transcript is the official  
25 record of the proceeding. She can really

13

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 only take down one of us speaking at the  
3 same time, so I would ask that you please  
4 try to wait until I finish my questions  
5 before you begin to answer, and I'll try  
6 to wait until you finish your answer  
7 before I start to ask my next question.  
8 Sometimes that's difficult. It's not  
9 like a cocktail conversation. But it  
10 will help us as well.  
11 Do you understand that?  
12 A. **Yes.**  
13 Q. Also, you need to verbalize  
14 all your responses. If you nod your head  
15 up and down or left to right, I know what  
16 you mean and you know what you mean, but  
17 the court reporter is not allowed to  
18 interpret what you mean and so the  
19 answer, if it's not audible, is going to  
20 be nothing in the transcript.  
21 Similarly, if you say things  
22 like yeah, uh-huh and words like that,  
23 that's what the transcript is going to  
24 look like. So yeses should be yeses and  
25 nos should be nos and the like. Okay?

14

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 **A. Yes.**  
 3 Q. There may come a time during  
 4 the course of the deposition today that  
 5 your counsel is going to object to  
 6 questions. Please, again, the rule about  
 7 waiting and letting one person speak at  
 8 the same time applies to your counsel as  
 9 well. While I of course don't really  
 10 want to hear from him, he will from time  
 11 to time speak, and please wait until he  
 12 makes his objection before you go ahead  
 13 and answer the question or interrupt as  
 14 well. Okay?  
 15 **A. Yes.**  
 16 Q. I'm going to ask -- the way  
 17 we're going to proceed today is I'm going  
 18 to ask you questions and you're going to  
 19 have an opportunity to answer them.  
 20 Please give me your fullest and best  
 21 recollection and answer to the limit of  
 22 your understanding.  
 23 But if you don't understand a  
 24 question, please don't try to guess at  
 25 what I'm asking you. Please tell me you

15

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 don't understand and I'll attempt to  
 3 rephrase the question in a way that will  
 4 be understandable to you. Okay?  
 5 **A. Yes.**  
 6 Q. All right. And if you ever  
 7 need to take a break during the course of  
 8 the day today, please just say so.  
 9 You're not chained to the chair. We'll  
 10 be happy to accommodate you as soon as we  
 11 finish a question and answer. Okay?  
 12 **A. Okay, thank you.**  
 13 Q. Tell me by whom you're  
 14 currently employed.  
 15 **A. Washington Mutual, Inc.**  
 16 Q. And how long have you been  
 17 employed by Washington Mutual, Inc.?  
 18 **A. My start date was October**  
 19 **20th, 2008.**  
 20 Q. That was post the bankruptcy  
 21 filing?  
 22 **A. Yes.**  
 23 Q. What is your current position  
 24 with Washington Mutual, Inc.?  
 25 **A. I'm the controller and**

16

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 **assistant treasurer.**  
 3 Q. Prior to becoming employed by  
 4 Washington Mutual, Inc. on October 20th  
 5 of last year, by whom were you employed?  
 6 **A. Washington Mutual Bank.**  
 7 Q. And in what capacity?  
 8 **A. My last position at the bank**  
 9 **was first vice president, structured**  
 10 **finance in treasury.**  
 11 Q. And so there was a -- I take  
 12 it there was a very short several week  
 13 period of time after -- you're aware --  
 14 strike that, let me start again.  
 15 You're aware, are you not, the  
 16 bank went into receivership on September  
 17 25th of last year?  
 18 **A. Yes.**  
 19 Q. Am I correct that there was a  
 20 short period of time where the assets of  
 21 the bank had been transferred to JPMorgan  
 22 Chase that you remained an employee of  
 23 Washington Mutual Bank?  
 24 MR. ABENSOHN: Objection.  
 25 Q. Did you remain an employee of

17

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 Washington -- by whom were you employed  
 3 between September 25th, 2008 and October  
 4 20th, 2008?  
 5 **A. JPMorgan.**  
 6 Q. So from a substantive  
 7 perspective, am I correct that you  
 8 remained doing the same thing you were  
 9 doing for Washington Mutual Bank prior to  
 10 the receivership during that several week  
 11 period of time?  
 12 **A. Yes.**  
 13 MR. SACKS: I don't want to  
 14 spend a lot of time on your  
 15 background, but let me mark as --  
 16 we haven't discussed a protocol for  
 17 marking exhibits so I figure I'll  
 18 just mark them Logan 1, 2, etc.  
 19 MR. ABENSOHN: That's fine.  
 20 MR. SACKS: I'll mark this as  
 21 Logan Exhibit 1.  
 22 (Logan Exhibit 1 for  
 23 identification, email from Doreen  
 24 Logan to Steve Stearns dated July  
 25 3, 2008, with attached resume of

18

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Doreen Logan.)  
3 Q. Ms. Logan, could you identify  
4 the document I've marked as Logan Exhibit  
5 1?  
6 **A. Yes. This is my resume.**  
7 Q. And is this your resume that  
8 was current as of July 3rd of last year?  
9 **A. Yes.**  
10 Q. Is it accurate?  
11 **A. Yes.**  
12 Q. Or at least accurate as of  
13 that date?  
14 **A. As of that date.**  
15 Q. Is it complete, at least with  
16 respect to your educational and work  
17 experience following college?  
18 **A. Yes.**  
19 Q. Tell me what your -- in a  
20 general sense, what your duties and  
21 responsibilities were as first vice  
22 president at Washington Mutual Bank?  
23 **A. I worked on structured**  
24 **transactions.**  
25 Q. What does that mean?

19

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. There were transactions with**  
3 **counterparties that were funding**  
4 **transactions. We were in the process of**  
5 **expanding our funding. We did funding**  
6 **transactions. We did internal**  
7 **restructurings such as the elimination of**  
8 **one of the intermediate holding**  
9 **companies, the consolidation of the REITs**  
10 **that we -- that the bank had owned.**  
11 Q. Let me go back. You were in  
12 the treasury department?  
13 **A. Yes.**  
14 Q. Was it called the treasury  
15 department, treasury division? You say  
16 treasury division on the resume. Is that  
17 what it was called?  
18 **A. Yes, I think so.**  
19 Q. And maybe you could explain to  
20 whom did you report in your position as  
21 first vice president of the treasury  
22 division?  
23 **A. I think for a period of time**  
24 **Steve Stearns and for a period of time**  
25 **Peter Freilinger.**

20

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. What period of time did you  
3 report to Mr. Freilinger?  
4 **A. January 2006 to December of, I**  
5 **think December of 2007.**  
6 Q. Then Mr. Stearns thereafter?  
7 **A. Yes.**  
8 Q. And maybe you could explain --  
9 what was the function of the treasury  
10 division of Washington Mutual Bank?  
11 **A. I can tell you what I did in**  
12 **treasury. I'm not sure that I could**  
13 **adequately explain what all the positions**  
14 **in treasury do.**  
15 Q. How large was the treasury  
16 division of the bank?  
17 **A. I could not estimate.**  
18 Q. Prior to September 25th of  
19 2008, were you employed by Washington  
20 Mutual, Inc.?  
21 **A. No.**  
22 Q. Were you an officer during  
23 that -- prior to September 25th of 2008,  
24 were you an officer of Washington Mutual,  
25 Inc.?

21

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. For a period of time during**  
3 **the years 2000 to 2006 I believe I was an**  
4 **officer of Washington Mutual, Inc. I**  
5 **don't know after 2006 if I was.**  
6 Q. Prior to September 25th, 2008,  
7 were you employed by Washington Mutual  
8 Bank fsb?  
9 **A. No.**  
10 Q. Prior to September 25th, 2008,  
11 were you an officer of Washington Mutual  
12 fsb?  
13 **A. Yes.**  
14 Q. What were you? What was your  
15 position?  
16 **A. I think I was a first vice**  
17 **president.**  
18 Q. Of Washington Mutual Bank fsb?  
19 **A. Yes.**  
20 Q. And during what period of  
21 time?  
22 **A. I don't know.**  
23 Q. Were you -- do you believe you  
24 were first vice president of Washington  
25 Mutual Bank fsb during the period July

22

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 through September 25th, 2008?  
3 **A. I believe that I was.**  
4 Q. What is the basis of your  
5 belief that you were an officer of --  
6 that you were first vice president of  
7 Washington Mutual Bank fsb during that  
8 period of time?  
9 **A. We asked our paralegals in  
10 legal if I was an officer.**  
11 MR. ABENSOHN: I'll stop you.  
12 I'll interject for privilege.  
13 Q. Prior to -- during the period  
14 of -- during the periods July 2008  
15 through September 25th, 2008, did you  
16 have any understanding as to whether you  
17 were an officer of Washington Mutual Bank  
18 fsb?  
19 **A. I'm not sure. I don't know if  
20 I could say for sure.**  
21 Q. So am I correct that to the  
22 extent you're testifying today that you  
23 were an officer of Washington Mutual --  
24 strike that.  
25 Do you have any personal

23

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 knowledge that you were an officer of  
3 Washington Mutual Bank fsb?  
4 MR. ABENSOHN: Objection;  
5 form.  
6 **A. At what time period, I'm  
7 sorry?**  
8 Q. As you sit here today. I  
9 understand, without getting into the  
10 substance, I understand that in the  
11 context of preparing for your deposition  
12 you've been provided some information  
13 about the status of whether you were or  
14 were not an officer of Washington Mutual  
15 Bank fsb and your counsel has interposed  
16 an objection to me asking about that.  
17 Other than what you may have  
18 been told in that context, do you have  
19 any other basis of knowledge as to  
20 whether you were an officer of Washington  
21 Mutual Bank fsb during the period July  
22 through September 25th of 2008?  
23 **A. I believe that I was. I  
24 confirmed with counsel -- I confirmed  
25 with paralegals. Sorry.**

24

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Let me go back again. I guess  
3 your counsel doesn't want me and is  
4 prohibiting me from inquiring into the  
5 inquiries that you have made, may have  
6 made in recent vintage with paralegals at  
7 the direction of counsel as to your  
8 status as an officer or not.  
9 I'm trying to find out  
10 independent of whatever conversations you  
11 had in that context, do you have any  
12 knowledge, basis of knowledge as to  
13 whether you were or were not an officer  
14 of Washington Mutual Bank fsb during the  
15 period July through September 25th of  
16 2008?  
17 **A. Do I have any personal  
18 knowledge? Yes, I believe that I -- I  
19 have personal knowledge that I was an  
20 officer of the fsb.**  
21 Q. And what is the basis of that  
22 knowledge?  
23 **A. Our online systems at the  
24 bank, you can log on and find out your  
25 officerships. And I, at that time I**

25

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **believe I was maintaining three**  
3 **officerships.**  
4 Q. And what were those?  
5 **A. WMI, WMB and fsb.**  
6 Q. I'm sorry, I thought you told  
7 me that you were an officer of WMI only  
8 up to 2006?  
9 **A. No, I said I was not sure if I  
10 was after 2006.**  
11 Q. Let me go back again. I'm  
12 sorry, I just want to get this clear if  
13 we could. Is it your testimony you were  
14 an officer of WMI, you believe you were  
15 an officer of WMI during the period July  
16 through September 25th of 2008?  
17 **A. I believe that I was.**  
18 Q. And what is the basis for that  
19 belief?  
20 **A. The online access at the bank.  
21 You could log on and check your  
22 officerships.**  
23 Q. When did you log on to check  
24 your officerships?  
25 **A. It was done -- I can't name**



26

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 **the date, but it was done on a regular**  
 3 **basis.**  
 4 Q. You checked your officerships  
 5 on a regular basis?  
 6 **A. Sure.**  
 7 Q. Just to check them, or was  
 8 there some purpose for which you checked  
 9 them?  
 10 **A. It was just, you log on and**  
 11 **check all this -- to make sure all the**  
 12 **information is correct.**  
 13 Q. And do you believe you did  
 14 that during the period July through  
 15 September of 2008?  
 16 **A. I can't say for sure.**  
 17 Q. Do you have any recollection  
 18 of any specific time you did that?  
 19 **A. Any specific time, no.**  
 20 Q. Do you have any recollection  
 21 of any general time you did that, early  
 22 2008, mid-2008, anything in a general  
 23 time frame?  
 24 **A. No.**  
 25 Q. Okay. And what was your

27

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 position, officer position at WMI?  
 3 **A. I believe I was a first vice**  
 4 **president. There's potential I was just**  
 5 **a vice president.**  
 6 Q. And why do you have that  
 7 uncertainty?  
 8 **A. Because from 2000 and -- 2000**  
 9 **to 2006 I was a vice president and the**  
 10 **officer titles usually flowed to the next**  
 11 **company.**  
 12 Q. And why are you uncertain as  
 13 to whether you were -- why did you tell  
 14 me before you were uncertain as to  
 15 whether you were an officer of WMI after  
 16 2006?  
 17 **A. Because I was confused.**  
 18 Q. With respect to Washington  
 19 Mutual Bank fsb, during what period of  
 20 time were you an officer of Washington  
 21 Mutual fsb?  
 22 **A. I'm unsure.**  
 23 Q. Do you have a belief?  
 24 **A. No.**  
 25 Q. Do you have a recollection of

28

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 logging on and seeing on the computer  
 3 system that you were in fact an officer  
 4 of Washington Mutual Bank fsb?  
 5 **A. At what time period?**  
 6 Q. At any time period?  
 7 **A. Yes.**  
 8 Q. What's the name of this system  
 9 that you look on?  
 10 **A. WaMu.net.**  
 11 Q. WaMu.net?  
 12 **A. Yes.**  
 13 Q. And what database do you look  
 14 at?  
 15 **A. I don't know. It was in your**  
 16 **profile.**  
 17 Q. Okay. Are you familiar with  
 18 something called TeamConnect?  
 19 **A. No.**  
 20 Q. That's not a database that  
 21 you've ever utilized before?  
 22 **A. No.**  
 23 Q. Just so I'm clear, you were  
 24 only an employee of Washington Mutual  
 25 Bank, but you believe you were an officer

29

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 of each of Washington Mutual, Inc.,  
 3 Washington Mutual Bank and Washington  
 4 Mutual fsb during at least the period  
 5 July through September 25th of 2008?  
 6 **A. I believe so, yes.**  
 7 Q. And are there any more facts  
 8 that relate to the basis of your belief  
 9 with respect to your being an officer of  
 10 Washington Mutual, Inc. or Washington  
 11 Mutual Bank fsb that you haven't  
 12 explained to me already?  
 13 **A. No.**  
 14 Q. In your capacity as the -- and  
 15 I want to focus if I could really on the  
 16 period during the summer through  
 17 September 25th of 2008, if we could. In  
 18 your capacity as first vice president in  
 19 the treasury division of Washington  
 20 Mutual Bank who did you report to? I'm  
 21 sorry, you told me at that point you  
 22 reported to Mr. Stearns, correct?  
 23 **A. Yes, that's correct.**  
 24 Q. And what was his position?  
 25 **A. First vice president, capital**

30

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 **strategies, structured finance. I'm not**  
 3 **sure, I think that's one of the two.**  
 4 **First vice president was his title.**  
 5 Q. And he was in the treasury  
 6 division as well?  
 7 **A. Yes.**  
 8 Q. Do you know who he reported to  
 9 during that period of time?  
 10 **A. Peter Freilinger.**  
 11 Q. And what was Mr. Freilinger's  
 12 position during that period of time?  
 13 **A. Senior vice president, funding**  
 14 **and capital.**  
 15 Q. And was he in the treasury  
 16 division as well?  
 17 **A. Yes.**  
 18 Q. Do you know who he reported  
 19 to?  
 20 **A. Robert Williams.**  
 21 Q. Mr. Williams was the  
 22 treasurer?  
 23 **A. That's correct.**  
 24 Q. How many people reported to  
 25 you?

31

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 **A. None.**  
 3 Q. Do you know how many -- in  
 4 addition to you, do you know who else  
 5 reported to Mr. Stearns during this  
 6 period of time?  
 7 **A. Yes.**  
 8 Q. Who else?  
 9 **A. Name them all?**  
 10 Q. How many people reported  
 11 directly to him?  
 12 **A. I would -- I would have to**  
 13 **guess.**  
 14 Q. Do you have an approximation?  
 15 **A. Maybe seven.**  
 16 Q. Who were they?  
 17 **A. Sorry?**  
 18 Q. Who were they, if you know?  
 19 **A. By name?**  
 20 Q. Yes.  
 21 **A. Susan Chan, Karen Schenone,**  
 22 **Jessica Jaeger, Tom Roe. There may have**  
 23 **been more, I'm not certain.**  
 24 Q. What was your -- was there a  
 25 group within the treasury division that

32

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 actually did the processing of entries?  
 3 **A. Treasury accounting, yes.**  
 4 Q. Treasury accounting. And who  
 5 ran treasury accounting?  
 6 **A. Jim Douthitt was the**  
 7 **controller.**  
 8 Q. I'm sorry, his name again?  
 9 **A. Jim Douthitt.**  
 10 Q. Could you spell that?  
 11 **A. D-o-u-t-h-i-t-t.**  
 12 Q. And who did treasury -- who  
 13 did he report to?  
 14 **A. Robert Williams.**  
 15 Q. Am I correct that you had no  
 16 responsibility for supervising anyone in  
 17 treasury accounting?  
 18 **A. No, I did not have any**  
 19 **responsibility.**  
 20 Q. And so the people in treasury  
 21 accounting were the ones who would, am I  
 22 correct, who would initiate general  
 23 ledger entries, process general ledger  
 24 entries?  
 25 **A. There were other folks in**

33

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 **treasury who did general ledger**  
 3 **transactions, but the majority of general**  
 4 **ledger transactions were done by treasury**  
 5 **accounting, yes.**  
 6 Q. You're going to testify, I'm  
 7 going to ask you some more questions  
 8 later, it won't come as a surprise to you  
 9 about a \$3.67 billion transaction. Were  
 10 the individuals who processed that  
 11 transaction in treasury accounting?  
 12 **A. No.**  
 13 Q. Where were those individuals?  
 14 **A. They worked for cash**  
 15 **management.**  
 16 Q. And who ran cash management?  
 17 **A. Pat Schulte.**  
 18 Q. And to whom did Ms. Schulte  
 19 report?  
 20 **A. Robert Williams.**  
 21 Q. And did you have any  
 22 responsibility for supervising the  
 23 individuals in cash management?  
 24 **A. Not during that time, no.**  
 25 Q. And how many people were there

34

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 in cash management who reported to Ms.  
3 Schulte?  
4 **A. I couldn't estimate.**  
5 Q. Do you have an understanding,  
6 approximately?  
7 **A. Potentially between 10 and 12.**  
8 Q. Okay. Were there any people  
9 who were in -- to the best of your  
10 understanding, were all the people who  
11 processed the \$3.67 billion transaction  
12 in the cash management group?  
13 **A. Yes.**  
14 Q. Is there a reason why that  
15 transaction was processed by the cash  
16 management group?  
17 MR. ABENSOHN: Objection.  
18 Q. Do you know why that  
19 transaction was processed by the cash  
20 management group rather than by treasury  
21 accounting?  
22 **A. Yes.**  
23 Q. Why?  
24 **A. Because in the normal course**  
25 **when cash management was moving funds on**

35

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **behalf of WMI or any of the other nonbank**  
3 **entities, Yolanda and others in cash**  
4 **management made the journal entries to**  
5 **reflect that cash movement.**  
6 Q. And so this in your mind was  
7 such a transaction?  
8 **A. Yes.**  
9 Q. And that included the portion  
10 of the transaction that purported to be a  
11 loan from Washington Mutual Bank fsb to  
12 Washington Mutual Bank, too?  
13 MR. ABENSOHN: Objection to  
14 form.  
15 MR. SACKS: Strike that.  
16 Q. You understand that the \$3.67  
17 billion transaction is alleged to have  
18 involved a transfer of a DDA account from  
19 Washington Mutual Bank to Washington  
20 Mutual Bank -- or funds in a DDA account  
21 from Washington Mutual Bank to Washington  
22 Mutual Bank fsb with a corresponding loan  
23 of those funds back from Washington  
24 Mutual Bank to -- Washington Mutual Bank  
25 fsb to Washington Mutual Bank?

36

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: Objection again  
3 to form.  
4 Q. Do you understand the  
5 question?  
6 **A. I'm sorry, I don't.**  
7 Q. Do you understand that the  
8 \$3.67 billion transaction that is the  
9 subject of your portion of your affidavit  
10 involved the alleged transfer of funds in  
11 a DDA account at Washington Mutual Bank  
12 to Washington Mutual Bank fsb and a loan  
13 back of those same funds from Washington  
14 Mutual Bank fsb to Washington Mutual  
15 Bank?  
16 MR. ABENSOHN: Objection.  
17 **A. I believe it was two**  
18 **transactions. WMI moved its deposit**  
19 **account from WMI to the fsb, which was**  
20 **one transaction. And then the fsb loaned**  
21 **those funds back to the bank in another**  
22 **transaction.**  
23 Q. We'll get to that in a minute  
24 as to whether they're one or two.  
25 As to the second, what you

37

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 call the second transaction, was that  
3 transaction -- that transaction was  
4 processed by cash management, wasn't it?  
5 **A. Yes.**  
6 Q. And that by your statement was  
7 a transaction between a bank and a bank?  
8 **A. Yes.**  
9 Q. Not a transaction between a  
10 nonbank subsidiary or a nonbank affiliate  
11 and a bank, correct?  
12 **A. That's correct.**  
13 Q. So why was that transaction  
14 processed then by cash management rather  
15 than treasury accounting, if you know?  
16 **A. It was a movement of funds**  
17 **between -- well they do cash management.**  
18 Q. You told me before in  
19 answering my question that cash  
20 management processed transactions that  
21 involve the movement of cash from nonbank  
22 entities with bank entities and the  
23 second transaction that you've just said  
24 are separate transactions involved the  
25 movement, alleged movement of funds from

38

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 bank to bank.  
3 **A. Yes.**  
4 Q. And so my question to you is  
5 why was that, if you know, you may not  
6 know, processed by cash management rather  
7 than treasury accounting?  
8 **A. That was always what cash**  
9 **management, to my knowledge, took care**  
10 **of, moving funds between the fsb and the**  
11 **bank as well as other entities within the**  
12 **common group.**  
13 Q. Okay. Then maybe you misspoke  
14 before or I misunderstood your answer  
15 before. Did you not tell me before that  
16 cash management was involved in  
17 processing transactions between nonbank  
18 affiliate -- nonbank entities that were  
19 part of the Washington Mutual family and  
20 bank entities?  
21 MR. ABENSOHN: Objection as to  
22 form.  
23 **A. I may have misspoke before and**  
24 **limited it only to nonbank affiliate**  
25 **transactions, but they also processed**

39

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **transactions between the banks.**  
3 Q. So what you're telling me is  
4 that any time any movement of funds  
5 between any Washington Mutual entities  
6 was the responsibility of -- the  
7 responsibility for processing that fell  
8 within cash management?  
9 MR. ABENSOHN: Objection;  
10 form.  
11 **A. Can you say that question**  
12 **again, please.**  
13 Q. Yes. I'm just trying to make  
14 sure I now understand your corrected  
15 testimony, which is, is it your testimony  
16 that any movement of funds between any  
17 Washington Mutual entities was, the  
18 responsibility for processing that fell  
19 to cash management as distinct from  
20 treasury accounting?  
21 MR. ABENSOHN: Objection as to  
22 the characterization.  
23 **A. I'm still a bit confused. I**  
24 **don't think that -- I never said that it**  
25 **was always one or the other. There were**

40

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **other departments within the bank that**  
3 **processed transactions.**  
4 Q. I want to focus on movement of  
5 funds between entities. Was that  
6 something that was the responsibility of  
7 cash management?  
8 **A. Usually, yes.**  
9 Q. And that was true whether that  
10 was the movement of funds from bank to  
11 bank, or nonbank to bank, or bank to  
12 nonbank?  
13 **A. Usually, yes.**  
14 Q. When you say usually, what do  
15 you mean by usual? Was there -- what do  
16 you mean by usual?  
17 **A. There were other departments**  
18 **within the bank, such as intercompany**  
19 **accounting, who directed the settlement**  
20 **of intercompany payments.**  
21 Q. And who ran intercompany  
22 accounting?  
23 **A. During September it would have**  
24 **been Paul Stephen.**  
25 Q. Maybe I should ask you a more

41

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 general question. Describe for me how  
3 the treasury division at Washington  
4 Mutual Bank was set up during the period  
5 of time we're talking about. At the top  
6 we have Mr. Williams, the treasurer. How  
7 many different people reported directly  
8 to him?  
9 **A. I really couldn't -- I'm --**  
10 Q. Let me ask you the question  
11 differently. At the top you have Mr.  
12 Williams. Below that could you give me  
13 your description of the way the treasury  
14 division at Washington Mutual Bank was  
15 organized?  
16 **A. I can give you a general**  
17 **description by the senior vice presidents**  
18 **that reported to Robert, but I'm not**  
19 **certain I'm going to get all of them.**  
20 Q. That's okay. I'm only asking  
21 you for the best of your recollection or  
22 knowledge.  
23 **A. Peter Freilinger was senior**  
24 **vice president, funding and capital. Pat**  
25 **Schulte was senior vice president, cash**

42

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **management. Jim Hunt was senior vice**  
3 **president, asset liability management.**  
4 **And the controller for treasury was Jim**  
5 **Douthitt, senior vice president.**  
6 Q. So those were four, in your  
7 mind, four main areas that reported into  
8 Mr. Williams?  
9 **A. There may have been others,**  
10 **but yes.**  
11 Q. And then you were then under  
12 Mr. Freilinger, there was Mr. Stearns,  
13 right?  
14 **A. Yes.**  
15 Q. And others who reported to Mr.  
16 Freilinger directly?  
17 **A. I could name some. I'm not**  
18 **sure -- certain I'll get them all.**  
19 Q. Okay, give me those.  
20 **A. Bob Bjorklund was funding,**  
21 **Vicky Wu was capital. Dave Coultas was**  
22 **investments.**  
23 Q. So approximately another four  
24 people reporting up to Mr. Freilinger?  
25 **A. Yes.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. And then you -- then under Mr.  
3 Stearns you reported to him?  
4 **A. Yes.**  
5 Q. And you indicated, you named  
6 four other people you recalled who also  
7 reported to him, correct?  
8 **A. Yes.**  
9 Q. And nobody reported to you?  
10 **A. No.**  
11 MR. SACKS: Let me, I might as  
12 well start with this, let me mark a  
13 copy of the affidavit that you  
14 submitted.  
15 (Logan Exhibit 2 for  
16 identification, affidavit of Doreen  
17 Logan, with attached exhibits.)  
18 MR. ABENSOHN: You're marking  
19 this Logan 2?  
20 MR. SACKS: Logan 2.  
21 Q. Ms. Logan, could you look at  
22 the document that's been marked as Logan  
23 2 and tell me whether it -- well, tell me  
24 whether it's an affidavit that you  
25 executed on or about May 19th of this

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 year, and its exhibits?  
3 **A. Yes.**  
4 Q. Did you understand -- you  
5 understood that you were executing this  
6 in opposition to a motion, or in support  
7 of a motion for summary judgment?  
8 **A. Yes.**  
9 Q. Who drafted this in the first  
10 instance, drafted the affidavit?  
11 **A. My attorneys interviewed me**  
12 **and they sent me a draft of what I had**  
13 **said.**  
14 Q. Did you make any corrections  
15 to that draft?  
16 **A. I made many changes to the**  
17 **document.**  
18 Q. And did you send -- did you  
19 make those changes in writing?  
20 **A. Yes.**  
21 Q. And did you send those back to  
22 your attorneys?  
23 **A. Yes.**  
24 MR. ABENSOHN: I'm going to  
25 interject for privilege.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. Did you retain a copy of the  
3 changes that you made?  
4 **A. I can't say for sure if I did**  
5 **or not.**  
6 Q. Did you send -- in what way  
7 did you send them to your attorneys, fax,  
8 email?  
9 MR. ABENSOHN: I'm going to  
10 object to this line.  
11 MR. SACKS: Tell me whether  
12 these changes exist?  
13 MR. ABENSOHN: I don't know  
14 offhand, but in any event, we view  
15 it all wrapped up as part of  
16 privilege and work product.  
17 MR. SACKS: We may have to  
18 agree to disagree about that, but  
19 certainly the question as to going  
20 to determine whether they may or  
21 may not still exist is the proper  
22 subject of questioning.  
23 Q. So let me ask again and maybe  
24 counsel is going to instruct. I'm not  
25 asking you to give me the content today,

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 or right this second, but what I'm asking  
3 you right now is simply whether the  
4 manner in which you transmitted your  
5 comments, did you transmit it orally or  
6 in writing?  
7 (Instruction not to answer.)  
8 MR. ABENSOHN: Same objection.  
9 Doreen, I'll instruct you not to  
10 answer.  
11 Q. To the extent you transmitted  
12 your comments in writing, did you  
13 transmit them by fax, email or handing  
14 them to somebody?  
15 (Instruction not to answer.)  
16 MR. ABENSOHN: Same  
17 instruction.  
18 Q. Do you recall any of the  
19 changes you made to your affidavit as it  
20 was originally drafted for you?  
21 (Instruction not to answer.)  
22 MR. ABENSOHN: Same objection.  
23 MR. SACKS: You're instructing  
24 her not to answer all these  
25 questions?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: I am.  
3 MR. SACKS: So I take it you  
4 will not permit me to examine her  
5 on the process by which a draft of  
6 an affidavit was presented to her  
7 and she worked on it and modified  
8 it before signing it?  
9 MR. ABENSOHN: I can't respond  
10 to that generally. I've  
11 interjected an objection to  
12 particular questions that were just  
13 posed.  
14 MR. SACKS: Just so I'm clear,  
15 did you instruct her not to answer  
16 the question as to whether she  
17 recalls any of the changes she  
18 made; is that right?  
19 MR. ABENSOHN: Yes.  
20 Q. What were the changes that you  
21 made?  
22 (Instruction not to answer.)  
23 MR. ABENSOHN: Same objection.  
24 MR. SACKS: And is that an  
25 instruction?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: It is.  
3 Q. Who were the attorneys who  
4 were involved with you in preparing this  
5 affidavit?  
6 (Instruction not to answer.)  
7 MR. ABENSOHN: Objection. I'm  
8 going to instruct you not to  
9 answer.  
10 Q. Were they from the Quinn  
11 Emanuel firm?  
12 (Instruction not to answer.)  
13 MR. ABENSOHN: Objection.  
14 Again, don't answer.  
15 Q. Did you share a draft of this  
16 declaration with anybody before you  
17 ultimately finalized it and signed it?  
18 (Instruction not to answer.)  
19 MR. ABENSOHN: Same objection;  
20 same instruction.  
21 Q. And by that I meant to include  
22 anybody not limited to counsel?  
23 (Instruction not to answer.)  
24 MR. ABENSOHN: Same  
25 instruction.

49

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. Did you do anything to prepare  
3 for this deposition?  
4 **A. Yes.**  
5 Q. What did you do?  
6 **A. Met with counsel.**  
7 Q. And when did you do that?  
8 **A. Wednesday and Thursday of last**  
9 **week.**  
10 Q. And who did you meet with?  
11 (Instruction not to answer.)  
12 MR. ABENSOHN: Objection.  
13 I'll instruct not to answer.  
14 Q. For how long did you meet?  
15 **A. Wednesday and Thursday, two**  
16 **days.**  
17 Q. How long in total during those  
18 days? I understand you met on those  
19 days, but how long in total did you spend  
20 meeting to prepare?  
21 **A. Six hours on Wednesday and**  
22 **perhaps the same on Thursday.**  
23 Q. Who was present during those  
24 meetings?  
25 **A. Counsel.**

50

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. And who was that counsel?  
3 (Instruction not to answer.)  
4 MR. ABENSOHN: Same objection.  
5 I'll instruct not to answer.  
6 Q. Anybody other than -- when you  
7 say counsel, do you mean outside counsel,  
8 inside counsel, or both?  
9 **A. External and internal counsel.**  
10 Q. Anybody other than external  
11 and internal counsel present at those  
12 meetings, all or any portion of them?  
13 **A. No.**  
14 Q. Were you shown any documents  
15 during those meetings?  
16 **A. Yes.**  
17 Q. How many?  
18 **A. I couldn't name all the**  
19 **documents that I saw.**  
20 Q. Did any of them help refresh  
21 your recollection on any subjects?  
22 **A. Not in particular, no.**  
23 Q. Other than meeting with  
24 counsel, did you do anything else to  
25 prepare for this deposition?

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. No.**  
3 Q. Since signing this declaration  
4 -- I'm sorry, affidavit -- I'm going to  
5 call it a declaration time and time again  
6 and if so, I apologize, I really mean  
7 your affidavit. It's rare to see an  
8 affidavit these days, everyone signs  
9 declarations.  
10 After you signed this  
11 affidavit till today, and excluding the  
12 meetings you had with counsel, did you do  
13 anything to further investigate the  
14 matters that are the subject of your  
15 affidavit?  
16 **A. No.**  
17 Q. Did you do anything to further  
18 inform yourself as to the matters that  
19 are the subject of your affidavit?  
20 **A. No.**  
21 Q. For example, in your affidavit  
22 you discuss various accounts, including  
23 the 0667 account. Are you familiar with  
24 that account?  
25 **A. Very. I opened it, yes.**

52

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Did you do anything since  
3 signing this affidavit to investigate --  
4 to examine the transactions in that  
5 account?  
6 MR. ABENSOHN: I'm just going  
7 to interject with the concern for  
8 privilege. I just want to make  
9 sure the witness is clear not to  
10 respond with respect to anything  
11 that counsel discussed with you or  
12 anything that you might have done  
13 at the direction of counsel or in  
14 interaction with counsel.  
15 MR. SACKS: Well, there's some  
16 portions of that that may be  
17 correct, but clearly, to the extent  
18 she's testifying about a subject  
19 and she did an investigation,  
20 regardless of whether counsel  
21 suggested to her that she do it,  
22 that's not a proper instruction.  
23 MR. ABENSOHN: The instruction  
24 stands.  
25 MR. SACKS: Fine.

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Did you do anything to  
3 investigate any -- to examine any of the  
4 transactions in the 0667 account between  
5 the time you signed this affidavit and  
6 today?  
7 **A. I may have.**  
8 Q. What do you mean you may have?  
9 **A. Well, as the controller and**  
10 **assistant treasurer of WMI, we are often**  
11 **going back to prior to 9/26 to look at**  
12 **transactions.**  
13 Q. Do you have a --  
14 **A. So not specific to my**  
15 **affidavit, but in the normal course of my**  
16 **job I may have done that, yes.**  
17 Q. Do you have a recollection of  
18 having looked at any transactions in the  
19 0667 account between the time you signed  
20 this affidavit and today?  
21 **A. Yes.**  
22 Q. What transactions do you  
23 recall looking at?  
24 **A. Two in particular, the tax**  
25 **payments made in September, I think it's**

54

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **September, by the bank, to WMI.**  
3 Q. You're talking about the two  
4 tax payments that total something over  
5 \$900 million?  
6 **A. I'm specifically talking about**  
7 **the two tax payments that totaled 322**  
8 **million.**  
9 Q. So you're talking about the  
10 September two, not the August third?  
11 **A. Yes.**  
12 Q. And for what reason did you go  
13 look at those transactions?  
14 **A. I was just looking to see how**  
15 **they were recorded.**  
16 Q. For what reason?  
17 **A. Just researching the**  
18 **information.**  
19 Q. For any purpose?  
20 **A. Just looking at the**  
21 **information that we had available to us.**  
22 Q. I know, but what caused you to  
23 -- what was it that needed to be done  
24 that caused you to go look and say I'm  
25 going to go look at these two historical

55

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 transactions?  
3 MR. ABENSOHN: I'm going to  
4 take a moment with the witness with  
5 respect to this question to explore  
6 the possibility of a privilege  
7 issue.  
8 MR. SACKS: We should go off  
9 the record.  
10 THE VIDEOGRAPHER: One moment,  
11 please, and watch your microphones  
12 when you get up. The time is now  
13 10:29 a.m., we're now off the  
14 record.  
15 (Witness and counsel confer.)  
16 (A recess was taken.)  
17 THE VIDEOGRAPHER: The time is  
18 10:31 a.m., we're back on the  
19 record.  
20 MR. ABENSOHN: If we could get  
21 that question read again, I think  
22 the witness is able to respond.  
23 (Record read as requested.)  
24 Q. I think I can ask it again. I  
25 think the question was simply why did you

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 go look at those transactions?  
3 **A. The tax department was**  
4 **researching all the tax payments made by**  
5 **WMB to WMI and they asked me to pull what**  
6 **transactions I had available to me. The**  
7 **two I could find were the two that**  
8 **totaled \$322 million.**  
9 Q. So you didn't have available  
10 to you the six -- I'm sorry, they totaled  
11 how much?  
12 **A. 322 million.**  
13 Q. So you didn't have available  
14 to you the transaction from the month  
15 before for 600 million?  
16 **A. I didn't have access to that.**  
17 **I didn't -- I didn't have that in my own**  
18 **personal records, no.**  
19 Q. What information were you  
20 providing to the tax department?  
21 **A. The email exchange where the**  
22 **tax payment from WMB to WMI was approved**  
23 **by the senior management in tax.**  
24 Q. And so that you had in your  
25 personal records?

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. Yes, I had it, yes.**  
3 Q. When you say your personal  
4 records, what do you mean?  
5 **A. I had -- I'm not sure if I was**  
6 **copied on the email or if I'd gotten a**  
7 **package of what that email exchange**  
8 **looked like.**  
9 Q. Okay. So meaning that other  
10 than providing email documents, was there  
11 any other documents you provided about  
12 that transaction?  
13 **A. The print screen from MTS,**  
14 **which is the wire system, that shows that**  
15 **the tax payment, two tax payments were**  
16 **book transfers from the bank to WMI.**  
17 Q. So you had that in your own  
18 personal possession?  
19 **A. Yes.**  
20 Q. I mean did you have to log on  
21 and get that?  
22 **A. No.**  
23 Q. So you already had an old  
24 print screen?  
25 **A. Mm-hmm.**



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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Mm-hmm meaning yes?  
3 **A. Yes. Sorry. Sorry about**  
4 **that. Yes.**  
5 Q. Those were the only tax  
6 transactions that you had information  
7 about?  
8 **A. I believe I also looked for,**  
9 **I'm not certain that I found, the**  
10 **information for the \$1.9 billion tax**  
11 **refund.**  
12 Q. I'm sorry, the which tax  
13 refund?  
14 **A. The \$1.9 billion tax refund.**  
15 Q. When was that refund?  
16 **A. I believe that was in February**  
17 **of 2008.**  
18 Q. And you did not look for the  
19 \$600 million transaction?  
20 **A. No.**  
21 Q. Are there any other  
22 transactions in the 0667 account that you  
23 recall looking into between the time you  
24 signed this affidavit and today?  
25 **A. Not -- nothing in particular**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **that comes to mind, no.**  
3 Q. In your position as first vice  
4 president of Washington Mutual Bank, did  
5 you have any -- strike that.  
6 In your positions as an  
7 employee of Washington Mutual Bank and  
8 in, as you say, an officer of Washington  
9 Mutual, Inc. and Washington Mutual Bank  
10 fsb in September of 2008, on whose behalf  
11 did you understand you were acting in  
12 connection with transactions among those  
13 entities?  
14 **A. Is there a specific**  
15 **transaction?**  
16 Q. In connection with the \$3.67  
17 billion transaction or transactions as  
18 you described them, on whose behalf were  
19 you acting?  
20 **A. WMI requested that their**  
21 **deposit be moved, so I was acting on**  
22 **behalf of WMI.**  
23 Q. And so you understood you were  
24 looking out for the interests of WMI in  
25 connection with those transactions?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: Objection;  
3 form.  
4 **A. I was proceeding with the**  
5 **instruction received which was to**  
6 **transfer their deposit to the fsb.**  
7 Q. And also to loan the money  
8 back, correct?  
9 **A. In a separate transaction,**  
10 **yes.**  
11 Q. And WMI instructed that  
12 transaction too, didn't it?  
13 **A. No.**  
14 Q. So that wasn't instructed by  
15 WMI?  
16 **A. No. WMI is not a party to the**  
17 **master note between the fsb and the bank.**  
18 Q. That's not what I asked you.  
19 I asked you was that transaction not  
20 instructed by the very same person?  
21 MR. ABENSOHN: Objection;  
22 form.  
23 **A. Was the instruction?**  
24 Q. Correct.  
25 **A. Ask the question again,**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **please.**  
3 Q. The transaction to loan the  
4 money back, who instructed you to loan  
5 the money back?  
6 **A. There was no specific**  
7 **instruction. That is the normal practice**  
8 **with the fsb when it has excess funds, it**  
9 **loans it back to the bank.**  
10 Q. So you understood at the time  
11 you were going to move the funds that  
12 they were going to be loaned back; is  
13 that right?  
14 **A. Yes.**  
15 Q. And the instruction for that  
16 transaction came to you from WMI,  
17 correct?  
18 **A. No.**  
19 MR. ABENSOHN: Objection as to  
20 form.  
21 Q. Let's start again. Why don't  
22 we start in the broadest of sense for  
23 this transaction.  
24 Did there come a time in  
25 September of 2008 that you became

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 involved in either a transfer of funds  
3 to, in the approximate amount of \$3.67  
4 billion from Washington Mutual -- from an  
5 account that Washington Mutual, Inc. had  
6 at Washington Mutual Bank to Washington  
7 Mutual Bank fsb?  
8 **A. Yes.**  
9 Q. And did there come a time in  
10 September of 2008 that you became  
11 involved in the loan back of that same  
12 \$3.67 billion from Washington Mutual Bank  
13 fsb to Washington Mutual Bank?  
14 **A. Yes.**  
15 Q. And when did you become  
16 involved in either or both of those  
17 transactions?  
18 **A. I received the instruction on**  
19 **September 18th while on a phone call to**  
20 **transfer WMI's deposit from the bank to**  
21 **the fsb.**  
22 Q. Okay. And did you receive any  
23 other instructions?  
24 **A. Not specific to the deposit,**  
25 **other than move the maximum amount of**

63

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **funds that WMI has available to the fsb.**  
3 Q. Did you receive any other  
4 instructions relating to the loan?  
5 **A. On that phone call, I did not**  
6 **receive any instruction regarding the**  
7 **loan.**  
8 Q. Did you at any time receive  
9 instructions relating to the loan?  
10 **A. No.**  
11 Q. If you would look at your  
12 affidavit for me, please. In paragraph 3  
13 of that affidavit you refer to a P&A  
14 agreement. Do you see that?  
15 **A. Yes.**  
16 Q. Have you read the P&A  
17 agreement?  
18 **A. Most of it, yes.**  
19 Q. You indicate in the second  
20 line of that that on September 25, 2008  
21 JPMorgan Chase N A purportedly purchased  
22 substantially all and then it goes on  
23 from there. Is the word purportedly your  
24 word?  
25 MR. ABENSOHN: Objection.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. Is that a word you added or  
3 was that a word that was in the affidavit  
4 that was provided to you?  
5 MR. ABENSOHN: Objection.  
6 **A. I was interviewed by counsel**  
7 **and they took the facts and put them in**  
8 **the form required by the court.**  
9 Q. My question for you is the  
10 following: You say you understand that  
11 JPMorgan Chase engaged in this P&A  
12 transaction. What's the basis for your  
13 understanding?  
14 MR. ABENSOHN: Let me take one  
15 moment. Let me just instruct you.  
16 To the extent you're going to get  
17 into discussions with counsel, I  
18 ask you not to answer.  
19 **A. Can you ask the question**  
20 **again, please.**  
21 Q. I think I asked you what the  
22 basis for your understanding was?  
23 **A. I'm sorry, the basis of my**  
24 **understanding for what?**  
25 Q. I'm confused at this point

65

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 myself. What's your basis for your  
3 understanding that on September 25th,  
4 JPMorgan Chase purportedly engaged in  
5 this transaction?  
6 **A. I worked at the bank and I**  
7 **read the P&A and all of a sudden I was an**  
8 **employee of JPMorgan.**  
9 Q. Why did you describe, why did  
10 you say that JPMorgan Chase purportedly  
11 purchased these assets?  
12 MR. ABENSOHN: I'm going to  
13 take one moment with the witness.  
14 MR. SACKS: Let's go off the  
15 record.  
16 THE VIDEOGRAPHER: One moment,  
17 please, watch your microphones.  
18 The time is 10:42 a.m., we're now  
19 off the record.  
20 (Witness and counsel confer.)  
21 THE VIDEOGRAPHER: The time is  
22 10:43 a.m., we're back on the  
23 record.  
24 Q. After speaking with counsel,  
25 can you answer my question now?

66

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Can I ask you to repeat it.**  
3 Q. Sure. I'm asking you why you  
4 said that on that date JPMorgan Chase  
5 purportedly purchased these assets  
6 pursuant to the P&A agreement?  
7 **A. I don't remember specifically**  
8 **why the word purportedly was used.**  
9 Q. Let me -- in paragraph 4 of  
10 your declaration you say, "As of  
11 September 25, 2008, WMI and WMI  
12 Investment Corp. had cash on deposit with  
13 WMB and with WMI's indirect wholly owned  
14 subsidiary, Washington Mutual Bank fsb,  
15 Park City, Utah, in excess of \$3.8  
16 billion." And then you go on from there.  
17 Am I correct that that number  
18 is simply the -- a reflection of you  
19 adding the balances credited to the six  
20 accounts that you identify on the next  
21 page?  
22 **A. Yes, that's the balance**  
23 **outstanding at 9/25.**  
24 Q. So when you say that they had  
25 cash on deposit, what you mean by cash on

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 deposit is the credit balances in those  
3 six accounts?  
4 **A. I mean the cash on deposit.**  
5 **These were deposit accounts, cash on**  
6 **deposit.**  
7 Q. Do you of your personal  
8 knowledge know that WMI deposited actual  
9 cash into those accounts?  
10 MR. ABENSOHN: Objection;  
11 form.  
12 **A. I'm sorry, please --**  
13 Q. Do you of your personal  
14 knowledge know that WMI deposited actual  
15 cash into those accounts?  
16 MR. ABENSOHN: Same objection.  
17 **A. I'm having trouble with the**  
18 **term actual cash.**  
19 Q. Well, then I'm having trouble  
20 with your telling me that there was cash.  
21 You say there is cash. Let's go back.  
22 You say "had cash on deposit." What do  
23 you mean by cash on deposit?  
24 **A. In cash management, as the**  
25 **cash management management from 2000 to**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **2005, we knew that the balances in these**  
3 **accounts represented cash that belonged**  
4 **to these companies. On the balance sheet**  
5 **of these companies there was a**  
6 **corresponding general ledger account that**  
7 **was labeled due from WMB which**  
8 **represented the cash that it had on**  
9 **deposit at the bank.**  
10 Q. But my question -- so again,  
11 am I correct that your statement that  
12 this was cash is a reflection of the  
13 balance credited to the account?  
14 MR. ABENSOHN: Objection.  
15 **A. A balance credited to the**  
16 **account?**  
17 Q. Correct.  
18 **A. That is how demand deposits**  
19 **work.**  
20 Q. But you have no personal  
21 knowledge as to the source of what was  
22 credited, in all cases what the source of  
23 what was credited to those accounts, do  
24 you?  
25 MR. ABENSOHN: Objection;

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 foundation.  
3 Q. You can answer. We may be  
4 talking semantics. And I'm not trying to  
5 confuse you here. I want to use terms  
6 that are clear.  
7 Am I correct that what you  
8 refer to as cash on deposit is an  
9 aggregation of the balances credited to  
10 those six accounts?  
11 **A. Yes.**  
12 Q. And as to the statement that  
13 they are cash, you're making that  
14 statement because you understand these  
15 six accounts to be DDA accounts?  
16 **A. That's correct.**  
17 Q. But you don't have personal  
18 knowledge as to the source of all of the  
19 deposits to those accounts, do you?  
20 MR. ABENSOHN: Objection.  
21 **A. Personal knowledge as to the**  
22 **source? No.**  
23 Q. And so you've not done any  
24 analysis or investigation to determine if  
25 in fact deposits, for example, any

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 deposits to that account were not in fact  
 3 funds that belonged to WMI?  
 4 MR. ABENSOHN: Objection as to  
 5 form.  
 6 **A. Have I done any investigation?**  
 7 **No.**  
 8 Q. Okay. Now let's talk about  
 9 these accounts if we could for a moment.  
 10 I want to defer -- well let's look at  
 11 your list there in paragraph 5. The  
 12 first account, which I'll just call the  
 13 fsb account, 4234 account, that account,  
 14 when was that account purportedly opened?  
 15 **A. The 4234 account was opened on**  
 16 **September 19th. We attempted to open it**  
 17 **on September 19th.**  
 18 Q. When you say you attempted to  
 19 open it on September 19th, first of all,  
 20 you say we, who do you mean we?  
 21 **A. I requested that Yolanda**  
 22 **Noblezada in cash management complete the**  
 23 **form to create the deposit account at the**  
 24 **fsb.**  
 25 Q. And you were requested to do

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 that by whom?  
 3 **A. Pat Schulte.**  
 4 Q. Okay. And you said it wasn't  
 5 opened on September 19th?  
 6 **A. It was -- no, the account was**  
 7 **not opened correctly on September 19th.**  
 8 Q. And when do you believe the  
 9 account was in fact opened?  
 10 **A. Perhaps the 22nd or 23rd. I**  
 11 **can't say for certain when the actual**  
 12 **4234 account was opened.**  
 13 Q. And what -- are there any  
 14 account opening documents for that  
 15 account that you're aware of?  
 16 **A. Yes, the policy states that**  
 17 **there is a new account request form that**  
 18 **needs to be completed and that's the form**  
 19 **that we used to open the bank account.**  
 20 Q. And that's an accounting form,  
 21 that's a treasury department form?  
 22 **A. No, that's not a treasury**  
 23 **form.**  
 24 Q. Whose form is that?  
 25 **A. It's the back office branch in**

72

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 **the retail banking division. In order to**  
 3 **open what we refer to as an "On-us" DDA**  
 4 **account, that was the form.**  
 5 Q. Is there any account agreement  
 6 for that account?  
 7 **A. Not for an internal DDA**  
 8 **account, no.**  
 9 Q. And what document sets forth  
 10 -- you're familiar with an account  
 11 agreement of the type that would be  
 12 signed by a third party depositor, are  
 13 you not?  
 14 **A. I am.**  
 15 Q. And I take that it there is no  
 16 similar document that is executed in  
 17 connection with an internal account?  
 18 **A. That is not -- that is**  
 19 **correct. Those forms are not required.**  
 20 Q. And what terms do you  
 21 understand govern an internal account?  
 22 MR. ABENSOHN: Objection as to  
 23 form.  
 24 Q. The type of a document that I  
 25 described to you is a form of document

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 that sets forth the terms and conditions  
 3 of an account between the depositor and  
 4 the bank, correct?  
 5 **A. For a third party?**  
 6 Q. Yes.  
 7 **A. Yes.**  
 8 Q. And I'm asking you what do you  
 9 understand sets forth the terms between  
 10 the depositor, in this case allegedly  
 11 Washington Mutual, Inc., and the bank,  
 12 Washington Mutual Bank fsb, with respect  
 13 to an internal account?  
 14 **A. I'm not aware --**  
 15 MR. ABENSOHN: Objection as to  
 16 form.  
 17 **A. I'm not aware of any specific**  
 18 **documents that govern internal deposit**  
 19 **accounts.**  
 20 Q. I take it you're then not  
 21 aware of what those precise terms and  
 22 conditions are?  
 23 MR. ABENSOHN: Objection.  
 24 **A. I'm not.**  
 25 Q. Let's go down if we could then

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 to the next account, the 1206 -- strike  
 3 that.  
 4 Was Ms. -- strike that.  
 5 Let's go to the next account,  
 6 the 1206 account. Do you know when that  
 7 account was opened?  
 8 **A. I opened that account**  
 9 **approximately two -- somewhere between**  
 10 **2003 and 2004.**  
 11 Q. Are there any, again, with  
 12 respect -- with respect to any of these  
 13 accounts, are there any account opening  
 14 documents?  
 15 **A. The new account request form**  
 16 **which is required by the policy is all we**  
 17 **used.**  
 18 Q. But no account agreements?  
 19 **A. They weren't required, no.**  
 20 Q. I'm not asking whether they  
 21 were required. To the best of your  
 22 knowledge, they don't exist for any of  
 23 these accounts; is that correct?  
 24 **A. That's correct.**  
 25 Q. Let me ask you a question.

75

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 The fsb account, just going back again,  
 3 prior to the opening of the fsb account,  
 4 you believe that was a DDA account?  
 5 **A. The 4234 account is a DDA**  
 6 **account, yes.**  
 7 Q. And what is a DDA account?  
 8 **A. A demand deposit account.**  
 9 Q. And what is a demand deposit  
 10 account?  
 11 **A. It's a deposit liability at**  
 12 **the bank.**  
 13 Q. Any more specific than that?  
 14 There are other types of deposit  
 15 liabilities of a bank, aren't there  
 16 besides DDA accounts?  
 17 **A. Sure.**  
 18 Q. What are the characteristics  
 19 of a DDA account as distinct from other  
 20 types of accounts?  
 21 MR. ABENSOHN: Objection as to  
 22 form.  
 23 **A. I couldn't define specific**  
 24 **characteristics of specific demand**  
 25 **deposit accounts.**

76

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 Q. Is a DDA account interest  
 3 bearing?  
 4 **A. It can be.**  
 5 MR. ABENSOHN: Objection as to  
 6 form.  
 7 Q. Was this DDA account interest  
 8 bearing?  
 9 **A. The 4234 account?**  
 10 Q. Yes.  
 11 **A. No.**  
 12 Q. Is a DDA account different  
 13 than a money market account?  
 14 MR. ABENSOHN: Objection as to  
 15 form.  
 16 **A. They're both deposit accounts.**  
 17 Q. I understand they're both  
 18 deposit accounts. But is a DDA account  
 19 different than a deposit -- than a money  
 20 market account?  
 21 MR. ABENSOHN: Objection;  
 22 form.  
 23 **A. Yes, they're different.**  
 24 Q. How are they different?  
 25 **A. Money market -- money market**

77

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 **account is interest bearing. Demand**  
 3 **deposit in this case is not.**  
 4 Q. And this was not a money  
 5 market account, correct?  
 6 **A. No.**  
 7 Q. Prior to the purported opening  
 8 of this account, of the fsb account, the  
 9 4234 account, did WMI have any other DDA  
 10 accounts at fsb?  
 11 **A. No.**  
 12 Q. Had it ever, did it have any  
 13 deposit accounts at fsb?  
 14 MR. ABENSOHN: Objection to  
 15 form.  
 16 Q. Prior to the opening of this  
 17 account, had Washington Mutual, Inc. had  
 18 any deposit accounts at fsb?  
 19 **A. No.**  
 20 Q. Prior to the opening of this  
 21 account, had Washington Mutual Bank had  
 22 any accounts at fsb?  
 23 **A. Did Washington Mutual Bank**  
 24 **have any accounts?**  
 25 Q. At fsb?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. I couldn't say for sure.**  
3 Q. Well, did it have any deposit  
4 accounts at fsb?  
5 **A. I couldn't say for sure.**  
6 Q. To your knowledge, did any  
7 other Washington Mutual subsidiaries have  
8 any DDA accounts at the fsb prior to the  
9 opening of this account?  
10 **A. During this time period, not**  
11 **that I'm aware of, no.**  
12 Q. Had you previously ever been  
13 involved with opening a DDA account at  
14 fsb on behalf of any Washington Mutual --  
15 on behalf of any Washington Mutual  
16 subsidiary prior to this?  
17 **A. No.**  
18 Q. Let's go back again, sorry for  
19 that detour.  
20 The 1206 account, you said you  
21 were involved in opening that account?  
22 **A. Yes.**  
23 Q. What kind of account is that?  
24 **A. I believe that is an interest**  
25 **bearing account.**

79

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. Okay. And what was the  
3 purpose for which that account was  
4 opened?  
5 **A. We opened that account at the**  
6 **request of internal counsel as collateral**  
7 **for --**  
8 MR. ABENSOHN: Let me stop you  
9 regarding any discussions with  
10 counsel. I'm sorry, this was WMB  
11 counsel?  
12 THE WITNESS: Yes.  
13 MR. ABENSOHN: I apologize.  
14 Go ahead.  
15 Q. This was open -- this was  
16 opened years ago, wasn't it?  
17 **A. 2000 and -- like five or six**  
18 **years ago.**  
19 MR. SACKS: I guess we ought  
20 to get that on the record too for a  
21 minute. For the benefit of other  
22 people here otherwise we're going  
23 to have to have people leave the  
24 room. Obviously there are issues  
25 of privilege that may -- or issues

80

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 of what counsel said that may come  
3 up. In the ultimate transcript  
4 those will be redacted from what is  
5 going to be made available to  
6 people other than the debtor and us  
7 because we share that common  
8 privilege. We can either have an  
9 agreement today since this is going  
10 to be confidential until that is  
11 ultimately provided, that people  
12 understand that by allowing you to  
13 sit here you can't disclose it to  
14 anybody and it's not a waiver of  
15 privilege, otherwise we're going to  
16 have to ask people to leave the  
17 room. And so I guess I would ask  
18 by the assent of everyone who's  
19 sitting here that they understand  
20 that this is not a waiver of  
21 privilege and that the portions  
22 that arguably relate to  
23 communications with counsel prior  
24 to the split of the two entities is  
25 going to be redacted and the

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 privilege is going to be preserved  
3 as to that. Can I get the consent  
4 of the people here to that?  
5 Otherwise I'm going to have to ask  
6 people to leave the room?  
7 MR. JOHNSON: This is Robert  
8 Johnson from Akin Gump on behalf of  
9 the Official Committee of Unsecured  
10 Creditors, and Bob, that is  
11 certainly my understanding. I'm  
12 happy to undertake to abide by that  
13 agreement.  
14 MS. MANZER: Nancy Manzer from  
15 Wilmer Cutler Pickering Hale &  
16 Dorr. I think we also are, with  
17 the understanding of course that  
18 any claim of privilege -- will be  
19 subject to a challenge if it's  
20 challengeable.  
21 MR. SACKS: Always the case,  
22 obviously, but absolutely.  
23 MR. de LEEUW: Michael de  
24 Leeuw from Fried, Frank, we agree  
25 to your groundrule.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. SHIEKMAN: Larry Shiekman  
3 from Pepper Hampton, we're  
4 co-counsel with Mr. Johnson and I  
5 join his remarks.  
6 MR. STROCHAK: I'm Adam  
7 Strochak from Weil Gotshal. We're  
8 Debtors' counsel, so we agree.  
9 MR. SACKS: Not a problem for  
10 you.  
11 MR. WELCH: Trevor Welch,  
12 Kasowitz, Benson, WMI Noteholders  
13 Group, we agree.  
14 MR. COLES: Tony Coles from  
15 DLA Piper for the FDIC, that's fine  
16 with us as well.  
17 MR. SACKS: We have to stop  
18 and go off the record for a change  
19 of the tape.  
20 THE VIDEOGRAPHER: One moment,  
21 please, and watch your microphones  
22 when you get up. Here now marks  
23 the end of tape 1 of the deposition  
24 of Ms. Doreen A. Logan. The time  
25 is now 11:01 a.m.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 (A recess was taken.)  
3 THE VIDEOGRAPHER: Here now  
4 marks the beginning of tape 2 of  
5 the deposition of Ms. Doreen A.  
6 Logan. The time is 11:13 a.m.,  
7 we're back on the record.  
8 Q. All right, Ms. Logan, we were  
9 talking about the 1206 account I believe  
10 when we broke.  
11 A. Yes.  
12 Q. And I think you said you were  
13 involved in the opening of that  
14 account --  
15 A. Yes.  
16 Q. -- sometime ago. If you'd  
17 look, I guess, you in your chart say the  
18 depositor is WMI. I think -- what did  
19 you say the purpose for that account was?  
20 A. We were asked to, cash  
21 management was asked to open a deposit  
22 account where WMI would deposit money  
23 into the account to act as collateral for  
24 services provided by the bank to WMI and  
25 its subsidiaries.

84

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. Okay. So you understood this  
3 to be a collateral account?  
4 A. Yes.  
5 Q. If you look under Exhibit A to  
6 your declaration, you attach a number of  
7 deposit account statements?  
8 A. Yes.  
9 Q. The first is Washington  
10 Mutual, Inc., FBO Washington Mutual Bank  
11 FA, that is the 1206 account, correct?  
12 A. That's correct.  
13 Q. And that was the title on the  
14 account?  
15 A. Yes.  
16 Q. You understood that account  
17 was also subject to a security agreement?  
18 A. Yes.  
19 Q. And are you familiar with the  
20 terms of that security agreement?  
21 A. In general.  
22 Q. Are you aware that that  
23 security agreement gave Washington Mutual  
24 Bank a security interest by its terms in  
25 other accounts that Washington Mutual,

85

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Inc. had at Washington Mutual Bank?  
3 A. Not to my knowledge.  
4 Q. But you do understand that  
5 account to be governed by that security  
6 agreement?  
7 MR. ABENSOHN: Objection as to  
8 form.  
9 Q. At least the 1206 account is  
10 governed -- the security agreement is  
11 applicable to the 1206 account?  
12 A. The 1206 account is listed in  
13 the agreement as the account, yes.  
14 Q. And did you -- is this a DDA  
15 account?  
16 A. This is a money market deposit  
17 account.  
18 Q. And do you understand that  
19 Washington Mutual, Inc.'s right to  
20 withdraw funds from that account may be  
21 affected by the security agreement?  
22 MR. ABENSOHN: Objection to  
23 form.  
24 A. Say the question again so I  
25 make sure I understand.

86

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Sure. Do you understand that  
3 Washington Mutual, Inc.'s right to  
4 withdraw funds from that account may be  
5 affected by the provisions of the  
6 security agreement?  
7 MR. ABENSOHN: Same objection.  
8 **A. We in cash management**  
9 **understood that this account was**  
10 **collateral and was not a transaction**  
11 **account.**  
12 Q. So let me -- did you have any  
13 -- do you have any understanding as to  
14 whether Washington Mutual, Inc.'s right  
15 to withdraw funds from that account may  
16 be affected by the terms of the security  
17 interest agreement?  
18 MR. ABENSOHN: Objection;  
19 form.  
20 **A. Do I -- sorry, I've forgotten**  
21 **the question already. I'm sorry.**  
22 Q. Sure. Do you understand that  
23 Washington Mutual, Inc.'s right to  
24 withdraw funds from this account may be  
25 affected by the terms of the security

87

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 agreement?  
3 MR. ABENSOHN: Same objection.  
4 **A. I understand this account was**  
5 **governed by the security agreement.**  
6 Q. Are there any other accounts  
7 on your list here that you understand are  
8 governed by security agreements?  
9 **A. Not to my knowledge.**  
10 Q. Are you aware of the existence  
11 of a security agreement for the 9663  
12 account?  
13 **A. I wasn't party to opening that**  
14 **account. There may exist for that**  
15 **account because it was a Long Beach -- it**  
16 **was a Long Beach collateral account.**  
17 Q. You just don't know?  
18 **A. I don't know.**  
19 Q. Let's go on. The 0667  
20 account, that's an account you describe  
21 in your declaration -- in your affidavit  
22 and you discuss. Were you involved in  
23 the opening of that account?  
24 **A. Yes.**  
25 Q. When was that account opened?

88

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Approximately 2002.**  
3 Q. And for what purpose was that  
4 account opened?  
5 **A. The WMI previously had its**  
6 **funds on deposit at the state chartered**  
7 **bank that was in existence at the time,**  
8 **and WMB, as we called it, I'm sorry it's**  
9 **confusing, WMB as we called the state**  
10 **chartered bank, had the largest depositor**  
11 **it had was WMI, and because WMB FA was a**  
12 **much larger bank, we transferred its**  
13 **deposit to the FA.**  
14 Q. Let me ask this question. In  
15 the accounting system there's an entity  
16 01 and an entity 02. What's the  
17 difference -- and both of those refer to  
18 Washington Mutual Bank?  
19 **A. Yes.**  
20 Q. And what's the difference  
21 between entity 01 and entity 02?  
22 **A. Depending on the time frame,**  
23 **prior to 2005 01 was a separate legal**  
24 **entity, a state chartered bank.**  
25 Q. After 2005?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. It was merged with Company 2,**  
3 **which is WMB FA, and it changed its name**  
4 **to the bank, but the accounting system**  
5 **was never fully integrated to eliminate**  
6 **company 1 and Company 2.**  
7 Q. But for substantive purposes  
8 they're the same entity?  
9 **A. They're the same entity, yes.**  
10 Q. For accounting purposes  
11 sometimes they're distinct by where the  
12 general ledger entry historically  
13 happened to be?  
14 **A. As well as where Hogan posted,**  
15 **yes.**  
16 Q. Okay. And Company 40 was fsb?  
17 **A. Yes.**  
18 Q. And Company 70 was WMI?  
19 **A. Yes.**  
20 Q. The name on the 0667 account  
21 changed over time; is that right?  
22 **A. The mailing address changed**  
23 **over time.**  
24 Q. An anything else about the  
25 name change over time?



90

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: Objection as to  
3 form.  
4 **A. I'm not certain.**  
5 Q. Well let me draw you to  
6 Exhibit D where you set -- where you  
7 include a number of historical statements  
8 for the 0667 account, and if you'd look  
9 back, it's Page A-62. First of all,  
10 who's Melanie Stockwell?  
11 **A. She was the person who**  
12 **previously reconciled this bank account**  
13 **on Company 2 to the general ledger**  
14 **account at Company 70.**  
15 Q. Well, if you look prior, do  
16 you see the title of that account?  
17 **A. Washington Mutual, Inc., yes.**  
18 Q. Seattle Bank Recon?  
19 **A. That's the address.**  
20 Q. That's the address of that  
21 account?  
22 **A. That's the department that**  
23 **Melanie Stockwell worked in, yes.**  
24 Q. She was in the reconciliation  
25 department?

91

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. She was in the Seattle Bank**  
3 **Recon department, yes.**  
4 Q. Recon means reconciliation?  
5 **A. Yes.**  
6 Q. And what is the reconciliation  
7 department?  
8 **A. Specific to where Melanie**  
9 **worked?**  
10 Q. Sure.  
11 **A. She reconciled the bank**  
12 **statements, in this case specific to**  
13 **Company 70, she reconciled the bank**  
14 **statements received from the bank to the**  
15 **general ledger account on Company 70.**  
16 Q. And what do you mean by  
17 reconciled?  
18 **A. Making sure that every debit**  
19 **and credit at the bank, on the bank**  
20 **statement, is reflected on the books and**  
21 **records of WMI.**  
22 Q. From time to time were entries  
23 reclassified?  
24 MR. ABENSOHN: Objection;  
25 form.

92

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. Let me go back. From time to  
3 time were entries on the general ledger  
4 in a specific form reclassified?  
5 MR. ABENSOHN: Objection.  
6 **A. I couldn't say.**  
7 Q. Let me ask it again. Are you  
8 familiar with the term reclassification?  
9 **A. Yes.**  
10 Q. What do you understand it to  
11 mean?  
12 **A. I'm not certain -- I'm not**  
13 **certain I could define it.**  
14 Q. Well is it a term you use in  
15 the course of your work?  
16 **A. Not usually.**  
17 Q. Occasionally?  
18 **A. Occasionally.**  
19 Q. Ever had exchanges with people  
20 where there's discussion about making  
21 certain entries and the possibility they  
22 may be reclassified at month or quarter  
23 end?  
24 **A. Not to my -- not that I**  
25 **recall.**

93

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. It doesn't ring a bell to you?  
3 **A. No.**  
4 Q. So you're not familiar with,  
5 you don't recall being party to  
6 communication where there was discussion  
7 as to whether certain entries in the GL  
8 would be reclassified in a different  
9 manner at the end of a month or quarter?  
10 MR. ABENSOHN: Objection;  
11 vague.  
12 Q. No?  
13 **A. No.**  
14 Q. Let's go down these accounts.  
15 The 9626 account, were you involved in  
16 the opening of that account?  
17 **A. Yes.**  
18 Q. And what was that account for,  
19 the purpose of that account?  
20 **A. Specifically it was a very**  
21 **special account. It was the only account**  
22 **we cut checks on and it was for political**  
23 **contributions made by WMI.**  
24 Q. When was that account opened?  
25 **A. I would estimate 2005.**

94

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. What about the 9663 account?  
3 I believe you told me you were not  
4 involved in opening that account?  
5 **A. No, because that was opened in**  
6 **2006 when I was already part of**  
7 **structured finance.**  
8 Q. And that account is entitled  
9 "Washington Mutual, Inc. to indemnity for  
10 3/1/2006 LBMC transfer."  
11 **A. Yes.**  
12 Q. Who was involved in opening  
13 that account?  
14 MR. ABENSOHN: Objection;  
15 foundation.  
16 Q. Somebody, I assume somebody  
17 was involved in opening that account?  
18 **A. Gregg Sherrington in cash**  
19 **management.**  
20 Q. Thank you.  
21 **A. Who's no longer at the bank.**  
22 Q. Thank you. And do you have an  
23 understanding of the purpose for that  
24 account?  
25 **A. Yes.**

95

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. And what's your understanding?  
3 **A. Long Beach Mortgage had**  
4 **previously been a subsidiary of WMI, and**  
5 **when it was -- for a short period of time**  
6 **became a sub of the bank and then merged**  
7 **into the bank. Because Long Beach had**  
8 **been an affiliate, WMI as its owner had**  
9 **to pledge a certain amount, \$10 million**  
10 **was the proposed amount, to indemnify the**  
11 **bank for any expenses it would incur in**  
12 **any litigation, in anything to do with**  
13 **Long Beach Mortgage prior to its merger**  
14 **into the bank.**  
15 Q. You're not aware as to whether  
16 there is an actual written security  
17 agreement governing that account?  
18 **A. I have not seen it. I would**  
19 **-- I would have to guess. I don't know**  
20 **that I've seen it.**  
21 Q. I don't want you to guess.  
22 And the 4704 account, the last account  
23 here?  
24 **A. Yes.**  
25 Q. Were you involved in opening

96

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 that account?  
3 **A. Yes.**  
4 Q. And what's that account?  
5 **A. It's the main demand deposit**  
6 **account for WMI Investment.**  
7 Q. And what kind of account is  
8 that? Is it a DDA?  
9 **A. Demand deposit to B3 checking.**  
10 Q. I want to move on if we could  
11 to the transaction or transactions that  
12 occurred in September involving \$3.67  
13 billion. You indicated that you first  
14 learned about this on September 18th in a  
15 conversation with Pat Schulte?  
16 **A. Yes.**  
17 Q. And your instructions were, as  
18 I understand it, to open a demand deposit  
19 account at Washington Mutual Bank fsb and  
20 transfer the maximum amount of money in  
21 the 0667 account to that account?  
22 **A. That's correct.**  
23 Q. And who gave you those  
24 instructions?  
25 **A. We were on a phone call with**

97

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **Carey Brennan, and Carey Brennan**  
3 **expressed that he wanted us to transfer**  
4 **the maximum amount to the fsb, and**  
5 **because Pat was an authorized individual,**  
6 **she gave me the instruction to proceed**  
7 **with those instructions.**  
8 Q. And what specifically -- was  
9 there a specific reference to the 0667  
10 account in what Mr. Brennan supposedly  
11 said to Ms. Schulte and you?  
12 **A. I don't think he called it the**  
13 **667 account, no.**  
14 Q. Was anyone else on that phone?  
15 That was a phone call?  
16 **A. Yes.**  
17 Q. You and Ms. Schulte were  
18 physically together?  
19 **A. Yes.**  
20 Q. Were you aware of anyone else  
21 being present?  
22 **A. Physically present or on the**  
23 **phone?**  
24 Q. Either.  
25 **A. Yes.**

98

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Tell me what you are aware of?  
3 **A. Carey Brennan and Chad Smith**  
4 **were on the phone.**  
5 Q. Who was Mr. Smith other than  
6 the --  
7 **A. Other than the individual**  
8 **sitting right there?**  
9 Q. -- individual sitting across  
10 the table from me?  
11 **A. I'm not certain I could give**  
12 **you his title, but he was treasury's main**  
13 **contact in legal for structured**  
14 **transactions, pretty much everything that**  
15 **treasury did, capital markets.**  
16 Q. You understood he was a  
17 lawyer?  
18 **A. I understood he was an**  
19 **attorney, yes.**  
20 Q. And that he was in the legal  
21 department?  
22 **A. Yes.**  
23 Q. Did you understand him to be  
24 an employee of Washington Mutual Bank?  
25 **A. Yes.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Did you understand him to be  
3 an employee of Washington Mutual, Inc.?  
4 **A. No.**  
5 Q. Did you have any understanding  
6 as to whether he had any officer or  
7 director, other title with Washington  
8 Mutual, Inc.?  
9 **A. No.**  
10 Q. Do you understand whether he  
11 had at that time, whether he had any  
12 position with Washington Mutual Bank fsb?  
13 **A. We're still talking about**  
14 **Chad?**  
15 Q. Chad.  
16 **A. No.**  
17 Q. Now, anybody else that you  
18 recall being present?  
19 **A. No.**  
20 Q. How were you aware that Mr.  
21 Smith was present?  
22 **A. I heard his voice and Pat**  
23 **Schulte told me that Chad and Carey were**  
24 **on the phone.**  
25 Q. I take it you were not in the

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 room when this call originated?  
3 **A. That's correct.**  
4 Q. Did anyone tell you who had  
5 made the decision to engage in this  
6 transaction?  
7 **A. Which transaction?**  
8 Q. Any transaction involving what  
9 ultimately turned out to be \$3.67  
10 billion?  
11 **A. I'm sorry, your original**  
12 **question then.**  
13 Q. Were you given any information  
14 as to who had made the decision to engage  
15 in this transfer?  
16 **A. No.**  
17 Q. So at the time you were  
18 involved in that conversation and  
19 instructed by Ms. Schulte, you were not  
20 aware as to who had made the decision to  
21 do this?  
22 **A. That's correct.**  
23 Q. Have you subsequently come to  
24 learn who made the decision to do this?  
25 **A. No.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. So as you sit here today, you  
3 don't know who made the decision to  
4 engage in this transfer?  
5 **A. No. I just know who I**  
6 **received my instruction from.**  
7 Q. Okay. I'm only trying to ask  
8 what you do or don't know.  
9 Were there any, at the time  
10 you received your -- strike that.  
11 At the time you went out to  
12 execute your instruction, had you seen  
13 any documents authorizing this  
14 transaction?  
15 **A. Pat Schulte in her position as**  
16 **senior vice president of cash management**  
17 **was authorized us -- was authorized to**  
18 **direct me to do this transaction.**  
19 Q. I understand. I'm not asking  
20 you to tell me what she was or was not  
21 authorized to do. I'm asking whether you  
22 saw any documents that purported to  
23 authorize this transaction?  
24 MR. ABENSOHN: Objection as to  
25 form.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. I asked a question about  
3 documents and you told me what you  
4 believe Ms. Schulte was or was not  
5 authorized to do. And my question is  
6 simply at the time you began doing this  
7 had you seen any documents authorizing  
8 this transaction?  
9 MR. ABENSOHN: Objection again  
10 as to form.  
11 **A. No documents were required.**  
12 **So no, I didn't see any documents.**  
13 Q. So the answer is you didn't  
14 see any documents?  
15 **A. That's correct.**  
16 Q. So what did you do next with  
17 respect to this transaction after you got  
18 instructions from Ms. Schulte?  
19 **A. I asked Yolanda Noblezada to**  
20 **complete the new account request form.**  
21 Q. Let me ask you a fact  
22 question. Did the subject of the loan  
23 come up in that conversation?  
24 **A. In which conversation?**  
25 Q. The conversation that you had

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 in Ms. Schulte's office where you got  
3 your instructions?  
4 **A. No.**  
5 Q. After those original  
6 instructions were you given any further  
7 instructions by Ms. Schulte?  
8 **A. No.**  
9 Q. Were you given any further  
10 instructions by anybody else with respect  
11 to the execution of this transaction?  
12 **A. No.**  
13 Q. Were you -- when I say this  
14 transaction, let me break it down because  
15 you distinguish between the two.  
16 Were you given any further  
17 instructions regarding the loan that you  
18 describe in your affidavit?  
19 **A. No.**  
20 Q. So you went to Ms. Noblezada  
21 and asked her to open this account?  
22 **A. Yes.**  
23 Q. Did you ask what the purpose  
24 for this transaction was, before speaking  
25 to Ms. Noblezada?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. No.**  
3 Q. Did you ever ask what the  
4 purpose for this transaction was?  
5 **A. After a few days I did.**  
6 Q. Who did you ask?  
7 **A. I don't recall, but I remember**  
8 **in a conversation with Pat Schulte we**  
9 **discussed the purpose of the transaction.**  
10 Q. Did you discuss the purpose of  
11 the transaction with anybody else?  
12 **A. Not that I recall.**  
13 Q. Okay. When do you believe you  
14 had that conversation with Ms. Schulte?  
15 **A. During the week of 9/22. I**  
16 **couldn't name a specific day.**  
17 Q. I understand that Ms. Schulte  
18 gave you the instruction that you  
19 understood to be proper authorization to  
20 open this account, but was it your  
21 understanding she made the decision to  
22 engage in this transaction?  
23 **A. No, not based on the phone**  
24 **call we had with Chad and Mr. Brennan.**  
25 Q. So you understood that she was

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 being directed to do this and then she  
3 authorized you to do it?  
4 **A. Yes.**  
5 Q. And what did Ms. Schulte tell  
6 you about I guess what she understood the  
7 purpose for this transaction to be?  
8 **A. That we were moving the**  
9 **deposit to the more well capitalized bank**  
10 **within the consolidated group.**  
11 Q. Did she tell you more than  
12 that?  
13 **A. No, this was part of a**  
14 **discussion. I don't recall exactly who**  
15 **made the comment, but that's what we came**  
16 **to understand the purpose of the**  
17 **transaction was.**  
18 Q. Well, did somebody -- let me  
19 go back. So you and Ms. Schulte were  
20 having a conversation, face to face?  
21 **A. Yes.**  
22 Q. And you don't recall the  
23 specific date of that conversation?  
24 **A. No.**  
25 Q. And in that conversation the

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 subject of why this transfer of funds was  
 3 being done came up?  
 4 **A. Yes.**  
 5 Q. And how did it come up?  
 6 **A. I don't recall. It was a very**  
 7 **tumultuous time. I don't recall.**  
 8 Q. Tumultuous because the bank  
 9 was suffering, was having liquidity  
 10 problems?  
 11 **A. Looking back that potentially**  
 12 **was the tumult, but it was meetings, it**  
 13 **was just a very difficult time.**  
 14 Q. The bank was hemorrhaging  
 15 deposits at that point in time, wasn't  
 16 it?  
 17 **A. Oh, it had stopped at that**  
 18 **point, but that was --**  
 19 Q. It had stopped?  
 20 **A. My understanding was it had**  
 21 **stopped, but I wasn't party to the**  
 22 **specific information about when deposits**  
 23 **were running off.**  
 24 Q. You were not copied on the  
 25 daily email exchanges that reported that

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 billions in deposits were being withdrawn  
 3 from the bank on a daily basis?  
 4 **A. No. I had a small subset of**  
 5 **that information.**  
 6 Q. And you weren't copied on the  
 7 ones that indicated how much money the  
 8 bank was being required to borrow to be  
 9 able to meet those withdrawal demands?  
 10 **A. No.**  
 11 Q. Or the limitations being  
 12 imposed on the bank's ability to borrow?  
 13 **A. No.**  
 14 Q. Or the limitations being  
 15 imposed on the bank's ability to wire  
 16 funds?  
 17 MR. ABENSOHN: Objection as to  
 18 form.  
 19 Q. Were you aware there were any  
 20 limitations on the bank's ability to wire  
 21 funds out of the bank?  
 22 **A. No.**  
 23 Q. In that time period?  
 24 **A. No.**  
 25 Q. So you weren't -- you were not

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 aware of that at the time?  
 3 **A. No.**  
 4 Q. As you sit here today are you  
 5 aware of it?  
 6 **A. No.**  
 7 Q. So this was a tumultuous time  
 8 and you and Ms. Schulte were talking.  
 9 The purpose for your conversation I take  
 10 it was not specifically this transfer of  
 11 funds?  
 12 **A. No.**  
 13 Q. But this subject came up as to  
 14 why this was being done?  
 15 **A. Yes.**  
 16 Q. And did you remark that it was  
 17 inconsistent, that this transfer was  
 18 inconsistent with other activities that  
 19 you were carrying out with respect to  
 20 Washington Mutual Bank fsb?  
 21 **A. No.**  
 22 Q. That other programs that were  
 23 in place were inconsistent with this  
 24 transaction?  
 25 **A. No.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 Q. So you were aware, were you  
 3 not, at that point in time, that there  
 4 was an effort to reduce the master note  
 5 between Washington Mutual Bank fsb and  
 6 Washington Mutual Bank?  
 7 **A. I was aware of Project**  
 8 **Fillmore which was my transaction to**  
 9 **reduce the capital base of the fsb, yes.**  
 10 Q. One of those was to eliminate  
 11 the master note, wasn't it?  
 12 **A. Yes.**  
 13 Q. And did you not regard this  
 14 event as inconsistent with that --  
 15 **A. No.**  
 16 Q. -- goal?  
 17 **A. No.**  
 18 Q. You didn't. Weren't you aware  
 19 that more broadly there was an effort  
 20 within the Washington Mutual related  
 21 entities to reduce or eliminate the use  
 22 of master notes?  
 23 **A. No.**  
 24 Q. You weren't aware of a master  
 25 note elimination project?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. There was a -- I don't -- yes,**  
3 **I was aware of a WMI cash optimization**  
4 **project and other things, but master**  
5 **notes were commonly used within the**  
6 **group.**  
7 Q. So what was the WMI cash  
8 optimization project?  
9 **A. Where WMI subs, nonbank subs**  
10 **had not dividended cash to WMI, to**  
11 **dividend that cash or put a master note**  
12 **in place so it could loan its cash to**  
13 **WMI.**  
14 Q. So you understood at that  
15 point in time that program at least was  
16 an effort to get cash to WMI?  
17 **A. Sure.**  
18 Q. Independent of that, or in  
19 addition to that, were you not aware of  
20 an ongoing effort to reduce the use of  
21 master notes?  
22 **A. No, I'm not aware of that at**  
23 **all.**  
24 Q. But you are aware of the --  
25 what you refer to as Project Fillmore,

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 which would have involved the elimination  
3 of the fsb master note, the note by which  
4 WMB borrowed from fsb?  
5 **A. I wouldn't characterize**  
6 **Project Fillmore as that purpose. The**  
7 **Project Fillmore's purpose was to reduce**  
8 **the capital base of the fsb and part of**  
9 **that capital release would be to dividend**  
10 **the master note.**  
11 Q. To Pike Street?  
12 **A. Yes.**  
13 Q. That application had already  
14 gone into the regulators, correct?  
15 **A. The OTS, yes.**  
16 Q. So while that was pending,  
17 this was a transaction that was to have  
18 the effect, if it was effective, of  
19 increasing the outstanding amount on the  
20 master note by \$3.67 billion?  
21 **A. Yes.**  
22 Q. And you didn't regard that as  
23 inconsistent?  
24 **A. It was a -- it was a**  
25 **short-term problem that would be fixed**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **when we had the capital release approved**  
3 **by the OTS.**  
4 Q. How did you know this was a  
5 short term -- oh, I'm sorry the capital  
6 released?  
7 **A. Yes.**  
8 Q. Meaning you would have just  
9 dividended it back up?  
10 **A. Yes.**  
11 Q. Is there anything else that  
12 you recall speaking about with Ms. Logan  
13 -- Ms. Schulte, that you, Ms. Logan,  
14 spoke about with Mr. Schulte --  
15 **A. Nothing.**  
16 Q. -- on the subject of what  
17 either of you understood to be the  
18 purpose for this transaction?  
19 **A. No.**  
20 Q. Did you and Ms. Schulte  
21 discuss whether -- at the time you  
22 engaged in -- you got your instructions  
23 and began to execute on them, did you  
24 understand that the interests of WMI,  
25 Washington Mutual Bank and Washington

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Mutual Bank fsb might diverge?  
3 MR. ABENSOHN: Objection to  
4 form.  
5 **A. That's -- that would require**  
6 **conjecture. I'm not certain I can answer**  
7 **that question.**  
8 Q. I'm asking you what you were  
9 thinking of at that point in time. Were  
10 you thinking that the interests of these  
11 three, any of these three entities might  
12 diverge from one another?  
13 **A. No.**  
14 Q. At the time you did this were  
15 you aware that there was the possibility  
16 that Washington Mutual Bank would be  
17 taken over by the regulators?  
18 **A. I can honestly say no, I had**  
19 **no -- I had no concept that the**  
20 **regulators would be taking over WMB.**  
21 Q. Then did it perplex you then  
22 that the bank, that Washington Mutual,  
23 Inc. was attempting to move its funds to  
24 a better capitalized bank within the  
25 Washington Mutual family given that you

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 had no thought that the regulators might  
3 take over Washington Mutual Bank?  
4 **A. I'm sorry, I missed the**  
5 **question.**  
6 Q. Given that you were being  
7 asked to move funds from Washington  
8 Mutual Bank to Washington Mutual Bank fsb  
9 because it was better capitalized, did  
10 that strike you as peculiar given that  
11 you said it hadn't crossed your mind that  
12 the regulators might put Washington  
13 Mutual Bank into receivership?  
14 **A. No.**  
15 Q. Nothing like this had ever  
16 happened before in your experience, had  
17 it?  
18 **A. I'm sorry, what, the**  
19 **transaction?**  
20 Q. A transaction like this, yes?  
21 **A. No.**  
22 Q. And so I mean did you think in  
23 your mind that the people who had made  
24 the decision to do this were doing this  
25 because of a concern that Washington

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Mutual Bank was going to fail?  
3 **A. That would require conjecture,**  
4 **I'm not certain what they were thinking**  
5 **of. I don't know.**  
6 Q. I know, but what did you think  
7 at that point in time? Did those  
8 thoughts cross your mind?  
9 **A. No.**  
10 Q. So when you heard from Ms.  
11 Schulte that the purpose was to put it in  
12 a better capitalized bank within the  
13 Washington Mutual family, did you think  
14 about why -- did you and she -- well, did  
15 you in your mind think about why that  
16 would be something that they would want  
17 to do?  
18 **A. No.**  
19 Q. Or think it necessary to do?  
20 **A. I was acting on direction to**  
21 **move the deposit. So I didn't pause to**  
22 **ask the questions of why.**  
23 Q. Now, you moved these deposits  
24 -- you not only moved the -- tried to  
25 move the deposits, but you tried to do

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 this as quickly as possible, didn't you?  
3 **A. I was asked to do it as**  
4 **quickly as possible.**  
5 Q. And so in doing that you  
6 overrode some of the normal time frames  
7 that would have been applicable, did you  
8 not?  
9 MR. ABENSOHN: Objection.  
10 Q. To engaging in the  
11 transactions?  
12 **A. Can you please state the**  
13 **question.**  
14 Q. Sure. In doing that, did you  
15 not have to override some of the -- some  
16 of the time frames that would have been  
17 applicable had this account been opened  
18 in the normal course of regular  
19 procedure?  
20 **A. I would --**  
21 MR. ABENSOHN: Objection.  
22 **A. Sorry.**  
23 Q. You can answer.  
24 **A. I wouldn't term it as a --**  
25 **whatever term you used, I wouldn't use**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **it.**  
3 Q. An override?  
4 **A. An override. We used, I used**  
5 **the normal workaround required when a GL**  
6 **account can't be opened because it's too**  
7 **close to month end.**  
8 Q. So you did have to work around  
9 procedures that were in place that  
10 related to the time period --  
11 MR. ABENSOHN: Objection.  
12 Q. -- that would be applicable to  
13 open GL accounts?  
14 **A. I worked within the policy,**  
15 **yes.**  
16 Q. Well, you say you worked  
17 within the policy, we'll talk about that  
18 in a minute, but there was a GL policy  
19 that related to the time for opening new  
20 DDA accounts?  
21 **A. No.**  
22 Q. What was the GL policy that  
23 related to time?  
24 **A. Opening a new GL account.**  
25 **There was no limitation on the opening of**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **demand deposit accounts.**  
3 Q. And the opening of a new GL  
4 account couldn't be opened within the  
5 last 14 days of a month?  
6 **A. That's correct.**  
7 Q. And so you went to work around  
8 that policy?  
9 **A. I requested corporate**  
10 **accounting's assistance on finding an**  
11 **account that we could use that**  
12 **approximated a due from fsb GL account,**  
13 **yes.**  
14 Q. But it was not an fsb -- it  
15 was in fact not going to be a due from  
16 fsb GL account, right?  
17 **A. It was due from fsb.**  
18 Q. I'm sorry, you said  
19 approximated a due from fsb GL account?  
20 **A. It should have been a due from**  
21 **fsb noninterest checking GL account,**  
22 **instead we had to do from fsb MMDA**  
23 **account, both cash accounts, both cash**  
24 **GLs.**  
25 Q. MMDA is what?

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. Money market deposit account.**  
3 Q. And the reason you had to do  
4 that is because there was no GL account  
5 that existed for a DDA account?  
6 **A. There was no GL account that**  
7 **existed that was noninterest checking due**  
8 **from fsb.**  
9 Q. Going back again to what was  
10 in your mind, did you and Ms. Schulte  
11 discuss why it was that the people who  
12 had made the decision to engage in this  
13 transaction needed it done as soon as  
14 possible?  
15 **A. No.**  
16 Q. Were you given any information  
17 as to why they needed it done as soon as  
18 possible?  
19 **A. No.**  
20 Q. Did it cross your mind that  
21 the reason that they wanted it done as  
22 soon as possible was because of a concern  
23 the bank was going to fail?  
24 **A. Not to my knowledge, no.**  
25 Q. Did you speak -- other than

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Mr. Smith, and according to you, Mr.  
3 Brennan, did you speak to anybody, any  
4 other attorneys relating to the, again,  
5 prior to September 25th, relating to this  
6 transfer?  
7 **A. I don't recall.**  
8 Q. Did you speak to any outside  
9 counsel relating to this transaction,  
10 either the transfer or the loan?  
11 **A. I don't recall.**  
12 Q. Did you speak to anybody -- do  
13 you recall speaking to anybody from  
14 Heller Ehrman?  
15 **A. I don't recall.**  
16 Q. Do you recall communicating  
17 with anybody from Heller Ehrman?  
18 **A. I don't.**  
19 Q. Do you recall speaking to  
20 anybody from Weil, Gotshal?  
21 **A. Specific to this transaction?**  
22 Q. Well, first do you recall  
23 speaking to them prior to September 25th  
24 at all?  
25 **A. Yes.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. And did you speak to them  
3 regarding the subject of the movement of  
4 cash?  
5 (Instruction not to answer.)  
6 MR. ABENSOHN: Let me stop you  
7 for a moment. I'm going to  
8 interject a privilege objection and  
9 instruct not to answer.  
10 MR. SACKS: Well, she was an  
11 employee of the bank, so what would  
12 be the basis for instructing her  
13 not to answer?  
14 MR. ABENSOHN: My  
15 understanding is Weil was counsel  
16 to WMI in that period. If I could  
17 have a moment I can --  
18 MR. SACKS: Well, they may  
19 have been, but they were speaking  
20 to an employee of the bank about  
21 that subject.  
22 MR. ABENSOHN: I think you've  
23 established through earlier  
24 questioning that Ms. Logan had  
25 obligations to WMI as well possibly



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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 in an officer capacity.  
3 MR. SACKS: Maybe or maybe  
4 not, but she was moving funds as an  
5 -- well, I don't know, are you  
6 telling me she was moving funds as  
7 an employee of Washington, or as an  
8 officer of Washington Mutual, Inc.?  
9 MR. ABENSOHN: I'm not telling  
10 you anything in that regard. I'm  
11 telling you she was speaking to  
12 counsel for WMI in connection with  
13 that counsel's role as counsel to  
14 WMI. I can explore this further  
15 both with attorneys for Weil who  
16 are in the room and with Ms. Logan  
17 to get more color, but at least now  
18 tentatively I need to interject  
19 this objection.  
20 MR. SACKS: Okay, we'll have  
21 to take that up at some other time.  
22 That's fine.  
23 Q. Now, I think I asked you this  
24 before. At the time you were -- did  
25 anyone instruct you as to how the money

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 -- strike that.  
3 Did anyone instruct you as to  
4 how the balance in the 0667 account  
5 should be moved to fsb?  
6 **A. No.**  
7 Q. Are you the one that  
8 determined how that should be done?  
9 **A. Yes.**  
10 Q. What were the potential  
11 alternatives for how to move those funds,  
12 if there were funds, how to move that  
13 balance?  
14 MR. ABENSOHN: Objection as to  
15 form.  
16 MR. SACKS: Strike that.  
17 Q. What were the potential  
18 methods available as you understood it,  
19 for moving those balances?  
20 **A. We could do a book transfer.**  
21 Q. Yes.  
22 **A. Or we could do a wire.**  
23 Q. And what do you mean by a  
24 wire?  
25 **A. A wire transfer that would go**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **to the Fed and then come back to**  
3 **Washington Mutual.**  
4 Q. And had you determined whether  
5 in fact Washington Mutual Bank had the  
6 ability to send a \$3.67 billion wire  
7 transfer as of that time?  
8 **A. No, I didn't request it. I**  
9 **mean I didn't -- I didn't seek out the**  
10 **information, no.**  
11 Q. So you made no effort to make  
12 a determination as to whether they could?  
13 **A. No.**  
14 Q. And as you sit here today, do  
15 you know whether Washington Mutual Bank  
16 had the capacity to make a \$3.67 billion  
17 wire transfer as of that time?  
18 **A. No, I don't.**  
19 Q. You do understand that there  
20 were limitations on Washington Mutual  
21 Bank's ability to make wire transfers,  
22 don't you?  
23 **A. No, I do not know that.**  
24 Q. Well, you didn't understand  
25 even as a general matter that there might

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 be limitations?  
3 **A. No.**  
4 MR. ABENSOHN: Objection as to  
5 form.  
6 Q. So did you understand they had  
7 the ability to make a \$500 billion wire  
8 transfer?  
9 MR. ABENSOHN: Objection as to  
10 form.  
11 MR. SACKS: Well, strike that.  
12 Q. Did you have the understanding  
13 that Washington Mutual Bank had the  
14 ability to make a wire transfer that  
15 exceeded the funds it had available to  
16 transfer?  
17 **A. No.**  
18 Q. No, they didn't have that  
19 ability?  
20 **A. No, I don't know if they had**  
21 **that ability or not.**  
22 Q. So you don't know one way or  
23 another whether there -- what  
24 limitations, if any, there were on the  
25 ability to transfer funds by wire?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY

2 **A. I'm not aware of any**

3 **limitations.**

4 Q. And so you decided to do it by

5 book entry?

6 **A. Yes.**

7 Q. Did you discuss that with

8 anyone? Did you have a discussion as to

9 whether that's how you should do it as

10 opposed to just directing Ms. Noblezada

11 to do it that way?

12 **A. Did I have discussions, I'm**

13 **sorry -- did I have --**

14 Q. Did you discuss with anybody

15 whether you should make this movement by

16 book entry or some other method?

17 **A. No, I did not discuss with**

18 **anyone, no.**

19 Q. And at the time you -- at the

20 time you directed the book entry -- at

21 the time you directed the entry, you

22 understood that there had to be

23 corresponding entries on the master note

24 as well?

25 **A. Yes.**

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY

2 Q. So at all times you understood

3 that there was -- that the actual money

4 was going to stay, to the extent there

5 was money, was going to stay at

6 Washington Mutual Bank?

7 MR. ABENSOHN: Objection;

8 form.

9 **A. Can you please restate the**

10 **question.**

11 Q. Sure. At the time you went to

12 execute this transaction, you understood

13 that the funds were going to actually

14 stay at Washington Mutual Bank?

15 MR. ABENSOHN: Same objection.

16 **A. I understood that in the**

17 **normal course and practice the fsb loaned**

18 **its excess funds to the bank, so yes, I**

19 **understood that the funds would be loaned**

20 **back to the bank.**

21 Q. So you understood that no

22 funds would actually move, right? You

23 understood that you were making

24 accounting entries that would -- let me

25 back up.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY

2 Am I correct that you

3 understood the purpose of these entries

4 -- let me start again.

5 Am I correct that you

6 understood that the effect of these

7 entries would be to take what you

8 understood to be funds in a DDA account

9 at Washington Mutual Bank, transfer them

10 to a DDA account at Washington Mutual

11 Bank fsb, simultaneously loan those same

12 funds back to Washington Mutual Bank so

13 that before the transaction there would

14 be a deposit liability owed from

15 Washington Mutual Bank to Washington

16 Mutual, Inc., and after the transaction

17 there would be a deposit liability owed

18 from Washington Mutual Bank fsb to

19 Washington Mutual, Inc., and a

20 corresponding loan from Washington Mutual

21 Bank fsb to Washington Mutual Bank?

22 **A. Yes.**

23 MR. ABENSOHN: Objection as to

24 form.

25 Q. You understood that that was

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY

2 all an integrated transaction?

3 MR. ABENSOHN: Objection as to

4 form.

5 **A. I don't -- I don't agree that**

6 **it's an integrated transaction.**

7 Q. Did you have any understanding

8 as to whether Washington -- WMI had the

9 ability to move the deposit -- to

10 actually move funds from Washington

11 Mutual Bank to Washington Mutual Bank fsb

12 without a -- to actually move the funds

13 without a loan back?

14 MR. ABENSOHN: Objection;

15 form.

16 **A. I don't actually understand**

17 **the question.**

18 Q. Did you have any understanding

19 as to whether Washington Mutual, Inc. had

20 the ability to move its deposit account

21 to Washington Mutual Bank fsb without the

22 corresponding loan of the funds back to

23 Washington Mutual Bank?

24 **A. From Washington Mutual, Inc.'s**

25 **perspective it was a demand deposit, the**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **667 was a demand deposit and because it's**  
3 **a demand deposit they can ask to move**  
4 **their deposit wherever they wanted.**  
5 Q. Did you have any understanding  
6 as to whether Washington Mutual Bank had  
7 the capacity to satisfy a request to move  
8 funds, \$3.67 billion in funds out of the  
9 bank to Washington Mutual Bank fsb at the  
10 time you did this without a corresponding  
11 loan back of those funds to Washington  
12 Mutual Bank?  
13 MR. ABENSOHN: Objection;  
14 form.  
15 **A. You're asking whether I had an**  
16 **understanding whether the bank could make**  
17 **--**  
18 Q. Whether it had the capacity to  
19 do that at that time?  
20 MR. ABENSOHN: Same objection.  
21 **A. I had no knowledge of**  
22 **whether...**  
23 Q. Do you have any knowledge as  
24 to whether the regulators would have  
25 permitted Washington Mutual, Inc. to move

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 \$3.67 billion out of Washington Mutual  
3 Bank at that time --  
4 MR. ABENSOHN: Objection.  
5 Q. -- without a corresponding  
6 loan back of those questions?  
7 MR. ABENSOHN: Objection;  
8 form.  
9 **A. I have no knowledge of whether**  
10 **the regulators -- what the regulators**  
11 **would have done.**  
12 Q. Do you have any knowledge as  
13 to whether Washington Mutual, Inc. had  
14 the ability to withdraw the funds from  
15 Washington Mutual Bank and put them with  
16 a third-party bank at that point in time?  
17 **A. I'm not sure I can opine as to**  
18 **what WMI could or could not do.**  
19 Q. Do you have any knowledge as  
20 to whether Washington Mutual Bank had the  
21 capacity to move at WMI's request \$3.67  
22 billion in this 0667 account to a  
23 third-party financial institution outside  
24 the Washington Mutual family at that  
25 point in time?

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. I don't know.**  
3 Q. Did you discuss with Ms.  
4 Schulte or anybody else whether, in the  
5 course of discussing this transaction  
6 whether there had been any consideration  
7 given to moving the funds outside of the  
8 WaMu family?  
9 **A. Not that I recall.**  
10 Q. The amount that you left in  
11 the 0667 account at that point in time,  
12 who determined how much to leave?  
13 **A. Technically I did.**  
14 Q. When you say technically, what  
15 do you mean?  
16 **A. I asked Yolanda what payments**  
17 **were scheduled to go out and we needed to**  
18 **leave a cushion there in case some other**  
19 **payments were going to be -- were planned**  
20 **for, so we left approximately \$50 million**  
21 **in the account.**  
22 Q. At the time you were asked to  
23 engage in this transaction, did it strike  
24 you as peculiar?  
25 MR. ABENSOHN: Objection.

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. No.**  
3 Q. Did it strike you as out of  
4 the ordinary?  
5 **A. I would call it interesting.**  
6 **I wouldn't call it out of the ordinary.**  
7 Q. What do you mean by  
8 interesting?  
9 **A. That we were asked to move the**  
10 **deposit to fsb.**  
11 Q. It didn't strike you as out of  
12 the ordinary given that there had never  
13 been a deposit account at fsb before?  
14 **A. No.**  
15 Q. It was certainly novel, wasn't  
16 it, from your perspective?  
17 **A. Well, there were a lot of**  
18 **things in treasury that were a lot of**  
19 **one-time things because that's the nature**  
20 **of treasury. So it didn't strike me as**  
21 **being too out of the ordinary.**  
22 Q. Your best recollection -- I  
23 understand that the entries were, I don't  
24 know what the correct word is, backdated  
25 or retro'd to the 19th, correct?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Mm-hmm, mm-hmm.**  
3 Q. Mm-hmm, yes?  
4 **A. Yes. Thank you.**  
5 Q. But your best understanding as  
6 to when the transfer actually got  
7 finalized on the GL is the 24th?  
8 **A. I'm not certain I could give**  
9 **you the date when it was actually**  
10 **finalized.**  
11 Q. But it was several days after  
12 the instructions were given?  
13 **A. Yes.**  
14 Q. In your experience, had you  
15 ever been involved in a transfer that  
16 presented as many logistical problems as  
17 this transfer did --  
18 MR. ABENSOHN: Objection.  
19 Q. -- to the people attempting to  
20 do the GL entries?  
21 **A. I'm not certain I could**  
22 **classify them as logistical problems.**  
23 Q. You wouldn't classify the fact  
24 that you were aware that they had --  
25 well, you were aware that the first

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 attempt to move these funds resulted in a  
3 movement from Washington Mutual Bank to  
4 Washington Mutual Bank, correct?  
5 **A. Yes.**  
6 Q. So that is a logistical  
7 problem?  
8 **A. No, that's an error.**  
9 Q. That was not -- okay.  
10 Error, it was a problem that  
11 affected the transfer, did it not?  
12 **A. Yes.**  
13 Q. And that was not your intent  
14 to move, at least in your instructions,  
15 to move the funds from one Washington  
16 Mutual Bank account to another Washington  
17 Mutual Bank account?  
18 **A. That's correct.**  
19 Q. And then there were problems  
20 after that in terms of using, as you  
21 said, a surrogate account, was there not?  
22 **A. That's the general ledger**  
23 **piece.**  
24 Q. Correct. Some account that  
25 was going to be used, not being the final

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 account because you couldn't actually  
3 open the final account?  
4 **A. Yes.**  
5 Q. In terms of the 4234 account,  
6 the fsb account as a demand deposit,  
7 noninterest checking account, when was  
8 that -- when, if ever, was that account  
9 actually opened?  
10 **A. Sometime after the 22nd,**  
11 **September 22nd.**  
12 Q. Sometime after September 22nd?  
13 **A. Yes.**  
14 Q. There was a -- there was a  
15 logistical problem with the -- you're  
16 familiar with something called an account  
17 going into suspense?  
18 **A. Yes.**  
19 Q. What is that?  
20 **A. I'm not certain I could**  
21 **describe it. Something rejected.**  
22 Q. It means it's not working,  
23 correct?  
24 **A. Mm-hmm.**  
25 Q. You have to say yes.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Yes.**  
3 Q. And you're aware that there  
4 was a problem at least once in that  
5 regard sometime during the course of this  
6 attempted transfer?  
7 **A. Only because I was informed of**  
8 **it by Yolanda and I had to look at the**  
9 **actual GL to figure out how to fix it,**  
10 **but yes.**  
11 Q. Well, most of what you know  
12 about what occurred during this transfer  
13 is information that was told to you by  
14 others, correct?  
15 MR. ABENSOHN: Objection as to  
16 form.  
17 Q. You didn't actually make the  
18 GL entries, right?  
19 **A. No.**  
20 Q. You instructed other people to  
21 process this?  
22 **A. Yes.**  
23 Q. So the difficulties and the  
24 problems and the like were information  
25 you were told about by others?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: Objection as to  
3 form.  
4 Q. Sometimes in writing,  
5 sometimes orally?  
6 **A. And I looked it up online and**  
7 **researched it myself.**  
8 Q. Why did you do that?  
9 **A. Because I needed to make sure**  
10 **that the journal entries would properly**  
11 **reflect what we were attempting to do.**  
12 Q. And did you have concern that  
13 that wasn't being done?  
14 **A. No, but you are correct that**  
15 **there ended up being an entry in suspense**  
16 **and our folks in corporate accounting**  
17 **were saying you don't need to make an**  
18 **entry to fix that, which would be -- we'd**  
19 **be leaving something in suspense. So I**  
20 **needed to research how to fix it and get**  
21 **their approval that I was fixing it**  
22 **correctly.**  
23 MR. SACKS: Let me mark as  
24 Logan Exhibit 3, I believe, an  
25 email.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 (Logan Exhibit 3 for  
3 identification, three emails dated  
4 September 23, 2008 and September  
5 24, 2008.)  
6 Q. I note that you are on the  
7 bottom email of this chain, Ms. Logan,  
8 not the top two, but again looking at the  
9 top email from Ms. Noblezada to Nancy  
10 Plummer. Who is Nancy Plummer?  
11 **A. I don't know who she is, but**  
12 **she says she's technology manager in the**  
13 **retail back office.**  
14 Q. Looking at this where Ms.  
15 Noblezada is indicating in response to  
16 Ms. Plummer's email, "Congratulations!  
17 Glad you got it done!" "Not fully yet.  
18 Still groping for GL postings."  
19 Do you see that?  
20 **A. Yes.**  
21 Q. That would indicate -- would  
22 that not indicate to you that at least as  
23 of this time on September 24th, the  
24 process still wasn't fully finalized?  
25 MR. ABENSOHN: Objection.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. It calls for me to guess at**  
3 **what someone else is meaning, so I can't**  
4 **really answer that question.**  
5 Q. Well I'm asking you for your  
6 understanding. I'm not asking you to  
7 speculate as to what she meant. Is that  
8 how you would understand this email?  
9 MR. ABENSOHN: Objection.  
10 Q. You got a lot of your  
11 information in emails. For example, your  
12 affidavit is filled with statements of  
13 things that you know because Ms.  
14 Noblezada told you about them, and I'm  
15 asking you here, reading this statement  
16 from Ms. Noblezada, would this cause you  
17 to understand that at least as of this  
18 time on September 24th, the process was  
19 not complete?  
20 MR. ABENSOHN: Objection.  
21 **A. From what she's saying I would**  
22 **guess that's what she's meaning, yes.**  
23 MR. SACKS: Let me mark as  
24 Logan 4 another email, or email  
25 chain.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 (Logan Exhibit 4 for  
3 identification, two emails dated  
4 September 24, 2008.)  
5 Q. You were a recipient of both  
6 of these emails, of all three of these  
7 emails, were you not?  
8 **A. Yes.**  
9 Q. And who is Tawnya Ryason?  
10 **A. She's our contact in**  
11 **intercompany accounting.**  
12 Q. Who was Elenita Vasallo?  
13 **A. Someone who worked for Tawnya**  
14 **who reconciled intercompany accounts.**  
15 Q. Brandon Winder, who was he?  
16 **A. Vice president cash**  
17 **management. Yolanda, he was Yolanda's**  
18 **boss.**  
19 Q. Lourdes or I guess she's  
20 referred to as Lulu St. John?  
21 **A. Yes.**  
22 Q. Who's she?  
23 **A. A manager in corporate -- in**  
24 **treasury accounting.**  
25 Q. In treasury accounting?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Yes.**  
3 Q. And Carlos --  
4 **A. Sumulong.**  
5 Q. -- Sumulong?  
6 **A. He worked for Tawnya.**  
7 Q. Does this indicate -- do you  
8 understand this to reflect that this  
9 transaction was not effected, again,  
10 until the 24th of September?  
11 **A. The GL entries hadn't been**  
12 **posted till the 24th --**  
13 Q. Right.  
14 **A. -- of September, yes.**  
15 Q. So the transaction was not  
16 posted on the books, the GL as of that  
17 time?  
18 **A. Correct.**  
19 Q. Okay.  
20 **A. Is it possible for me to take**  
21 **a break?**  
22 MR. SACKS: Absolutely.  
23 THE VIDEOGRAPHER: One moment,  
24 please, and watch your microphones.  
25 I'll change tapes now at this time

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 as well. Here now marks the end of  
3 tape 2 of the deposition of Doreen  
4 **A. Logan. The time is 12:13 p.m.,**  
5 **we're off the record.**  
6 **(A recess was taken.)**  
7 THE VIDEOGRAPHER: Here now  
8 marks the beginning of tape 3 of  
9 the deposition of Doreen A. Logan.  
10 The time is 12:25 p.m., we're now  
11 back on the record.  
12 Q. Ms. Logan, if you would look  
13 at Page 8 of your affidavit for me,  
14 please.  
15 **A. Yes.**  
16 Q. At the bottom there's a  
17 footnote where you explain the issue that  
18 we talked about previously involving the  
19 unavailability of the GL entry and the  
20 timing of being able to open a GL entry,  
21 etc.  
22 Am I correct that on the GL  
23 this transfer was never reflected as  
24 going into a DDA account, a non-money  
25 market DDA account?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Which GL?**  
3 Q. Well the GL you're talking  
4 about in footnote 2.  
5 **A. Okay, please ask your question**  
6 **again.**  
7 Q. Sure. What GL is that you're  
8 talking about in footnote 2?  
9 **A. It was a GL that was never**  
10 **opened because the bank was seized on**  
11 **9/25. Instead of a new GL we used an**  
12 **existing GL.**  
13 Q. I understand that. And the  
14 existing GL was a money market account?  
15 **A. A money market deposit**  
16 **account, yes.**  
17 Q. Correct, a money market  
18 deposit account?  
19 **A. Yes.**  
20 Q. So am I correct though that on  
21 the GL the transfer never -- and that was  
22 not -- strike that.  
23 That was not the type of  
24 account that was intended to be created  
25 at Washington Mutual Bank fsb, a money

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 market deposit account?  
3 **A. We just used a different**  
4 **deposit GL account. It's still a -- it's**  
5 **still a deposit.**  
6 Q. I'm only trying to ask you  
7 what was ultimately reflected on the GL  
8 at the end of this process. And so my  
9 question is simply, am I correct that in  
10 the GL because of the use of this  
11 surrogate, I've used the word, account,  
12 and then the subsequent receivership, on  
13 the GL this transfer never got out of  
14 that surrogate account?  
15 MR. ABENSOHN: Objection;  
16 form.  
17 **A. Can you ask your question a**  
18 **different way so I make sure I understand**  
19 **it. I want to answer the question you're**  
20 **asking.**  
21 Q. I'm trying to -- as you  
22 indicate here, because of the  
23 unavailability of, on the GL of the  
24 ultimate type of account that this  
25 account was intended to be, a noninterest

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 bearing demand deposit account, you used  
3 as a surrogate an account that existed on  
4 the GL which was a different type of  
5 account, and you reflected the transfer  
6 of funds into that GL account?  
7 MR. ABENSOHN: Objection to  
8 form.  
9 Q. Right?  
10 **A. We reflected on the general**  
11 **ledger of Company 70 that there was a due**  
12 **from fsb cash account classified as an**  
13 **MMDA, not a noninterest checking.**  
14 Q. That entry never got changed?  
15 **A. No. We were separate**  
16 **companies at 9/26. It didn't matter.**  
17 Q. Well, under -- it didn't  
18 matter to who?  
19 **A. It didn't matter to JPMorgan.**  
20 **I mean it was Company 70's ledger, so.**  
21 Q. Now going back again, do you  
22 recall referring to the process of  
23 attempting to make this transfer as being  
24 tense?  
25 **A. Yes. I think tumultuous or**

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **something.**  
3 Q. Tumultuous, too?  
4 **A. It was a tumultuous time I**  
5 **believe I referred to it as.**  
6 Q. Do you recall people referring  
7 to this attempted transfer as being a  
8 drama?  
9 **A. I don't recall.**  
10 Q. Would that be an accurate  
11 characterization from your perspective of  
12 the people who were involved in  
13 attempting to make the transfer?  
14 MR. ABENSOHN: Objection.  
15 **A. I wouldn't speculate as to how**  
16 **I would characterize it.**  
17 Q. You wouldn't have disagreed  
18 with somebody who was involved in trying  
19 to make these transfers if they described  
20 it as a drama, would you?  
21 MR. ABENSOHN: Objection.  
22 **A. I just wouldn't speculate. I**  
23 **don't know.**  
24 Q. Given your participation in  
25 the process, would that be a -- it might

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 not be the word you would use, but that  
3 would be a fair characterization of it?  
4 MR. ABENSOHN: Objection.  
5 **A. I just decline to comment. I**  
6 **mean I can't speculate on how it would be**  
7 **described.**  
8 Q. Okay. You understood that, in  
9 your job you were familiar with FDIC, the  
10 concept of FDIC insurance --  
11 **A. Yes.**  
12 Q. -- were you not?  
13 **A. Yes.**  
14 Q. You were aware that deposits,  
15 are only insured at some point up to a  
16 hundred thousand dollars, at some point  
17 \$250,000?  
18 **A. Yes.**  
19 Q. And so you were aware that  
20 this, to the extent intercompany deposits  
21 were insured at all, this intercompany --  
22 the balance in the 667 account, 0667  
23 account was largely uninsured?  
24 **A. I don't -- I didn't have any**  
25 **thoughts about FDIC insurance on the**

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **intercompany deposits, no.**  
3 Q. Did you discuss that with  
4 anybody?  
5 **A. Not to my knowledge.**  
6 MR. SACKS: Let me mark as  
7 Exhibit Logan 5 another email.  
8 (Logan Exhibit 5 for  
9 identification, two emails dated  
10 September 25, 2008.)  
11 MR. ABENSOHN: Sorry, what was  
12 the number on this one?  
13 MR. SACKS: Five.  
14 Q. Do you recall getting this  
15 email from Mr. Freiling on September  
16 25th?  
17 **A. Yes.**  
18 Q. And September 25th turned out  
19 to be the day that the bank was taken  
20 into receivership?  
21 **A. Yes.**  
22 Q. Do you see where he writes to  
23 you "Good. No more uninsured deposits to  
24 freak out on"?  
25 **A. Yes.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Did you discuss that with him?  
3 **A. Yes, but the characterization,**  
4 **we haven't discussed what this email was**  
5 **in regards to.**  
6 Q. Well what is this email in  
7 regards to?  
8 **A. My email subject line is**  
9 **"cashier's checks, Wednesday, September**  
10 **24th, \$357.3 million - freakishly low."**  
11 **That is in regards to the dollar amount**  
12 **of cashier's checks cut in the branch in**  
13 **prior days, in this case the prior day.**  
14 **And I had -- in our previous discussion**  
15 **when we talked about the daily emails of**  
16 **cash outflow, this is the piece that I**  
17 **researched on a daily basis and in some**  
18 **cases it was a billion or \$2 billion, so**  
19 **on this date it was only \$357.3 million,**  
20 **so that was -- that's the reference to**  
21 **freakishly low.**  
22 Q. So you were aware on a daily  
23 -- you were aware on a daily basis how  
24 much was going out of the bank in terms  
25 of checks?

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. Cashier's checks, yes.**  
3 Q. And that was at a billion or  
4 so a day you said?  
5 **A. It was a subset of the actual**  
6 **outflow, yes.**  
7 Q. And so in that context -- and  
8 why were you monitoring cashier's check  
9 outflow?  
10 **A. Because I had previously been**  
11 **in the retail bank and I knew what report**  
12 **to find to look for that information.**  
13 Q. Why were you monitoring it for  
14 any purpose? What did it have to do with  
15 your job at that point in time?  
16 **A. I was in liquidity, I was in**  
17 **the same treasury group as those who**  
18 **monitor liquidity and I had knowledge of**  
19 **how to find the information quickly.**  
20 Q. And so in terms of -- but did  
21 somebody ask you to find that information  
22 for them?  
23 **A. Peter Freiling said is there**  
24 **any information we can find that's just**  
25 **not readily available and I said sure, I**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **can look up the cashier's checks cut on**  
3 **the previous day.**  
4 Q. And so you gave him that on a  
5 daily basis during this period of time?  
6 **A. I would say I looked it up on**  
7 **a daily basis. I'm not certain I gave it**  
8 **to them on a daily basis.**  
9 Q. While you were looking that  
10 up, did you look up other outflows on a  
11 daily basis?  
12 **A. I didn't have access to the**  
13 **other information.**  
14 MR. SACKS: Let me mark as  
15 Exhibit 6 a document which I  
16 believe is included as well within  
17 an exhibit to your affidavit.  
18 (Logan Exhibit 6 for  
19 identification, document entitled  
20 "Journal entry request form.")  
21 **A. Yes.**  
22 Q. You're familiar with this  
23 document?  
24 **A. I am familiar with this**  
25 **document.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. And it's entitled a "Journal  
3 entry request form." Tell me what that  
4 is?  
5 **A. These are the entries that**  
6 **were posted to the general ledger to**  
7 **reflect the transfer of the deposit as**  
8 **well as the corrections and the master**  
9 **note entries.**  
10 Q. I see it indicates it was --  
11 that Ms. Noblezada's name is there and I  
12 assume that those are her, at least the  
13 first squiggle is her initials; is that  
14 correct?  
15 **A. That's correct, yes.**  
16 Q. Then there's another signature  
17 or signatures. Is that familiar to you?  
18 **A. That's me.**  
19 Q. And you signed this on the  
20 24th of September 2008?  
21 **A. Yes.**  
22 Q. And these, am I correct,  
23 reflect the entries that were in fact  
24 made to reflect this transaction?  
25 MR. ABENSOHN: Objection;



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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 form.  
3 Q. The final entries that were  
4 made?  
5 **A. I believe this to be the final**  
6 **entries posted to reflect the**  
7 **transaction.**  
8 Q. Okay. And the entries reflect  
9 on the posting done at the same time both  
10 the transfer of money and the loan back;  
11 is that right?  
12 **A. The transfer of money, the**  
13 **loan back, the correction to suspense,**  
14 **yes.**  
15 Q. So all of that is done at one  
16 time on these entries, correct?  
17 **A. It's four separate journal**  
18 **entries, yes.**  
19 Q. And these were entered you  
20 believe on the 24th?  
21 **A. Yes.**  
22 Q. I'd like you to just explain,  
23 if you could just walk through the  
24 entries for me and explain what they are.  
25 So the first entry is, do we

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 start at the top, Company 70 is WMI?  
3 **A. That's correct.**  
4 Q. And there's a general ledger  
5 number and what's that?  
6 **A. 10441 is the due from fsb MMDA**  
7 **intercompany account.**  
8 Q. And what is a CC?  
9 **A. Call center, 9909 is an**  
10 **intercompany call center.**  
11 Q. And it shows there a debit to  
12 that account of 3.67 billion?  
13 **A. Yes.**  
14 Q. And these were actually done  
15 on the general ledger, it was done in  
16 four parts, wasn't it, because you can't  
17 do a \$3.67 billion entry, so 99999?  
18 **A. That's the Hogan posting.**  
19 Q. That's the Hogan posting?  
20 **A. That's the deposit system**  
21 **can't accept an entry larger than**  
22 **999,999,999.99.**  
23 Q. So there was a credit -- I'm  
24 sorry, a debit to that account and the  
25 corresponding entry and credit is what?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Across the page is Company 70.**  
3 Q. Okay.  
4 **A. We considered GL 1050.**  
5 Q. Which is?  
6 **A. Cost center 9909 which is due**  
7 **from WMB FA.**  
8 Q. And then the second entry,  
9 what does that reflect?  
10 **A. 52915 is --**  
11 Q. Well that's an entry relating  
12 to Company 2 which is Washington Mutual  
13 Bank, correct?  
14 **A. Yes.**  
15 Q. Okay. And what does that  
16 entry reflect?  
17 **A. It's the clearing of -- there**  
18 **was a back office entry separate from**  
19 **this journal entry to debit the 667 bank**  
20 **account and credit the 52915 which is a**  
21 **back office transfer, standard offset to**  
22 **a back office transfer is always 52915**  
23 **and it's our responsibility then to clear**  
24 **the posting to 52915. So this is the**  
25 **\$3.674 billion debit to 52915 to clear**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **the credit posted by the back office.**  
3 Q. Okay.  
4 **A. And then across the page, the**  
5 **45798 is the master note payable to WMB**  
6 **fsb on WMB.**  
7 Q. So that reflects an increase  
8 in the balance on the master note?  
9 **A. That's correct.**  
10 Q. Do you recall prior to this  
11 transaction what the balance was on that  
12 master note?  
13 **A. I don't. I don't recall off**  
14 **the top of my head.**  
15 Q. Do you recall that in taking  
16 account of this transaction that there  
17 was not enough capacity on the existing  
18 master note to accommodate this  
19 transaction?  
20 **A. I do recall that, yes.**  
21 Q. Go down to the next entry,  
22 Company 40.  
23 **A. Company 40, the GL 20601 --**  
24 Q. Company 40 is fsb?  
25 **A. Fsb. 20601 is the master note**

158

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **receivable from WMB on Company 40. And**  
3 **28201 I don't recall what that GL is.**  
4 Q. And I see that the cost center  
5 on the debit side is 9909, which is an  
6 intercompany cost center?  
7 **A. That's correct.**  
8 Q. And the cost center on the  
9 other side is 9331. What's that cost  
10 center?  
11 **A. That is a left over -- 9331**  
12 **was the old cost center we had previously**  
13 **used for intercompany. And in years**  
14 **lately they've moved everything to the**  
15 **9909 series.**  
16 Q. Why would we be using a  
17 different cost center here for one side  
18 of the entry and not the other?  
19 **A. Oh, cost centers it doesn't**  
20 **matter. It's the company that has to**  
21 **balance. You can do that. Cost centers**  
22 **are for segment reporting, they're not --**  
23 **cost centers don't have to have a**  
24 **corresponding debit and credit per cost**  
25 **center, it's only per company.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. And then the last entry?  
3 **A. Company 1, 49 -- if I recall**  
4 **correctly, 49241 is the suspense account**  
5 **that we needed to clear because of the**  
6 **initial error of posting -- of creating**  
7 **the deposit account on company 1, and the**  
8 **52915 is, again, the offset to back**  
9 **office transfers.**  
10 Q. This form in the first  
11 instance was prepared by, your  
12 understanding was, by Ms. Noblezada?  
13 **A. That's correct.**  
14 Q. And when you signed it, did  
15 you identify any errors to her on it?  
16 **A. Not when I signed it, but**  
17 **subsequently I did identify an error.**  
18 Q. When you say subsequently,  
19 what do you mean by subsequently?  
20 **A. Approximately a week later I**  
21 **was handed a piece of paper saying what**  
22 **does this mean.**  
23 Q. And you said?  
24 **A. I believe I said this means**  
25 **there's an error on the form because WMI**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **could not contribute to the fsb.**  
3 Q. And you address this in your  
4 declaration, don't you?  
5 **A. Yes.**  
6 Q. And you ascribe this error to  
7 the use of a template?  
8 **A. Yes.**  
9 Q. You don't know if that's the  
10 case, do you?  
11 MR. ABENSOHN: Objection.  
12 Q. I mean you say that in your  
13 footnote on Page 17, footnote 5 it is,  
14 but you don't know that it was an error  
15 caused by the use of a template, do you?  
16 MR. ABENSOHN: Objection.  
17 **A. I do.**  
18 Q. What's your basis, personal  
19 knowledge for that?  
20 **A. Because I have all of the**  
21 **previous transactions using these forms**  
22 **that were posted specifically for Company**  
23 **70.**  
24 MR. SACKS: Let me mark as  
25 Exhibit 7 a one-page document.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 (Logan Exhibit 7 for  
3 identification, document entitled  
4 "Journal entry request form.")  
5 Q. Do you recognize that as the  
6 comparable form for a \$2 million capital  
7 contribution that was made to WMB?  
8 **A. 2 billion, yes.**  
9 Q. And do you -- that's not the  
10 same description, is it?  
11 **A. No.**  
12 Q. So that was not the form that  
13 was used?  
14 **A. I can't say whether it was the**  
15 **same form or.**  
16 Q. Okay.  
17 **A. Because this was originated by**  
18 **Ida, not Yolanda.**  
19 Q. So you think it was the form  
20 originated by Yolanda that had the same  
21 entry that she just duplicated without  
22 thinking?  
23 **A. Potentially. I can't say for**  
24 **sure.**  
25 Q. You told me you had it in your

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 personal knowledge and you looked at it?  
3 MR. ABENSOHN: Objection.  
4 **A. Not folder.**  
5 Q. I'm sorry?  
6 **A. I have a folder of this**  
7 **information, yes. And I did have a**  
8 **personal conversation with Yolanda about**  
9 **this.**  
10 Q. Well that's my point, is what  
11 you know about what Yolanda did or didn't  
12 do is what Yolanda did or didn't tell  
13 you?  
14 MR. ABENSOHN: Objection.  
15 Q. After you pointed out what you  
16 thought was an error to her?  
17 **A. I'm not certain I can answer**  
18 **the question.**  
19 Q. Well, I mean what Yolanda may  
20 or may not have told you is your source  
21 of knowledge about what Yolanda did or  
22 didn't do?  
23 MR. ABENSOHN: Objection.  
24 Q. Isn't that right? You weren't  
25 there watching Yolanda as she typed this

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 form, were you?  
3 **A. I was not there watching**  
4 **Yolanda type the form.**  
5 Q. So what you know about what  
6 Yolanda did or didn't do when she typed  
7 this form, what she did or didn't put  
8 into it is based on what she told you  
9 about what she did; isn't that right?  
10 MR. ABENSOHN: Objection.  
11 **A. Well I have copies of other**  
12 **things that she's done.**  
13 Q. Okay, fine.  
14 MR. SACKS: Let me mark as  
15 Exhibit 8 another one-page form.  
16 (Logan Exhibit 8 for  
17 identification, document entitled  
18 "Journal entry request form.")  
19 Q. You recognize Exhibit 8 as a  
20 form reflecting a \$500 million capital  
21 contribution from Washington Mutual, Inc.  
22 to Washington Mutual Bank?  
23 **A. Yes.**  
24 Q. And this one occurred on the  
25 10th of September 2008?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Yes.**  
3 Q. This form was prepared by Ms.  
4 Noblezada?  
5 **A. Yes.**  
6 Q. And it's signed by, is that  
7 Mr. Winder's signature?  
8 **A. That's correct.**  
9 Q. And do you see the description  
10 utilized there?  
11 **A. Yes.**  
12 Q. That's not the same  
13 description that appears on the journal  
14 entry request form for the fsb  
15 transaction --  
16 **A. No.**  
17 Q. -- is it?  
18 **A. No.**  
19 Q. We've just got a few minutes  
20 before we need to break for lunch, but  
21 let me ask you a few questions as I  
22 could.  
23 Were you involved in -- I want  
24 to turn now to the note aspect of this  
25 transaction.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Okay.**  
3 Q. And the note. What is the  
4 master note? What is the master note?  
5 **A. The master note is a**  
6 **documented lending relationship between**  
7 **WMB -- pardon me -- WMB fsb and the bank**  
8 **where fsb loans its excess funds to the**  
9 **bank in return for interest.**  
10 Q. And security? Is there any  
11 security associated with the master note?  
12 **A. Please define security.**  
13 Q. Pledges of assets to secure  
14 the master note?  
15 **A. There was for a period of time**  
16 **until it was suspended.**  
17 Q. I'll get to that too. There  
18 was a pledge of assets by Washington  
19 Mutual Bank to secure the master note  
20 from Washington Mutual Bank fsb to  
21 Washington Mutual Bank?  
22 **A. That's correct.**  
23 Q. And were you involved in  
24 establishing, were you personally  
25 involved in establishing the master note,

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 the fsb to Washington Mutual Bank master  
3 note?  
4 **A. Absolutely.**  
5 Q. And what was your role in  
6 establishing that master note?  
7 **A. I requested the master note be**  
8 **put in place in approximately, I don't**  
9 **know, 2000 -- fourth quarter of 2004**  
10 **because the fsb had approximately \$14**  
11 **billion, pardon me again, in a deposit**  
12 **account at the bank, in a noninterest**  
13 **earning deposit account, and in order for**  
14 **the fsb to get -- to create an interest**  
15 **earning asset from their \$14 billion**  
16 **deposit in the normal course we created**  
17 **the master note, as we had done with**  
18 **other companies.**  
19 Q. And who actually -- you made  
20 that request to somebody?  
21 **A. Yes.**  
22 Q. Who did you make the request  
23 to?  
24 **A. What part of the request, I'm**  
25 **sorry? I mean I --**

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. To establish a master note?  
3 **A. As I recall, it was five years**  
4 **ago, but as I recall, I requested the**  
5 **master note be put in place, I addressed**  
6 **it to Chad Smith, it was put in place and**  
7 **then subsequent to it being established I**  
8 **notified the pertinent parties that the**  
9 **master note had been put in place.**  
10 Q. And in terms of who actually  
11 made the decision to put the note in  
12 place, do you know who that was?  
13 **A. I requested it. It was me. I**  
14 **mean I requested it.**  
15 Q. You didn't have the authority  
16 though to put a master note in place, did  
17 you?  
18 MR. ABENSOHN: Objection.  
19 Q. I mean you couldn't have  
20 established a master note between  
21 Washington Mutual Bank and Washington  
22 Mutual Bank fsb, could you have?  
23 MR. ABENSOHN: Objection.  
24 **A. I made the request of counsel**  
25 **to create a master note between the two**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **entities.**  
3 Q. My question is do you know who  
4 actually decided yes, we're going to put  
5 a master note in place?  
6 **A. I know who signed the master**  
7 **note document.**  
8 Q. That was Mr. Williams?  
9 **A. No, that was Steve Lobo, the**  
10 **treasurer at the time.**  
11 Q. Were you involved in any way  
12 in determining the economic terms of the  
13 master note?  
14 MR. ABENSOHN: Objection;  
15 form.  
16 Q. So, for example, were you  
17 involved in, you personally involved in  
18 establishing the interest rate, what  
19 security, collateral would be required to  
20 support the obligations, etc.?  
21 MR. ABENSOHN: Objection.  
22 **A. That's actually two questions.**  
23 Q. I'm asking -- okay. Were you  
24 responsible for setting the terms of the  
25 master?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. The master --**  
3 MR. ABENSOHN: Objection.  
4 THE WITNESS: I'm sorry.  
5 MR. ABENSOHN: Go ahead.  
6 **A. The master notes within the**  
7 **consolidated group, unless specifically**  
8 **carved out for a specific reason, carried**  
9 **an interest rate of LIBOR flat on a**  
10 **monthly basis.**  
11 Q. And were you involved in  
12 determining whether that was an  
13 appropriate interest rate?  
14 **A. No.**  
15 Q. And who was involved in making  
16 that determination?  
17 **A. I'm not aware who made any**  
18 **determination about the interest rate.**  
19 Q. Why did you understand that  
20 there was a pledge of assets to support  
21 this note? Or did you have any  
22 understanding as to why there was a  
23 pledge of collateral to support this  
24 note?  
25 **A. The pledge of collateral was**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **requested by the tax department. It was**  
3 **not required from a regulatory**  
4 **perspective.**  
5 Q. I'm not asking you to give me  
6 regulatory advice. So your understanding  
7 was that it was -- you may or may not be  
8 correct on that. I'm just asking you to  
9 answer my questions, please, not --  
10 MR. ABENSOHN: I'll ask you  
11 not to be argumentative in your  
12 dialogue with the witness.  
13 MR. SACKS: Fine. I'd ask the  
14 witness, I understand she has  
15 certain views as to what the law  
16 does or doesn't require, which may  
17 be right, may be wrong, I may  
18 disagree with them, and I'm not  
19 asking her to testify about what  
20 she thinks regulatory does or  
21 doesn't require, so.  
22 MR. ABENSOHN: She'll respond  
23 to your questions as she  
24 understands them to be phrased and  
25 we can move on from there.

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Let me ask you a question  
3 then. Is it your understanding that if  
4 this is viewed as an integrated  
5 transaction where both the loan and the  
6 transfer are part of the same  
7 transaction, that this transaction was  
8 not proper under regulatory guidelines?  
9 MR. ABENSOHN: Objection.  
10 **A. I can't answer that.**  
11 Q. You understood that this  
12 transaction, looking at both the transfer  
13 and the loan, was not an arm's length  
14 transaction, correct?  
15 MR. ABENSOHN: Objection.  
16 **A. I can't speculate.**  
17 Q. You don't have, given your  
18 experience, looking at this, looking at  
19 the loan and the loan back to Washington  
20 Mutual Bank by the fsb under the  
21 circumstances that you've described this  
22 transaction occurring, you have no sense  
23 of whether that was an arm's length  
24 transaction?  
25 MR. ABENSOHN: Objection.

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. I'm actually confused as to**  
3 **which transaction we're talking about.**  
4 Q. I'm asking about both. And so  
5 my question is is it your understanding  
6 that if this transaction is an integrated  
7 transaction, i.e., that both are part of  
8 the same transaction, that it fails from  
9 a regulatory perspective because it's not  
10 an arm's length transaction?  
11 MR. ABENSOHN: Objection.  
12 **A. I can't opine as to whether**  
13 **it's --**  
14 Q. Did you have an understanding  
15 that a transaction between WMI and its  
16 banking affiliates was required to be on  
17 an arm's length basis?  
18 MR. ABENSOHN: Objection.  
19 **A. Which transaction are we**  
20 **talking about?**  
21 Q. Any transaction between WMI  
22 and a banking affiliate, banking  
23 subsidiaries, did you have an  
24 understanding that those were required to  
25 be on an arm's length basis?

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **A. From WMI to the bank, no.**  
3 Q. What transactions did you  
4 understand were required to be on an  
5 arm's length basis with a bank, either at  
6 WMB or WMB fsb?  
7 MR. ABENSOHN: Objection.  
8 **A. My understanding is extensions**  
9 **of credit by the bank to an affiliate**  
10 **need to be in an arm's length -- on an**  
11 **arm's length basis.**  
12 Q. But you understand that --  
13 does that include extensions of credit  
14 from, in your understanding, from  
15 Washington Mutual Bank fsb to Washington  
16 Mutual Bank?  
17 MR. ABENSOHN: Objection.  
18 **A. Sorry, say it again.**  
19 Q. Do you understand that an  
20 extension of credit from Washington  
21 Mutual Bank fsb to Washington Mutual Bank  
22 is required to be on an arm's length  
23 basis?  
24 **A. That was not my -- I'm sorry.**  
25 MR. ABENSOHN: Objection.

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. That is not my understanding..**  
3 Q. With respect to the -- did you  
4 ever prior to the end of -- well, did you  
5 ever ask anyone within the bank why there  
6 was a pledge of collateral to support the  
7 master note between Washington Mutual  
8 Bank fsb and Washington Mutual Bank?  
9 **A. I know why the pledge was**  
10 **established.**  
11 Q. Let me ask you did you ever  
12 ask anyone why?  
13 **A. The tax department requested**  
14 **of me to make sure that the note was**  
15 **collateralized. So I didn't have to ask.**  
16 **People asked me to make sure it happened.**  
17 Q. Okay. And when you --  
18 MR. SACKS: Let me mark as  
19 Exhibit 9 another series of emails,  
20 then we'll break for lunch.  
21 (Logan Exhibit 9 for  
22 identification, three emails dated  
23 April 12, 2006, Monday, April 17,  
24 2006, and Monday, April 17, 2006,  
25 respectively.)

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. I want to draw you to the  
3 second page, the email that you -- do you  
4 recognize that as an email you wrote?  
5 **A. Yes.**  
6 Q. Does that accurately set forth  
7 your understanding of what the master  
8 note was?  
9 MR. ABENSOHN: May I have a  
10 moment with the document if I  
11 could.  
12 Q. Let me ask a more specific  
13 question. Was it your understanding that  
14 the master note was basically a  
15 commercial loan from fsb to WMB?  
16 **A. Yes.**  
17 Q. And was it your understanding  
18 that under the terms of the note WMB paid  
19 fsb interest at one month LIBOR?  
20 **A. Yes.**  
21 Q. And was it your understanding  
22 that interest was calculated and posted  
23 to the internal account monthly?  
24 **A. I'm sorry, internal account?**  
25 Q. Fine. That interest was

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 calculated and posted monthly?  
3 **A. Yes.**  
4 Q. And where was interest posted?  
5 **A. It was -- if fsb needed the**  
6 **cash it was given the cash, otherwise it**  
7 **was capitalized to the master note as I**  
8 **understand it.**  
9 Q. Capitalized meaning the  
10 balance on the master note increased?  
11 **A. Yes.**  
12 Q. So interest was posted to  
13 increase the liability, if the cash was  
14 not actually given to fsb, it was added  
15 to the master note increasing the  
16 liability of WMB to fsb?  
17 **A. Yes.**  
18 Q. Am I correct that the note was  
19 at least as updated in September of 2005,  
20 executed by Robert Williams?  
21 **A. Yes.**  
22 Q. And then am I correct that the  
23 note was secured by a weekly pledge of  
24 loans from WMB to fsb?  
25 **A. Yes.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. And Keith Falls was in charge  
3 of that?  
4 **A. Yes.**  
5 Q. How long did he remain in  
6 charge of that?  
7 **A. Up till 9/25 as far as I know.**  
8 **Or until the pledge was suspended.**  
9 MR. SACKS: Why don't we break  
10 for lunch.  
11 THE VIDEOGRAPHER: One moment,  
12 please. Watch your microphones  
13 when you're getting up. The time  
14 is 1:02 p.m., we're now off the  
15 record.  
16 (Lunch recess: 1:02 p.m.)  
17  
18  
19  
20  
21  
22  
23  
24  
25

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 A F T E R N O O N S E S S I O N  
3 2:03 p.m.  
4 THE VIDEOGRAPHER: The time is  
5 2:03 p.m., we're back on the record  
6 D O R E E N A. L O G A N,  
7 resumed, having been previously  
8 duly sworn, was examined and  
9 testified further as follows:  
10 CONTINUED EXAMINATION  
11 BY MR. SACKS:  
12 Q. Hi, Ms. Logan.  
13 A. Hi.  
14 Q. Let's go back if we could to I  
15 think where we were when we broke off for  
16 lunch, we were talking about the master  
17 note.  
18 At the time you began to  
19 execute on the instructions you were  
20 given, I think you said it was September  
21 19th, did you have an understanding that  
22 -- did you have any understanding whether  
23 there was enough capacity on the master  
24 note to accommodate transferring a loan  
25 of this size, \$3.67 billion?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 A. I don't think at that moment  
3 that I knew whether we had capacity or  
4 not.  
5 Q. At some point you learned that  
6 there was not sufficient capacity?  
7 A. Correct.  
8 Q. Do you know when you learned  
9 of that?  
10 A. I don't. Potentially that  
11 Friday afternoon, but I would be  
12 guessing, which was the 19th.  
13 Q. And how did you learn that?  
14 A. Keith Falls told me, I believe  
15 he told me either walking over or calling  
16 me to tell me that there might not be  
17 enough capacity on the master note.  
18 Q. And at the time you began to  
19 execute on your instructions for this  
20 transaction, did you understand that,  
21 consistent with the terms of the  
22 documents, that any -- the incremental  
23 posting of 3.67 billion to this master  
24 note would have to be collateralized?  
25 A. Based on the -- based on the

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 pledge agreement as it stood at that  
3 time, yes, we would have had to have  
4 collateral.  
5 Q. And who did you understand  
6 would be responsible for the posting of  
7 the incremental collateral?  
8 A. It was Keith Falls' job to  
9 pledge the collateral on a weekly basis.  
10 Q. When you learned from Mr.  
11 Falls that -- the capacity of the note in  
12 existence at that point was \$15 billion;  
13 is that right?  
14 A. I think it was 15 billion.  
15 Q. When you learned that the  
16 capacity -- that capacity would not be  
17 sufficient to handle this transaction,  
18 what did you do?  
19 A. I don't recall off the top of  
20 my head what I actually -- what steps I  
21 took.  
22 Q. Did you communicate to anybody  
23 the necessity to increase the capacity of  
24 the note if this transaction was going to  
25 occur?

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 A. I don't recall. However, I  
3 know that the master note was increased  
4 to 20 billion. So I don't recall whether  
5 I sent an email or made a phone call, but  
6 I do recall that it was increased.  
7 Q. Well, but do you recall -- let  
8 me ask you this. Have you ever seen an  
9 amendment to the master note increasing  
10 it to \$20 billion?  
11 A. No.  
12 Q. Are you aware whether there  
13 was ever an amendment to the master note  
14 increasing it to \$20 billion?  
15 A. I've not seen it, so I'm not  
16 sure.  
17 Q. Do you think you were involved  
18 in bringing to people's attention the  
19 fact that there was a need to increase  
20 the capacity of the master note?  
21 A. It's likely that I was making  
22 people aware of the need to increase the  
23 master note, yes.  
24 Q. And did you speak to anybody  
25 about what that increase should be, the

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 amount?  
3 **A. I don't recall.**  
4 Q. Did you participate in any  
5 discussion with anybody else as to  
6 whether the master note should be  
7 increased in size?  
8 **A. I don't recall.**  
9 Q. How were you told -- how were  
10 you informed -- you say you were told  
11 that the master note was increased?  
12 **A. I don't -- I don't recall**  
13 **being told that, that the master note had**  
14 **been increased.**  
15 Q. What do you recall being told?  
16 **A. I just don't recall the**  
17 **conversation, but I remember**  
18 **understanding that it had been increased,**  
19 **but I can't recall the specific**  
20 **conversation.**  
21 Q. But you didn't have the  
22 authority to increase the master note,  
23 correct?  
24 **A. No.**  
25 Q. And you don't recall the

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 circumstances under which you learned  
3 that the master note supposedly was  
4 increased in size, correct?  
5 **A. Correct.**  
6 Q. And you've never seen an  
7 amendment in fact increasing the capacity  
8 of the master note from 15 billion to a  
9 different amount?  
10 **A. No.**  
11 Q. Did you come to have an  
12 understanding as to who was involved in  
13 any decision to increase the size of the  
14 master note?  
15 **A. I would be speculating if I --**  
16 **if I came up with something.**  
17 Q. So you don't know?  
18 **A. No. I know who's authorized**  
19 **to increase the master note, but I don't**  
20 **know what that process looked like.**  
21 Q. By the way, to the best of  
22 your understanding, did the board of  
23 Washington Mutual fsb ever meet to --  
24 well, strike that.  
25 Was the board of Washington

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Mutual fsb ever asked to consider any  
3 aspect of this transaction?  
4 MR. ABENSOHN: Objection as to  
5 form.  
6 Q. Was the board of Washington  
7 Mutual fsb ever asked to consider any  
8 aspect of either of the transfer of \$3.67  
9 billion and/or the simultaneous loan of  
10 that same amount?  
11 **A. The board was not consulted**  
12 **because the policies in place at the time**  
13 **authorized Pat to -- authorized the**  
14 **transaction.**  
15 Q. So the answer is that to the  
16 best of your knowledge the board was not  
17 consulted?  
18 **A. That's correct.**  
19 Q. Do you know whether there was  
20 even a functioning board of Washington  
21 Mutual Bank fsb at that time?  
22 **A. At what time?**  
23 Q. The time that this transaction  
24 was being considered and effected?  
25 MR. ABENSOHN: Objection;

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 form.  
3 Q. September 19th to 24th?  
4 **A. I don't have any personal**  
5 **knowledge as to whether there was a**  
6 **separate board.**  
7 Q. Well, hadn't you become aware  
8 of other circumstances that due to the  
9 departure of certain executives from WaMu  
10 that there were not enough members on the  
11 board of Washington Mutual Bank fsb to  
12 function?  
13 **A. No, I had no personal**  
14 **knowledge of that.**  
15 Q. So at some point you came to  
16 understand, but you don't recall from  
17 where, that the capacity of the note was  
18 increased over 15 billion?  
19 **A. Yes, that's correct.**  
20 Q. Did you come to have some  
21 understanding as to what that capacity  
22 was supposedly increased to?  
23 **A. 20 billion. My understanding**  
24 **was that it was increased to 20 billion.**  
25 Q. Okay. And did you have any



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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 involvement in any consideration of what  
3 assets should be pledged as additional  
4 collateral to support this transfer?  
5 MR. ABENSOHN: Objection;  
6 foundation.  
7 MR. SACKS: I'm sorry, strike  
8 that.  
9 Q. To support the loan aspect of  
10 the transaction?  
11 MR. ABENSOHN: The objection  
12 stands.  
13 **A. Can you repeat the question so  
14 I can make sure I understand it.**  
15 Q. Did you have any consideration  
16 -- did you have any participation in the  
17 consideration of what assets should be  
18 posted, or should be pledged to secure  
19 the -- to provide the additional  
20 collateral for this \$3.67 billion  
21 additional loan?  
22 MR. ABENSOHN: Objection;  
23 assumes facts.  
24 **A. I requested that we eliminate  
25 or suspend the collateral pledge for a**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **period of time.**  
3 Q. When did you request that?  
4 **A. I don't know the date.**  
5 **Approximately the 21st or -- I mean the**  
6 **22nd or 23rd, I'm not exactly sure of the**  
7 **date.**  
8 Q. And why did you request that?  
9 **A. Because it was my**  
10 **understanding we would not have**  
11 **sufficient collateral, the bank would not**  
12 **have sufficient collateral to pledge to**  
13 **the fsb.**  
14 Q. So meaning unless the  
15 collateral requirement were reduced or  
16 eliminated, under the terms of the then  
17 existing loan documents this loan could  
18 not have been made?  
19 **A. The loan could have been made.**  
20 **We would have been out of compliance with**  
21 **our own policy.**  
22 Q. Did you consider -- and how  
23 did you learn that there was not  
24 sufficient collateral to secure this --  
25 the bank, WMB, did not have sufficient

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 collateral to secure this additional  
3 amount of money?  
4 **A. I don't recall.**  
5 MR. ABENSOHN: Objection.  
6 **A. I'm sorry.**  
7 Q. Sorry?  
8 **A. I don't recall.**  
9 Q. Did you consider -- did you  
10 discuss with anyone whether the  
11 transaction without the posting of  
12 collateral was arm's length? Strike  
13 that, let me be more specific.  
14 Did you discuss with anyone  
15 whether the lending of money without the  
16 posting of additional collateral was  
17 arm's length?  
18 **A. Not at that time, no.**  
19 Q. Did you at any time discuss  
20 that with anybody?  
21 **A. Yes.**  
22 Q. When?  
23 **A. When we put the master note in**  
24 **place.**  
25 Q. Okay. I'm talking about --

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 I'm sorry, let me be more -- I was  
3 unclear in my question, apologies.  
4 Did you discuss with anyone  
5 whether the loan of \$3.67 billion in that  
6 week in September of 2008 from Washington  
7 Mutual Bank fsb to WMB, given WMB's then  
8 existing financial condition, was an  
9 arm's length transaction in the absence  
10 of secured collateral, of pledged  
11 collateral?  
12 MR. ABENSOHN: Objection;  
13 form.  
14 **A. I did not have a discussion**  
15 **about that.**  
16 Q. With anyone?  
17 **A. Not to my knowledge.**  
18 Q. Did you consider in your own  
19 mind whether a \$3.67 billion loan from  
20 Washington Mutual Bank fsb to Washington  
21 Mutual Bank at that time given Washington  
22 Mutual Bank's then existing financial  
23 condition was an arm's length transaction  
24 in the absence of collateral?  
25 MR. ABENSOHN: Objection;

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 form.  
3 **A. I did not consider that, no.**  
4 Q. Did you consider whether this  
5 transaction was prudent from the  
6 perspective -- strike that.  
7 Did you consider whether the  
8 loan was prudent from the perspective of  
9 Washington Mutual Bank fsb in the course  
10 of any of the work that you did on this  
11 loan?  
12 **A. The master note was an**  
13 **authorized lending arrangement and we**  
14 **just implemented, as we had in the past.**  
15 **So it was, in my opinion, we just did the**  
16 **normal practice which was to lend excess**  
17 **funds to the bank.**  
18 Q. You hadn't lent without  
19 collateral in the past, right?  
20 **A. There was a collateral**  
21 **arrangement requested by tax, yes.**  
22 Q. The answer is you hadn't lent  
23 without collateral in the past, correct?  
24 **A. That's correct.**  
25 Q. And you hadn't lent any amount

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 of money anywhere near this order of  
3 magnitude when WMB was in the financial  
4 condition it was in during that period of  
5 September 2008, had you?  
6 MR. ABENSOHN: Objection;  
7 form.  
8 Q. Well you understood, didn't  
9 you, that there was some liquidity issue  
10 facing WMB during that period of time in  
11 2008, September 2008?  
12 **A. I understood there was some**  
13 **discussion that there were liquidity**  
14 **issues at the bank, yes.**  
15 Q. Didn't you follow the dropping  
16 of the stock price on a regular basis?  
17 **A. I don't know if that has**  
18 **anything to do with the deposit runoff,**  
19 **but I did --**  
20 Q. I'm asking you --  
21 **A. -- see the stock price**  
22 **decrease, yes.**  
23 Q. And didn't you discuss that  
24 with your co-workers?  
25 **A. Sure.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Didn't you discuss with your  
3 co-workers the commentary that was  
4 published on the bank about its liquidity  
5 problems?  
6 **A. I'm sure that I must have, but**  
7 **I don't recall any specific**  
8 **conversations.**  
9 Q. But so you were generally  
10 aware at that point in time that the bank  
11 was in some level of having a liquidity  
12 problem at that point in time, weren't  
13 you?  
14 **A. I was aware that there were**  
15 **discussions that there was liquidity**  
16 **issues.**  
17 Q. And you understood, didn't  
18 you, by what your superiors, you observed  
19 your superiors doing at that point in  
20 time that they were engaged in somewhat  
21 unusual efforts to try to meet those  
22 liquidity issues?  
23 MR. ABENSOHN: Objection.  
24 **A. I wouldn't characterize it as**  
25 **unusual.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Well didn't you understand  
3 they were making efforts to try to sell  
4 the bank?  
5 **A. I did understand that, yes.**  
6 Q. And that they were making  
7 efforts to try to get equity into the --  
8 to raise additional equity?  
9 **A. Not at that time, no.**  
10 Q. You were aware they had  
11 retained investment bankers?  
12 **A. Yes.**  
13 Q. And at some point you became  
14 aware that bankruptcy counsel had been  
15 retained, weren't you?  
16 **A. Yes.**  
17 Q. And this was all during this  
18 same period of time?  
19 **A. Yes.**  
20 Q. So my question to you again is  
21 in your mind, knowing what you knew about  
22 the condition of Washington Mutual Bank  
23 at that point, did you consider whether  
24 it was prudent for Washington Mutual  
25 fsb to loan money to Washington Mutual

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 Bank without any pledge of collateral?  
 3 **A. No.**  
 4 Q. I'm correct, am I not, that  
 5 the relief, what you -- when do you  
 6 understand that the pledge obligation  
 7 under the master note, associated with  
 8 the master note, was --  
 9 **A. Suspended.**  
 10 Q. Suspended, is that the right  
 11 word? When do you understand that that  
 12 happened?  
 13 **A. I would estimate the 23rd or**  
 14 **24th.**  
 15 Q. So prior to that time,  
 16 Washington Mutual Bank fsb could not loan  
 17 money to Washington Mutual Bank in  
 18 conformity with the bank's policies and  
 19 documents; is that correct?  
 20 MR. ABENSOHN: Objection;  
 21 form.  
 22 **A. I'm --**  
 23 Q. Prior to that time that  
 24 decision was made, Washington Mutual Bank  
 25 was not -- Washington Mutual Bank fsb was

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 not in a position to loan \$3.67 billion  
 3 in additional funds to Washington Mutual  
 4 Bank in conformity with the then existing  
 5 policies and procedures of Washington  
 6 Mutual?  
 7 MR. ABENSOHN: Objection;  
 8 form.  
 9 **A. I'm still not sure I'm getting**  
 10 **it, I'm sorry.**  
 11 Q. Okay. I'm trying to use your  
 12 date and go back. So on September 19th  
 13 when you were asked to execute the  
 14 transfer, Washington Mutual Bank was not  
 15 in a position to provide the collateral  
 16 -- strike that -- Washington Mutual Bank  
 17 fsb was not in a position to provide a  
 18 loan of an additional \$3.67 billion to  
 19 Washington Mutual Bank at that time  
 20 because it didn't have the collateral to  
 21 post for it; is that right?  
 22 **A. The loan could have been made,**  
 23 **we would have been out of compliance with**  
 24 **our policies.**  
 25 Q. So in conformity with your

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 policies it could not make that loan at  
 3 that point in time, correct?  
 4 **A. I think I'm saying it**  
 5 **differently. The loan would have been**  
 6 **made. We would have been out of**  
 7 **compliance with our policy.**  
 8 Q. So you just would have  
 9 violated your policies and made the loan?  
 10 MR. ABENSOHN: Objection;  
 11 form.  
 12 Q. Why?  
 13 **A. Because fsb in its normal**  
 14 **course loaned its excess funds to the**  
 15 **bank.**  
 16 Q. I'm sorry. Pursuant to  
 17 agreements, so you just would have  
 18 violated the -- the terms of the  
 19 agreements didn't matter?  
 20 MR. ABENSOHN: Objection;  
 21 form.  
 22 **A. In order to conform to**  
 23 **policies, I requested that the collateral**  
 24 **requirement be suspended so we would not**  
 25 **be out of compliance with policies.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 Q. But there was no way to comply  
 3 with policies and have fsb make this  
 4 \$3.67 billion loan until somebody  
 5 approved the suspension of the collateral  
 6 requirement, correct?  
 7 **A. As I understood it, yes.**  
 8 Q. And that didn't happen until  
 9 you think the 22nd or 23rd?  
 10 **A. 23rd or 24th, I don't know.**  
 11 Q. 23rd or 24th, I apologize.  
 12 Am I correct that you learned  
 13 that there wasn't sufficient collateral  
 14 to be pledged when you sought to get  
 15 sufficient collateral to pledge?  
 16 **A. I don't actually recall.**  
 17 Q. Now the pledge agreement was a  
 18 written agreement, was it not?  
 19 **A. Yes.**  
 20 Q. To the best of your knowledge,  
 21 did anyone execute a document suspending  
 22 that pledge agreement?  
 23 **A. I'm not certain.**  
 24 Q. Have you ever seen it?  
 25 **A. No.**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 Q. So as you sit here today, you  
 3 have no knowledge that anyone ever  
 4 executed a document suspending the pledge  
 5 requirement?  
 6 **A. I'm aware of an email**  
 7 **approval, but I'm not aware of a document**  
 8 **signed.**  
 9 Q. And what email approval are  
 10 you aware of?  
 11 **A. I sent an email to Peter**  
 12 **Freilinger asking to suspend the**  
 13 **collateral requirement.**  
 14 Q. And Peter Freilinger, and he  
 15 approved that?  
 16 **A. Yes.**  
 17 Q. On whose behalf was he acting,  
 18 did you understand?  
 19 **A. I'm not aware of -- I thought**  
 20 **he had authorization to approve.**  
 21 Q. Well the pledge agreement was  
 22 an agreement between fsb and Washington  
 23 Mutual Bank, was it not?  
 24 **A. Yes.**  
 25 Q. Two parties to the pledge

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 agreement?  
 3 **A. Yes.**  
 4 Q. Okay. And did you have an  
 5 understanding as to which, whether it be  
 6 either, both or neither of those parties  
 7 Mr. Freilinger purported to be acting  
 8 when he wrote back approved?  
 9 **A. No, I don't know on behalf --**  
 10 **I don't know on whose behalf he was**  
 11 **acting.**  
 12 Q. Are you aware of any policies  
 13 that the bank had to the effect that  
 14 transactions between two affiliates  
 15 should not have the same officer  
 16 executing them on both sides?  
 17 **A. Yes, because we weren't**  
 18 **affiliates. These were banks.**  
 19 Q. So you're not aware of any --  
 20 you're not aware of anything that would  
 21 have prevented Mr. Freilinger from  
 22 approving this for both parties to this  
 23 transaction?  
 24 **A. Correct.**  
 25 Q. Did you understand when you

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 requested of Mr. Freilinger -- when you  
 3 requested of Mr. Freilinger that the  
 4 pledge requirement be suspended, did you  
 5 understand you were doing that on behalf  
 6 of WMI?  
 7 **A. No, on behalf of the bank.**  
 8 Q. On behalf of Washington Mutual  
 9 Bank?  
 10 **A. Yes.**  
 11 Q. And the reason you were doing  
 12 it on behalf of Washington Mutual Bank  
 13 was why?  
 14 **A. Because WMB wouldn't have**  
 15 **sufficient collateral to pledge to the**  
 16 **fsb.**  
 17 Q. And if Washington Mutual, Inc.  
 18 had not tried to move its deposit account  
 19 out of Washington Mutual Bank, they  
 20 wouldn't have needed to have a loan from  
 21 Washington Mutual Bank fsb, would they?  
 22 **MR. ABENSOHN: Objection;**  
 23 **form.**  
 24 Q. The purpose for the increase  
 25 in the master note was directly

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 associated with the purported movement of  
 3 deposit account funds from Washington  
 4 Mutual Bank to Washington Mutual Bank fsb  
 5 by WMI, right?  
 6 **MR. ABENSOHN: Same objection.**  
 7 **A. The party to the deposit was**  
 8 **WMI.**  
 9 Q. Right.  
 10 **A. The parties to the master note**  
 11 **were fsb and the bank.**  
 12 Q. It directed, Washington  
 13 Mutual, Inc., though, directed the  
 14 movement of the funds from WMB to WMB  
 15 fsb, correct?  
 16 **A. Correct.**  
 17 Q. And the movement of those  
 18 funds, in order to facilitate or enable  
 19 the movement of those funds, there had to  
 20 be a loan back to Washington Mutual Bank  
 21 fsb -- Washington Mutual Bank, correct?  
 22 **MR. ABENSOHN: Objection to**  
 23 **form.**  
 24 **A. In the normal course of**  
 25 **business, when fsb had excess funds they**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **were loaned back to the bank.**  
3 Q. And in this particular case  
4 though, Washington Mutual Bank, the only  
5 way Washington -- this transaction could  
6 occur was by both the loan and the  
7 transfer because Washington Mutual Bank  
8 didn't have \$3.67 billion that it could  
9 actually transfer to fsb; isn't that  
10 right?  
11 **A. Oh, I don't know that to be**  
12 **true.**  
13 MR. ABENSOHN: Objection,  
14 form.  
15 **A. I don't know that to be true**  
16 **at all.**  
17 Q. Do you know one way or another  
18 whether that was right?  
19 **A. I can't opine either way, I**  
20 **mean...**  
21 Q. Fine. When you requested that  
22 Mr. Freilinger approve this, did you tell  
23 him why you were asking him to approve  
24 it? I'm talking now about the suspension  
25 of the requirement that collateral be

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 pledged to secure this loan?  
3 **A. Did I tell him?**  
4 Q. Tell him why you were asking  
5 him to suspend the requirement?  
6 **A. I don't recall. I know I sent**  
7 **him an email, but I'm not certain if I**  
8 **stated specifically that it wouldn't have**  
9 **sufficient collateral.**  
10 Q. Do you recall what information  
11 you provided to Mr. Freilinger so that he  
12 could make an informed decision as to  
13 whether it was a prudent business  
14 decision to suspend this requirement?  
15 MR. ABENSOHN: Objection;  
16 form.  
17 Q. Let me ask the question again.  
18 Do you recall what information you  
19 provided to Mr. Freilinger so he could  
20 make the decision on your request?  
21 **A. I believe I told him that the**  
22 **collateral requirement is not required**  
23 **based on information from Bill Lynch, our**  
24 **regulatory attorney, because this was**  
25 **between two banks, a sub and a parent, as**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **I was informed by Bill over the period of**  
3 **time since we put the master note in**  
4 **place, and that it was only a requirement**  
5 **of the tax department, I believe.**  
6 Q. Did you consult Mr. Lynch  
7 specifically as it related to this  
8 requirement, the requirement of  
9 collateral for this transaction?  
10 **A. For the loan from the fsb to**  
11 **the bank?**  
12 Q. Yes, for this loan?  
13 **A. No.**  
14 Q. So this was information you  
15 had been told by Mr. Lynch sometime in  
16 the past?  
17 **A. He had provided information**  
18 **that the master note between the fsb and**  
19 **the bank did not need to be**  
20 **collateralized because it was between two**  
21 **banks, a sub and a parent.**  
22 Q. When was the last time that  
23 you had spoken to him on that subject?  
24 **A. I could not give you a date.**  
25 Q. It wasn't in the -- was it

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 anywhere within several months of the  
3 time that this was occurring?  
4 **A. I couldn't -- I couldn't say.**  
5 Q. Mr. Lynch, is he an internal  
6 or an external lawyer?  
7 **A. Internal.**  
8 Q. And with respect to whatever  
9 it was that he said to you whenever it  
10 was, I take it he did not have before him  
11 the facts of the transaction that you  
12 were undertaking in September of 2008?  
13 MR. ABENSOHN: Objection.  
14 Q. Just so it's clear, his  
15 opining to you on what was or was not  
16 legally required was not an opinion with  
17 respect to the specific facts of the  
18 transaction that was being undertaken in  
19 September of 2008, correct?  
20 MR. ABENSOHN: Objection;  
21 form.  
22 **A. His discussion of the**  
23 **collateral was specific to the master**  
24 **note where fsb extends credit to the bank**  
25 **and the bank did not need to post**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **collateral.**  
3 Q. But that was not an opinion he  
4 rendered to you under circumstances that  
5 were specific to this set of facts  
6 though, right?  
7 **A. No.**  
8 Q. And did you understand then  
9 that the -- am I correct that the -- did  
10 Mr. Freilinger speak to you about this  
11 request before he supposedly approved it?  
12 **A. Did he speak to me? I don't**  
13 **recall.**  
14 Q. So you don't recall any  
15 discussion you had with him?  
16 **A. No, because Peter was out of**  
17 **town at some point so I don't remember if**  
18 **I had a phone conversation or a physical**  
19 **conversation or email conversation.**  
20 Q. Did you understand that by not  
21 posting collateral that this transaction  
22 was a non-arm's length transaction?  
23 MR. ABENSOHN: Objection;  
24 form.  
25 **A. I'm not certain I can opine as**

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1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **to whether it was an arm's length**  
3 **transaction or not.**  
4 Q. Do you recall informing Mr.  
5 Freilinger that this transaction was not  
6 required to be arm's length?  
7 **A. Yes.**  
8 Q. And so in informing him of  
9 that fact, did you not understand that it  
10 was reasonable to conclude that this was  
11 indeed not an arm's length transaction?  
12 **A. Which transaction are we**  
13 **talking about?**  
14 Q. Well I'll talk specifically of  
15 the loan right now. In informing him  
16 that it was not required to be arm's  
17 length in connection with asking him to  
18 suspend the collateral requirement, is it  
19 not reasonable to understand that you  
20 understood this under those circumstances  
21 was not an arm's length transaction?  
22 MR. ABENSOHN: Objection;  
23 form.  
24 **A. I understood that the**  
25 **borrowing and lending relationship did**

208

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 **not need to be arm's length based on the**  
3 **assessment by Bill Lynch when we put the**  
4 **master note in place.**  
5 Q. And did you understand that  
6 indeed the transaction you were working  
7 to accomplish that involved this loan was  
8 not arm's length?  
9 **A. Yes.**  
10 Q. This was, am I correct that  
11 this was a temporary suspension?  
12 **A. I'm not certain that my**  
13 **request was temporary, but subsequently**  
14 **counsel requested that it be a temporary**  
15 **suspension of the requirement.**  
16 Q. And why did you understand  
17 that the suspension was temporary?  
18 **A. I didn't request -- I didn't**  
19 **ask information about why it would be**  
20 **temporary.**  
21 Q. Did you understand that the  
22 suspension of the collateral requirement  
23 would have any adverse financial impact  
24 on any Washington Mutual entities?  
25 Putting aside -- let me ask the question

209

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 again.  
3 Putting aside the security for  
4 the loan that Washington Mutual Bank fsb  
5 was getting, did you understand that the  
6 suspension of the collateral requirement  
7 would have an adverse financial impact on  
8 any Washington Mutual entity?  
9 **A. No.**  
10 Q. That was a tax issue as you  
11 understood it? Was that a tax issue as  
12 you understood it?  
13 **A. I'm sorry, what issue are we**  
14 **talking about?**  
15 Q. Whether there would be an  
16 adverse impact from failing to post  
17 collateral, or making a loan on non-arm's  
18 length terms?  
19 MR. ABENSOHN: Objection;  
20 form.  
21 **A. I'm not exactly sure of the**  
22 **question, I'm sorry. There's a couple of**  
23 **questions in there.**  
24 Q. Don't worry about it.  
25 MR. SACKS: Let me mark this

210

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 as Exhibit 10.  
3 (Logan Exhibit 10 for  
4 identification, two pages of emails  
5 dated September 24, 2008, with  
6 attached asset pledge agreement.)  
7 Q. First of all, do you recognize  
8 Exhibit 10, Ms. Logan?  
9 **A. It looks like an email that I**  
10 **sent.**  
11 Q. And you sent it to somebody at  
12 Heller Ehrman and Mr. Smith?  
13 **A. Initially Chad sent it to**  
14 **Heller and then I responded to the**  
15 **question from Mr. Scholl.**  
16 Q. I'm actually focusing on the  
17 top, sorry, my fault, I'm focusing on the  
18 top email. The top email is from you on  
19 September 24th to a Jacob Scholl and Chad  
20 Smith. Is this an email you sent to the  
21 two of them on September 24th?  
22 **A. It looks like it.**  
23 Q. Does that refresh your  
24 recollection as to when the issue of  
25 suspending the lateral requirement was

211

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 addressed?  
3 **A. I see that I sent it, but I**  
4 **don't recall the email.**  
5 Q. And am I correct that the  
6 attachments to this are the, I note it  
7 indicates it's the unsigned version, but  
8 you understood it to actually be the  
9 actual pledge agreement, the asset pledge  
10 agreement and an amendment to that  
11 agreement?  
12 **A. Yes.**  
13 Q. And do you recall that Heller  
14 Ehrman prepared for you, or prepared  
15 documents to terminate the asset pledge  
16 agreement?  
17 **A. I'm not aware.**  
18 Q. Let me ask you this. Did you  
19 understand that the collateral  
20 requirement was being suspended for the  
21 incremental borrowing, or was all  
22 collateral requirements being eliminated?  
23 **A. I understood it to be all the**  
24 **collateral requirements were going to be**  
25 **eliminated, or suspended.**

212

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Suspended. So that basically  
3 what was being done was to strip away the  
4 collateral that was then in place for the  
5 greater than 10 but less than \$15 billion  
6 that was outstanding on that master note  
7 at that time in addition to for the  
8 incremental advance?  
9 **A. My understanding --**  
10 **MR. ABENSOHN: Objection;**  
11 **form.**  
12 Q. You want me to rephrase it?  
13 **A. Yes, please.**  
14 Q. Was it your understanding that  
15 the purpose for this -- strike that.  
16 Was it your understanding that  
17 this suspension was going to strip away  
18 the collateral that had already been  
19 pledged to secure the outstanding balance  
20 on the master note?  
21 **A. It was my understanding it**  
22 **would eliminate the collateral**  
23 **requirement for a period of time.**  
24 Q. Okay. So that what collateral  
25 was pledged at that time would be

213

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 released?  
3 **A. Yes.**  
4 Q. So that following this  
5 purported suspension there would be  
6 something north of \$15 billion loaned  
7 from Washington Mutual Bank fsb to  
8 Washington Mutual Bank with no collateral  
9 pledged to support it?  
10 **A. That's correct.**  
11 **MR. SACKS: Let me mark as**  
12 **Exhibit 11 this document.**  
13 (Logan Exhibit 11 for  
14 identification, email dated  
15 September 24, 2008, with attached  
16 letter dated September 24, 2008 and  
17 document entitled "Release of asset  
18 pledge agreement.")  
19 Q. Is this an email you received  
20 from Mr. Scholl, S-c-h-o-l-l, at Heller  
21 Ehrman on September 24th?  
22 **A. It looks to be.**  
23 Q. Are the attachments documents  
24 that they drafted, one of the which is  
25 the document to release the asset pledge

214

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 agreement associated with the master note  
3 in favor -- between Washington Mutual  
4 Bank and Washington Mutual Bank fsb?  
5 **A. I'm sorry, can you ask that**  
6 **again.**  
7 Q. Yes. In the attached  
8 documents, do you see the second attached  
9 document?  
10 **A. Yes.**  
11 Q. And is that a document that  
12 was prepared by Heller Ehrman to effect  
13 the release of the asset pledge  
14 agreement?  
15 **A. It appears to be, but I don't**  
16 **recall ever receiving it or reading it,**  
17 **so.**  
18 Q. You have no reason to doubt  
19 that you did receive it though, do you?  
20 **A. No, I have no reason to doubt**  
21 **it. I just don't recall ever looking at**  
22 **it.**  
23 Q. To the best of your knowledge,  
24 was this document ever signed?  
25 **A. I don't recall.**

215

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. You've never seen it if it  
3 was?  
4 **A. Yes, I don't recall. I mean I**  
5 **just don't recall seeing -- I don't**  
6 **recall seeing this email or the executed**  
7 **document.**  
8 MR. SACKS: We have to change  
9 the tape, so let's take a couple of  
10 seconds.  
11 THE VIDEOGRAPHER: One moment,  
12 please, and watch your microphones.  
13 Here now marks the end of tape 3 of  
14 the deposition of Doreen A. Logan.  
15 The time is 2:43 p.m., we're now  
16 off the record.  
17 (A recess was taken.)  
18 THE VIDEOGRAPHER: Here now  
19 marks the beginning of tape 4 of  
20 the deposition of Doreen A. Logan.  
21 The time is 2:53 p.m., we're back  
22 on the record.  
23 Q. Ms. Logan, I believe you  
24 explained to me what the purpose was for  
25 the transfer, from WMI's perspective for

216

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 the transfer of the 3.67 billion from  
3 Washington Mutual Bank to Washington  
4 Mutual Bank fsb. I guess my question is  
5 what was the purpose for the loan from  
6 Washington Mutual Bank fsb to Washington  
7 Mutual Bank?  
8 MR. ABENSOHN: Objection;  
9 form.  
10 **A. I would have a hard time**  
11 **defining purpose. The fsb in the normal**  
12 **course of business always loaned excess**  
13 **funds to the bank.**  
14 Q. Was there a business purpose  
15 for that aspect of the transaction?  
16 MR. ABENSOHN: Objection;  
17 form.  
18 **A. I'm not certain how to answer**  
19 **your question.**  
20 Q. Well in analyzing transactions  
21 in the course of your work, oftentimes  
22 you're asked to articulate whether  
23 there's a business purpose for the  
24 transaction; isn't that right?  
25 **A. Yes.**

217

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. Okay. And so I'm asking you  
3 that question with respect to this loan.  
4 What was the business purpose for this  
5 loan?  
6 MR. ABENSOHN: Objection.  
7 **A. The only real trading partner**  
8 **the fsb had was the bank, and in order to**  
9 **take this -- the funds that would have**  
10 **been sent to the fsb and deploy them and**  
11 **create an earning asset from them was to**  
12 **loan them to the bank.**  
13 Q. Independent of the movement of  
14 the 3.67 billion from Washington Mutual  
15 -- that WMI purported to move from WMB to  
16 WMB fsb, was there any business purpose  
17 for the loan to WMB?  
18 MR. ABENSOHN: Objection;  
19 form.  
20 **A. I'm not sure I understand.**  
21 **The question is rather broad. I'm not**  
22 **sure I understand it.**  
23 Q. Are the circumstances that  
24 caused there to be a need for the \$3.67  
25 billion loan the movement of the money --



218

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 the movement of 3.67 billion on the books  
3 from Washington Mutual Bank to Washington  
4 Mutual Bank fsb?  
5 **A. I'm sorry, I just don't**  
6 **understand what you're asking.**  
7 Q. From the perspective of  
8 Washington Mutual Bank fsb, was there any  
9 economic substance to the combined  
10 transactions?  
11 MR. ABENSOHN: Objection;  
12 form.  
13 **A. The fsb had got through this**  
14 **transaction where WMI transferred its**  
15 **deposit, it received additional funding.**  
16 **That was the first part of the**  
17 **transaction. The second part of the**  
18 **transaction is it loans its excess funds**  
19 **to the bank.**  
20 Q. So from Washington Mutual Bank  
21 fsb's perspective, would you say they  
22 were better off or worse off after this  
23 transaction?  
24 MR. ABENSOHN: Objection;  
25 form.

219

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. I couldn't opine either way.**  
3 Q. You never considered that?  
4 **A. No, I --**  
5 MR. ABENSOHN: Objection.  
6 Q. Sitting here today, having had  
7 an opportunity to reflect upon this,  
8 would you say that Washington Mutual Bank  
9 fsb, which had no, nothing to do with  
10 this beforehand, is better off or worse  
11 off having taken \$3.67 billion and loaned  
12 them back to Washington Mutual Bank with  
13 no collateral to support the loan?  
14 MR. ABENSOHN: Objection.  
15 Q. Would you say they're better  
16 or worse off after that combined series  
17 of events?  
18 MR. ABENSOHN: Objection.  
19 **A. I have a hard time answering**  
20 **that question.**  
21 Q. Have you considered whether  
22 any rational financial institution in  
23 Washington Mutual Bank fsb's position  
24 would ever have entered into a  
25 transaction like this with a third party

220

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 --  
3 MR. ABENSOHN: Objection.  
4 Q. -- that included both aspects  
5 of this transaction?  
6 **A. I can't guess as to what an**  
7 **institution would do. I just know in**  
8 **practice what the fsb and the bank, WMB's**  
9 **relationship was.**  
10 Q. Are you familiar with  
11 something called the QTL test?  
12 **A. I'm familiar with it, yes.**  
13 Q. And what is it?  
14 **A. In summary, it's the qualified**  
15 **thrift lender test where 65 percent of**  
16 **the assets of a thrift have to be in real**  
17 **estate-related assets.**  
18 Q. Before I forget to ask, I  
19 apologize, I have to go back to one  
20 question I forgot to ask, Ms. Logan, on  
21 the loan and the pledge.  
22 Prior to the events at the end  
23 of September of 2008, had there ever been  
24 a prior period where the requirement that  
25 collateral be posted in connection with

221

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 any borrowings under the master note  
3 between fsb and WMB, has that ever been  
4 suspended prior to that time?  
5 **A. Not to my knowledge.**  
6 Q. Back to the QTL for a minute.  
7 And is that something -- what were the  
8 consequences, or what was the  
9 significance of meeting that QTL test?  
10 MR. ABENSOHN: Objection;  
11 form.  
12 Q. What were the consequences of  
13 having a ratio that surpassed the minimum  
14 requirement under the QTL test?  
15 MR. ABENSOHN: Objection.  
16 **A. I can't really state what -- I**  
17 **just know the requirements were to be**  
18 **above 65 percent.**  
19 Q. And is that something that  
20 Washington Mutual Bank fsb had previously  
21 had been in danger of failing?  
22 **A. Yes.**  
23 Q. That was an issue of concern?  
24 **A. Yes.**  
25 Q. In fact, you suggested the

222

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 consequences of failure be a nuclear  
3 event for WaMu?  
4 MR. ABENSOHN: Objection.  
5 **A. I may have been pedantic at  
6 some point and said that.**  
7 Q. Did Washington Mutual engage  
8 in accounting maneuvers in order to put  
9 fsb in a position to meet that test --  
10 MR. ABENSOHN: Objection.  
11 Q. -- from time to time?  
12 MR. ABENSOHN: Objection;  
13 form.  
14 **A. I would not characterize it as  
15 accounting maneuvers.**  
16 Q. What would you characterize it  
17 as?  
18 **A. Prudent management of the  
19 balance sheet of the fsb.**  
20 Q. And when you say that, am I  
21 correct that you engaged in activities on  
22 a one-day basis in order to meet the  
23 test?  
24 **A. Yes.**  
25 Q. Because the test was done once

223

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 a month?  
3 **A. It was --**  
4 Q. Or it was a one-day test, it  
5 wasn't an average or anything like that?  
6 **A. It was an end-of-the-month  
7 test, yes.**  
8 Q. And so am I correct that from  
9 time to time what happened was that --  
10 well, tell me what was done in order to  
11 help Washington Mutual Bank fsb meet this  
12 test that you've described as prudent --  
13 **A. Balance sheet management. On  
14 I would say several occasions we  
15 decreased the size of the master note  
16 where the fsb had lent to the bank and  
17 put funds on deposit in an already  
18 established bank account that the fsb had  
19 at WMB.**  
20 Q. So what happened was that on  
21 day 1 there was a certain balance on the  
22 master note. On day 2 what was done was  
23 that WMB purportedly repaid the master  
24 note, meaning you would reduce the size  
25 of the master note, the cash would them

224

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 go into a DDA account at WMB, so the cash  
3 would stay at WMB, correct?  
4 MR. ABENSOHN: Objection;  
5 form?  
6 Q. Is that right?  
7 **A. That the fsb had a deposit  
8 account at the bank, yes.**  
9 Q. So what would happen is the  
10 size -- the size of the master note would  
11 go down, there would purportedly be a  
12 book entry transfer to a DDA still at  
13 Washington Mutual Bank; is that right?  
14 **A. That's correct.**  
15 Q. And that would help the QTL  
16 test because the master note was not a  
17 qualified lending asset, right?  
18 **A. That's correct.**  
19 Q. And on day 3 you just reversed  
20 that, right?  
21 **A. Yes.**  
22 Q. But in substance, if not form,  
23 the relationship between Washington  
24 Mutual Bank and Washington Mutual Bank  
25 fsb was the same on day 1, day 2 and day

225

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 3; isn't that right?  
3 MR. ABENSOHN: Objection as to  
4 form.  
5 Q. Although the form had changed?  
6 **A. I would not characterize the  
7 relationship as being the same on all  
8 three days.**  
9 Q. What would you characterize it  
10 as?  
11 **A. We decreased the size of the  
12 master note, which was an interest  
13 earning asset and increased the size of  
14 the deposit account which was not an  
15 interest earning asset in order to meet  
16 the QTL test and then the deposit account  
17 was decreased and the master note was  
18 then increased.**  
19 Q. And from the perspective of  
20 Washington Mutual Bank, no funds ever  
21 moved though, right?  
22 MR. ABENSOHN: Objection;  
23 form.  
24 Q. Book entries were made, but  
25 the actual funds such as they were, were

226

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 still at Washington Mutual Bank on day 1,  
3 day 2 and day 3?  
4 MR. ABENSOHN: Objection.  
5 **A. I'm having a problem with**  
6 **funds.**  
7 Q. Let me just -- let's use this  
8 as an example. Do you recall this was  
9 done at the end of July of 2008?  
10 **A. It may have been. I don't**  
11 **recall.**  
12 Q. Okay.  
13 MR. SACKS: Let me mark as  
14 Exhibit 12 this document.  
15 (Logan Exhibit 12 for  
16 identification, emails dated July  
17 31, 2008, August 1, 2008, and  
18 August 4, 2008.)  
19 Q. I'm not sure if you've had an  
20 opportunity to see this. I don't know if  
21 you've seen this email before. Have you,  
22 Ms. Logan?  
23 MR. ABENSOHN: Which are you  
24 referring to?  
25 MR. SACKS: The top email on

227

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 the first page.  
3 **A. I'm reading it now.**  
4 MR. ABENSOHN: I'm going to  
5 also interject an objection as to  
6 scope on this line.  
7 Q. You see in the third paragraph  
8 it describes what purportedly occurred at  
9 the end of July of 2008?  
10 **A. Yes.**  
11 Q. That's the type of transaction  
12 you were talking about a moment ago?  
13 **A. Yes.**  
14 Q. So am I correct that looking  
15 at this day 1, 2 and 3 here, with respect  
16 to this \$2 billion that was used on day  
17 1, that was a \$2 billion loan liability  
18 from WMB to WMB fsb, on day 2 it was a  
19 deposit liability of WMB to WMB fsb, and  
20 on day 3 it was back to a loan liability  
21 from WMB to WMB fsb; is that right?  
22 MR. ABENSOHN: I'm going to  
23 object as to foundation. She's not  
24 a named person on this email.  
25 MR. SACKS: That's okay.

228

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 She's familiar with -- she's  
3 already described being familiar  
4 with the types of transactions that  
5 occurred in connection with this to  
6 meet the QTL test.  
7 Q. Do I have in substance right  
8 the nature of what occurred with respect  
9 to the relationship?  
10 MR. ABENSOHN: Objection.  
11 **A. Yes.**  
12 Q. Were you aware --  
13 MR. ABENSOHN: What exhibit  
14 number was that, I'm sorry?  
15 THE REPORTER: That was 12.  
16 Q. Were you aware of efforts on  
17 or about September 25th or 26th to try  
18 to, by WMI to try to move the \$3.67  
19 billion outside of WaMu?  
20 **A. I'm not aware of that, no.**  
21 Q. You didn't participate in  
22 those efforts?  
23 MR. ABENSOHN: Objection.  
24 **A. I have no knowledge of those**  
25 **efforts, if they even existed.**

229

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Were you aware of efforts to  
3 open accounts -- to move cash in accounts  
4 in the name of WMI subsidiaries outside  
5 of WaMu in the September 25th or 26th  
6 time frame?  
7 **A. I was not aware of that, no.**  
8 MR. ABENSOHN: Objection to  
9 the form of the question.  
10 MR. SACKS: Let me mark as  
11 Exhibit 13 a one-page email.  
12 (Logan Exhibit 13 for  
13 identification, two emails dated  
14 September 26, 2008.)  
15 Q. Are those emails that were  
16 sent to and from you, do you see that?  
17 **A. I do.**  
18 Q. Does this refresh your  
19 recollection as to being involved in  
20 efforts to move cash in accounts in the  
21 name of WMI subsidiaries out of WaMu?  
22 **A. I see that I wrote it, but I**  
23 **don't recall it.**  
24 Q. I believe earlier today -- let  
25 me make sense of where I am. Just give

230

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 me a minute. I asked you a question  
3 about whether you had done any review or  
4 analysis of any of the transactions in  
5 the 0667 account. You mentioned that you  
6 had, in response to a request, looked at  
7 the two September transactions that  
8 involved I guess 300 --  
9 **A. 322 million.**  
10 Q. 322 million that were -- well,  
11 describe what you understood those  
12 transactions to be for me. I don't want  
13 to use the wrong words.  
14 MR. ABENSOHN: Objection.  
15 **A. I understood them to be two**  
16 **tax payments that WMB owed to WMI for**  
17 **different years and WMB paid WMI.**  
18 Q. And is it your understanding  
19 that -- do you have any understanding as  
20 to what -- as to the substance of those  
21 amounts?  
22 MR. ABENSOHN: Objection.  
23 **A. Can you say it again, please.**  
24 Q. Of what those amounts  
25 specifically related to?

231

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. No, I'm not aware of what they**  
3 **related to.**  
4 Q. Do you have any understanding  
5 of the circumstances that caused those  
6 amounts to be paid by WMB to WMI?  
7 **A. I am not.**  
8 Q. Do you have any understanding  
9 of the manner in which those payments  
10 were made by WMB to WMI?  
11 **A. Yes.**  
12 Q. How were they made?  
13 **A. They were book transfers.**  
14 Q. Do you have any understanding  
15 as to who was responsible for deciding  
16 that those payments would be made from  
17 WMB to WMI?  
18 **A. No.**  
19 Q. Do you have any -- did you  
20 have an understanding that those amounts  
21 related to, in any way to accruals in any  
22 account that was on the books?  
23 **A. I was not familiar --**  
24 MR. ABENSOHN: Objection;  
25 form.

232

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Sorry. I was not familiar**  
3 **with the tax accounting at all.**  
4 Q. Do you have any understanding  
5 as to whether WMI had ever previously  
6 caused WMB to make payments based upon an  
7 accrued balance in a tax account?  
8 MR. ABENSOHN: Objection; form  
9 and scope.  
10 **A. I was not familiar with any of**  
11 **the tax accounting for the bank or WMI.**  
12 Q. Were you familiar with how tax  
13 refunds were handled?  
14 MR. ABENSOHN: Objection;  
15 scope.  
16 **A. I'm not familiar with how tax**  
17 **refunds were handled.**  
18 Q. Are you aware that in the 0667  
19 account there is, on or about September  
20 30th of 2008 -- sorry, I've got to get  
21 the right account, apologies. It's in  
22 here somewhere. Sorry, I need one  
23 second.  
24 If you would look at Exhibit A  
25 to your declaration.

233

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: What page?  
3 MR. SACKS: Page A-25.  
4 Q. You see that?  
5 **A. Yes.**  
6 Q. You've stated that that's the  
7 September of 2008 statement for the 0667  
8 account?  
9 **A. That's correct.**  
10 Q. If you look at the second page  
11 at the top, the last three items are  
12 deposit. Do you see that, 99,999,999?  
13 **A. This is an ACH transaction,**  
14 **there's a limitation on the size of ACH**  
15 **transactions.**  
16 Q. Essentially a total of \$233  
17 million. You understand those to be tax  
18 refunds?  
19 **A. I understand that to be an IRS**  
20 **tax refund.**  
21 Q. Do you have any understanding  
22 of what those tax refunds are for?  
23 **A. I do not.**  
24 Q. Do you have an understanding  
25 as to how tax refunds received by -- you

234

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 understood, didn't you, that Washington  
3 Mutual, Inc. in many instances filed  
4 consolidated tax returns on behalf of its  
5 subsidiaries?  
6 MR. ABENSOHN: Objection; form  
7 and scope.  
8 Q. On behalf of itself and its  
9 subsidiaries? Let me ask a foundation  
10 question so we'll get rid of the scope  
11 objection.  
12 These deposits are among the  
13 funds that in your declaration you have  
14 said belonged to Washington Mutual, Inc.;  
15 isn't that right?  
16 A. **I've said that they're in the**  
17 **deposit account as part of the balance,**  
18 **yes.**  
19 Q. And you've said that that  
20 belongs to Washington Mutual, Inc.?  
21 A. **Yes.**  
22 Q. So that these deposits are  
23 funds that you say belong to Washington  
24 Mutual, Inc.?  
25 A. **Yes.**

235

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 Q. So with respect to these, do  
3 you have an understanding as to how tax  
4 refunds, federal tax refunds were handled  
5 by Washington Mutual in the ordinary  
6 course?  
7 A. **I do not.**  
8 Q. Did you not have an  
9 understanding that tax refunds were  
10 received by Washington Mutual, Inc. and  
11 then paid out to the particular  
12 Washington Mutual subsidiary for whom the  
13 tax refund relates, or to whom the tax  
14 refund relates?  
15 MR. ABENSOHN: Objection.  
16 A. **I did not have an**  
17 **understanding of how the tax accounting**  
18 **worked.**  
19 Q. I'm not asking you how the tax  
20 accounting worked. I'm asking whether  
21 you had an understanding as to whether in  
22 the ordinary course when Washington  
23 Mutual, Inc. received a tax refund from  
24 the federal government in connection with  
25 a consolidated tax return, did it not as

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 a regular matter of course pay out to  
3 each of its subs the refund attributable  
4 to them?  
5 A. **I can't say -- sorry.**  
6 MR. ABENSOHN: Objection.  
7 A. **I can't say one way or the**  
8 **other.**  
9 Q. Was it not your understanding  
10 that with respect to tax payments, WMI is  
11 the taxpayer in the consolidated taxpayer  
12 group, all the subs in the consolidated  
13 WMI group pay WMI and then WMI pays the  
14 IRS, if there is a tax refund, cash flows  
15 to WMI and then WMI pays the subsidiary,  
16 cash management has oversight, but the  
17 tax department directs traffic on this  
18 line item?  
19 MR. ABENSOHN: Objection. Is  
20 there a document you want to place  
21 in front of us?  
22 MR. SACKS: I'm just asking  
23 the question of the witness right  
24 now.  
25 MR. ABENSOHN: Objection.

237

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 A. **I would say that that in**  
3 **generally -- in general that is how it**  
4 **happened. But we took -- when I was in**  
5 **cash management we took direction from**  
6 **the tax department. We didn't just pay**  
7 **out the refund.**  
8 Q. But it was your understanding  
9 that the refund attributable to a  
10 particular entity was paid to that  
11 entity; isn't that right?  
12 MR. ABENSOHN: Objection.  
13 A. **At some point at the direction**  
14 **of tax.**  
15 MR. SACKS: Let's mark as  
16 Exhibit 14 this document.  
17 (Logan Exhibit 14 for  
18 identification, three emails dated  
19 September 20, 2008, with  
20 attachment.)  
21 Q. Let me draw your attention to  
22 the email beginning two-thirds of the way  
23 down on Page 2, Ms. Logan. Is that an  
24 email you wrote on or about September  
25 20th of last year?

238

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 **A. Yes.**  
3 MR. ABENSOHN: Let me have a  
4 moment to read this if I could.  
5 What's the exhibit number on  
6 this? I'm sorry.  
7 THE REPORTER: That's 14.  
8 MR. ABENSOHN: One moment,  
9 please.  
10 MR. SACKS: Sure. I'm not  
11 going anywhere.  
12 MR. ABENSOHN: We're going to  
13 take one moment.  
14 MR. SACKS: That's fine.  
15 THE VIDEOGRAPHER: One moment,  
16 please. The time is 3:24 p.m.,  
17 we're now off the record.  
18 (A recess was taken.)  
19 THE VIDEOGRAPHER: The time is  
20 3:30 p.m., we're back on the  
21 record.  
22 MR. SACKS: Are you okay?  
23 MR. ABENSOHN: Well if you  
24 have a question. I can't recall if  
25 there's one pending or one yet to

239

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 be asked.  
3 MR. SACKS: But I'm okay to  
4 ask a question?  
5 MR. ABENSOHN: Well I am going  
6 to interject a privilege objection  
7 with respect to this document.  
8 MR. SACKS: The document? On  
9 what basis?  
10 MR. ABENSOHN: It's my  
11 understanding that these  
12 communications were at the  
13 direction and request of Weil, as  
14 counsel to WMI, in preparation for  
15 a possible bankruptcy filing, and  
16 I'm going to assert the privilege  
17 and instruct the witness not to  
18 respond to questions concerning the  
19 subject matter of this email  
20 exchange.  
21 MR. SACKS: Okay, well let me  
22 just ask her a few foundational  
23 questions. I mean I'll respect  
24 your privilege assertion now, but  
25 let me just ask her a few

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 foundational questions.  
3 Q. Do you see the email that you  
4 wrote to Ms. Schulte on September 20th,  
5 2008, beginning on the second page?  
6 **A. Yes.**  
7 Q. And were you responding to a  
8 request from anyone when you wrote that  
9 email?  
10 **A. Yes.**  
11 Q. From whom did you receive that  
12 request?  
13 **A. Pat Schulte asked me to go  
14 through the WMI cash flow and explain it  
15 so she could provide it to counsel.**  
16 MR. ABENSOHN: I'll stop Ms.  
17 Logan there.  
18 Q. Did she tell you what counsel?  
19 **A. I don't know if I'm supposed  
20 to answer.**  
21 MR. ABENSOHN: You can answer.  
22 **A. I believe she did.**  
23 Q. What did she say?  
24 **A. Shortly -- well, that she was  
25 having a discussion with Weil.**

241

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
2 Q. Did she reference Weil by  
3 name?  
4 **A. I'm not certain that she  
5 referenced it by name.**  
6 Q. We'll take this up later.  
7 Let me go and ask you --  
8 perhaps I'll show you some documents they  
9 can't claim privilege on.  
10 MR. SACKS: Let me mark this  
11 as Exhibit 15.  
12 (Logan Exhibit 15 for  
13 identification, five emails dated  
14 February 13, 2008.)  
15 Q. Do you recognize Exhibit 15,  
16 Ms. Logan?  
17 **A. Yes.**  
18 Q. Is this a series of emails in  
19 which you were a participant?  
20 **A. Yes.**  
21 Q. Do you see they relate to the  
22 subject of what would happen when an IRS  
23 refund was received?  
24 **A. Yes.**  
25 Q. Is it fair to say this

242

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 describes a process by which the refund  
 3 is received by Washington Mutual, Inc.  
 4 from the IRS and then paid out to each of  
 5 the other entities in the consolidated  
 6 group?  
 7 MR. ABENSOHN: Objection as to  
 8 form and scope.  
 9 **A. I'm sorry.**  
 10 Q. Based on their operations and  
 11 tax obligations?  
 12 **A. I'm sorry, I missed the**  
 13 **question.**  
 14 Q. Do you see it describes a  
 15 process by which refunds are received by  
 16 WMI from the IRS and then paid out by WMI  
 17 to the various payers within the  
 18 consolidated group, including WMB?  
 19 **A. I was making --**  
 20 MR. ABENSOHN: Same objection.  
 21 **A. I was making a generalized**  
 22 **statement, yes.**  
 23 Q. It was your understanding that  
 24 was the general way in which tax refunds  
 25 from the IRS were handled --

243

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 MR. ABENSOHN: Same objection.  
 3 Q. -- in the ordinary course by  
 4 Washington Mutual?  
 5 **A. At the direction of tax, yes.**  
 6 **I mean...**  
 7 Q. I understand at the direction  
 8 of tax, but that was your understanding  
 9 as to how it worked?  
 10 MR. ABENSOHN: Same objection.  
 11 Q. Is that a refund from the IRS  
 12 would be received by Washington Mutual,  
 13 Inc., which would then parcel it out to  
 14 different Washington Mutual entities that  
 15 were participants in the consolidated  
 16 return based upon their tax obligations?  
 17 MR. ABENSOHN: Objection; form  
 18 and scope.  
 19 **A. That is my -- that is**  
 20 **generally how I understood it to happen,**  
 21 **yes.**  
 22 Q. With respect to these three  
 23 payments that are identified on September  
 24 30, 2008 in the 0667 account, do you have  
 25 any understanding as to what portions of

244

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 that \$233 million, approximately, is  
 3 attributable to the tax obligations or  
 4 refund of the tax obligations of WMB?  
 5 **A. I have no --**  
 6 MR. ABENSOHN: Objection; form  
 7 and scope.  
 8 **A. I have no knowledge of how the**  
 9 **tax is calculated.**  
 10 Q. Or with respect to what  
 11 portion of those refunds from the IRS are  
 12 attributable to the tax attributes of  
 13 Washington Mutual Bank fsb?  
 14 MR. ABENSOHN: Same objection.  
 15 **A. I have no knowledge of how the**  
 16 **tax accounts work.**  
 17 Q. Do you have knowledge as to  
 18 whether any other tax refunds have been  
 19 received into the 0667 account since  
 20 September 30th, 2008?  
 21 MR. ABENSOHN: Same objection;  
 22 scope.  
 23 **A. I'm not aware of any other --**  
 24 **any additional tax refunds posted to the**  
 25 **667 account.**

245

1 **DOREEN A. LOGAN - ATTORNEY'S EYES ONLY**  
 2 MR. SACKS: Let me mark as  
 3 Exhibit -- no, I'm not sure I'm  
 4 going to mark it.  
 5 Let me mark as Exhibit 16  
 6 another email.  
 7 (Logan Exhibit 16 for  
 8 identification, three emails dated  
 9 August 5, 2008.)  
 10 Q. Do you recognize this as a  
 11 series of emails that you were a  
 12 participant in on or about August 5th of  
 13 2008?  
 14 **A. Yes.**  
 15 Q. With Steve Akre?  
 16 **A. Akre.**  
 17 Q. Akre. And what was his  
 18 position?  
 19 **A. He was in treasury -- I don't**  
 20 **know the name of his department. Oh,**  
 21 **FP&A.**  
 22 Q. What is FP&A?  
 23 **A. Financial planning and**  
 24 **analysis.**  
 25 Q. I want to draw your attention

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 to the email at the bottom of the first  
 3 page that you wrote. In the first  
 4 paragraph, the second sentence you  
 5 indicate that the amount that WMI had on  
 6 deposit at WMB as of August 5th was about  
 7 \$3.5 billion. Do you see that?  
 8 **A. Yes.**  
 9 Q. And after, you're aware that  
 10 after that date, sometime in September  
 11 WMI contributed \$500 million as a capital  
 12 contribution to WMB, correct?  
 13 **A. Yes.**  
 14 Q. So that would take us down to  
 15 \$3 billion, right?  
 16 **A. Yes.**  
 17 Q. Do you know where -- your  
 18 affidavit and the motion to which it  
 19 relates seeks payment of approximately \$4  
 20 billion.  
 21 **A. Yes.**  
 22 Q. Do you know where the other  
 23 billion dollars comes from?  
 24 **A. Not off the top of my head,**  
 25 **no.**

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 Q. In the second paragraph of  
 3 this email you indicate in the second  
 4 sentence, "Rating agencies gain comfort  
 5 that the capital infusion from TPG to WMI  
 6 actually provides funding to the bank."  
 7 What was your source of that  
 8 understanding?  
 9 **A. My general knowledge and**  
 10 **understanding of how funding at the bank**  
 11 **works.**  
 12 Q. Did you deal directly with the  
 13 rating agencies?  
 14 **A. I did not.**  
 15 Q. Did you deal with -- you're  
 16 aware that there was -- that WaMu raised  
 17 a significant sum of money from TPG in  
 18 April of 2008, correct?  
 19 MR. ABENSOHN: Objection as to  
 20 scope.  
 21 **A. I'm aware that there was a**  
 22 **capital raise, yes.**  
 23 Q. Were you directly involved in  
 24 that?  
 25 **A. I was not.**

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 Q. In your capacity for -- in  
 3 your job, again, in the July through  
 4 September of 2008 period, did you -- did  
 5 you have any responsibility for dealing  
 6 directly with the regulators?  
 7 MR. ABENSOHN: Objection;  
 8 form.  
 9 **A. I would not -- I would not**  
 10 **classify myself as having direct**  
 11 **responsibility to regulators. I did meet**  
 12 **with regulators on several occasions.**  
 13 Q. On what type of subjects did  
 14 you meet with the regulators? I don't  
 15 want to get into what you talked about,  
 16 but what type of subjects did you meet  
 17 with the regulators from time to time on  
 18 those several occasions?  
 19 **A. On -- I'm not sure I can limit**  
 20 **it to just the July through September**  
 21 **time frame because we met with them about**  
 22 **several things, and we met with them**  
 23 **about a project to put assets into the**  
 24 **fsb in order to gain funding from the**  
 25 **Home Loan Bank of Seattle. We talked to**

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 **them about the release of capital which**  
 3 **is called Project Fillmore. I was in a**  
 4 **meeting where they discussed compliance**  
 5 **with our internal liquidity policies.**  
 6 **Those three meetings are the**  
 7 **ones I recall.**  
 8 Q. When was the last meeting?  
 9 The last meeting, I'm sorry, on the last  
 10 subject, relating to internal liquidity  
 11 policies?  
 12 **A. I would have a hard time**  
 13 **putting a date on it.**  
 14 Q. Other than those three  
 15 meetings, do you have recollections of  
 16 dealing directly with the regulators?  
 17 Let me ask a different question.  
 18 Were you present at any  
 19 meetings with the regulators where  
 20 statements were made regarding the TPG  
 21 funds?  
 22 **A. No.**  
 23 MR. SACKS: Can we take a  
 24 short break and let me go look and  
 25 see what more I have?



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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 MR. ABENSOHN: Of course.  
3 THE VIDEOGRAPHER: One moment  
4 and watch your microphones. The  
5 time is now 3:45 p.m., we're now  
6 off the record.  
7 (A recess was taken.)  
8 THE VIDEOGRAPHER: The time is  
9 3:57 p.m., we're back on the  
10 record.  
11 Q. I just want to ask you one or  
12 two questions about the end of your  
13 affidavit, Ms. Logan. And you make  
14 reference in paragraphs, I'm at Page 18,  
15 to conversations you had with Beverly  
16 Bruce, someone named Beverly Bruce and  
17 Rosa Cox. Beverly Bruce, am I correct  
18 that at the time you submitted this, it  
19 was your understanding at the time you  
20 submitted this affidavit she was no  
21 longer an employee of JPMorgan Chase?  
22 **A. I understood that to be true,**  
23 **yes.**  
24 Q. She had been a Washington  
25 Mutual employee, had been transitioned

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 over and was gone by the time of your  
3 affidavit?  
4 **A. Yes.**  
5 Q. Now, you identify certain  
6 statements you attribute to Ms. Bruce and  
7 to Ms. Cox in these two paragraphs. I  
8 just want to make sure I understand. Is  
9 it fair to say that these two people in  
10 essence told you that JPMorgan Chase has  
11 maintained the accounting classification  
12 for this account that Washington Mutual  
13 gave it before the takeover?  
14 MR. ABENSOHN: Objection;  
15 form.  
16 **A. I'm sorry, can you state the**  
17 **question again.**  
18 Q. Sure. I mean if I'm reading  
19 what you're saying here, it's that in  
20 essence these people have told you that  
21 during the pendency of this dispute,  
22 JPMorgan Chase has left these books  
23 sitting -- left this account sitting on  
24 its books in the way it was characterized  
25 by Washington Mutual immediately prior to

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 the receivership; is that right?  
3 MR. ABENSOHN: Objection to  
4 the characterization of the  
5 affidavit.  
6 **A. My affidavit indicates that in**  
7 **this case Ms. Bruce called me and**  
8 **explained to me that the deposit account**  
9 **that WMI opened at fsb was, in her words,**  
10 **throwing off the segment profitability.**  
11 Q. And you understood Ms. Bruce  
12 to be saying that the deposit -- you --  
13 let's go back. Prior to JPMorgan Chase's  
14 involvement after the receivership on  
15 September the 25th, this account had been  
16 characterized by Washington Mutual as a  
17 DDA account, correct?  
18 MR. ABENSOHN: Objection to  
19 form.  
20 **A. We opened a bank account at**  
21 **the fsb, yes.**  
22 Q. And given the entries that you  
23 made, you purported to open it as a DDA  
24 account, right?  
25 MR. ABENSOHN: Objection;

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 form.  
3 **A. We completed the form required**  
4 **to open up a bank account, yes, and we**  
5 **opened up a bank account on the fsb, yes.**  
6 Q. I'm not trying to argue with  
7 you as to whether what you did was  
8 effective or not. I'm just trying to say  
9 the forms that you, you, Washington  
10 Mutual completed and filled out  
11 characterized this account as a DDA  
12 account, correct?  
13 MR. ABENSOHN: Objection.  
14 **A. The term characterized is**  
15 **throwing me off.**  
16 Q. Okay. I don't know why. I  
17 guess because I'm trying to -- you say  
18 it's a DDA account and you say what you  
19 opened was a DDA account, correct?  
20 **A. Yes, that's correct.**  
21 Q. And you say that the forms and  
22 the coding and the entries that were made  
23 created a DDA account?  
24 **A. That's correct.**  
25 Q. Okay. And am I correct that

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 what Ms. Bruce told you in substance as  
3 it related to the form of the account was  
4 that during the period while this dispute  
5 has been pending JPMorgan Chase has not  
6 changed the classification of that  
7 account from what you originally  
8 classified it as?  
9 MR. ABENSOHN: Objection to  
10 characterizing the affidavit.  
11 **A. I would have to assume what**  
12 **Ms. Bruce was talking about.**  
13 Q. Ms. Bruce never told you that  
14 JPMorgan Chase had changed the account on  
15 its system, have they -- did she?  
16 **A. No.**  
17 Q. And she didn't tell you that  
18 anyone had made any substantive judgments  
19 with respect to that account, did she?  
20 MR. ABENSOHN: Objection;  
21 form.  
22 **A. I'm not sure I understand what**  
23 **that means so I have to say no.**  
24 MR. SACKS: I don't have  
25 anymore questions for Ms. Logan on

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 the subjects that she's here to  
3 testify about today.  
4 MR. ABENSOHN: Let's go off  
5 the record.  
6 THE VIDEOGRAPHER: The time is  
7 4:03 p.m., we're now off the  
8 record.  
9 (Discussion off the record.)  
10 (A recess was taken.)  
11 THE VIDEOGRAPHER: The time is  
12 4:12 p.m., we're back on the  
13 record.  
14 MR. ABENSOHN: As I understand  
15 it, we've concluded the deposition.  
16 There's been discussion among  
17 counsel during the break regarding  
18 availability of transcripts and  
19 exhibits to the transcripts, at  
20 least in the short term. There are  
21 a number of potential privilege  
22 issues. For that reason, we're  
23 asking that counsel, aside from  
24 debtors' counsel and JPMorgan's  
25 counsel, not receive exhibits for

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 the time being, and we've asked  
3 that they hold on to the  
4 transcripts on an attorney's eyes  
5 only basis until we are able to  
6 resolve both privilege and  
7 confidentiality issues which are  
8 being negotiated presently. I  
9 don't know if you have anything to  
10 add.  
11 MR. SACKS: No. My  
12 understanding is that that's  
13 agreeable to everyone who has been  
14 present today. So if anyone  
15 objects, please speak up your  
16 objection.  
17 MR. COLES: Just a question,  
18 not really an objection. I'm  
19 perfectly happy to defer to that,  
20 but at some point I'd like to see  
21 some of these exhibits. They're  
22 clearly not all privileged and some  
23 of them are relevant to the  
24 deposition. I'm not sure that kind  
25 of a blanket statement that they're

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1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
2 subject to a privilege is really an  
3 effective way of doing it. For  
4 instance, Exhibit 14 I think I  
5 understand was a privileged  
6 document and that you might want to  
7 pull that out, but as to the other  
8 ones --  
9 MR. ABENSOHN: I think you're  
10 right, there's undoubtedly going to  
11 be exhibits that will be available  
12 to everyone. I think we just want  
13 to take a breath and make sure we  
14 don't go astray of any  
15 confidentiality and privilege  
16 issues.  
17 MR. SACKS: On that score, I  
18 think obviously there's an issue  
19 that they have with the Weil  
20 privilege that's been raised by  
21 that one document, which we  
22 understand, but beyond that there's  
23 the joint privilege, and whether  
24 the FDIC is permitted to see that  
25 given its regulatory position,

1 DOREEN A. LOGAN - ATTORNEY'S EYES ONLY  
 2 without waiving the privilege, is  
 3 itself another level of issue that  
 4 we have to confront as well. I  
 5 think we'll just have to do it with  
 6 some speed.  
 7 MR. ABENSOHN: I think we're  
 8 good. We can go off the record.  
 9 THE VIDEOGRAPHER: One moment,  
 10 please, and watch your microphones  
 11 when getting up. Here now marks  
 12 the end of tape 4 in the deposition  
 13 of Ms. Doreen A. Logan. The time  
 14 is 4:14 p.m., we're off the record.  
 15 (Time noted: 4:14 p.m.)  
 16  
 17  
 18 \_\_\_\_\_  
 19 DOREEN A. LOGAN  
 20  
 21 Subscribed and sworn to before me  
 22 this \_\_\_\_ day of \_\_\_\_\_, 2009.  
 23  
 24 \_\_\_\_\_  
 25 Notary Public

1 C E R T I F I C A T E  
 2 STATE OF NEW YORK )  
 3 : ss.  
 4 COUNTY OF NEW YORK )  
 5  
 6 I, GAIL F. SCHORR, a Certified  
 7 Shorthand Reporter, Certified Realtime  
 8 Reporter and Notary Public within and for  
 9 the State of New York, do hereby certify:  
 10 That DOREEN A. LOGAN, the witness  
 11 whose deposition is hereinbefore set forth,  
 12 was duly sworn by me and that such  
 13 deposition is a true record of the testimony  
 14 given by the witness.  
 15 I further certify that I am not  
 16 related to any of the parties to this action  
 17 by blood or marriage, and that I am in no  
 18 way interested in the outcome of this  
 19 matter.  
 20 IN WITNESS WHEREOF, I have  
 21 hereunto set my hand this \_\_\_\_ day of  
 22 \_\_\_\_\_, 2009.  
 23  
 24 \_\_\_\_\_  
 25 GAIL F. SCHORR, C.S.R., C.R.R.

1 NAME OF CASE: IN RE WASHINGTON MUTUAL, INC.  
 2 DATE OF DEPOSITION: AUGUST 26, 2009  
 3 NAME OF WITNESS: DOREEN A. LOGAN  
 4 I wish to make the following changes, for  
 5 the following reasons:  
 6 PAGE LINE  
 7 \_\_\_\_ CHANGE: \_\_\_\_\_  
 8 REASON: \_\_\_\_\_  
 9 \_\_\_\_ CHANGE: \_\_\_\_\_  
 10 REASON: \_\_\_\_\_  
 11 \_\_\_\_ CHANGE: \_\_\_\_\_  
 12 REASON: \_\_\_\_\_  
 13 \_\_\_\_ CHANGE: \_\_\_\_\_  
 14 REASON: \_\_\_\_\_  
 15 \_\_\_\_ CHANGE: \_\_\_\_\_  
 16 REASON: \_\_\_\_\_  
 17 \_\_\_\_ CHANGE: \_\_\_\_\_  
 18 REASON: \_\_\_\_\_  
 19  
 20 DOREEN A. LOGAN  
 21 Subscribed and sworn to before me  
 22 this \_\_\_\_ day of \_\_\_\_\_, 2009.  
 23  
 24 \_\_\_\_\_  
 25 (Notary Public) My Commission Expires:

1 E X H I B I T S  
 2  
 3 DESCRIPTION PAGE LINE  
 4 (Logan Exhibit 1 for 17 22  
 5 identification, email from  
 6 Doreen Logan to Steve  
 7 Stearns dated July 3, 2008,  
 8 with attached resume of  
 9 Doreen Logan.)  
 10 (Logan Exhibit 2 for 43 15  
 11 identification, affidavit of  
 12 Doreen Logan, with attached  
 13 exhibits.)  
 14 (Logan Exhibit 3 for 139 2  
 15 identification, three emails  
 16 dated September 23, 2008 and  
 17 September 24, 2008.)  
 18 (Logan Exhibit 4 for 141 2  
 19 identification, two emails  
 20 dated September 24, 2008.)  
 21 (Logan Exhibit 5 for 149 8  
 22 identification, two emails  
 23 dated September 25, 2008.)  
 24  
 25

				262					264
1	(Logan Exhibit 6 for	152	18	1					
2	identification, document			2					
3	entitled "Journal entry			3	(Instruction not to answer.)	46		7	
4	request form.")			4	(Instruction not to answer.)	46		15	
5	(Logan Exhibit 7 for	161	2	5	(Instruction not to answer.)	46		21	
6	identification, document			6	(Instruction not to answer.)	47		22	
7	entitled "Journal entry			7	(Instruction not to answer.)	48		6	
8	request form.")			8	(Instruction not to answer.)	48		12	
9	(Logan Exhibit 8 for	163	16	9	(Instruction not to answer.)	48		18	
10	identification, document			10	(Instruction not to answer.)	48		23	
11	entitled "Journal entry			11	(Instruction not to answer.)	49		11	
12	request form.")			12	(Instruction not to answer.)	50		3	
13	(Logan Exhibit 9 for	174	21	13	(Instruction not to answer.)	121		5	
14	identification, three emails			14					
15	dated April 12, 2006,			15					
16	Monday, April 17, 2006, and			16					
17	Monday, April 17, 2006,			17					
18	respectively.)			18					
19	(Logan Exhibit 10 for	210	3	19					
20	identification, two pages of			20					
21	emails dated September 24,			21					
22	2008, with attached asset			22					
23	pledge agreement.)			23					
24				24					
25				25					
				263					
1	(Logan Exhibit 11 for	213	13						
2	identification, email dated								
3	September 24, 2008, with								
4	attached letter dated								
5	September 24, 2008 and								
6	document entitled "Release								
7	of asset pledge agreement.")								
8	(Logan Exhibit 12 for	226	15						
9	identification, emails dated								
10	July 31, 2008, August 1,								
11	2008, and August 4, 2008.)								
12	(Logan Exhibit 13 for	229	12						
13	identification, two emails								
14	dated September 26, 2008.)								
15	(Logan Exhibit 14 for	237	17						
16	identification, three emails								
17	dated September 20, 2008,								
18	with attachment.)								
19	(Logan Exhibit 15 for	241	12						
20	identification, five emails								
21	dated February 13, 2008.)								
22	(Logan Exhibit 16 for	245	7						
23	identification, three emails								
24	dated August 5, 2008.)								
25									

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# **EXHIBIT B**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

*In re*

WASHINGTON MUTUAL, INC., et al.<sup>1</sup>

Debtors.

WASHINGTON MUTUAL, INC. AND  
WMI INVESTMENT CORP.,

Plaintiffs and Counterclaim  
Defendants,

v.

JPMORGAN CHASE BANK,  
NATIONAL ASSOCIATION

Defendant, Counterclaim  
and Cross-claim Plaintiff

v.

FEDERAL DEPOSIT INSURANCE  
CORPORATION, as Receiver,

Cross-claim Defendant.

: Chapter 11

: Case No. 08-12229 (MFW)

: Jointly Administered

: Adv. Proc. No. 09-50934 (MFW)

: Ref. Docket Nos. 14, 15

**MEMORANDUM OF LAW OF CROSS-CLAIM DEFENDANT  
FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER,  
IN OPPOSITION TO PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT**

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Dated: July 24, 2009

Attorneys for the FDIC-Receiver

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

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Cross-claim defendant the Federal Deposit Insurance Corporation, as receiver for Washington Mutual Bank (the “FDIC-Receiver”), respectfully submits this memorandum of law in opposition to the motion of debtors and debtors-in-possession Washington Mutual, Inc. (“WMI”) and WMI Investment Corp. (together, the “Debtors”) for summary judgment in this adversary proceeding.

### PRELIMINARY STATEMENT

The Debtors’ motion for summary judgment, seeking immediate possession of roughly \$4 billion held in six disputed accounts, should be denied. The FDIC-Receiver, which is a cross-claim defendant in this adversary proceeding on a claim relating to the disputed accounts, joins in the opposition to the Debtors’ motion submitted by defendant JPMorgan Chase Bank, N.A. (“JPMC”) and submits this memorandum of law to supplement that joinder. Summary judgment is unwarranted for a number of different reasons.

*First*, on a motion for summary judgment it is the movant’s burden to establish the absence of a genuine issue of material fact as to every element of its claim. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). Failure to meet this burden, standing alone, requires that the motion be denied. *See, e.g., Conoshenti v. Pub. Serv. Elec. & Gas Co.*, 364 F.3d 135, 145-46 (3d Cir. 2004).

Turnover actions under section 542 of the Bankruptcy Code, such as the Debtors’ action here, “cannot be used to demand assets whose title is in dispute.” *Stanziale v. Pepper Hamilton LLP (In re Student Fin. Corp.)*, 335 B.R. 539, 554 (Bankr. D. Del. 2005). In their moving papers, the Debtors have failed to demonstrate the absence of any dispute as to the ownership of the funds in the six disputed accounts. Indeed, the Debtors’ own submissions establish that there are significant questions of material fact with respect to that issue. Among other things, it is clear that the 0667 account at the center of the summary judgment motion was used, among other

things, as the clearinghouse for payment of federal, state and local taxes on behalf of the entire Washington Mutual consolidated tax group, which included WMI's principal thrift subsidiary Washington Mutual Bank ("WMB"), and for receiving refunds from taxing authorities for WMB and the other members of that group. *See* Affidavit of Doreen Logan, dated May 19, 2009 ("Logan Aff."), ¶ 10. According to the Debtors' own submissions, during 2008 alone the 0667 account was credited with nearly \$3.1 *billion* in "Net Tax Payments." *See* Logan Aff., Exh. L at A-109. That staggering figure may not even include the post-petition \$234 million income tax refund that WMI admits was paid into the 0667 account in late September 2008.

The Debtors have made no effort – none – to establish their entitlement to such funds or to show that tax monies that are rightfully the property of WMB are not included among the roughly \$4 billion that the Debtors would like to distribute swiftly and irrevocably to their creditors. In fact, there is no question that tax related assets that are the property of WMB *are* included among that \$4 billion. Section 542 was not intended to accommodate, and does not permit, such obvious disregard for the property rights of others.

*Second*, the Supreme Court has recognized that section 542(b) "specifically excuses" payment "of a claim to which a defense of setoff applies." *Citizens Bank of Md. v. Stumpf*, 516 U.S. 16, 20 (1995); *see* 11 U.S.C. § 542(b) (providing for turnover "except to the extent that such debt may be offset under section 553 of this title against a claim against the debtor"). In this case, WMB clearly has such setoff rights against WMI in an amount that is greater than the balances in the disputed deposit accounts. *See* FDIC-Receiver First Amended Answer and Counterclaims, *Washington Mutual, Inc. v. F.D.I.C.*, No. 1:09-cv-0533 (RMC) (D.D.C.) (attached hereto as Exhibit A); JPMC Answer and Counterclaims [D.I. 66]. In their effort to avoid the application of this unambiguous statutory text, the Debtors go to great, and



unsuccessful, lengths to argue that JPMC does not hold claims against WMI. Separately, in its district court action against the FDIC, WMI has asserted that the FDIC does not have setoff rights against the funds in the accounts either.

Thus, the Debtors' position appears to be that because WMI's principal thrift subsidiary was closed by federal regulators, WMI somehow achieved a special status in which it – seemingly alone among bank depositors in the United States – is exempt from setoff rights under section 553 of the Bankruptcy Code or otherwise. This position is simply wrong. There is no question that WMB holds substantial and valid claims against WMI that can be setoff against the funds in the disputed accounts. Whether or not JPMC is permitted to exercise those rights, the FDIC-Receiver has its own setoff rights, and section 9.5 of the Purchase and Assumption Agreement, Whole Bank, dated as of September 25, 2008 between JPMC and the FDIC-Receiver (the “P&A Agreement”), provides the FDIC-Receiver the right to direct JPMC to withhold the funds and deliver them to the FDIC-Receiver to prevent this sort of setoff shell game.<sup>2</sup>

The Debtors' own submissions undermine their argument (in other proceedings) that section 9.5 does not apply because the funds were transferred from WMB to its subsidiary thrift, Washington Mutual Bank fsb (“WMBfsb”). Their affiant Doreen Logan admits that the initial attempt to move the funds – with a WMB receivership looming – did not result in the transfer of funds out of WMB. She asserts that this mistake was corrected, *see* Logan Aff., ¶¶ 20, 22, but the account statements for the purported WMBfsb account that are attached to her affidavit reflect that those statements were issued by “Washington Mutual Bank, FA,” and *not* WMBfsb,

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<sup>2</sup> The P&A Agreement is incorporated by reference in the Debtors' complaint in this adversary proceeding, *see* Compl., ¶¶ 3-5, 33-35, and its publicly available at [www.fdic.gov](http://www.fdic.gov). A copy of the P&A Agreement, which is the proper subject of judicial notice on this motion, *see* Fed. R. Evid. 201, is attached hereto as Exhibit B.

*see id.*, Exh. A at A-27 (Sept. 2008), Exh. B at A-38 (Mar. 2009). Once again, at a minimum, a genuine issue of material fact is apparent from the Debtors' own motion papers.

Even if WMI had moved nearly \$3.7 billion to WMBfsb in the final days before WMB was closed by federal banking regulators, the Debtors' own submissions again raise genuine issues of material fact about that maneuver. Ms. Logan's rendition of the circumstances surrounding that attempted transfer – which occurred in the midst of a ten-day run on the bank in which WMB experienced \$16.7 billion in deposit outflows, ultimately resulting in its closure – suggests strongly that any such transaction would need to be unwound as a fraudulent transfer under 12 U.S.C. § 1821(d)(17) or applicable state law. *See id.*, ¶ 13. This conclusion is only underscored by the additional fact that no funds were transferred at all in the “transaction,” but instead a loan back from WMBfsb to WMB was recorded to offset the supposed “deposit” liability, suggesting strongly that the entire reason for the putative transaction was to favor WMI in the event of a WMB receivership to the detriment of the FDIC and WMB's creditors. *See id.*, ¶ 41.

Nor is this the only potentially fraudulent transfer suggested by the Debtors' motion papers. Exhibit L to Ms. Logan's affidavit reflects the 0667 account being credited with over \$900 million in “Net Tax Payments” during WMB's final days, in August and September 2008. *See id.*, Exh. L at A-109. We now know that these amounts “were transformed from an unsecured general ledger debt that . . . had accumulated over several years until WMI began to deliberately and improperly siphon off cash from its subsidiaries – into purported deposit funds.” JPMC Answer & Counterclaims, ¶ 57. As a debt of any future WMB receivership, such amounts would only be paid a pro rata dividend in line with the recoveries of other general unsecured creditors. In now demanding immediate turnover of these funds, however, the Debtors

mistakenly claim that they are entitled to immediate recovery of 100 cents on the dollar for these amounts.

*Finally*, the Debtors' attempt to obtain summary judgment before the FDIC-Receiver or any other party has had an opportunity to engage in discovery relating to these and other genuine issues of material fact reflects a transparent attempt to obtain the funds in the disputed accounts before the Debtors' entitlement to those funds can be properly scrutinized, itself justifying denial of the motion. *See, e.g., Wanland & Assocs. v. Nortel Networks Ltd. (In re Norvergence, Inc.)*, 384 B.R. 315, 370-71 (Bankr. D.N.J. 2008). The Debtors' have made no secret of their intention, if successful on this motion, to distribute the funds so obtained immediately to their creditors, after which they undoubtedly will assert that any further review of their conduct would be moot.

Contrary to the simplistic picture painted by the Debtors' complaint and motion for summary judgment, this highly complex and multifaceted litigation is only at its outset, not at its conclusion. The Debtors' motion for summary judgment should be denied.

#### **NATURE AND STAGE OF THE PROCEEDINGS**

Until September 25, 2008, the debtor WMI was a thrift holding company, the principal thrift subsidiary of which was WMB. In an order issued on September 25, 2008, the Director of the Office of Thrift Supervision (the "OTS") closed WMB and appointed the FDIC-Receiver as its receiver. The FDIC-Receiver and the Federal Deposit Insurance Corporation, in its corporate capacity ("FDIC-Corporate"), thereafter entered into the P&A Agreement with JPMC. On September 26, 2008, the Debtors commenced their chapter 11 cases in this Court.

The FDIC-Receiver established December 30, 2008 as the bar date for filing claims against the WMB receivership. On that date, WMI filed a proof of claim with the FDIC-Receiver asserting claims relating to a variety of WMB assets that WMI asserted it owned.

Among others, WMI asserted claims against the WMB receivership for the balances held in certain alleged demand deposit accounts that WMI claimed it had maintained with WMB or WMBfsb, which according to WMI amounted to approximately \$4 billion. By letter dated January 23, 2009, the FDIC-Receiver disallowed all of the Debtors' claims because they had not been proved to the satisfaction of the receiver. *See* 12 U.S.C. § 1821(d)(5)(D)(i).

On March 20, 2009, WMI and WMI Investment Corp. filed a complaint against the FDIC-Receiver and FDIC-Corporate in the United States District Court for the District of Columbia, seeking a judicial determination of WMI's disallowed receivership claims pursuant to 12 U.S.C. § 1821(d)(6)(A) and asserting a variety of other claims. *See Washington Mutual, Inc. v. F.D.I.C.*, No. 1:09-cv-0533 (RMC) (D.D.C.) (the "D.C. Action"). On June 11, 2009, the FDIC-Receiver filed its answer with respect to Count I of the complaint and filed a motion to dismiss other claims that had been included in the complaint but had not been part of WMI's receivership claims. The FDIC-Receiver amended its answer and counterclaims on July 13, 2009 and named JPMC as an additional counterclaim defendant at that time. On July 17, 2009, the Debtors responded to the FDIC-Receiver's partial motion to dismiss and FDIC-Corporate's motion to dismiss the complaint in its entirety. That action is pending.

On March 24, 2009, JPMC commenced an adversary proceeding in this Court against the Debtors and naming the FDIC-Receiver and FDIC-Corporate as additional defendants. *See JPMorgan Chase Bank, N.A. v. Washington Mutual, Inc.*, Adv. Proc. No. 09-50551 (MFW (Bankr. D. Del.) (the "JPMC Adversary Proceeding"). The Debtors filed their answer and counterclaims against JPMC in that proceeding on May 29, 2009 [D.I. 23].

On April 27, 2009, the Debtors commenced this turnover proceeding against JPMC. On May 13, 2009, JPMC filed a motion to dismiss the complaint [D.I. 8]. That motion was denied

by this Court in an order entered on July 6, 2009 [D.I. 64]. On July 6, 2009, JPMC filed its answer and counterclaims and named the FDIC-Receiver as an additional cross-claim defendant on two counts, Count Five, an interpleader claim relating to the disputed deposit accounts, and Count Seven, a declaratory judgment claim relating to JPMC's ownership of certain other assets [D.I. 66]. *See* JPMC Answer and Counterclaims, ¶¶ 100-02, 111-15. On May 19, 2009, the Debtors filed the current motion for summary judgment [D.I. 14]. By stipulation filed on July 9, 2009, responses to that motion are due on July 24, 2009 [D.I. 17].

On June 1, 2009, the FDIC-Receiver moved to stay the JPMC Adversary Proceeding until judgment is entered in the D.C. Action and moved to intervene in this adversary proceeding for the purpose of making a similar motion to stay or dismiss [D.I. 15 and 27]. The same day, JPMC moved to stay this adversary proceeding. In orders entered on July 6, 2009, the Court granted the FDIC-Receiver's motion to intervene for the purpose of making its motion to stay or dismiss this adversary proceeding and the Court denied the motions to stay the two adversary proceedings [D.I. 63, 68 and 64]. The FDIC-Receiver and JPMC have appealed the orders denying the motions to stay [D.I. 72, 71, 76, and 75].

The FDIC-Receiver reserves all of its rights and arguments with respect to the Court's jurisdiction to adjudicate the issues raised in this adversary proceeding and by the Debtors' motion for summary judgment. This memorandum of law is submitted to protect the FDIC-Receiver's interests to the extent they could be prejudiced by the Debtors' motion for summary judgment, and no waiver of any jurisdictional defense is intended or should be inferred.

## ARGUMENT

### THE MOTION FOR SUMMARY JUDGMENT SHOULD BE DENIED

“[A] party seeking summary judgment always bears the initial responsibility of informing the [court] of the basis for its motion, and identifying those portions of the ‘pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any,’ which it believes demonstrate the absence of a genuine issue of material fact.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986); see Bankruptcy Rule 7056. Failure to meet this burden as to every element of the movant’s claim is alone grounds for denial of the motion. See *Conoshenti v. Pub. Serv. Elec. & Gas Co.*, 364 F.3d 135, 145-46 (3d Cir. 2004). “[T]he existence of disputed issues of material fact should be ascertained by resolving ‘all inferences, doubts and issues of credibility against the moving party.’” *Ely v. Hall’s Motor Transit Co.*, 590 F.2d 62, 66 (3d Cir. 1978).

#### **I. There Are Genuine Issues of Material Fact as to Ownership of the Funds in the Disputed Accounts**

The burden of proof in a turnover action is at all times on the debtor. *Makoroff v. Allegheny Graphics, Inc. (In re Allegheny Label, Inc.)*, 128 B.R. 947, 954 (Bankr. W.D. Pa. 1991) (quoting *Gorenz v. Ill. Dep’t of Agric.*, 653 F.2d 1179, 1184 (7th Cir. 1981)). “As part of the *prima facie* case, the [debtor] must establish, *by clear and convincing evidence*, that the assets at issue are part of the bankruptcy estate.” *Allegheny Label*, 128 B.R. at 955 (emphasis in original) (citing, *inter alia*, *Maggio v. Zeitz (In re Luma Camera Serv., Inc.)*, 333 U.S. 56, 63 (1948)). “Turnover actions cannot be used to demand assets whose title is in dispute.” *Stanziale v. Hamilton (In re Student Fin. Corp.)*, 335 B.R. 539, 554 (Bankr. D. Del. 2005); *Hechinger Inv. Co. v. Allfirst Bank (In re Hechinger Inv. Co.)*, 282 B.R. 149, 161-62 (Bankr. D. Del. 2002) (“[t]urnover under 11 U.S.C. § 542 is a remedy available to debtors to obtain what is

acknowledged to be property of the bankruptcy estate.”); *see also* *Guiliano v. Fairfield Group Health Care Centers Ltd. (In re Lexington Healthcare Group)*, 363 B.R. 713, 716 (Bankr. D. Del. 2007).

The Debtors’ motion for summary judgment clearly fails these stringent requirements. In their moving papers, the Debtors do not address a fundamental issue raised with respect to the disputed accounts, namely, what were the sources of the funds in the accounts and do the funds include the commingled property of WMB? Far from demonstrating, by “clear and convincing evidence,” that there are no such commingled funds, the Debtors’ own submissions demonstrate the contrary.

**A. The Disputed Accounts Include Income Tax Refunds and Other Tax-Related Assets That Are Owned by WMB**

Documents submitted by the Debtors show that the disputed accounts include a tax refund of \$234,526,524 that was paid into the 0667 account on September 30, 2008. *See* Logan Aff., Exh. A. at A-25. Another exhibit submitted by the Debtors establishes that in 2008 alone, the 0667 account was credited for “Net Tax Payments” of \$3.1 billion. *See* Logan Aff., Exh. L, at A-109. It is unclear whether the \$234 million tax refund is included in this amount.

Under applicable law, WMB is the likely owner of the substantial majority of any tax-related assets that may be commingled among the funds in the disputed accounts. When corporations file joint income tax returns as a consolidated group, tax attributes such as net operating loss carrybacks, and tax refunds arising from the application of such attributes, inure to the benefit of the entity that actually incurred the loss unless there is an express agreement to the contrary. *See, e.g., Capital Bancshares, Inc. v. F.D.I.C.*, 957 F.2d 203, 210 (5th Cir. 1992) (“[t]he refund is the property of the [subsidiary], which could have generated the refund on its own had it filed with the IRS as a separate entity” and therefore the FDIC as receiver of the

subsidiary was entitled to the tax refunds attributable to the losses of the subsidiary); *Western Dealer Mgmt., Inc. v. England (In re Bob Richards Chrysler-Plymouth Corp.)*, 473 F.2d 262, 265 (9th Cir. 1973); *Jump v. Manchester Life & Cas. Mgmt. Corp.*, 438 F. Supp. 185, 188-89 (E.D. Mo. 1977), *aff'd* 579 F.2d 449 (8th Cir. 1978); *see also Cal. Housing Secs., Inc. v. F.D.I.C.*, No. 99-71084, 12 F. App'x. 519, 520 (9th Cir. June 13, 2001); *F.D.I.C. v. Mercer Bancorp, Inc.*, No. 89-0849, 1990 WL 515173, at \*2 (W.D. Mo. Dec. 5, 1990); *F.D.I.C. v. Brandt (In re Florida Park Banks, Inc.)*, 110 B.R. 986, 989 (Bankr. M.D. Fla. 1990).

In the Ninth Circuit's seminal decision in *Bob Richards*, the trustee of a bankrupt subsidiary that had filed a consolidated federal income tax return with its parent corporation brought an action against the parent to obtain a tax refund that had been received by the parent. 473 F.2d at 263. The Ninth Circuit concluded that the refund belonged to the subsidiary, not the parent, because it was the result of a net operating loss incurred by the subsidiary and the "entire refund[] was due to the earnings history of the bankrupt." *Id.* In such circumstances, "[a]llowing the parent to keep any refunds arising solely from a subsidiary's losses simply because the parent and subsidiary chose a procedural device to facilitate their income tax reporting unjustly enriches the parent." *Id.* at 265.

The *Bob Richards* court also refused to permit the parent corporation to retain the tax refund as a set-off against a claim the parent had against the bankruptcy estate of the subsidiary, holding that the parent corporation had "received the tax refund from the government only in its capacity as agent for the consolidated group" and that "where the liability of one claiming a set-off arises from a fiduciary duty or is in the nature of a trust, the requisite mutuality of debts and credits does not exist, and such persons may not set-off a debt owing from the bankrupt against such liability." *Id.* (citation omitted); *see also Jump*, 438 F. Supp. at 189 (holding refund "is not



a debt owed by [parent] to [subsidiary], but rather, a fund which [parent] holds in a specific trust for [subsidiary]”). The impact of the *Bob Richards* rule is clear: a holding company that files a consolidated tax return on behalf of its subsidiaries only receives tax refunds attributable to the earnings history of those other group members as an agent and does not have a property interest in such refunds, unless the consolidated group has expressly agreed to the contrary.

In the case of WMI and other thrift holding companies for any tax years after 1998, it is not possible for a tax sharing agreement to provide for different treatment of tax related assets other than as provided under *Bob Richards*. On November 23, 1998, in an Interagency Policy Statement on Income Tax Allocation in a Holding Company Structure (the “Policy Statement”), the Office of the Comptroller of the Currency, the OTS, the Federal Reserve System and the FDIC issued a uniform policy statement regarding intercompany tax allocation agreements for banking organizations and savings associations that file an income tax return as members of a consolidated group. *See* 63 Fed. Reg. 64757 (Nov. 23, 1998).

In the Policy Statement, the four agencies stated that tax sharing arrangements among the members of a bank’s or thrift’s consolidated tax group “should result in no less favorable treatment to the [insured depository] institution than if it had filed its income tax return as a separate entity.” *Id.* at 64757. Consistent with pre-existing law discussed above, the Policy Statement provided that “a parent company that receives a tax refund from a taxing authority obtains these funds *as agent for the consolidated group* on behalf of the group members.” *Id.* at 64759 (emphasis added). As a result, a tax sharing agreement for a bank or thrift holding company group “*should not purport to characterize refunds attributable to a subsidiary depository institution that the parent receives from a taxing authority as the property of the parent.*” *Id.* (emphasis added).

Nine months after the Policy Statement was issued by their primary federal regulators, on or around August 31, 1999, WMI, WMB and the other signatories entered into the Tax Sharing Agreement. The Tax Sharing Agreement superseded an earlier tax sharing agreement that had predated the Policy Statement. *See* Tax Sharing Agreement, at 1.<sup>3</sup> In accordance with the Policy Statement, the Tax Sharing Agreement provided: that the “federal income tax liability of [the WMI] consolidated group shall be allocated and shared among WMBfsb, WMB, NACI, Aristar, Inc. and each Subsidiary as if such entities filed a separate or consolidated return, as the case may be,” *id.*, § 1; that as members of a consolidated tax filing group the signatory WMI subsidiaries, including WMB, would make payments in respect of their tax liabilities “in the same manner and at the same time as if such entities were filing separate returns,” *id.*, § 2(a); that WMI would promptly forward to each such subsidiary any federal tax overpayment on their account or “any credit that may result from the utilization of their net operating loss for a taxable year,” *id.*, § 2(b); and that deferred tax assets and liabilities would be handled “consistent with bank and thrift regulatory guidelines,” *id.*, § 5.<sup>4</sup>

Because the operations and losses of WMB were the principal basis for the tax liability and tax refunds of the WMI group, WMB and not WMI is the owner of the substantial majority of any tax-related assets that are or may come into the possession of WMI, which holds such funds in trust for WMB. The Debtors’ motion for summary judgment improperly seeks to deny any scrutiny of this important question of fact and to distribute the funds to WMI’s creditors before the relevant issues can be properly investigated.

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<sup>3</sup> A copy of the Tax Sharing Agreement is attached as an exhibit to the submissions of JPMC in opposition to the Debtors’ motion for summary judgment.

<sup>4</sup> *Franklin Sav. Corp. v. Franklin Sav. Ass’n (In re Franklin Sav. Corp.)*, 159 B.R. 9 (Bankr. D. Kan. 1993), *aff’d*, 182 B.R. 859 (D. Kan. 1995), and *United States v. MCorp Fin. (In re MCorp Fin.)*, 170 B.R. 899 (S.D. Tex. 1994), were both decided before the Policy Statement was issued and are inapposite for this and other reasons.

**B. The Balances in the Disputed Accounts Are Subject to Setoff**

Section 542(b) of the Bankruptcy Code expressly provides that turnover of a qualifying debt under that section is not required “to the extent that such debt may be offset under section 553 of this title against a claim against the debtor.” 11 U.S.C. § 542(b); see *Citizens Bank of Md. v. Stumpf*, 516 U.S. 16, 20 (1995); *In re Bevill, Bresler & Schulman Asset Mgmt. Corp.*, 896 F.2d 54, 57-59 (3d Cir. 1990) (“An exception is made to the extent that the entity has a valid right of setoff, as recognized by section 553.”) (applying exception).

There can be no real dispute that WMB has substantial claims against WMI that form the basis for a setoff right against the funds in the disputed accounts under 11 U.S.C. § 553. Both JPMC and the FDIC-Receiver have detailed billions of dollars in claims against the Debtors, including, without limitation, claims of over \$4 billion relating to tax refunds and other tax assets, claims of \$4 billion relating to certain trust preferred securities and, in the case of the FDIC-Receiver, claims of at least \$10.5 billion for potentially unlawful dividends. See Exhibit A (FDIC-Receiver First Amended Answer and Counterclaims in D.C. Action); JPMC Answer and Counterclaims [D.I. 66].<sup>5</sup>

In their turnover complaint and in their motion for summary judgment, the Debtors argue that JPMC does not have a right of setoff with respect to the accounts, while in the D.C. Action they argue that the FDIC-Receiver does not have a right of setoff. The Debtors have not explained the basis of their assertion with respect to the FDIC-Receiver’s setoff rights, but their position that they are somehow immune from setoff against their accounts is both unfounded and inequitable. However, to prevent such an argument, and for other reasons, the FDIC-Receiver

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<sup>5</sup> In addition to its counterclaims in the D.C. Action, the FDIC-Receiver filed a timely proof of claim in WMI’s bankruptcy case asserting the same claims and reserving all of its jurisdictional arguments.

expressly retained the right in the P&A Agreement to direct JPMC to withhold all or any portion of any deposit balance and to return all or any portion of such deposit balance to the FDIC-Receiver. *See* P&A Agreement, § 9.5.<sup>6</sup>

Even in the unlikely event that the funds in the disputed accounts were somehow not subject to setoff against claims held by JPMC, those funds still would be subject to setoff against claims held by the FDIC-Receiver. In either event, the Debtors' summary judgment motion must be denied under the plain language of 11 U.S.C. § 542(b).

**C. Issues of Fact Exist as to Debtors' Potentially Fraudulent Transfers Related to the Disputed Accounts**

The Debtors' own submissions and JPMC's recent counterclaims raise significant issues

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<sup>6</sup> Section 9.5 of the P&A Agreement provides:

**9.5 Withheld Payments.** At any time, the Receiver or the Corporation may, in its discretion, determine that all or any portion of any deposit balance assumed by the Assuming Bank pursuant to this Agreement does not constitute a "Deposit" (or otherwise, in its discretion, determine that it is in the best interest of the Receiver or the Corporation to withhold all or any portion of any deposit), and may direct the Assuming Bank to withhold payment of all or any portion of any such deposit balance. Upon such direction, the Assuming Bank agrees to hold such deposit and not make any payment of such deposit balance to or on behalf of the depositor, or to itself, whether by way of transfer, setoff, or otherwise. The Assuming Bank agrees to maintain the "withheld payment" status of any such deposit balance until directed in writing by the Receiver or the Corporation as to its disposition. At the direction of the Receiver or the Corporation, the Assuming Bank shall return all or any portion of such deposit balance to the Receiver or the Corporation, as appropriate, and thereupon the Assuming Bank shall be discharged from any further liability to such depositor with respect to such returned deposit balance. If such deposit balance has been paid to the depositor prior to a demand for return by the Corporation or the Receiver, and payment of such deposit balance had not been previously withheld pursuant to this Section, the Assuming Bank shall not be obligated to return such deposit balance to the Receiver or the Corporation. The Assuming Bank shall be obligated to reimburse the Corporation or the Receiver, as the case may be, for the amount of any deposit balance or portion thereof paid by the Assuming Bank in contravention of any previous direction to withhold payment of such deposit balance or return such deposit balance the payment of which was withheld pursuant to this Section.

P&A Agreement, § 9.5.

of fact as to whether the funds in the disputed accounts include the fruits of fraudulent transfers. In addition, the Debtors' submissions raise similar questions about the purported transfer of \$3.67 billion from WMB to WMBfsb on the eve of the WMB receivership.

Among other powers, "[t]he FDIC is empowered to avoid fraudulent asset transfers . . . ." *F.D.I.C. v. Wentz*, 55 F.3d 905, 908 (3d Cir. 1995). Under 12 U.S.C. § 1821(d)(17), the FDIC-Receiver may avoid a transfer if the defendant "voluntarily or involuntarily made such transfer or incurred such liability with the intent to hinder, delay, or defraud the insured depository institution, the Corporation or other conservator, or any other appropriate Federal banking agency." 12 U.S.C. § 1821(d)(17); *see also R.T.C. v. Spagnoli*, 811 F. Supp. 1005, 1015 (3d Cir. 1993). State law fraudulent transfer statutes are also available to the FDIC-Receiver, like other creditors. The FDIC-Receiver's rights under section 1821(d)(17) are superior to any rights of a debtor-in-possession or any other party (other than any party which is a federal agency) under title 11. *See* 12 U.S.C. § 1821(d)(17).

**1. The Improper Recharacterization of Unsecured General Ledger Debt As a Purported "Deposit" Balance**

The Debtors' own submissions on their motion for summary judgment raise a genuine issue of material fact regarding the source of over \$900 million that the Debtors now claim to have been "deposit" balances in the 0667 account (which were later included in the funds allegedly moved to the 4234 account). *See* Logan Aff., Exh. L (line for "Net Tax Payments" for August and September 2008).

According to JPMC's recently filed counterclaims in this action, in August and September 2008 WMI caused "nearly a billion dollars" in unsecured general ledger debt putatively owed from WMB to WMI to be transformed instead into purported deposit funds. *See* JPMC Answer and Counterclaims, ¶¶ 57, 94. JPMC's investigation of these transfers indicates

that these balances had accumulated over the course of “several years until WMI began to deliberately and improperly siphon off cash from its subsidiaries” in the weeks leading up to WMB’s closure. *Id.*, ¶ 57. These hundreds of millions of dollars of transmogrified unsecured general ledger balances represent a substantial portion of the \$3.67 billion that the Debtors now claim to hold as “deposit” funds in the 4234 account.

The Debtors’ own submissions raise material question of fact as to whether these pre-receivership accounting maneuvers were made with the intent to advance WMI’s position against the FDIC-Receiver and other creditors in any future receivership of WMB. Under the FDIC’s governing statute, deposit liabilities of a failed depository institution receive priority in the receivership claims process ahead of general creditors and behind only administrative expenses of the receiver. 12 U.S.C. § 1821(d)(11). The record establishes genuine issues of material fact that will require discovery to determine whether WMI’s pre-receivership conversion of these general ledger entries into purported “deposit” liabilities was intended to improve WMI’s position in the event of a WMB receivership and whether that accounting maneuver deprived the WMB receivership of the underlying funds that WMI now asserts in this action it should recover immediately. The substantial questions of fact surrounding these accounting entries requires that the Debtors’ motion be denied.

## **2. The \$3.67 Billion Attempted Round-Trip Transaction**

In their summary judgment motion, the Debtors contend that just days before WMB was closed, WMI instructed the Debtors’ affiant Doreen Logan “immediately” to transfer “the maximum amount of funds possible” from the 0667 account at WMB to an account at WMB’s subsidiary bank, WMBfsb. *See Logan Aff.*, ¶ 13. At the time, WMB was experiencing significant deposit outflows in the wake of the failure of Lehman Brothers on September 15,

2008; in the end, WMB had deposit outflows of \$16.7 billion over a ten-day period leading to the OTS order closing it and appointing the FDIC-Receiver.<sup>7</sup>

The Debtors claim that WMI transferred \$3.67 billion from WMB to WMBfsb in a transaction that was not completed until September 22, 2008. *Id.*, ¶¶ 21-23. According to JPMC's answer and counterclaims, no funds were actually moved as the result of the transaction. Instead, a "round-trip" transaction was entered in the accounting records under which putative deposit liabilities purportedly were moved to WMBfsb, which simultaneously loaned all of those funds back to its parent WMB. *See* JPMC Answer and Counterclaims, ¶¶ 85-99; *see also* Logan Aff., ¶ 41.

As with the nearly \$1 billion in recharacterized general ledger entries that are discussed in the preceding section, this attempted transaction has many hallmarks of a fraudulent transfer that would, if it had been successful, require the transaction to be unwound.<sup>8</sup> Significant questions of fact exist relating to *when* WMI determined to make that transfer, *who* made the decision, *why* the decision was made, *how* it was carried out, and the scope of WMI's knowledge of WMB's financial condition when the decision was made. These facts will speak directly to whether the transfer was a fraudulent attempt to position WMI to the disadvantage of the FDIC and other creditors in anticipation of a possible WMB receivership.<sup>9</sup>

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<sup>7</sup> *See* OTS Fact Sheet on Washington Mutual Bank, Sept. 25, 2008 (publicly available at <http://files.ots.treas.gov/730021.pdf>).

<sup>8</sup> As previously discussed, a separate genuine issue of material fact exists as to whether the transfer to WMBfsb was, in fact, completed at all. The account statements attached as exhibits to the Logan Affidavit suggest that the funds never left WMB.

<sup>9</sup> The transaction also raises issues under federal banking law, which requires transactions between affiliates in a bank holding company structure to be on terms as favorable to a bank as those prevailing for comparable transactions among unaffiliated entities. *See* 12 U.S.C. §§ 371c, 371c-1.

## **II. Summary Judgment Cannot Be Granted in this Highly Complex Litigation Before any Discovery Has Been Permitted**

The Debtors' motion for summary judgment motion is premature because no discovery at all has been taken in this action notwithstanding its obvious complexity and the many disputed questions of fact that plainly exist. *See Celotex*, 477 U.S. at 322 (nonmovant must have been given an "adequate time for discovery" before summary judgment can be granted); *Wanland & Assocs. v. Nortel Networks Ltd. (In re Norvergence, Inc.)*, 384 B.R. 315, 370-71 (Bankr. D.N.J. 2008).

The FDIC-Receiver only recently became a party to the action, well after the Debtors filed their motion for summary judgment. Although the Debtors assert the same claims against the FDIC-Receiver in the D.C. Action, the Debtors have opposed the FDIC-Receiver's efforts to initiate discovery in that action and have stated their intention to seek a stay of those proceedings. To date, the parties have not agreed on the method to accomplish discovery in any of these proceedings, and no discovery has been taken in any of the three actions. The FDIC-Receiver therefore respectfully joins in, and incorporates by reference, JPMC's cross motion to allow discovery and its opposition to the Debtors' summary judgment motion on this basis.



**CONCLUSION**

For the foregoing reasons, and for the reasons set forth in JPMC's submissions, the FDIC-Receiver respectfully submits that the Debtors' motion for summary judgment should be denied.

Dated: Wilmington, Delaware  
July 24, 2009

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Attorneys for the FDIC-Receiver

# **EXHIBIT C**

Presented by the Federal Election Commission

## Individual Contributions Arranged By Type, Giver, Then Recipient

### Non-Federal Receipts "Exempt From Limits"

**WASHINGTON MUTUAL,  
SEATTLE, WA 98101**

DSCC NON-FEDERAL CORPORATE

11/21/2001	25000.00	<u>21020224716</u>
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**WASHINGTON MUTUAL BANK,  
SEATTLE, WA 98101**

1997 REP S/H DINNER TRUST & INDIVIDUALS (NON-FEDERAL)

06/19/1997	10000.00	<u>97032263654</u>
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1998 REP H/S DINNER BUILDING FUND

06/10/1998	20000.00	<u>98033292309</u>
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1999 REP S/H DINNER NON-FED TRUST

05/13/1999	20000.00	<u>99034710539</u>
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2002 PRESIDENT'S DINNER - NON-FEDERAL TRUST

07/11/2002	25000.00	<u>22037892523</u>
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DCCCC NON-FEDERAL ACCOUNT #1

12/16/1999	5000.00	<u>20035123115</u>
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02/29/2000	5000.00	<u>20035423551</u>
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05/11/2001	10000.00	<u>21990376011</u>
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DCCCE NON-FEDERAL ACCOUNT #1

09/25/1998	5000.00	<u>98033794806</u>
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10/21/1998	2500.00	<u>98034024476</u>
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NRCCC - NON FEDERAL #1

11/03/1997	2000.00	<u>98032662704</u>
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02/18/1998	5000.00	<u>98032954654</u>
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03/20/1998	250.00	<u>98032954654</u>
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12/05/2001	5000.00	22990332391
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NRSC - NONFEDERAL

11/13/1997	7500.00	97020130971
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10/16/1998	15000.00	98020273479
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WASHINGTON VICTORY COMMITTEE

12/16/1999	20000.00	<b>20020080283</b>
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**WASHINGTON MUTUAL BANK,  
SEATTLE, WA 98101  
N/A**

DCCCC NON-FEDERAL ACCOUNT #1

11/16/2001	5000.00	22990300052
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05/16/2002	5000.00	22991387473
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**Total Soft Money: 192250.00**

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# **EXHIBIT D**



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- [Washington Mutual \(Recipient: David Dreier \(R\)\)](#)
- [Washington Mutual \(Recipient: Bill Thomas \(R\)\)](#)
- [Washington Mutual \(Recipient: Darlene Hooley \(D\)\)](#)
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- [Washington Mutual \(Recipient: Dave Weldon \(R\)\)](#)
- [Washington Mutual \(Recipient: Luis V. Gutierrez \(D\)\)](#)
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- [Washington Mutual \(Recipient: Ken Bentsen \(D\)\)](#)
- [Washington Mutual \(Recipient: Ruben Hinojosa \(D\)\)](#)
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