

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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<i>In re</i>		:	Chapter 11
		:	
WASHINGTON MUTUAL, INC., <u>et al.</u>, ¹		:	Case No. 08-12229 (MFW)
		:	
Debtors.		:	(Jointly Administered)
		:	
		:	Hearing Date: January 20, 2009 at 3:00 p.m. (ET)
		:	Response Deadline: January 4, 2009 at 4:00 p.m. (ET)

DEBTORS' OBJECTION TO PROOF OF CLAIM FILED BY WELLS FARGO BANK, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE (CLAIM NO. 2134)

Washington Mutual, Inc. ("WMI") and WMI Investment Corp., as debtors and debtors in possession (collectively, the "Debtors"), file this objection (this "Objection") to the proof of claim (Claim No. 2134) (the "Trustee Claim") filed by Wells Fargo Bank, National Association (the "Successor Indenture Trustee,"), as (a) successor indenture trustee under that certain indenture, dated as of April 30, 2001 (the "Base Indenture"), between WMI and The Bank of New York Mellon Trust Company, N.A ("BNY"), as initial indenture trustee (as supplemented by that certain First Supplemental Indenture, dated as of April 30, 2001, collectively with the Base Indenture, the "Indenture") and (b) successor Guarantee Trustee (the "Successor Guarantee Trustee", and together with its role as Successor Indenture Trustee, the "Trustee") under that certain Guarantee Agreement, dated as of April 30, 2001 (the "Guarantee Agreement"). This Objection is filed pursuant to section 502 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the

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



“Bankruptcy Rules”). The Debtors’ proposed order is attached hereto as Exhibit B. In support of the Objection, the Debtors respectfully represent as follows:

Jurisdiction

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On September 26, 2008 (the “Commencement Date”), each of the Debtors commenced with this Court a voluntary case pursuant to chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On October 3, 2008, the Court entered an order, pursuant to Bankruptcy Rule 1015(b), authorizing the joint administration of the Debtors’ chapter 11 cases.

WMI’s Business

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

4. Prior to the Commencement Date, WMI was a savings and loan holding company that owned Washington Mutual Bank (“WMB”) and such bank’s subsidiaries, including Washington Mutual Bank fsb (“WMBfsb”). WMI also has certain non-banking, non-debtor subsidiaries (the “Non-debtor Subsidiaries”). Like all savings and loan holding companies, WMI was subject to regulation by the Office of Thrift Supervision (the “OTS”).

WMB and WMBfsb, in turn, like all depository institutions with federal thrift charters, were subject to regulation and examination by the OTS. In addition, WMI's banking and nonbanking subsidiaries were overseen by various federal and state authorities, including the Federal Deposit Insurance Corporation ("FDIC").

5. On September 25, 2008, the Director of the OTS, by order number 2008-36, appointed the FDIC as receiver for WMB and advised that the receiver was immediately taking possession of WMB (the "Receivership"). Immediately after its appointment as receiver, the FDIC sold substantially all the assets of WMB, including the stock of WMBfsb, to JPMorgan Chase Bank, National Association ("JPMorgan Chase") pursuant to that certain Purchase and Assumption Agreement, Whole Bank, dated as of September 25, 2008 (the "Purchase Agreement").

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

The Bar Date and Schedules

7. On December 19, 2008, the Debtors filed with the Court their schedules of assets and liabilities. On January 27, 2009, and February 24, 2009, WMI filed with the Court its first and second, respectively, amended schedule of assets and liabilities (collectively, the "Schedules").

8. By order, dated January 30, 2009 (the "Bar Date Order"), the Court established March 31, 2009 (the "Bar Date") as the deadline for filing proofs of claim against the

Debtors in these chapter 11 cases. Pursuant to the Bar Date Order, each creditor, subject to certain limited exceptions, was required to file a proof of claim on or before the Bar Date.

9. In accordance with the Bar Date Order, Kurtzman Carson Consultants, LLC (“KCC”), the Debtors’ court-appointed claims and noticing agent, mailed notices of the Bar Date and proof of claim forms to, among others, all of the Debtors’ creditors and other known holders of claims as of the Commencement Date. Notice of the Bar Date also was published once in *The New York Times (National Edition)*, *The Wall Street Journal* and *The Seattle Times*.

Proofs of Claim

10. Over 3,750 proofs of claim have been filed in these chapter 11 cases. The Debtors are in the process of reviewing and reconciling the filed proofs of claim. To date, approximately 750 claims have been expunged.

The Trustee Claim

11. The Trustee Claim relates generally to obligations related to (i) the Trust Preferred Income Equity Redeemable Securities issued by the Trust (as defined below) prior to the Commencement Date and (ii) the 5.375% Junior Subordinated Deferrable Interest Debentures due July 1, 2041 (the “Debentures”) issued by WMI prior to the Commencement Date. The transaction whereby the foregoing securities were issued can generally be described as follows:

- In accordance with the Amended and Restated Declaration of Trust, dated as of April 30, 2001, by WMI, as Sponsor, BNY, as Property Trustee (the “Property Trustee”), The Bank of New York (Delaware), as Delaware Trustee, and the Administrative Trustees named therein (the “Trust Agreement”), Washington Mutual Capital Trust 2001 (the “Trust”) was established for the purpose of purchasing the Debentures.
- The Trust issued to investors Preferred Securities (as defined in the Trust Agreement), each of which represented an undivided beneficial interest in the assets of the Trust, which assets consisted solely of the Debentures. The Trust

also issued Common Securities (as defined in the Trust Agreement, and together with the Preferred Securities, the “Securities”), which were purchased by WMI. The Securities were issued at an initial purchase price of \$32.33, reflecting an original issue discount of \$17.67, as reflected in the Indenture.

- With the proceeds received by the Trust on the account of the issuance of the Securities, the Trust purchased the Debentures.
- WMI also, under certain circumstances (as further described in the Guarantee Agreement), guaranteed the Preferred Securities.²

12. On or about March 24, 2009, the Trustee timely filed a proof of claim (Claim No. 2134) against WMI on account of (i) WMI’s obligations under the Trust Agreement, the Indenture, the Guarantee Agreement and the other agreements and documents related to the issuance of the Debenture and the Securities (collectively, the “Debentures Claims”), (ii) the accrual of interest and other unliquidated damages and other obligations (the “Unliquidated Claims”), (iii) compensation to the Trustee, its agents and other Indemnified Persons (as defined in the Guarantee Agreement) for all fees and expenses incurred by Wells Fargo, its agents and other Indemnified Persons (as defined in the Guarantee Agreement) (the “Expenses Claims”), (iv) WMI’s alleged obligation to indemnify Wells Fargo and the other Indemnified Persons (the “Indemnity Claims”) and (v) any damages incurred as a result of certain alleged corporate wrongdoing (the “Fraud Claims,” and, together with the Unliquidated Claims, the Indemnity Claims and the Expenses Claims, the “Remaining Claims”).

² The guarantee issued by WMI with respect to the Preferred Securities is limited to “Guarantee Payments,” as defined in the Guarantee Agreement. Generally, Guarantee Payments, upon a voluntary or involuntary dissolution, termination and liquidation of the Trust equal the lesser of (a) the aggregate Accreted Value (as defined in the Trust Agreement, *see supra* n.4) of the Securities plus all accumulated and unpaid Distributions (as defined in the Trust Agreement) on the Securities to the date of payment, to the extent the Trust has funds legally available therefor; and (b) the amount of assets of the Trust remaining available for distribution to Holders (as defined in the Guarantee Agreement) in liquidation of the Trust. *See* Guarantee Agreement p.2-3.

13. Pursuant to the Trustee Claim, the Trustee, on behalf of itself and the holders of the Securities, asserted claims for the following amounts as allegedly due and owing as of the Commencement Date solely on account of the Debentures Claims:

<u>Issuance</u>	<u>Maturity Date</u>	<u>Claimed Principal</u> (S)	<u>Claimed Interest</u> (S)
5.375% Junior Subordinated Deferrable Interest Debentures			
Preferred Securities	May 1, 2041	1,150,000,000.00	9,443,576.39
Common Securities	May 1, 2041	35,565,000.00	292,052.87

As described further below, the foregoing amounts asserted on account of the Debentures Claims did not account for the original issue discount with which the Securities and the Debentures were issued.

Objection to the Trustee Claim

14. As noted above, the Securities and Debentures were issued at a discount to their face value – i.e., with “original issue discount.” Such original issue discount was clearly described in the prospectus distributed in connection with the issuance of the securities. The prospectus stated, in pertinent part:

The original purchase price of the units was allocated to the preferred securities and the warrants in proportion to their respective fair market value at the time of the original purchase. This allocation caused the preferred securities to have a stated redemption price at maturity greater than their issue price. **As a result, the debentures are being treated as issued with original issue discount.**

See Prospectus, Trust Preferred Income Equity Redeemable Securities, dated as of June 27, 2001, at p. 15 (emphasis added). Unamortized original issue discount is treated as unmatured interest pursuant to section 502(b)(2) of the Bankruptcy Code and, therefore, disallowed as a claim against a chapter 11 debtor. *See In re Chateaugay Corp.*, 961 F.2d 378, 380 (2nd Cir. 1992). Accordingly, pursuant to this Objection, the Debtors are seeking to (i) reduce and allow the Debentures Claims in amounts that reflect the

disallowance of unamortized original issue discount and (ii) preserve all parties' rights with respect to the Remaining Claims.

15. After accounting for the unamortized original issue discount, the Debtors are seeking to reduce and allow the Debentures Claims as follows:

<u>Notes Issuance</u>	<u>Maturity Date</u>	<u>Allowed Principal</u> (<u>\$</u>)	<u>Allowed Accrued Interest</u> ³ (<u>\$</u>)	<u>Allowed Total Amount</u> (<u>\$</u>)
5.375% Junior Subordinated Deferrable Interest Debentures				
Preferred Securities	May 1, 2041	756,230,623.24	9,443,576.39	765,674,199.63
Common Securities	May 1, 2041	23,387,254.01	292,052.86	23,679,306.87

The foregoing calculations reflect an unamortized original issue discount of approximately \$405 million calculated using the Accreted Value⁴ formula for each Security, as provided for in the Trust Agreement. The formula for Accreted Value determines the rate of the accrual of original issue discount based on a formula calculated on a quarterly bond equivalent yield basis using a 360-day year of twelve 30-day months beginning April 30, 2001 and ending on May 1, 2041 (the

³ Interest is calculated as of the Commencement Date.

⁴ Pursuant to the Trust Agreement, "Accreted Value" "means, on the date of determination:

(1) with respect to any Security, the Accreted Value of a Debenture having an aggregate principal amount equal to the aggregate stated liquidation amount of such Security; and

(2) with respect to any Debenture, the sum of:

(i) \$32.33, which is (A) the purchase price paid by the Sponsor for each Common Security and (B) the portion of the initial purchase price of a Unit that is allocated to a Preferred Security (as provided under Section 3.1 of the Unit Agreement); plus

(ii) the accrual of the Discount, calculated from April 30, 2001 to the date of determination at an all-in-yield of 8.48% per annum on a quarterly bond equivalent yield basis using a 360-day year of twelve 30-day months until such sum equal \$50 on May 2, 2041; less \$0.6719 per quarter.

The "Discount" equal the difference between the principal amount of \$50 payable in respect of such Debenture on July 1, 2041 and the initial purchase price of \$32.33."

See Trust Agreement at p.1.

maturity date of the Debentures). The Debtors determined the amount of unamortized original issue discount by applying the Accreted Value formula on a quarterly basis from the date of issuance through the last full quarterly period prior to the Commencement Date. For the gap period between the last full quarter calculation and the Commencement Date (i.e. August 1, 2008 through September 25, 2008), the Debtors employed the constant rate method of calculating original issue discount. *See Chateaugay Corp.*, 961 F.2d at 383 (holding that the constant rate method of calculating original issue discount was the proper method and that it “comports more closely than the straight line method with economic reality”). These calculations resulted in the proposed disallowance of approximately \$405 million in unamortized original issue discount. Accordingly, the Debtors respectfully request that the Court reduce and allow the Debentures Claims in the amounts as indicated above.

16. In support of the foregoing, the Debtors rely on the Declaration of Jonathan Goulding in Support of the Objection, dated as of the date hereof, and attached as Exhibit A hereto.

Reservation of Rights

17. The Debtors are expressly preserving all parties’ rights with respect to the Remaining Claims, including, without limitation, the Debtors’ rights to subsequently object to such claims on any grounds whatsoever. Due to the significant amount of unamortized original issue discount that was included in the Debentures Claims asserted in the Trustee Claim, the Debtors determined that it was important to file this Objection at this time to ensure that the claims register in these chapter 11 cases more accurately reflect the total amount of unsecured claims filed in these cases. The Debtors, however, do not intend to prejudice in any way any parties’ rights with respect to the Remaining Claims.

Notice

18. No trustee or examiner has been appointed in these chapter 11 cases.

Notice of this Objection has been provided to: (i) the United States Trustee for the District of Delaware, (ii) counsel for the Creditors' Committee, (iii) those parties entitled to receive notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002 and (iv) the Trustee. In light of the nature of the relief requested, WMI submits that no other or further notice need be provided.

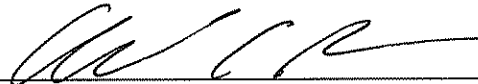
19. Pursuant to Bankruptcy Rule 3007, the Debtors have provided the Trustee with at least thirty (30) days' notice of the hearing to consider the Objection.

No Previous Request

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

WHEREFORE the Debtors respectfully request that the Court enter an order, in substantially the same form as the proposed form of order attached hereto as Exhibit "B," granting the Debtors the relief requested herein and such other and further relief as the Court deems just.

Dated: December 18, 2009
Wilmington, Delaware



Mark D. Collins (No. 2981)
Chun I. Jang (No. 4790)
Andrew C. Irgens (No. 5193)
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, DE 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

-- and --

Marcia L. Goldstein, Esq.
Brian S. Rosen, Esq.
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

ATTORNEYS TO THE DEBTORS
AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
:
In re : Chapter 11
:
WASHINGTON MUTUAL, INC., et al.,¹ : Case No. 08-12229 (MFW)
:
Debtors. : (Jointly Administered)
:
:
:
Hearing Date: January 20, 2010 at 3:00 p.m. (ET)
-----X Response Deadline: January 4, 2010 at 4:00 p.m. (ET)

NOTICE OF DEBTORS' OBJECTION TO PROOF OF CLAIM FILED BY
WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS INDENTURE TRUSTEE (CLAIM NO. 2134)

PLEASE TAKE NOTICE that on December 18, 2009, the above-captioned debtors and debtors in possession (the "Debtors") filed the *Debtors' Objection to Proof of Claim Filed by Wells Fargo Bank, National Association, As Indenture Trustee (Claim No. 2134)* (the "Objection") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that any responses to the Objection must be filed in writing with the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned counsel for the Debtors on or before **January 4, 2010 at 4:00 p.m. (ET)**.

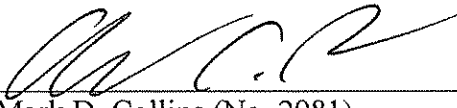
PLEASE TAKE FURTHER NOTICE that, in the event that one or more responses to the Objection are timely filed, the Objection shall be considered at a hearing before The Honorable Mary F. Walrath at the United States Bankruptcy Court for the District of

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

Delaware, 824 Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801 on **January 20, 2009 at 3:00 p.m. (ET)**.

PLEASE TAKE FURTHER NOTICE THAT IF NO RESPONSES TO THE OBJECTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: December 18, 2009
Wilmington, Delaware



Mark D. Collins (No. 2981)
Chun I. Jang (No. 4790)
Andrew C. Irgens (No. 5193)
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 N. King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

- and -

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Marcia L. Goldstein
Brian S. Rosen

*Attorneys for the Debtors and
Debtors in Possession*

EXHIBIT A
(Goulding Declaration)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
: **Chapter 11**
: **Case No. 08-12229 (MFW)**
: **(Jointly Administered)**
:
:
:
:
-----X

In re
WASHINGTON MUTUAL, INC., et al.,¹
Debtors.

**DECLARATION OF JONATHAN GOULDING IN SUPPORT OF DEBTORS’
OBJECTION TO PROOF OF CLAIM FILED BY WELLS FARGO BANK,
NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE (CLAIM NO. 2134)**

I, Jonathan Goulding, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief:

1. I am a Senior Director with Alvarez & Marsal North America, LLC (“A&M”) and a current Treasurer of both Washington Mutual, Inc. (“WMI”) and WMI Investment Corp. (“WMI Investment,” and together with WMI, the “Debtors”). By order, dated November 6, 2008 [Docket No. 246], the Debtors were, among other things, authorized to retain A&M as restructuring advisors, and to designate certain other personnel of A&M and its wholly owned subsidiaries, such as myself, to assist in the Debtors’ restructuring process. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

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

2. In my capacity as Treasurer of the Debtors, I am one of the persons responsible for overseeing the claims reconciliation and objection process in the Debtors' chapter 11 cases. The Debtors' ongoing claims reconciliation process involves the collective effort of a team of A&M and WMI employees, as well as Debtors' counsel, Weil, Gotshal & Manges LLP, and the Debtors' claims agent, Kurtzman Carson Consultants LLC.

3. I submit this Declaration in support of the *Debtors' Objection to Proof of Claim Filed By Wells Fargo Bank, National Association, as Indenture Trustee (Claim No. 2134)* (the "Claim Objection"). In preparation for filing the Claim Objection, I, along with the other members of my team, reviewed the Trustee Claim.²

Claims Objection

4. I have been advised by counsel that unamortized original issue discount is treated as unmatured interest pursuant to section 502(b)(2) of the Bankruptcy Code and, therefore, disallowed as a claim against a chapter 11 debtor. The Debtors reviewed the Trustee Claim and determined that the Trustee Claim asserted a claim for unamortized original issue discount. As a result, the Debtors are seeking to reduce and allow the Debentures Claims in the following amounts:

² Capitalized terms used, but not defined, herein shall have the meanings ascribed to such terms in the Claim Objection.

<u>Notes Issuance</u>	<u>Maturity Date</u>	<u>Allowed Principal</u> (<u>\$</u>)	<u>Allowed Accrued Interest</u> ³ (<u>\$</u>)	<u>Allowed Total Amount</u> (<u>\$</u>)
5.375% Junior Subordinated Deferrable Interest Debentures				
Preferred Securities	May 1, 2041	756,230,623.24	9,443,576.39	765,674,199.63
Common Securities	May 1, 2041	23,387,254.01	292,052.86	23,679,306.87

The foregoing calculations reflect an unamortized original issue discount of approximately \$405 million, calculated using the Accreted Value formula for each Debenture, as provided for in the Trust Agreement. The formula for Accreted Value determines the rate of the accrual of original issue discount, calculated on a quarterly bond equivalent yield basis, using a 360-day year of twelve 30-day months beginning April 30, 2001 and ending on May 1, 2041 (the maturity date of the Debentures). The Accreted Value of a Debenture is calculated by adding (i) \$32.33 (which is the portion of the initial purchase price of a Unit (as defined in the Trust Agreement) that is allocated to a Preferred Security) and (ii) accrual of the Discount (the difference between the principal amount of \$50 payable in respect of such Debenture on July 1, 2041 and the initial purchase price of \$32.33). The Debtors determined the amount of unamortized original issue discount by applying the Accreted Value formula on a quarterly basis from the date of issuance through the last full quarterly period prior to the Commencement Date. For the gap period between the last full quarter calculation and the

³ Interest is calculated as of the Commencement Date.

Commencement Date (i.e. August 1, 2008 through September 25, 2008), the Debtors employed the constant rate method of calculating original issue discount.

5. While the Debtors are seeking to reduce and allow the Debentures Claims to accurately reflect the disallowed portion of unamortized original issue discount, the Debtors are expressly reserving all parties' rights with respect to the Remaining Claims.

6. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Dated: December 18, 2009

By: 
Jonathan Goulding

EXHIBIT B
(Proposed Order)

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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

**ORDER GRANTING DEBTORS' OBJECTION
TO PROOF OF CLAIM NUMBER 2134 FILED BY
WELLS FARGO BANK, NATIONAL ASSOCIATION, AS INDENTURE TRUSTEE**

Upon the objection, dated December 18, 2009 (the "Objection"),² of Washington Mutual, Inc. ("WMI") and WMI Investment Corp. (collectively, the "Debtors"), as debtors and debtors in possession, for entry of an order reducing and allowing, in part, proof of claim 2134 ("Claim 2134"), all as more fully set forth in the Objection; and the Court having jurisdiction to consider the Objection and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Objection and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Objection having been provided to those parties identified therein, and no other or further notice being required; and the Court having determined that the relief sought in the Objection is in the best interests of the Debtors, their

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

² Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the Objection.

creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Objection is GRANTED as set forth herein; and it is further

ORDERED that Claim 2134, solely with respect to the Debentures Claims, is hereby reduced and allowed as follows:

Notes Issuance	Maturity Date	Allowed Principal (\$)	Allowed Accrued Interest³ (\$)	Allowed Total Amount (\$)
5.375% Junior Subordinated Deferrable Interest Debentures				
Preferred Securities	May 1, 2041	756,230,623.24	9,443,576.39	765,674,199.63
Common Securities	May 1, 2041	23,387,254.01	292,052.86	23,679,306.87

; and it is further

ORDERED that all parties rights with respect to the Remaining Claims are hereby expressly preserved, including, without limitation, the Debtors' rights to object to the Remaining Claims on any grounds whatsoever; and it is further

ORDERED that Kurtzman Carson Consultants, LLC, the Debtors' court-appointed claims and noticing agent, is authorized and directed to update the official claims register in these chapter 11 cases to reflect the provisions of this Order ; and it is further

³ Interest is calculated as of the Commencement Date.

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: January __, 2010
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE