

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : **Chapter 11**
:
WASHINGTON MUTUAL, INC., et al.,¹ : **Case No. 08-12229 (MFW)**
:
Debtors. : **(Jointly Administered)**
:
: **Hearing Date: January 28, 2010 at 10:30 a.m. (ET)**
-----X **Objection Deadline: January 21, 2010 at 4:00 p.m. (ET)**

**MOTION OF WASHINGTON MUTUAL, INC.
AND WMI INVESTMENT CORP. FOR AN ORDER
WAIVING CERTAIN REQUIREMENTS OF LOCAL RULE 3007-1**

Washington Mutual, Inc. ("WMI") and WMI Investment Corp. ("WMI Investment"), as debtors and debtors in possession (the "Debtors"), as and for their motion (the "Motion"), pursuant to Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), for an order waiving the requirement contained in Local Rule 3007-1(f)(ii), 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.

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.



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" or the "Bank") 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,” and the related transaction, the “Sale Transaction”).

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, the Debtors have filed nineteen (19) omnibus objections to claims and, as a result, expunged approximately 800 claims. In addition, as a direct result of the Debtors' efforts, approximately 100 claims have been withdrawn.

RELIEF REQUESTED

11. Local Rule 3007-1 applies to the filing of "omnibus objections," which are defined as any "objection to claims asserted by more than one claimant." *See* Local Rule 3007-1(a). Local Rule 3007-1(f)(ii) further provides that "[n]o more than two substantive [omnibus] Objections may be filed each calendar month, unless the Court orders otherwise." *See* Local Rule 3007-1(f)(ii). By this Motion, the Debtors respectfully request relief from Local Rule 3007-1(f)(ii) to enable them to file more than two (2) substantive omnibus objections per calendar month.

BASIS FOR RELIEF REQUESTED

12. The Debtors have been, for some time, actively engaged in the chapter 11 plan formulation process. It is the Debtors' intention to file a chapter 11 plan and solicit votes thereon within the next ninety (90) days. At this stage of the chapter 11 cases, one of the largest impediments to the Debtors' ability to propose and confirm a plan is the large number and amount of claims, including numerous unliquidated claims, filed in these chapter 11 cases. Many claims, for example, have been asserted in amounts in excess of \$1 billion. In addition, the Debtors believe that a significant number of claims that have been asserted in these cases are likely WMB liabilities and, therefore, improperly asserted against these estates. Accordingly, for

the Debtors to be able to accurately assess the universe of legitimate claims outstanding, and the distributions that will flow from any chapter 11 plan, the Debtors must actively and aggressively object to those claims that do not assert legitimate liabilities of the Debtors. Strict adherence to Local Rule 3007-1(f)(ii), however, will make the task of objecting to such claims impossible to complete in a timely manner. For example, a number of claims that have been filed against the Debtors relate to prepetition litigation involving WMB conduct, for which the Debtors believe they have no liability. Many of these litigations involve multiple plaintiffs, each of whom has filed claims against these estates. The Debtors believe the most efficient method of objecting to such claims is to object to all claims that relate to the same prepetition litigation in one objection, even though such objection may address claims filed by multiple claimants. Under the Local Rules, however, each such objection would constitute an “omnibus objection” and count against the two (2) substantive omnibus objection per month cap. Objecting to just litigation claims could, therefore, be a process that will itself take months to complete. In these cases, given their size and complexity, requiring the Debtors to strictly adhere to Local Rule 3007-1(f)(ii) could force the Debtors to delay the filing of a chapter 11 plan and any resulting distribution to creditors. The Debtors, therefore, submit that cause exists to waive the requirements of Local Rule 3007-1(f)(ii).

13. It should be noted, however, that the Debtors intend to substantially comply with all other requirements imposed by Local Rule 3007-1, including the requirement that substantive omnibus objections contain objections to no more than 150 claims. In that way, many of the claimant safeguards embodied in Local Rule 3007-1 will be preserved.

NOTICE

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


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

NO PREVIOUS REQUEST

15. 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 (a) waiving the requirements of Local Rule 3007-1(f)(ii) and (b) granting the Debtors such other relief as is just.

Dated: Wilmington, Delaware
January 8, 2010



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ATTORNEYS TO THE DEBTORS
AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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:
In re : **Chapter 11**
:
WASHINGTON MUTUAL, INC., et al.,¹ : **Case No. 08-12229 (MFW)**
:
: **(Jointly Administered)**
Debtors. :
: **Hearing Date: January 28, 2010 at 4:00 p.m. EST**
: **Objection Deadline: January 21, 2010 at 4:00 p.m. EST**
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NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that, on January 8, 2010, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the **Motion of Washington Mutual, Inc. and WMI Investment Corp. for an Order Waiving Certain Requirements of Local Rule 3007-1** (the “Motion”) 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 or objections to the Motion 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 21, 2010 at 4:00 p.m. (Eastern Standard Time)**.

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

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Court, 824 Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801 on **January 28, 2009 at 4:00 p.m. (Eastern Standard Time).**

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

Dated: January 8, 2010
Wilmington, Delaware

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Attorneys to the Debtors and Debtors in Possession

Exhibit A
(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' MOTION FOR WAIVER OF
CERTAIN REQUIREMENTS OF LOCAL RULE 3007-1**

Upon the motion, dated January 8, 2010 (the "Motion"), of Washington Mutual, Inc. ("WMI") and WMI Investment Corp. (collectively, the "Debtors"), as debtors and debtors in possession, for entry of an order waiving the requirement of Rule 3007-1(f)(ii) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion 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 Motion 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 Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion

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establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is GRANTED; and it is further

ORDERED that Local Rule 3007(f)(ii) hereby is waived in these chapter 11 cases with respect to the filing of substantive omnibus objections to claims; and it is further

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