



1. On May 11, 2010, the TPS Consortium filed its initial objection to the Motion (the “Objection”). [Docket No. 3694]. Despite revisions subsequently made to the Disclosure Statement, the concerns raised in the Objection remain substantially unresolved.

2. On May 27, 2010, the TPS Consortium sent to counsel for the Debtors a letter requesting certain changes to the Disclosure Statement. A copy of that letter is attached as Exhibit A hereto. The TPS Consortium remains hopeful the Debtors would agree to incorporate such changes.

3. In the Objection, the TPS Consortium requested authority to include in the Plan solicitation package a letter to Class 19 expressing the TPS Consortium’s concerns regarding the Plan. A copy of that proposed letter is attached as Exhibit B.

**WHEREFORE**, the TPS Consortium respectfully requests that the Court: (a) deny the Motion, and (b) grant such other and further relief as it deems just and proper.

Dated: Wilmington, Delaware  
May 28, 2010

Respectfully submitted,

**CAMPBELL & LEVINE LLC**

*/s/Kathleen Campbell Davis* \_\_\_\_\_

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# **EXHIBIT A**

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May 27, 2010

**VIA E-MAIL**

Brian S. Rosen  
 Weil Gotshal & Manges LLP  
 767 Fifth Avenue  
 New York, NY 10153

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

Dear Brian:

We have reviewed the Debtors' second amended disclosure statement (the "Disclosure Statement"), in comparison to the objection (the "Objection") of the TPS Consortium to the prior version of the Disclosure Statement. In our view, the amendments to the Disclosure Statement fail to resolve the issues raised by the Objection, and the Disclosure Statement remains deficient in significant respects.

At your invitation, we offer in this letter examples of additions to the Disclosure Statement we believe are necessary to provide "adequate information" within the meaning of Bankruptcy Code Section 1125.

<u>DS Reference/Topic</u>	<u>Requested Addition/Modification</u>
§ I.B.	In connection with the discussions regarding the "D.C. Action," the "JPMC Adversary," and the "Turnover Action," please provide disclosure regarding the amount of discovery conducted by or on behalf of the Debtors in connection with each action, including the number of depositions conducted and the amount or type of other discovery completed.

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<u>DS Reference/Topic</u>	<u>Requested Addition/Modification</u>
<p>§ I.B.2.b.</p>	<p>Please add the following language at the end of the second paragraph of Section I.B.2.b:</p> <p>The documents on which the FDIC apparently relies in asserting the existence of that commitment were not disclosed to the public at the time of the issuance of the Trust Preferred Securities or at any time prior to the seizure and sale of WMB. Parties proposed to be treated under Class 19 of the Plan have taken the position that certain third parties may have significant liability for, among other matters, the failure to disclose these documents.</p> <p>Please add the following language at the end of the third paragraph of Section § I.B.2.b:</p> <p>Throughout these cases, the Debtors have stated, in each of their monthly operating reports, that neither the Exchange Event nor its attendant transactions has been reflected on the Debtors' financial statements. By the Global Settlement, the Debtors seek to take steps necessary to consummate and/or effectuate the Exchange Event. A consortium of holders proposed to be treated under Class 19 of the Plan has raised questions, <i>inter alia</i>, as to whether the Exchange Event: (a) occurred; and/or (b) should be given effect. To the extent such holders are correct, the Trust Preferred Securities would not be part of the Debtors' estates and could not be transferred to JPMC pursuant to the Global Settlement.</p> <p>Please provide disclosure regarding the current status of the asset trust(s) associated with the Trust Preferred Securities, including current balance(s), performance of the underlying assets during the pendency of the cases, and the amount of dividends or other payments made on account of the Trust Preferred Securities during the cases.</p>

<u>DS Reference/Topic</u>	<u>Requested Addition/Modification</u>
§ I.C.	<p>Please provide additional disclosure regarding the “careful analysis” referenced in Section I.C. In particular, please provide further disclosure regarding who conducted that analysis, what was considered, and when that analysis was conducted.</p> <p>Please provide additional disclosure regarding the “substantial expense of litigating” referenced in Section I.C., including the Debtors’ estimates as to the cost of pursuing claims proposed to be compromised under the Plan and how such estimates were derived.</p> <p>Please provide additional disclosure regarding the “length of time necessary to resolve each of the issues” referenced in Section I.C., including the Debtors’ estimates as to the amount of time necessary to pursue the various actions proposed to be compromised under the Plan and how such estimates were derived.</p>
§ I.C.3.	<p>Please provide an estimate of the value of each asset proposed to be transferred to JPMC under the Plan, and a description of the methodology or process by which those values were derived.</p>
§ I.C.4.a.	<p>Please provide additional disclosure regarding the valuation of the Class B Shares of Visa Inc., including an explanation of the reasons the amount to be paid by JPMC for those shares decreased by 50% from the initially-disclosed proposed settlement.</p> <p>Please provide additional disclosure regarding the amount of liability related to the “Interchange” litigation purported to be assumed by JPMC under the Global Settlement.</p>
§ I.C.4.b.	<p>Please provide additional disclosure regarding the intercompany obligations purported to be assumed or forgiven by JPMC under the Global Settlement, including the nature and amount of such obligations.</p>



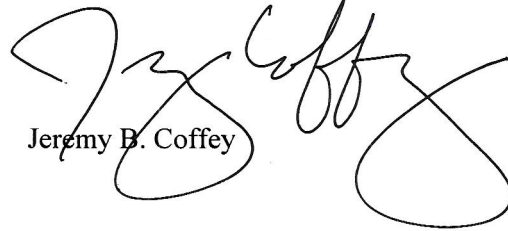
<u>DS Reference/Topic</u>	<u>Requested Addition/Modification</u>
§ I.C.4.d.	<p>Please provide an estimate of the liabilities or obligations to be assumed by JPMC related to remediation or clean-up costs and expenses associated with the BKK Litigation.</p> <p>Please provide additional disclosure regarding the nature and estimated amount of any tort liability not to be assumed by JPMC in connection with the BKK Litigation.</p>
§ I.C.4.e.	<p>Please provide, in the Disclosure Statement, disclosure regarding the dollar amount and nature of the JPMC Assumed Liabilities.</p> <p>Please provide disclosure regarding the nature and amount of any liabilities or obligations carved out of the JPMC Assumed Liabilities.</p>
§ I.C.5.	<p>Please provide disclosure as to the rights, titles or interests JPMC will sell, transfer or assign to the WMI Entities under the Global Settlement.</p> <p>Please provide disclosure as to any rights or claims proposed to be waived or released by the JPMC Entities, the FDIC Receiver or FDIC Corporate under the Global Settlement.</p>
§ I.C.5.	Please disclose the current estimated amount of the JPMC Allowed Unsecured Claim.
§ I.C.8.	Please provide disclosure as to the identities of the parties purported to have negotiated on behalf of holders of the REIT Series with respect to “Settlement with the REIT Series Holders” referenced in the Disclosure Statement, including the \$50 million payment from JPMC to Class 19 under the Plan.
§ IV.D.	Please disclose the face amount of the D&O Policies and an estimate of available coverage remaining thereunder.



<u>DS Reference/Topic</u>	<u>Requested Addition/Modification</u>
<p>Negotiation of the Global Settlement</p>	<p>Please provide disclosure of any conflicts of interest amongst professionals acting on behalf of the Debtors and other parties to the negotiation of the proposed Global Settlement or who are proposed to receive value or releases under the Plan, including JPMC, the FDIC and the OTS. Please provide information as to how (if at all) such conflicts were accounted for in the negotiation of the Global Settlement or in the formulation of the Plan.</p>
<p>Releases</p>	<p>Please provide disclosure as to the investigation or evaluation (if any) by the Debtors or their representatives of third party claims proposed to be released, enjoined or barred under the Plan.</p> <p>Please add the following language to the end of Section I.C.9:</p> <p style="padding-left: 40px;">Parties proposed to be treated under Class 19 of the Plan have indicated their intention to oppose the Debtors' efforts to impose third-party releases on members of Class 19. These parties have asserted that the proposed releases are impermissible under applicable law and beyond the jurisdiction granted to the Bankruptcy Court. Finally, these parties have taken the position that the "opt out" procedure proposed by the Debtors is inappropriate and that releases may be enforced only against stakeholders who affirmatively elect to grant such releases.</p>
<p>Additional Claims Against JPMC</p>	<p>In Section I.C. (page 8), of the original version of the Disclosure Statement, reference was made to the Debtors' "inquiry into the existence of potential additional claims and causes of action of the Debtors and the Debtors' chapter 11 estates against JPMC . . ." That reference has been stricken from the current Disclosure Statement. Please provide disclosure as to the nature of any additional claims or causes of action the Debtors determined to exist against JPMC.</p>

Again, we believe the Disclosure Statement continues to fail to provide adequate information, and the Debtors should address the above issues, among others, before distribution of the Disclosure Statement to stakeholders. To the extent the Debtors refuse to make appropriate modifications to the Disclosure Statement, the TPS Consortium will press its Objection at any resumed Disclosure Statement hearing. Please contact us with any questions regarding the above.

Very truly yours,

  
Jeremy B. Coffey

# **EXHIBIT B**

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May 28, 2010

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

To the Holders of Class 19 Interests:

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

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

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



And, the TPS Consortium believes you should also be made aware of the following issues the TPS Consortium has raised and will continue to raise in its opposition to Court-approval of the Plan:

- Prior to entering into the “global settlement,” the Debtors initiated significant litigation against, among others, JPMC, the FDIC (the agency responsible for seizing and selling Washington Mutual Bank), and the Office of Thrift Supervision (the agency responsible for regulating Washington Mutual Bank during the period in which Congress has suggested the bank was involved in fraudulent conduct and excessively risky business practices). In connection with that litigation, the Debtors represented that the claims were meritorious.
- The Debtors had conducted, in the view of the TPS Consortium, minimal (and in some cases, perhaps, no) discovery or analysis of such claims at the time the Debtors entered into the “global settlement.”
- It appears the Debtors’ attorneys responsible for negotiating the “global settlement” had potentially disabling conflicts of interest with certain parties who, under the settlement, would receive significant additional benefits, including, without limitation: (i) JPMC; (ii) Goldman, Sachs & Co.; (iii) Citigroup; (iv) Morgan Stanley; (v) the FDIC; and (vi) the Office of Thrift Supervision.
- By the “global settlement,” the Debtors seek permission to release their claims against JPMC, the FDIC, the Office of Thrift Supervision, and others. Through the Plan, the Debtors also seek an Order of the Court prohibiting you from pursuing potentially valuable claims against, among others: (i) JPMC; (ii) Goldman, Sachs & Co.; (iii) Citigroup; (iv) Morgan Stanley; (v) the FDIC; and (vi) the Office of Thrift Supervision.
- The Plan purports to allow you to “opt out” of such releases of your claims. But, the Debtors have also indicated an intent to ask the Court to ignore your exercise of such “opt out” rights, and still force you to release your claims. The TPS Consortium believes a forced release of your claims is inappropriate and contrary to applicable law.





- The TPS Consortium believes there are substantial arguments that the members of Class 19 still hold the Trust Preferred Securities, rather than preferred stock of Debtor Washington Mutual, Inc. (including that, under the operative documents and applicable law, the “Conditional Exchange” never occurred). If those arguments are successful, members of Class 19 would, potentially, be entitled to recovery of the full \$4 billion liquidation preference.
- The “global settlement” includes a distribution to members of Class 19 amounting only to approximately one and one-quarter cents on the dollar – and seeks to deliver the Trust Preferred Securities, with a \$4 billion liquidation preference, to JPMC for \$50 million in cash or JPMC stock (at JPMC’s election). The TPS Consortium believes members of Class 19 are entitled to significantly better recoveries, either from the Debtors or through the prosecution of the claims the Debtors seek to force you to release.

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jeremy B. Coffey', written over a printed name. The signature is stylized and cursive.

Jeremy B. Coffey

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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

**CERTIFICATE OF SERVICE**

I, Kathleen Campbell Davis, of Campbell & Levine, LLC, hereby certify that on May 28, 2010, I caused a copy of the foregoing *Notice of Continued Objection of the Consortium of Trust Preferred Security Holders to Debtors' Motion for Approval of Disclosure Statement for The Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of The United States Bankruptcy Code* to be served upon the individuals listed on the attached service list via First Class Mail.

Dated: May 28, 2010

/s/Kathleen Campbell Davis  
Kathleen Campbell Davis (No. 4229)



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