IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	**Chapter 11**
WASHINGTON MUTUAL, INC., et al.,[1]	:	**Case No. 08-12229 (MFW)**
	:	**(Jointly Administered)**
Debtors.	:	
	:	**Re: Docket No. 4851**

NOTICE OF FILING OF PROPOSED LETTER OF WILLIAM C. KOSTUROS AS ATTACHMENT TO THE DISCLOSURE STATEMENT FOR THE FIFTH AMENDED JOINT PLAN OF AFFILIATED DEBTORS PURSUANT CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession have filed a form of letter of William Kosturos (the "Kosturos Letter"). The Debtors propose to attach the Kosturos Letter, substantially in the form attached hereto as Exhibit A., to the *Disclosure Statement for the Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* [Docket No. 4851] (as may be amended), along with letters from other parties-in-interest, to be distributed in connection with the solicitation of the Debtors' chapter 11 plan.

[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 925 Fourth Avenue, Suite 2500, Seattle, Washington 98104.

Dated: July 20, 2010
Wilmington, Delaware

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Exhibit A

Kosturos Letter

July [__], 2010

To: Creditors and Preferred Equityholders

Enclosed is a ballot for voting and making elections with respect to the *Fifth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* (the "Plan")[1] filed by Washington Mutual, Inc. ("WMI") and WMI Investment Corp. ("WMI Investment" and together with WMI, the "Debtors"). The Debtors encourage you to vote to **ACCEPT** the Plan. It represents a compromise and settlement of many different interests and yields a tremendous – and in the Debtors' opinion the best – opportunity for recovery on claims and equity interests. The deadline for voting is **5:00 p.m. (Pacific Time) on [______], 2010**.

The Plan embodies a proposed global compromise of numerous, complex disputes among the Debtors, JPMC, the FDIC Receiver, and the FDIC Corporate, as documented in the Global Settlement Agreement. Specifically, and as set forth more fully in the Global Settlement Agreement, Plan and Disclosure Statement, consummation of the Global Settlement Agreement will result in the following:

- Turnover to the Debtors of approximately $4 billion in deposit funds, free and clear of all claims;
- Projected receipt by the Debtors of approximately $2.365 to $2.425 billion in Tax Refunds;
- Transfer to the Debtors, or clarification of ownership by the Debtors, of certain disputed assets;
- Assumption of certain liabilities by JPMC, eliminating significant claims against the Debtors' estates;
- Avoidance of termination of the Pension Plans;
- Release of claims asserted by, respectively, JPMC, the FDIC Receiver and the FDIC Corporate against the Debtors; and
- Avoidance of protracted litigation that would tie up any meaningful distribution from the Debtors' estates for years.

In summary, the Debtors estimate that the Global Settlement Agreement settles the Debtors' claims and causes of action against JPMC, the FDIC Receiver and the FDIC Corporate for $6.1 to $6.8 billion in value to the Debtors (including

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

approximately $4 billion in disputed deposits held by JPMC), resulting in approximately $7.5 billion of total proceeds available for distribution to the Debtors' stakeholders. Consequently, the Debtors project that most creditors will receive payment in full pursuant to the Plan, with holders of PIERS Claims recovering approximately eighty-eight percent (80%) of their claims.

In addition, the Plan contemplates the reorganization of the Debtors pursuant to chapter 11 of the Bankruptcy Code, and provides parties with the opportunity to receive stock, as well as purchase additional stock, of the reorganized entity. Such entity will be comprised of WMMRC, a non-debtor subsidiary engage in the business of mortgage re-insurance, and certain of the Debtors' other assets.

In the Debtors' view, the net value of the Global Settlement Agreement exceeds the Debtors' assessment of the value represented by litigating the claims and causes of action to be released by the Debtors pursuant to the Global Settlement Agreement, particularly considering the inherent uncertainty of results and the expense and delay associated with protracted litigation, including, among other things, the continued accrual of postpetition interest in the amount of approximately $30 million per month, plus administrative expenses. If the Plan is not confirmed, the Debtors anticipate being mired in years of litigation. After careful analysis of the foregoing, as well as of the merits, risks and uncertainty associated with the claims in dispute among the Debtors, JPMC, the FDIC Receiver and the FDIC Corporate, the Debtors, in the exercise of their business judgment, concluded that it is in the best interests of their stakeholders to resolve such disputes on the terms set forth in the Global Settlement Agreement and the Plan. Notably, the Global Settlement Agreement and Plan are supported by the Creditors' Committee and certain other significant creditor groups in these cases.

ACCORDINGLY, THE DEBTORS RECOMMEND THAT ALL PARTIES ENTITLED TO VOTE SUBMIT A TIMELY BALLOT VOTING TO ACCEPT THE PLAN.

Please review the attached Plan and Disclosure Statement carefully for details about voting, recoveries, the proposed reorganization, and other relevant matters.

Sincerely,

Washington Mutual, Inc., *et al.*

By: William C. Kosturos
Title: Chief Restructuring Officer