

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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In re : Chapter 11
WASHINGTON MUTUAL, INC., et al., : Case No. 08-12229 (MFW)
: :
Debtors. : :
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SECOND SUPPLEMENTAL DECLARATION OF ALVAREZ & MARSAL NORTH AMERICA, LLC IN CONNECTION WITH ITS EMPLOYMENT AND RETENTION

William C. Kosturos makes this declaration under 28 U.S.C. § 1746, and states:

1. I am a Managing Director with Alvarez & Marsal North America, LLC (together with its wholly owned subsidiaries, affiliates (which are owned by Alvarez & Marsal North America, LLC’s parent company, Alvarez & Marsal Holdings, LLC (“A&M Holdings”) and employees), agents, independent contractors, and employees, “A&M”), a restructuring advisory services firm with numerous offices throughout the world. Unless otherwise stated herein, I have personal knowledge of the facts set forth herein or have been informed of such matters by professionals of A&M. To the extent any information disclosed herein requires amendment or modification upon A&M’s completion of further review or as additional party in interest information becomes available to it, a further supplemental declaration reflecting such amended or modified information will be submitted to the Court.

2. A&M has previously submitted declarations, dated October 10, 2008 [Docket Nos. 63, 65] and October 24, 2008 [Docket No. 152] (collectively the



“Declarations”) in support of the Motion of Washington Mutual, Inc. (“WMI”) and WMI Investment Corp. (“WMI Investment”), as debtors and debtors in possession (together, the “Debtors”), pursuant to section 363 of title 11 of the United States Code (the “Bankruptcy Code”) for an order authorizing the employment of Alvarez & Marsal North America, LLC and designating William C. Kosturos as Chief Restructuring Officer *Nunc Pro Tunc* to October 2, 2008 [Docket No. 63] (the “Motion”).

3. On November 6, 2008, the United States Bankruptcy Court for the District of Delaware entered an order (the “Original Retention Order”) approving the Motion and thereby, the Debtors’ employment and retention of A&M [Docket No. 246], as amended by that certain order, dated December 30, 2008, pursuant to sections 105(a) and 363 of the Bankruptcy Code, modifying the Original Retention Order [Docket No. 519].

4. I am submitting this Second Supplemental Declaration to publicly disclose certain additional information that has become available to A&M since the filing of the Declarations.

Additional Relationships with JPMorgan Chase Bank, N.A.

5. JPMorgan Chase Bank, N.A. (“JPMC”) together with certain of its affiliates (collectively, “JPM”) and Wells Fargo Bank, National Association (“WFBNA”) together with certain of its affiliates (collectively, “Wells Fargo”) are significant interested parties in the Debtors’ chapter 11 cases. In addition to other matters involving the Debtors and JPM, I had the lead role, on behalf of the Debtors, in settlement negotiations with JPM, culminating in that certain Settlement Agreement, dated as of May 21, 2010, by and among the Debtors, JPMC, on behalf of itself and related entities, the Federal Deposit Insurance Corporation, as receiver for Washington Mutual Bank, and in its corporate

capacity, the official committee of unsecured creditors appointed in the Debtors' chapter 11 cases and certain holders of WMI's indebtedness (as amended, modified, supplemented or restated prior to the date hereof, the "Settlement Agreement"), which proposed Settlement Agreement is the foundation for the *Debtors' Sixth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated October 6, 2010 (as it may be modified, the "Plan"). In addition, Wells Fargo is the indenture trustee for the PIERS Claims (as defined in the Plan) and sits on the official committee of unsecured creditors appointed in the Debtors' chapter 11 cases.

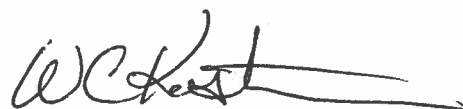
6. Under certain proposed credit facilities for A&M Holdings (the "Credit Facilities"): WFBNA and JPMC have agreed to act as co-lead banks (the "Lead Banks"); Wells Fargo Securities, LLC and J.P. Morgan Securities LLC have agreed to act as co-lead arrangers; WFBNA has agreed to act as administrative agent; JPMC has agreed to act as syndication agent; and each of the Lead Banks have agreed to provide financing. In addition to the Lead Banks' receipt of interest in their capacity as lenders under the Credit Facilities, Wells Fargo and JPM will be entitled to certain customary and negotiated fees and the reimbursement of expenses in connection with their roles under the Credit Facilities. No persons involved in providing services to the Debtors have participated in the negotiation of the terms of the Credit Facilities with Wells Fargo or JPM. A&M Holdings believes that the terms of the Credit Facilities have been negotiated at arm's-length and represent market terms. A&M Holdings' discussions with JPM regarding the Credit Facilities commenced well after the initial signing of the Settlement Agreement and neither I nor any other A&M personnel providing services to

the Debtors are, have been or will be involved in A&M Holdings' negotiations, decisions or discussions relating thereto.

7. A&M does not believe that any of the additional disclosures described above create conflicts of interest regarding the Debtors or their chapter 11 cases. A&M continues to believe that it is "disinterested" within the meaning of the term as it is used in section 101(14) of the Bankruptcy Code.

I declare under penalty of perjury that, to the best of my knowledge, and after reasonable inquiry, the foregoing is true and correct.

Dated: November 18, 2010



William C. Kosturos, Managing Director