

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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: Chapter 11
In re :
: Case No. 08-12229 (MFW)
WASHINGTON MUTUAL, INC., et al.,¹ :
: (Jointly Administered)
Debtors. :
: Re: Docket Nos. 2574, 3164, 3700, 3737, & ~~6680~~
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**ORDER APPROVING STIPULATION BETWEEN
CLAIMANTS CREDIT SUISSE SECURITIES (USA) LLC, GOLDMAN,
SACHS & CO., AND MORGAN STANLEY & CO., INC., AND THE DEBTORS
RESOLVING THE TWENTY-NINTH OMNIBUS (SUBSTANTIVE) OBJECTION
TO CLAIMS PURSUANT TO SECTION 510(b) OF THE BANKRUPTCY CODE**

Upon consideration of the *Stipulation Between Claimants Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., and Morgan Stanley & Co., Inc., and the Debtors Resolving the Twenty-Ninth Omnibus (Substantive) Objection to Claims Pursuant to Section 510(b) of the Bankruptcy Code* (the "Stipulation"); and after due deliberation; and it appearing that sufficient cause exists for granting the relief requested by the parties; it is hereby

ORDERED that the Stipulation, attached hereto as Exhibit A, is approved; and it is further

ORDERED that this Court shall retain jurisdiction to settle any disputes concerning the Stipulation and to interpret and enforce the provisions of the Stipulation and this Order.

Dated: February 4, 2011
Wilmington, Delaware


HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

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, Seattle, Washington 98104.



Exhibit A

UNITED STATES BANKRUPTCY COURT
FOR THE 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)
	:	
	X	

**STIPULATION BETWEEN CLAIMANTS CREDIT SUISSE
SECURITIES (USA) LLC, GOLDMAN, SACHS & CO.,
AND MORGAN STANLEY & CO., INC., AND THE DEBTORS
RESOLVING THE TWENTY-NINTH OMNIBUS (SUBSTANTIVE) OBJECTION
TO CLAIMS PURSUANT TO SECTION 510(b) OF THE BANKRUPTCY CODE**

Washington Mutual, Inc., as debtor and debtor in possession ("WMI" and, together with WMI Investment Corp., the "Debtors"), and Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., and Morgan Stanley & Co., Inc. , as representatives of the Underwriting Syndicates for certain issuances of public debt and equity securities of WMI ("Claimants," and, together with WMI, the "Parties"), by and through their undersigned counsel, hereby enter into this stipulation (the "Stipulation"), and agree as follows:

RECITALS

A. On September 26, 2008 (the "Commencement Date"), each of the Debtors commenced a case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

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, Seattle, Washington 98104.

B. As of the date hereof, the Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

C. On October 3, 2008, the Bankruptcy Court entered an order pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") authorizing the joint administration of the Debtors' chapter 11 cases.

D. On or about March 30, 2009 and October 29, 2009, Claimants filed four proofs of claim against WMI and its chapter 11 estate, as representatives of the Underwriting Syndicates of certain issuances of public debt and equity securities of WMI as more further described in the proofs of claim. These claims were assigned claim numbers 2569 ("Claim 2569"), 2584 ("Claim 2584"), 2909 ("Claim 2909"), and 3794 ("Claim 3794"), such claims having been supplemented by claim numbers 3938 ("Claim 3938"), 3937 ("Claim 3937"), 3935 ("Claim 3935"), and 3936 ("Claim 3936"), respectively (collectively, and as may be supplemented or amended, the "Claims") for defense costs allegedly incurred in connection with the consolidated multidistrict securities litigation pending against Claimants (and numerous other defendants) in the United States District Court for the Western District of Washington, captioned In re Washington Mutual, Inc. Securities, Derivative & ERISA Litigation., Case No. 2:08-md-1919 (W.D. Wash.) (MJP) (the "Securities Litigation"), asserting, *inter alia*, claims for alleged violations of the federal securities laws. By their Claims, Claimants contend that WMI is obligated to reimburse and indemnify Claimants, and the Underwriting Syndicates represented by the Claimants, for attorneys' fees, costs and expenses in defending the Securities Litigation, as well as any settlement or judgment amounts, incurred pursuant to certain underwriting agreements executed

between Claimants and WMI in 2006 and 2007. Since the filing of the Claims, Claimants have continued to incur additional fees, costs and expenses in defense of the Securities Litigation.

E. On March 19, 2010, the Debtors filed the *Debtors' Twenty-Ninth (Substantive) Objection to Claims Filed by Morgan Stanley & Co, Inc., Goldman, Sachs & Co., and Credit Suisse Securities (USA) LLC (Claim Nos. 2584, 2909 and 3794) Pursuant to Section 510(b) of the Bankruptcy Code* [Docket No. 2574], pursuant to which the Debtors objected to Claim 2584, Claim 2909, and Claim 3794 on the ground that each such Claim is subject to mandatory subordination pursuant to section 510(b) of the Bankruptcy Code (the "Twenty-Ninth Claims Objection"). On May 11, 2010, the Court entered an order approving a stipulation between the Debtors and Morgan Stanley & Co., Inc. pursuant to which it was agreed that Claim 2569 was subject to the Twenty-Ninth Claims Objection.

F. On April 9, 2010, Claimants filed their Response to the Twenty-Ninth Claims Objection (the "Response") [Docket No. 3164], pursuant to which Claimants disputed that the Claims are subject to mandatory subordination pursuant to section 510(b) of the Bankruptcy Code.

G. On May 14, 2010, the Debtors filed their Reply to the Response [Docket No. 3737].

H. A hearing to consider the Twenty-Ninth Claims Objection was scheduled for December 17, 2010. Prior to the hearing, the Debtors and Claimants, after good-faith arms' length negotiations, have agreed to resolve the matter.

NOW, THEREFORE, IT IS HEREBY AGREED by and among the Debtors and Claimants as follows:

AGREEMENT

1. Each of the Recitals shall be incorporated herein as part of this Stipulation and Order. The Stipulation shall not become effective unless and until it is approved by order of the Court (the "Effective Date"). The Parties agree to file this Stipulation with the Court promptly, and, if not approved prior thereto, present this Stipulation to the Court for its approval at the next available hearing date.

2. Upon the Effective Date, Claimants, in the aggregate, shall be afforded an allowed general unsecured claim in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "Allowed General Unsecured Claims"). The Allowed General Unsecured Claim shall be classified in Class 12 pursuant to the Sixth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, dated October 6, 2010 (as such has, and may be further amended, the "Plan").

3. Upon the Effective Date, the remainder of the Claims shall be subordinated and be classified as a claim or equity interest against or in the Debtors, as the case may be (the "Subordinated Claim"). Claim Nos 2584, 3794, 3937, and 3936 (each as may be supplemented or amended) shall be classified in Class 18 of the Plan, and Claim Nos. 2909, 2569, 3935, and 3938 (each as may be supplemented or amended) shall be classified in Class 20 of the Plan.

4. Any payment to Claimants in respect of the Allowed General Unsecured Claim or the Subordinated Claims shall be made to Gibson, Dunn & Crutcher LLP, as counsel of record for Claimants, at the address set forth in the signature block below.

5. The Parties agree that the Subordinated Claims shall not be allowed by any operation of this Agreement, nor shall anything in this Agreement prejudice the rights of

Claimants with respect to the Subordinated Claims, except for the agreement to subordinate and classify as provided herein. The Debtors reserve their rights to object to the Subordinated Claims on any grounds, and the Claimants reserve all of their rights in connection with the Subordinated Claims.

6. Upon the Effective Date, Kurtzman Carson Consultants, LLC, the Debtors' court-appointed claims and noticing agent, shall be authorized and directed to reflect the Allowed General Unsecured Claim and the Subordinated Claims in the official claims register in these chapter 11 cases. The Debtors shall create a reserve for distribution for the Subordinated Claims in the same manner as, and to the extent, it reserves for other claims in Classes 18 and 20 of the Plan.

7. This Stipulation contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto. This Stipulation is subject to approval of the Bankruptcy Court and shall be of no force and effect unless and until it is approved.

8. Each person who executes this Stipulation represents that he or she is duly authorized to execute this Stipulation on behalf of the respective Parties hereto and that each such party has full knowledge and has consented to this Stipulation.

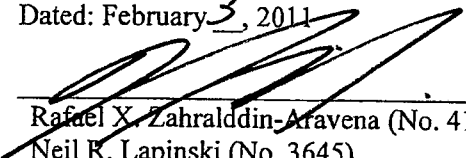
9. This Stipulation shall be binding upon and inure to the benefit of the Debtors, their chapter 11 estates, Claimants, and their respective successors and assigns, including, without limitation, any chapter 11 trustee, chapter 7 trustee, liquidating trustee, or any other successor in interest to the Debtors or their chapter 11 estates.

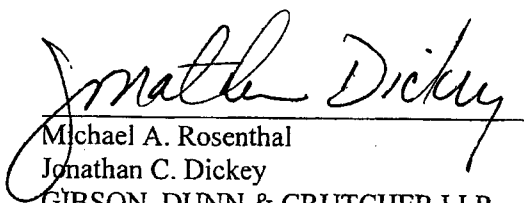
10. This Stipulation may not be modified other than by a signed writing executed by the Parties hereto or by further order of the Bankruptcy Court. This Stipulation may

be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document

11. The Bankruptcy Court shall have sole and exclusive jurisdiction to hear disputes related to this Stipulation.

Dated: February 3, 2011


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