March 7, 2010

Honorable Mary F. Walrath

United States Bankruptcy Court

District of Delaware

824 Market Street 5th Floor

Wilmington, DE 19801

RE: Washington Mutual Inc., et al Case # 08-12229 (MFW) (Jointly Administered)

UNITED INTERNATIONAL EQUITY MEMBERS OBJECTION TO THE GLOBAL SETTLEMENT AGREEMENT EXHIBIT H. AS PART AND PARCEL TO THE MODIFIED SIXTH AMENDED JOINT PLAN OF AFFILIATED DEBTORS PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

Your Honor, this letter will touch on several subjects of the "fair and reasonable" ruling the court reached on the Global Settlement Agreement as detailed in the court's opinion Docket # 6528 dated Jan 7, 2011 and request the court reconsider its decision based on the evidentiary rulings highlighted and disclosed below.

Deposit Accounts "Turnover Action" ***Adversary case 09-50934***

This Opinion constitutes the findings of fact and conclusions of law of the Court pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure, which is made applicable to contested matters by Rule 9014 of the Federal Rules of Bankruptcy Procedure.

This case is centered around these deposit accounts and the fact that the debtors are settling their claims for return of the deposits should and will be a turning point in this case. The FDIC has come into this courtroom and leveraged it with seizure of WMI deposit funds under section 9.5 of the Purchase and Assumption Agreement (P&A), when it does not have legal right to the funds. The FDIC was given 1.9 Billion by JPMC for the sale of WMB and WMBfsb to JPMC, the funds are sitting in an escrow account and now the FDIC is here with its hand out to take funds from the estate that should be flowed down to the holding company's creditors and equity interests and not their true client, the WMB creditors. A recent ruling helps this court solidify the case that the FDIC on behalf of JPMC does not have legal right to the funds and force the

debtors or this court into a cumbersome contract that will essentially finish the liquidation of the estate in theirs and JPMC's favor.

Case in point: In the 11th Circuit Southern District Alabama Bankruptcy Court Case No. 09-32303-(DHW) (Bankr.M.D. Ala. Jan. 24, 2011),, Holding company Colonial Bancgroup herein referred to as CBG had over 900 Million in deposits on account at its subsidiary bank Colonial Bank. It is common practice for a holding company to keep its funds in a subsidiary bank and the CBG Holdco was not any different in practices than WMI. CBG entered into a Memorandum of Understanding (MOU) with the Alabama Bank Authority which required CBG to raise and inject capital into its banks and when it was unable to raise the required capital, they were seized and the FDIC Receiver sold their banks to BB&T. The CBG deal was not as lucrative for the FDIC as the WMI deal. The FDIC was trying to lay claim to the 900 Million in deposits that were not carved out of the deal when they sold the banks to BB&T. In reference, the FDIC is also trying to lay claim to the more than 4.4 Billion in deposits that were not carved out in the WMB banks, now Chase in this courtroom otherwise known as the "turnover action."

Chase, like BB&T sends a statement to WMI every month detailing the account balances, transactions and interest payments. The FDIC receives a deposit premium for these deposits which are wholly owned by WMI. The same scenario happened at CBG. The CBG case is administered by Judge Dwight Williams Jr. In the CBG court the FDIC was doing the exact thing it is trying to do here which is leverage this court with claims of setoff or seizure of deposit funds under section 9.5 of the P&A. Judge Williams ruled the FDIC does not have the right to setoff the funds of a holding company for losses in a seizure of a subsidiary bank. The FDIC argued that it had a right of setoff because either (1) BB&T did not assume CBG accounts under the P&A agreement (because the FDIC did not intend for those accounts to be part and parcel of the sale), or (2) even if BB&T had assumed the accounts, the FDIC has the right to claw back the deposits under section 9.5 of the P&A agreement, thereby creating mutuality and a right of setoff. The CBG court disagreed While the court recognized that the FDIC did have the statutory right under 12 U.S.C. § 1822(d) to offset mutual debt, the debt in question was

assumed by BB&T when the P&A agreement was signed, and at that time mutuality ceased to exist.

Thus, the Bankruptcy Court held that the FDIC did not have a right to setoff because there was a lack of mutuality as between the FDIC and CBG, as BB&T, and not the FDIC, was liable on the accounts to CBG. Second, the Bankruptcy Court also rejected the FDIC's attempt to utilize section 9.5 of the P&A agreement to allow for post petition assumption of the deposits so as to create a prepetition setoff right. While not unsympathetic to the speed under which the FDIC must operate to ensure "seamless operation of the banking system and the confidence of the general public," the court held that the optionality provided by the clawback provision ended when the bankruptcy of CBG intervened. Once CBG filed for chapter 11, "the FDIC could not, within this universe of time and space, transform its post petition assumption of the accounts into a prepetition debt." In other words, once CBG filed for chapter 11, the FDIC's clawback rights under the P&A could not be used to create a right of setoff. [1] FDIC has vowed to appeal Judge Williams ruling.

We request this court to require the FDIC to publicly file a monetary claim (not unliquidated) that details what legal precedence they stand on and what statute of the bankruptcy code allows them to jump ahead of other creditors and for whom. If the FDIC has publicly filed and stated the WAMU transaction was seamless and did not cost the deposit fund "one dime" or as they like to say a "zero cost resolution" then they should not be able to setoff any amount of funds from the holding companies deposits.

Claim to Tax Refunds

The FDIC is trying to lay claim to the tax refunds that were refunded to WMI for the previous years of tax loss. FDIC and JPM both asked this court to add their names to the escrow account where the tax refunds are currently being held. Debtors agreed with this request, so the court

[1] http://business-finance-restructuring.weil.com/setoffs/step-off-colonial-bancgroup-bankruptcy-court-rejects-fdic-setoff-attempt/

obliged them. FDIC Receiver legally does not have any rights to the tax refunds and instead of fighting a supposedly strong winnable argument for the estate, the debtors are using this money as a gift to FDIC and JPMC in the GSA.

We request the court revisit this argument, because of a recent ruling in 10th Circuit Kansas Bankruptcy Court administered by Judge Nugent. The FDIC was trying to use its supposed setoff rights against the tax refunds of the Team Financial case # Case 09-05084 herein referred to as the Team court. The FDIC asked the court for a Summary Judgement (SJ) contending that the tax refund is not property of the bankruptcy estates of these debtor bank holding companies, but rather should be paid to the FDIC as receiver as the separate property of the failed banks. The FDIC in the Team court was trying to setoff or seize the tax refunds of a holding company using the bankruptcy court as leverage against the holding company. Team Financial as the parent had a tax sharing agreement with its subsidiary banks to file one consolidated tax return for all. WMI had a tax sharing agreement with its subs to file one consolidated tax refund that covered all. The Team court ruled that since there was a valid tax sharing agreement between the parent and its subsidiary banks, the tax refunds belonged to the parent as the filer of the taxes. The IRS refunded the taxes paid to the holding company and the FDIC was trying to confiscate the refunds. Judge Nugent rejected this action by stating "In short, the TAA creates "ordinary contractual obligations" between Team and the members with respect to tax liability and tax refunds. Team is indebted to members of the group with respect to tax overpayments and tax refunds in those amounts specified under the TAA. As such, the relationship between Team and its members with respect to the tax refund is that of debtor and creditor. TeamBank and CNB may assert a claim against the estate for Team's payment obligation under the TAA, but the tax refund is property of the estate.[2]

In our case the debtors have publicly stated the following: "Conversely, the Debtors believe that the Tax Sharing Agreement and the reimbursement methodology therein established a

[2] http://www.ksb.uscourts.gov/index.php?option=com_content&view=article&id=898%3A09-05084-team-financial-inc-et-al-v-fdic-et-al-doc--53&catid=40%3Ajudge-nugent-opinions&Itemid=52&showall=1

debtor-creditor relationship and accordingly, that all Tax Refunds related to taxes that WMI paid for the Tax Group belong to WMI, regardless of which entity's operating income, losses and/or other tax attributes the Tax Refunds could be attributed to."

JPMC is receiving a total payout of an undisclosed amount to release the supposed and convoluted claims it states it has against the estate. The Debtors believe that WMI is entitled to substantial tax refunds arising from the resolution of certain tax matters. In addition, the Debtors estimate that, as of December 31, 2008, the Tax Group incurred NOLs for federal income tax purposes in excess of $25 billion. The NOLs are valuable assets as they can be carried back against the federal taxable income of the Tax Group for prior years, allowing the Tax Group to reduce any federal income tax liabilities determined to be owing and to recover federal income taxes paid in those earlier years. Prior to enactment of the Worker, Homeownership, and Business Assistance Act (previously defined as the "Act") on November 9, 2009, corporate taxpayers could generally carry back NOLs only to the two preceding taxable years. The Act permits corporate taxpayers, subject to certain limitations, a one-time election to extend the NOL carryback period from two years to up to five years (with the fifth year limited to half of that year's taxable income). As permitted, WMI filed refund claims based on a five-year carryback of the Tax Group's 2008 NOL.

As indicated above, WMI believes that the Tax Group is entitled to federal and state Tax Refunds, net of tax payments estimated to be owed to taxing authorities, of approximately $5.5 to $5.8 billion in taxes, including interest through a projected future date of receipt. Over 85% of this amount reflects the claimed federal income tax refunds, the majority of which are projected to be received within one year. As discussed above, there are competing ownership claims to the Tax Refunds, which will be resolved pursuant to the Global Settlement Agreement.

WMI (not the FDIC) owns 100% of the stock of WMB, this stock ownership gives the corporation the legal right of ownership and therefore legal right to all tax refunds of WMB. It could be argued, if JPMC had bought the stock of WMB in the transaction, then it may have a legal right to the tax refunds.

President Obama signed the Worker, Homeownership, and Business Assistance Act of 2009 (WHBA Act) on November 6, 2009[3] under this law, banks that received TARP funds are not entitled to NOLS refunds, but JPM's argument is that WMB is entitled to the refund, and that JPM acquired the assets of WMB, so that the refunds should therefore be viewed as part of an acquired assets rather than as a direct IRS refund to a TARP recipient bank.. Applying the Team court's ruling to the FDIC's contrived claim to the tax refunds will allow this court the legal avenue to discard the FDIC and JPMC legal assertions.

In this statement of **Causes and Current State of the Financial Crisis before the Financial Crisis Inquiry Commission on Jan 14, 2010**,[4] FDIC Chairwoman Sheila Bair stated, "By 2007, banking regulators had come to understand that they did not have the proper tools to wind down a large complex non-depository institution without causing disruptions to the broader financial markets. As a result, the government was forced to rely on ad hoc measures involving government support to stabilize the situation.

An exception was the Fall 2008 resolution of the $300 billion savings bank Washington Mutual (WAMU), which the FDIC was able to resolve without disruption and without cost to the government. We were able to use existing regulatory authorities because the vast majority of WAMU's operations resided within the insured depository. The WAMU resolution—with a private sector acquirer—reflected an effective bidding process and regulatory action that facilitated a closing while the institution still had value that exceeded its insured deposit liabilities. While creditors and bondholders were treated as mandated by statute, it was a seamless transition for depositors and other bank customers. As evidenced by the orderly resolution.

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[3] http://www.bracewellgiuliani.com/index.cfm/fa/news.advisory/item/4ff601d0-4110-401a-8e3d-32abfb3b5082/Obama_Signs_Bill_Expanding_the_Corporate_Net_Operating_Loss_Carry_Back.cfm

[4] http://www.fdic.gov/news/news/speeches/chairman/spjan1410.html

In a separate statement to the FCIC JPM CEO Jamie Dimon stated ""he would have only bid $1 for the failing Seattle-based thrift instead of nearly $2 billion had he known no one else was bidding."[5] In her statement FDIC Bair stated "effective bidding process" this is impossible when you have only one bidder, JPMC. What Chairwoman Bair is forgetting to tell the committee is the language of their charter does not allow the FDIC to take less than liquidation value for banks they are in charge of. It requires them to maximize the value of a receivership. In this case, if WMI did not get enough money for the assets seized and transferred to JPM (minus liabilites), then FDIC is liable to WMI for up to the liquidation value (which can often be less than fair market value) of the assets minus liabilities. The Equity Committee has used "30 Billion" as the amount they feel this estate was worth at time of seizure.

[5] http://www.housingwire.com/2011/01/28/second-guessing-the-wamu-seizure-and-sale-fcic-report

12 U.S.C. 1821(i)(2): Maximum liability

> "The maximum liability of the Corporation, acting as receiver or in any other capacity, to any person having a claim against the receiver or the insured depository institution for which such receiver is appointed shall equal the amount such claimant would have received if the Corporation had liquidated the assets and liabilities of such institution without exercising the Corporation's authority under subsection (n) of this section or section 1823 of this title."

This would only be applicable if the FDIC had set up a bridge bank, which they did not and the court has ruled FIRREA does not apply. We feel this court should consider the causes of action and legitimacy of the purported 54 Billion amassed claims that JPM and FDIC drawn up against the estate and order them to structurally prove to the court they have a legitimate claim to the remaining estate funds as secured creditors instead of by cause of miracle "unsecured creditors." The idea that the estate does not have the legal willpower to uphold the fiduciary duty of maximizing the estates assets for all creditors and shareholders should not be a reason for this court to allow the FDIC/JPMC to further use the system for an ill-gotten gain over and above the current ones that have been bolstering their [JPMC] balance sheet and allowing value and dividends to flow to their shareholders. They like other litigants should be required to meet the "lowest point in the range of reasonableness" when they walk into Your Honor's courtroom and advocate for a settlement that favors the two parties that put WMI here. By applying the court rulings stated above, the FDIC legally should not be placed as a secured creditor in the distribution of funds within the estate.

Viability of FDIC/JPMC Claims

FDIC tried to force a sale of Wachovia to Citi (who was insolvent at the time) for a paltry 2 Billion (Judge Collyer alluded to the Wachovia deal in her questioning of attorney Clarke for the FDIC)[6], Wells Fargo used the judicial process over the objections of the FDIC to buy the banks

[6] THE COURT: Okay. The reason that I inquire is because of the Wachovia story which naturally is front and center in part of the argument presented by WMI, that the FDIC was ready to sell Wachovia for much less than Wells Fargo I think ultimately paid. So who is responsible for the loss of that kind of decision process? Case # ConsolidatedC.A. No.1 :09-cv-

for 15 Billion "*all stock*" transaction. Unfortunately the leaders and BOD WAMU may not have received the appropriate legal advice when it came to contesting the seizure and sale of WMB and WMBfsb. Original Bankruptcy petition of WMI has assets of 32 Billion versus liabilities of 8 Billion, yet WMI still filed a petition for Bankruptcy under Chapter 11, instead of contesting the seizure and sale of WMB and WMBfsb in DC. This should make the court question the actions and advice of the Debtors Legal Counsel in the Board Room.

Case in Point: In the United Western Bancorp (UWBK) recent filing in Case # 1:11-cv-00408 United States District Court for the District of Columbia[7] UWBK is suing the FDIC and OTS for illegally prematurely seizing their banks. The lawsuit seeks to remove the FDIC as United Western's receiver and to regain ownership of the bank.

The Company believes that the seizure of a Bank with a reported total risk-based capital ratio of 7.8 percent and a pending recapitalization is unprecedented. If the standard applied by the OTS to United Western Bank was uniformly applied to banks across the country, a significant number of those banks would be subject to immediate seizure. The majority of the institutions closed by the OTS in 2009 and 2010 were critically undercapitalized, meaning that the ratio of tangible equity to total assets was less than 2 percent. A number of these institutions were insolvent; for example, one of these institutions had a core capital ratio of negative 7.11 percent and a total risk-based capital ratio of negative 7.36 percent.

The Company's research suggests the OTS has not accepted any Capital Restoration Plan (CRP) submitted to it during this financial crisis. Instead, the OTS appears to reject CRPs as a matter of course, regardless of merit, and then asserts that the failure to submit an acceptable CRP is grounds for receivership. The rejection of the Bank's CRP was part of this unreasonable pattern by the OTS. [8]

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[7] 0615 (GMS) United States Court for the District of Columbia Collyer.

http://www.courthousenews.com/2011/02/23/BankvFDIC.pdf

[8] http://www.businesswire.com/news/home/20110218006170/en/United-Western-Bancorp-Announces-filed-Complaint-Federal

The plaintiffs' attorney said the suit is a line in the sand against regulators who have become overzealous in the wake of the crisis and are closing banks too hastily. "We're in a period of time when the regulators are sometimes moving too quickly to seize banks, and once they decide that that's what they want to do, they're working to create a record to close banks rather than working with community banks to try to enable them to succeed," said Andrew Sandler, a partner in BuckleySandler LLP who represents the former thrift's management. "This is an extreme case of that, but it's not the only case. " The lawsuit, Sandler added, "may be helpful in creating a course correction."[9]

Yes... course correction of how the OTS and FDIC have operated throughout this crisis would be unprecedented and will take an extreme amount of time, patience and resources. Forcing the Federal Government FDIC/OTS to reverse course will not be easy, but it should be the road this case should travel down.

We ask Your Honor to find the patience and judicial resolve to delve deeply into why the BOD did not contest the seizure and accept well below liquidation sale of their banks to JPMC. You may find the BOD of WMI is not acting in the best interests of its shareholders when approving a GSA that gifts a large percentage of the WMI estate to JPMC and FDIC, when the claims against it [WMI Estate] may not have legal merit and standing. We address this at the end of this filing. FDIC Receiver failed to get fair market value or at the very least *"liquidation value"* for the banks. WAMU was a 110 year-old institution with over 307 Billion in assets and the best the FDIC could do was 1.9 Billion. The Financial crisis has revealed that this course of action seems to be the "modus operandi" when it comes to protecting the deposit fund with quick and reckless asset dissipation of seized well-capitalized banks and holding companies.

The FDIC has said a liquidity crisis caused WAMU to be seized and sold to a more stable bank, the FDIC cites the over 16 Billion bank run on WAMU between Sept 15- 22. The court may not be aware, but it is rumored that over 50% of the deposits that were part of this number were over 4 Billion being moved by the holding company (its own money "Logan Deposition") and over 4 Billion that was required by FHLB of Seattle and San Francisco (Federal Reserve) to be moved out of the banks by Sept 24, 2008. It should be suspect to the court that the reason behind the seizure is not strong; a large percentage of the bank run may have been internal.

[9] http://www.buckleysandler.com/infobytes/news/shut_down_by_regulators_and_seeking_to_reopen_thrifts_managers_sue_fdic_ots/

Further evidence and discovery will be necessary to prove this allegation. We ask the court to request a detailed list of deposit withdrawals and money moved for this time period, if the FDIC is going to state "liquidity crisis" then they should be required to prove it was retail rather than institutional accounts that were being withdrawn from. The FDIC has said "Wamu was not a well-run bank" but Chairman Ben Bernanke of the Federal Reserve has publicly stated "12 of the 13 largest banks in the country were in trouble."[10] This statement should hold weight with this court and give it pause to approve a settlement that gifts away estate assets to the two entities that benefited the most from the seizure and sale. As Kerry Killinger CEO of WMI has publicly said "JPM was too clubby to fail and WAMU was not." He has a point, if the government played favorites in the financial crisis and used it as a tool to consolidate the banking industry then this court should not let the FDIC off the hook without a complete investigation. It was our impression the examiner was supposed to perform this task as part of the work plan, but failed to complete it or discuss it for the court. This part of this case is a very important one and should not be discarded as hearsay. The UWBK case should serve as a reference point for this court to delve into the actions of the regulators and consider if it believes a "course correction" is warranted in this case. The court should question these [OTS/FDIC] actions and not discard them because of a supposed "run on the bank."

JPM Contribution to the Estate

What JPM is failing to mark to the court is the deal for WMB and WMBfsb was such a positive outcome for them, that they had to declare Negative Goodwill in the amount of 1.9 Billion highlighted on their 2008 and 2009 10-k. The fact that the accountants within the glass house walls of JPMC had to publicly declare a positive outcome from the WAMU seizure and sale, should be enough for the estate to require them to litigate their claims in an open court forum. In every deal there is always a give and take, except for in this instance, JPMC and FDIC are taking and WMI is once again giving at the expense of the true owners of the company "its shareholders." Jamie Dimon CEO JPM, stated he could have bought WAMU for $1, when you take into account the assets JPMC is getting as part of the GSA, DS and POR, along with the tax

[10] http://www.cnbc.com/id/41298075/All_But_One_Major_Firm_at_Risk_in_2008_Bernanke

refunds that are flowing their way, coupled with the extraordinary gain, JPMC is being paid to take the estates assets, this should be fully and grossly investigated. WMI should not be liable or held to account in violation of the corporate veil for the liabilities of WMB the FDIC should have, but did not make JPMC assume. The secrecy in this case needs some "sunlight" directly on it. Investments do have risks and inherent risks are part of investing in a holding company, but when a shareholder is unfairly subjected to a portfolio killing machine such as the lethal combination of JPMC and FDIC, it changes the financial landscape in such a way that sets a new path forward in the cautionary purchase of bank stocks. JPMC is unjustly reaping untold billions in profits just from the WAMU acquisition as told by their CEO Jamie Dimon in his annual 2009 letter to shareholders[11] *Our revenue this year was a record $100 billion, up from $67 billion in 2008. The large increase in revenue was due primarily to the inclusion for the full year of Washington Mutual (WaMu) and the dramatic turnaround in revenue in our Investment Bank.* Now the FDIC has said "there were 3 bidders for WAMU, however Jamie Dimon seems to think there was only one. This case *"cries out"* for a true, thorough and accurate Equity Committee Rule 2004 Inquiry into what happened and who caused it. Sweeping these details under the settlement rug is not good for the estate and surely not good for its shareholders or future case law precedence.

JPMC tries to enlighten the court to a contrived injury it sustained as savior of the economy. JPMC allegedly used "Project West" as a model for convincing the FDIC that in their opinion WAMU was not a well-run bank and should be seized and given to them to help the FDIC protect their main interest "the deposit fund." JPMC has made billions off the assets it received from the WAMU sale and continues to further extort the estate in your honor's courtroom.

We ask the court to request JPMC publicly prove and factually submit all paperwork that pertains to and bolsters their supposed so-called liability claim they are bringing against the WMI estate. Your Honor should require the parties to publicly disclose the amount in real dollars and not percentages as detailed in the modified GSA that originally was drafted and

[11] Jamie Dimon CEO Letter to JPM Shareholders 2009.
http://investor.shareholder.com/jpmorganchase/annual.cfm

implemented by the Settlement Noteholders. Creditors and equity interests are unable to ascertain as to what numbers are flowing to JPMC and FDIC without a valuation of the assets of the estate and the real dollar amount of settlement monies flowing out of the estate. If Your Honor is to adjudicate a settlement, then the court must have concrete numbers and not untold percentages that do not have monetary numbers attached to them. It is hard to make an informed decision on the Disclosure Statement/Plan of Reorganization and how one would vote if there is hidden information that is allowed to be considered "work product" or privileged information therefore not disclosed to the investing public.

Investing is a tough business and the financial crisis was no exception, many of the current investors in WMI securities were "main street" investors who were putting their money in a 110 year-old established institution that was well-capitalized beyond the standards the FDIC requires. Many banked at WAMU and only invested because this bank catered to the needs of Main Street and avoided Wall Street like the plague. They [shareholders] are who this court should be considering when it decides if a debtor sponsored settlement that is anything but global "falls within the lowest point of reasonableness." This case hinges on the fact that JPMC and FDIC had an alleged pre-established relationship to resolve the WAMU transaction they both so desperately wanted and needed to help each other. We call upon this court to adjudicate the claims of the estate against JPMC and FDIC, to the get to the bottom of what transpired, so the chances of compensation to the equity interests in this estate are increased. From the court's Opinion on GSA..."The Court agrees with the Plan Objectors: each part of the settlement must be evaluated to determine whether the settlement as a whole is reasonable.."[12]

Difficulties in Collection

The collapse of WMB itself demonstrates that bank deposits (especially in the amount of $4 billion) may not be easily collectible without resulting in another bank collapse.[13] In light of the new evidence submitted and highlighted above, this court *"may"* have erred in

[12] Docket # 6528 Opinion Page 20 1-3.

[13] Docket #6528 Opinion Page 58 1-4.

accepting terms of a GSA that limits the amount of recovery the estate can garner and from whom. Not only does this fall in the realm of unreasonableness, but it is anything but fair when the court allows a party to maximize a recovery over the objections of an inferior one. The equity interests in this case have loudly objected to the court's unnecessary approval of a GSA that gifts true, accurate and undisclosed real funds to JPMC and FDIC. The court has opined that since JPMC and FDIC are contributing to the estate by releasing their combined 54 Billion in alleged claims they are contributing to the estate and therefore the GSA is "fair and reasonable." This assertion could not be more wrong and devastating to the WMI estate, its equity interests and future operations. The court has also opined that since all but the last class of creditors are being paid in full, the court has no objection to the distribution of estate money to JPMC and FDIC. Yes... JPMC and FDIC will appeal all rulings that do not favor them to a higher court and difficulties in collection of recovery will be a long-drawn-out problem, but nevertheless the court should not let this affect how the court will rule and for whom. We respectfully request the court reconsider this part of the decision by looking at the above cases and rulings and assessing the strong legalities of this case.

Settlement Noteholders

The Settlement Noteholders (SNH) who are now under investigation for alleged acts of insider trading have publicly stated in the courtroom that they are the designers and architects of the GSA. The court should seriously consider the implications of approval of a GSA that was originally designed in distribution scheme for the benefit of a party that may have committed illegal and comingled acts of securities fraud. The investigation the court has ordered should decide this issue for us and we want to extend our Thanks to the court for listening to and understanding the allegations and assertions that shareholder Nate Thoma brought to the court's attention in Nov 2010 and again at the confirmation hearing. We appreciate the fact that the court felt these allegations may have merit and should be investigated. We also request the court seriously consider if estate funds can be used to retain representation for a shareholder who individually used the judicial process to bring new evidence to this court. If the

court is to welcome investor's submittals, then the court should also recognize the opposing parties will use the legal process in their favor and make the parties retain legal representation at their expense. This is a gross misjustice and potentially devastating financially to Mr. Thoma, we request the court consider this request with an open mind and its discretion.[14]

As co-architects of the GSA, the SNH along with the estate built an allocation of capital scheme to funnel a set amount of funds to JPMC and FDIC to keep money from flowing below the WAHUQ security or PIERS as they are commonly referred to. If the SNH were the party who built, designed and through power of process and private negotiation built a set top model of accounting distribution that allowed for a percentage distribution to two parties who are not contributing to the estate, except to release *"public and private"* alleged claims, then the debtors in possession (DIP) should not be able to use the same distribution scheme of money flow that was part of the original distribution designed by the SNH to insure the PIERS were the *"fulcrum"* security. The court should publicly order and required to be publicly filed, a complete accounting of all claims and potential "causes of action."

We would hope and pray the court would not set a precedence of approving a GSA that does not use real numbers. This GSA uses percentages and does not have a valuing of the claims, just as the estate in its original filing in May 2009 had to value its claims against JPMC, they should be required to value their claims in open public filings, so that creditor and equity interests can ascertain the viability and possible outcome of each claim and agree or disagree with the release of such.

363 Sale of Certain Assets to JPMC

The GSA refers to the 363 sale to JPMC of estate's assets, these assets have a much larger value than the court has been privy to, first thing the court should consider is appreciation. It is no secret the financial crisis caused the destruction of much wealth and property value of assets, the estate is well aware that since the crisis the current value of property has increased in

[14] section 327(e) of the Bankruptcy Code permits the employment of counsel for a specified special purpose, so long as such attorney does not represent or hold any interest adverse to the debtor or to the estate with respect to the special matter on which such attorney is to be employed.

value, the estate ignores this fact when it values the VISA shares, Wind farms and other assets that will be given to JPMC for its role in the GSA. Monthly revenues from the Wind Farm should be noted on the Monthly Operating Report (MOR).

We call for a complete and accurate valuation of all assets that will be given to JPMC and FDIC in the GSA. The court should be able to compare the current value versus the previous value to determine if indeed the court still feels JPMC and FDIC are both contributing value to the estate because of their release of alleged *"cloud covered"* claims against the estate. The court should be concerned with and tasked with deciding these issues and ordering an independent disinterested accounting firm to legally value the claims and assets of the estate should be the #1 order of business before the court before it will even consider whether it believes a distribution scheme of estate assets and monies will be confirmed to flow to parties that have not proven their claims have merit and viability. The court has requested a valuation of the reorganized WMI, we request the court extend this valuation to the entire estate and not to just what is left.

If JPMC and FDIC feel they may have claims against the estate, it directors and officers for actions that resulted and took place before the seizure and unnecessary sale of WMI assets to JPMC through the receivership process, then the court should make them publicly declare their claims and not let them hide behind a large figure that puts the court on edge. The debtors are required to file a MOR with the court that reflects the value of the estate. We request the court order the debtors to revalue the estate at today's market value and accurately put the excess monetary value on the books of the estate that should be opened to all creditors and equity interests. The debtors have used the 30 Million per month of accumulation in liability as a catalyst for entering into the GSA with JPMC/FDIC, if the SNH alleged acts are proven true and a majority of the interest monies are attributable to them, then the monthly amount should be reduced to reflect the FJR rate the court may implement upon the SNH, therefore lowering the supposed monthly liability to the estate and erasing the debtor's argument of rush to decision. This act alone would be enough to cause the debtors to maximize the assets and a value of the estate by using this court for adjudication of all claims and causes of action.

Shareholder Meeting

The Equity Committee has an Adversary Proceeding pending in your honor's court that seeks a shareholder meeting to force the BOD to hold an annual shareholders meeting, so our concerns can be heard, we request the court address this request, schedule a Shareholders meeting so Shareholders can appropriately address the BOD and express their *"governance rights"* upon this Corporation.

For reasons set forth above, we respectfully request the court deny the Debtor's Modified GSA, which is the catalyst for their Amended Plan and call for a "course correction" with structured and timely adjudication of all claims, valuations and causes of action.

Thank You

Sincerely

United International Equity