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U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

To:
The Honorable Judge Mary F. Walrath
United States Bankruptcy Court, Delaware
824 Market Street, 5th Floor
Wilmington, DE 19801

Date: March 11, 2011

Re: In re Washington Mutual Inc. et al, Case Number 08-12229 (MFW) Jointly Administered.

Motion for a Court Ordered Auction of the Reorganized WMI, under the current Modified Sixth Amended Plan.

Dear Judge Walrath,

Having objected to the Valuation of the Reorganized WMI put forth by the debtors (Docket No 6781) in their latest POR, the Modified Sixth Amended Plan (Docket No 6696), I, Farokh Lam, a holder of Washington Mutual Trust Preferred (PIERS) securities (WAHUQ) and Washington Mutual Preferred (WAMPQ) securities, hereby submit to the Court this **Motion for a Court Ordered Auction of the Reorganized WMI, under the current Modified Sixth Amended Plan.**

Standing

As a holder of Washington Mutual Trust Preferred (PIERS) securities (WAHUQ), which will currently receive approximately 50% of its \$34 accredited value under the current POR, and as a holder of Washington Mutual Preferred (WAMPQ) securities currently scheduled to receive approximately 1% of Face Value thru the Liquidation Trust, I am a party of interest in this case, with standing to bring this motion.

Summary of Argument

As noted in my Objection (Docket No 6781), the Debtors in their latest POR have submitted "The Blackstone Analysis" valuing the Reorganized WMI at:

"approximately \$135 to \$185 million, with a midpoint valuation of \$160 million"

This value was derived by basically doing a Discounted Cash Flow (DCF) valuation/analysis, on the current business conducted by WMRRRC, a captive re-insurance subsidiary of the Debtor.

This valuation virtually ignores the fact that THE core asset of the Reorganized WMI, will be the NOLs that it has accrued over the past few years, with values of upto \$17.5 BILLION. In addition, there are numerous assets that have been "hidden" or not properly disclosed by the debtor (as noted in the EC Objection, Docket No 6902).

Additionally, it was disclosed by the EC Objection (Docket No. 6902) that offers to purchase WMRRRC and/or the Reorganized WMI had already been presented to the Debtor, but not disclosed to the court.

To realize a true valuation of the Reorganized WMI, within the scope of the current POR, and maintaining the finding of the Court that the GSA entered into by the Debtors and JPM and the FDIC falls within the standard of being "fair and reasonable", the court must order an Auction of the Reorganized WMI, within the framework of the current GSA and POR.

Reasoning

The debtors now plan to "solicit Stock Elections from holders of Claims and Equity Interests" in the Reorganized WMI from classes held primarily by the "Settlement Noteholders", 4 Hedge Funds, who apparently agree with the Debtors valuation of the Reorganized Debtor.

As you honor has noted, in your Opinion Denying Confirmation to the Debtors earlier POR (Docket No 6528), the fact that certain creditors may be willing to take stock in the Reorganized WMI, in place of cash, indicates that there is additional value in the stock, above the cash value of the claim being settled, which is not allowed under the current Bankruptcy Laws that we are operating under.



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While "The Blackstone Analysis" may be numerically correct, if one only takes the current cash flow from WMRRRC, ultimately the valuation ANY stock is determined by WHAT SOMEONE IS WILLING TO PAY FOR THAT STOCK IN CASH.

What someone is willing to pay for stock in the Reorganized WMI need not be limited to the DCF valuation of WMRRRC.

Many existing WMI shareholders, both Preferred and Common, have a "Sentimental Value" attached to owning WMI, and therefore would be willing to pay \$50M or \$100M+ more for the Reorganized WMI, than the Blackstone Analysis. (Similar to someone willing to pay more for a gold ring that is a family heirloom, than the raw cost of the gold in that ring).

One or more parties may feel that there may be additional value to the fact that they would be able to utilize the NOLs in a more efficient manner, as noted in the Blackhorse Objection (Docket No 6906), and therefore bid significantly higher than the Blackstone Valuation.

I am confident that, given the Courts permission granting this motion, there would be numerous parties willing to put forth qualified bids for stock in the Reorganized WMI. In fact, using the internet, it should be easy to solicit, within a matter of weeks, qualified bids for the stock in the Reorganized WMI, at a minimal cost to the Estate. (Google did its IPO, thru a similarly styled, Dutch Auction IPO over the Internet).

Surely if the ENTIRE Reorganized Debtor has, by The Blackstone Analysis, a high valuation of \$185 Million, then the debtor and the Settlement Noteholders should have no objection to having their proposed stake in the Reorganized Debtor exchanged for their share of \$200+ Million in cash (or over 20% MORE than the high end of The Blackstone Valuation), unless there is additional value in the stock of the Reorganized WMI not being disclosed by the Debtor.

As a holder of Washington Mutual Trust Preferred (PIERS) securities (WAHUQ), any value over the value stated in The Blackstone Analysis, would immediately accrue to the PIERS, increasing their payout, and should that increase exceed the Waterfall limit for the PIERS, then the remaining value would flow to the Washington Mutual Preferred (WAMPQ) securities that I hold.

I am happy to appear before this court either in-person or telephonically to argue my point and Motion.

I thank the court for its time and indulgence.

Best regards,

Appearing Pro Se
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