

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In Re:	)	Chapter 11
	)	
WASHINGTON MUTUAL, INC, <i>et al.</i> <sup>1</sup> ,	)	Case No. 08-12229 (MFW)
	)	
Debtor.	)	Objection Deadline: May 17, 2011 at 4:00 p.m.
	)	Hearing Date: May 24, 2011 at 11:30 a.m.

**APPLICATION FOR ENTRY OF AN ORDER  
AUTHORIZING THE EMPLOYMENT AND RETENTION OF  
SULLIVAN HAZELTINE ALLINSON LLC AS DELAWARE SPECIAL  
CONFLICTS COUNSEL FOR THE OFFICIAL COMMITTEE OF  
EQUITY SECURITY HOLDERS *NUNC PRO TUNC* TO FEBRUARY 1, 2011**

The Official Equity Committee of Equity Security Holders (the “Equity Committee”), appointed in the above-captioned debtors and debtors in possession (the “Debtors”), by and through its undersigned chairperson, respectfully submits this application (the “Application”) pursuant to section 1103 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States of Bankruptcy Court for the District of Delaware (“Local Rules”), for an order authorizing the retention of Sullivan Hazeltine Allinson LLC (“Sullivan Hazeltine” or the “Firm”) as its counsel *nunc pro tunc* to February 1, 2011. In support of this Application, the Equity Committee relies on the Declaration of William D. Sullivan in support of this Application (the Sullivan Declaration”), which is attached hereto as Exhibit A, and further states the following:

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Washington Mutual, Inc. (3725) and WMI Investment Corp. (5396). The Debtors’ principal offices are located at 1301 Second Avenue, Seattle, Washington 98101.



## **JURISDICTION**

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The statutory predicate for the relief sought herein are sections 327(a) and 1107 of the Bankruptcy Code.

2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

## **BACKGROUND**

3. On September 26, 2008, each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

4. The Debtors are operating as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

5. On January 11, 2010, the United States Trustee for the District of Delaware appointed an Official Equity Committee of Equity Holders.

6. On January 11, 2010, the Equity Committee selected the law firm of Benesch, Friedlander, Coplan & Aronoff LLP ("Benesch, Friedlander") as Delaware counsel. The Court entered orders authorizing the retention of Benesch, Friedlander as Delaware counsel to the Equity Committee on February 22, 2010 [Docket No. 2404].

7. On March 4, 2010, the parties filed a Notice of Substitution of Counsel [Docket No. 2460] whereby Benesch, Friedlander withdrew its appearance as Delaware counsel to the Equity Committee, and Ashby & Geddes entered its appearance as proposed Delaware counsel to the Equity Committee.

8. On January 21, 2011, Sullivan Hazeltine was asked to be Delaware special conflicts counsel for the Equity Committee, with respect to certain discovery matters undertaken by the Equity Committee. Specifically, Sullivan Hazeltine has been asked to serve as Delaware counsel for any

discovery matters between Aurelius Capital Management and the Equity Committee, as conflict rules restrict Ashby & Geddes from handling matters involving Aurelius.

**RELIEF REQUESTED**

9. By this Application, the Equity Committee seeks authority to retain Sullivan Hazeltine as its Delaware special conflicts counsel for all matters related to the Debtors' Chapter 11 cases for which Ashby & Geddes, its primary Delaware counsel, is restricted from handling due to conflict rules.

**BASIS FOR RELIEF**

10. The Equity Committee selected Sullivan Hazeltine as their attorneys because of the Firm's extensive experience and knowledge in the field of debtor and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code, and because of Sullivan Hazeltine's expertise, experience, and knowledge in practicing before this Court. The Equity Committee believes that Sullivan Hazeltine is well qualified to represent the Equity Committee in these chapter 11 cases in an efficient and timely manner.

11. Subject to court approval under section 330(a) of the Bankruptcy Code, compensation will be payable to Sullivan Hazeltine on an hourly basis, plus reimbursement of actual, necessary expenses, and other charges incurred by the Firm. To the best of the Equity Committee's knowledge, and as set forth in the Sullivan Declaration, the hourly rates charged by the Firm are consistent with the rates charged in non-bankruptcy matters of this type and are subject to periodic adjustments to reflect economic and other conditions. The specific attorneys and legal assistants who may provide services on behalf of the Equity Committee and their hourly rates include:

William D. Sullivan	Member	\$360
William A. Hazeltine	Member	\$360

Elihu E. Allinson, III	Member	\$320
John G. Pope	Associate	\$200
Heidi M. Coleman	Paralegal	\$125

12. To the best of the Equity Committee' knowledge, and as set forth in the Sullivan Declaration, the Firm's hourly rates are set at a level designed to fairly compensate the firm for the work of its professionals and to cover fixed and routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned and may be adjusted by the Firm from time to time.

13. To the best of the Equity Committee' knowledge, and as set forth in the Sullivan Declaration, it is Sullivan Hazeltine's policy to charge its clients in all areas of practice for expenses incurred in connection with a client's case. The expenses charged to clients include, among other things, photocopying, witness fees, travel expenses, certain secretarial and other overtime expenses, filing and recording fees, long distance telephone calls, postage, express mail and messenger charges, computerized legal research charges and other computer services, and telecopier charges. The Firm will charge the Equity Committee for these expenses in a manner and at rates consistent with charges made generally to its other clients and consistent with the rules and practices of this Court.

14. Pursuant to Local Rule 2016-2, Sullivan Hazeltine has agreed to comply with the requirements contained in any fee guidelines promulgated by the Bankruptcy Court.

15. The professional services that Sullivan Hazeltine will render to the Equity Committee may include, but shall not be limited to, the following:

- (a) assist and advise the Equity Committee in its discussions with the Debtor and other parties in interest regarding the overall administration of the case;
- (b) represent the Equity Committee at hearings to be held before this Court and communicate with the Equity Committee regarding the matters heard

and the issues raised as well as the decisions and considerations of this Court;

- (c) assist and advise the Equity Committee in its examination and analysis of the conduct of the Debtor's affairs and in its conduct of discovery in these cases;
- (d) prepare and review on behalf of the Equity Committee all motions, applications, answers, objections, orders, reports, and papers necessary to fulfill its duties in these cases;
- (e) perform all other necessary legal services and provide all other necessary legal advice to the Equity Committee in connection with these chapter 11 cases.

16. To the best of the Equity Committee's knowledge, and as set forth in the Sullivan Declaration, Sullivan Hazeltine does not hold any interest adverse to the Debtor or its estate.

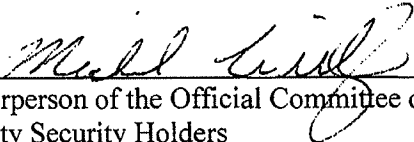
17. To the best of the Equity Committee's knowledge, and as set forth in the Sullivan Declaration, Sullivan Hazeltine is a "disinterested person" as that phrase is defined in section 101(14) of the Bankruptcy Code, and the Firm's employment is necessary and in the best interests of the Equity Committee and the Equity Committee's estate.

18. To the best of the Equity Committee's knowledge, and as set forth in the Sullivan Declaration, no member or employee of Sullivan Hazeltine is related to any United States Bankruptcy Judge in this District, the United States Trustee for such District, or any assistant or staff attorney for the United States Trustee.

**CONCLUSION**

WHEREFORE, the Equity Committee respectfully request that the Court enter an Order, substantially in the form attached hereto as Exhibit B, authorizing the Equity Committee to employ and retain Sullivan Hazeltine as counsel for the Equity Committee *nunc pro tunc* to February 1, 2011, and grant such other further relief as is just and proper.

Dated: May 6, 2011  
Wilmington, Delaware

By:   
Chairperson of the Official Committee of  
Equity Security Holders

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In Re: ) Chapter 11  
 )  
WASHINGTON MUTUAL, INC, *et al.*<sup>1</sup>, ) Case No. 08-12229 (MFW)  
 )  
Debtor. ) **Objection Deadline: May 17, 2011 at 4:00 p.m.**  
 ) **Hearing Date: May 24, 2011 at 11:30 a.m.**

**NOTICE OF MOTION**

PLEASE TAKE NOTICE that on May 9, 2011, the Official Committee of Equity Security Holders (the "Equity Committee"), filed the attached *Application for Entry of an Order Authorizing Employment and Retention of Sullivan Hazeltine Allinson LLC as Delaware Special Conflicts Counsel for the Official Committee of Equity Security Holders Nunc Pro Tunc to February 1, 2011* (the "Application").

**PLEASE TAKE FURTHER NOTICE** that any objections to the Application must be made in writing, filed with the Bankruptcy Court, 824 Market Street, Wilmington, DE 19801 and served so as to actually be received by the undersigned counsel for the Equity Committee on or before **May 17, 2011 at 4:00 p.m.** prevailing Eastern Time.

**PLEASE TAKE FURTHER NOTICE** that a hearing on the Application will be held on **May 24, 2011 at 11:30 a.m.** prevailing Eastern Time before the Honorable Mary F. Walrath, United States Bankruptcy Court, 824 Market Street, 5<sup>th</sup> Floor, Courtroom 4, Wilmington, DE 19801.

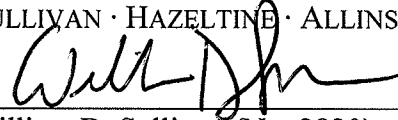
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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Washington Mutual, Inc. (3725) and WMI Investment Corp. (5396). The Debtors' principal offices are located at 1301 Second Avenue, Seattle, Washington 98101.

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

Date: May 9, 2011  
Wilmington, DE

SULLIVAN · HAZELTINE · ALLINSON LLC



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William D. Sullivan (No. 2820)  
William A. Hazeltine (No. 3294)  
Elihu E. Allinson, III (No. 3476)  
John G. Pope (No. 4448)  
901 North Market Street, Suite 1300  
Wilmington, DE 19801  
Tel: (302) 428-8191  
Fax: (302) 428-8195

*Proposed Attorneys for the Official Committee of  
Equity Security Holders*



# EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In Re: ) Chapter 11  
)  
WASHINGTON MUTUAL, INC, *et al.*<sup>1</sup>, ) Case No. 08-12229 (MFW)  
)  
Debtor. ) **Objection Deadline: May 17, 2011 at 4:00 p.m.**  
) **Hearing Date: May 24, 2011 at 11:30 a.m.**

**DECLARATION OF WILLIAM D. SULLIVAN IN SUPPORT OF  
THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS' APPLICATION  
FOR AN ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF  
SULLIVAN HAZELTINE ALLINSON LLC AS DELAWARE SPECIAL CONFLICTS  
COUNSEL *NUNC PRO TUNC* TO FEBRUARY 1, 2011 AND  
STATEMENT OF COMPENSATION PAID TO COUNSEL  
PURSUANT TO 11 U.S.C. § 329 AND BANKRUPTCY RULE 2016(b)**

STATE OF DELAWARE )  
) ss:  
COUNTY OF NEW CASTLE )

I, William D. Sullivan, being duly sworn, do hereby depose and state the following:

1. I am a member of the law firm of Sullivan Hazeltime Allinson LLC (“Sullivan Hazeltime” or the “Firm”). I am admitted to practice law in the State of Delaware and before the U.S. District Court for the District of Delaware, the United States Court of Appeals for the Third Circuit and the United States Supreme Court.

2. I am authorized to make this declaration on Sullivan Hazeltime’s behalf. I have personal knowledge of the matters stated herein except where I have indicated that I relied on specific information.

3. This Affidavit is submitted pursuant to section 329(a) of title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rules 2014-1 and 2016-1

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Washington Mutual, Inc. (3725) and WMI Investment Corp. (5396). The Debtors’ principal offices are located at 1301 Second Avenue, Seattle, Washington 98101.

of the Local Rules of Bankruptcy Practice and Procedure of the United States of Bankruptcy Court for the District of Delaware (the "Local Rules"), in support of the application of the Official Committee of Equity Security Holders of Washington Mutual, Inc., *et al.* (the "Equity Committee"), for an order pursuant to section 327(a) and 1103 of the Bankruptcy Code, authorizing the employment and retention of Sullivan Hazeltine as counsel for the Committee *nunc pro tunc* to February 1, 2011 (the "Application").

4. On September 26, 2008, each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

5. The Debtors are operating as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

6. On January 11, 2010, the United States Trustee for the District of Delaware appointed an Official Committee of Equity Holders.

7. On January 11, 2010, the Equity Committee selected the law firm of Benesch, Friedlander, Coplan & Aronoff LLP ("Benesch, Friedlander") as Delaware counsel. The Court entered an order authorizing the retention of Benesch, Friedlander as Delaware counsel to the Equity Committee on February 22, 2010 [Docket No. 2404].

8. On March 4, 2010, the parties filed a Notice of Substitution of Counsel [Docket No. 2460] whereby Benesch, Friedlander withdrew its appearance as Delaware counsel to the Equity Committee, and Ashby & Geddes entered its appearance as proposed Delaware counsel to the Equity Committee.

9. On January 21, 2011, Sullivan Hazeltine was asked to be Delaware special conflicts counsel for the Equity Committee because of Sullivan Hazeltine's expertise, experience, and knowledge in practicing before this Court. The Firm is generally familiar with the potential legal issues that may arise in the context of these chapter 11 cases.

## DISINTERESTEDNESS OF PROFESSIONALS

10. Sullivan Hazeltine has conducted, and continues to conduct, research into its relationships with the Debtors' creditors, the Office of the United States Trustee, attorneys and accountants of the foregoing, and other parties interested in this case as identified in publicly available information obtained through the ECF/Pacer System (the "Potential Parties in Interest").

11. Sullivan Hazeltine has reviewed its records regarding contacts and/or conflicts with the Potential Parties in Interest. This inquiry revealed neither Sullivan Hazeltine nor any of its attorneys has represented or has had a relationship with any of the Potential Parties in Interest within the past three (3) years, except as set forth in Exhibit 1 attached hereto. Sullivan Hazeltine has previously represented one creditor in the Debtors' bankruptcy cases, although that representation is no longer active and that creditor's claim has been disallowed.

12. Based on the foregoing, Sullivan Hazeltine is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that the Firm, its members and employees:

- (a) are not creditors or insiders of the Debtors;
- (b) are not and were not, within two years before the date of filing of the Debtors' chapter 11 petition, a director, officer, or employee of the Debtors or any Committee member; and
- (c) do not have interests materially adverse to the interest of the estate or of any class of creditors, the Equity Committee or equity security holders.

13. I am not related, and to the best of my knowledge, no attorney or employee at the Firm is related to any United States Bankruptcy Judge in this District, the United States Trustee for such District, or any assistant United States Trustee.

### **ONGOING RESPONSIBILITIES**

14. At this time, based on information available to it, Sullivan Hazeltine does not anticipate any actual conflicts of interest with the Potential Parties in Interest. The Firm will seek appropriate waivers of any actual conflict of interest should conflicts arise in the future.

15. While Sullivan Hazeltine has undertaken extensive efforts to identify connections with the Equity Committee and other parties in interest, it is possible that connections with some parties in interest have not yet been identified. Should Sullivan Hazeltine learn of any new connections of the nature discussed herein, the Firm will promptly so advise the Court by supplementing this declaration when necessary.

16. Sullivan Hazeltine will not, while employed by the Equity Committee, represent any other entity having an adverse interest in the matters upon which the Equity Committee seeks to retain Sullivan Hazeltine during the pendency of this case, with respect to any matter that has any relationship to this matter.

17. I have read the application of the Equity Committee for an order approving the retention of Sullivan Hazeltine as bankruptcy counsel that accompanies this Declaration and, to the best of my knowledge, information and belief, the contents of said application are true and correct.

### **SERVICES TO BE RENDERED**

18. Sullivan Hazeltine will render the following services to the Equity Committee in connection with this chapter 11 case:

- (a) assist and advise the Equity Committee in its discussions with the Debtor and other parties in interest regarding the overall administration of the case;
- (b) represent the Equity Committee at hearings to be held before this Court and communicate with the Equity Committee regarding the matters heard and the issues raised as well as the decisions and considerations of this Court;

- (c) assist and advise the Equity Committee in its examination and analysis of the conduct of the Debtor's affairs and in its conduct of discovery in these cases;
- (d) prepare and review on behalf of the Equity Committee all motions, applications, answers, orders, reports, and papers necessary to fulfill its duties in these cases;
- (e) perform all other necessary legal services and provide all other necessary legal advice to the Equity Committee in connection with these chapter 11 cases.

**PROFESSIONAL COMPENSATION**

19. Subject to the approval of this Court and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and Orders of this Court, Sullivan Hazeltine intends to apply for compensation for professional services rendered in this case and reimbursement of actual, necessary expenses and costs incurred by the Firm on the Equity Committee's behalf.

20. Sullivan Hazeltine will charge its customary hourly rates in effect from time to time, which are consistent with the rates charged by Sullivan Hazeltine in bankruptcy and non-bankruptcy matters of this type. These hourly rates are subject to periodic adjustment to reflect economic and other conditions. In addition, it is the Firm's policy to charge its clients in all areas of practice for expenses incurred in connection with the client's matters. The Firm will charge the Equity Committee for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients and consistent with the Rules, Procedures and Orders of the Court.

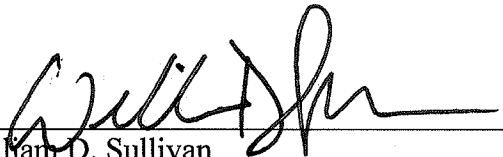
21. The specific attorneys and legal assistants who may provide services on behalf of the Equity Committee and their current hourly rates are:

William D. Sullivan	Member	\$360
William A. Hazeltine	Member	\$360
Elihu E. Allinson, III	Member	\$320
John G. Pope	Associate	\$200
Heidi Coleman	Paralegal	\$125

22. Sullivan Hazeltine further states, pursuant to Bankruptcy Rule 2016(b), that it has not shared, nor agreed to share (a) any compensation it may receive with another party or person, other than with the members, counsel and associates of Sullivan Hazeltine, or (b) any compensation another person or party has received or may receive.

23. Pursuant to Local Rule 2016-2, Sullivan Hazeltine agrees to and will comply with the requirements contained in any fee guidelines promulgated by the Bankruptcy Court.

Signed this 9<sup>th</sup> day of May 2011 at Wilmington, Delaware.

  
\_\_\_\_\_  
William D. Sullivan  
Member  
Sullivan Hazeltine Allinson LLC

# **EXHIBIT 1**

## **Sullivan Hazeltine Allinson LLC's Connection with Potential Parties-in Interest**

**(Present Clients)**

<b>Entity</b>	<b>Relationship with Debtors<sup>1</sup></b>	<b>Firm Relationship</b>
Wilmington Trust Company	Creditor	SHA LLC represents this entity in matters unrelated to the Chapter 11 cases
Lisa Costantino, Executor of the Estate of Elaine DiNaples	Creditor	SHA LLC represented this entity in responding to an objection to her claim. This claim was disallowed by an order dated March 28, 2011. SHA-LLC's representation in this matter has now concluded.

<sup>1</sup> Relationship to Debtors is based on the list of Filing Parties for the Debtors' cases available through Pacer. See, Sullivan Declaration ¶ \_\_.



# EXHIBIT B

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In Re: ) Chapter 11  
 )  
WASHINGTON MUTUAL, INC, *et al.*<sup>1</sup>, ) Case No. 08-12229 (MFW)  
 )  
Debtor. ) **Related Docket No.** \_\_\_\_\_

**ORDER PURSUANT TO SECTION 327(a) AND 1103 OF THE  
BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT AND  
RETENTION OF SULLIVAN HAZELTINE ALLINSON LLC AS DELAWARE  
SPECIAL CONFLICTS COUNSEL FOR THE OFFICIAL COMMITTEE OF  
EQUITY SECURITY HOLDERS *NUNC PRO TUNC* TO FEBRUARY 1, 2011**

Upon the Application<sup>2</sup> of the Equity Committee, for entry of an order pursuant to Sections 327(a) and 1107(a) of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), authorizing the Equity Committee to employ and retain the law firm of Sullivan Hazeltine Allinson LLC (“Sullivan Hazeltine” or the “Firm”) as their counsel *nunc pro tunc* to February 1, 2011; and upon the accompanying Declaration of William D. Sullivan in support of the Application (the “Sullivan Declaration”); and the Court being satisfied based on the representations made in the Application and the Sullivan Declaration that the members and employees of Sullivan Hazeltine who will be engaged in these cases represent no interest adverse to the Equity Committee with respect to the matters upon which they are to be engaged, that Sullivan Hazeltine is a “disinterested person” as that term is defined under Sections 101(14) and 1107(b) of the Bankruptcy Code; and the Court finding that (a) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and (c) notice of the Motion was due and proper under the

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Washington Mutual, Inc. (3725) and WMI Investment Corp. (5396). The Debtors’ principal offices are located at 1301 Second Avenue, Seattle, Washington 98101.

<sup>2</sup> Unless otherwise indicated, capitalized terms shall have the meanings ascribed to them in the Application.

circumstances; and it appearing that the relief requested in the Application is in the best interests of the Equity Committee; and after due deliberation, and good and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Application is GRANTED in all respects.
2. In accordance with section 327(a) of the Bankruptcy Code, the Equity Committee is authorized to employ and retain Sullivan Hazeltine as its Delaware special conflicts counsel on the terms set forth in the Application and the Sullivan Declaration, effective as of February 1, 2011.
3. Sullivan Hazeltine shall be compensated in accordance with the procedures set forth in Sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules of this Court, and such procedures as may be fixed by order of this Court.
4. This Court shall retain jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE