

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

)	Chapter 11
In re:)	
WASHINGTON MUTUAL, INC., <u>et al.</u> , ¹)	Case No. 08-12229 (MFW)
Debtors.)	(Jointly Administered)
)	Related Docket No. 8367, 8368, 8385

**LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY
HOLDERS TO THE DEBTORS’ MOTIONS FOR AN ORDER, PURSUANT
TO SECTION 105(a) OF THE BANKRUPTCY CODE AND RULE 9019
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (I) APPROVING
SETTLEMENT AGREEMENTS IN THE CALIFORNIA SECURITIES LITIGATION,
FLAHERTY ACTION AND SECURITIES LITIGATION AND (II) MODIFYING
THE AUTOMATIC STAY UNDER SECTION 362 OF THE BANKRUPTCY CODE
TO ALLOW PAYMENT OF SETTLEMENT AMOUNT UNDER DIRECTORS
AND OFFICERS INSURANCE POLICIES**

The Official Committee of Equity Security Holders (the “Equity Committee”), by and through its undersigned counsel, hereby submits this limited objection (the “Limited Objection”) to the (i) *Motion of Debtors for an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure (I) Approving Settlement Agreement in California Securities Litigation and (II) Modifying Automatic Stay Under Section 362 of the Bankruptcy Code to Allow Payment of Settlement Amount Under Directors and Officers Insurance Policies* [Docket No. 8367]; (ii) *Motion of Debtors for an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure (I) Approving Settlement Agreement in Flaherty Action and (II) Modifying Automatic Stay Under Section 362 of the Bankruptcy Code to Allow Payment of Settlement Amount Under Directors and Officers Insurance Policies* [Docket No. 8368]; (iii) *Motion of Debtors for an*

¹ 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.



*Order, Pursuant to Section 105(a) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure (I) Approving Securities Litigation Settlement Agreement and Authorizing the Debtors' Consummation Thereof and (II) Modifying Automatic Stay Under Section 362(a) of the Bankruptcy Code, to the Extent Applicable, to Allow Payment of Settlement Amount Under Directors and Officers Insurance Policies [Docket No. 8385] (collectively, the "Motions").*² In support of this Limited Objection, the Equity Committee respectfully states as follows:

1. The Equity Committee believes that it is important to clarify the scope of the relief reflected in the Debtors' proposed orders submitted in connection with the Motions.

2. In their current forms, the proposed orders state that the D&O Carriers and/or Contributing Insurers who contribute to payment of the Settlement Amount will be deemed discharged from any liability to any Insureds (as defined by the D&O Policies) or other claimants for having paid the Settlement Amount.

3. The Equity Committee submits that the proposed orders should be revised to make clear that the D&O Carriers are receiving a release only with respect to those specific claims asserted by the plaintiffs in the respective actions that have been resolved and claims related to payment of the settlement amounts. The proposed orders should make clear that the D&O Carriers are not receiving a release for any other claims that may be covered by the D&O Policies.

WHEREFORE, the Equity Committee respectfully requests that any orders entered granting the Motions be revised to clearly state and limit the scope of the D&O Carriers' discharge of liability as provided herein, and for such additional relief as the Court deems appropriate.

² Capitalized terms not otherwise defined herein shall have the meaning given in the Motion.

Dated: August 19, 2011
Wilmington, Delaware

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*Delaware Counsel to the Official Committee of
Equity Security Holders of Washington Mutual,
Inc., et al., and with respect to the Settlement Note
Holders, only as to Centerbridge Partners, L.P.,
Appaloosa Management L.P., and Owl Creek Asset
Management, L.P.*

-and-

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