UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
WASHINGTON MUTUAL, INC., et al.,[1]	:	**Case No. 08-12229 (MFW)**
Debtors.	:	**(Jointly Administered)**
	:	**Re: Docket No. 9181**

NOTICE OF ADDENDUM TO MOTION OF DEBTORS FOR AN ORDER, PURSUANT TO SECTIONS 105, 502, 1125, 1126, AND 1128 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 3003, 3017, 3018, 3019, 3020, AND 9006, (I) APPROVING THE PROPOSED DISCLOSURE STATEMENT AND THE FORM AND MANNER OF THE NOTICE OF THE PROPOSED DISCLOSURE STATEMENT HEARING, (II) ESTABLISHING SOLICITATION AND VOTING PROCEDURES, (III) SCHEDULING A CONFIRMATION HEARING, AND (IV) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR CONFIRMATION OF THE DEBTORS' SEVENTH AMENDED PLAN

PLEASE TAKE NOTICE that, on December 12, 2011, Washington Mutual, Inc. ("WMI") and WMI Investment Corp., as debtors and debtors in possession (the "Debtors"), filed that certain *Motion of Debtors for an Order, Pursuant to Sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3017, 3018, 3019, 3020, and 9006, (i) Approving the Proposed Disclosure Statement and the Form and Manner of the Notice of the Proposed Disclosure Statement Hearing, (ii) Establishing Solicitation and Voting Procedures, (iii) Scheduling a Confirmation Hearing, and (iv) Establishing Notice and Objection Procedures for Confirmation of the Debtors' Seventh Amended Plan* [D.I. 9181] (the "Motion").

PLEASE TAKE FURTHER NOTICE that the Debtors, the official committee of unsecured creditors (the "Creditors' Committee"), and the official committee of equity security holders (the "Equity Committee") appointed in the Debtors' chapter 11 cases each have prepared a letter in support of confirmation of the *Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code*, dated December 12, 2011 [D.I. 9178] (as it may be amended, the "Plan"), which letters are attached hereto as Exhibits A-1, A-2, and A-3, respectively (collectively, the "Plan Support Letters").

[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) Washington Mutual, Inc. Investment Corp. (5395). The Debtors' principal offices are located at 925 Fourth Avenue, Seattle, Washington 98104.

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PLEASE TAKE FURTHER NOTICE that, at the hearing to consider the relief requested in the Motion, which hearing is scheduled to commence at 2:00 p.m. (ET) on January 11, 2012 before the United States Bankruptcy Court for the District of the Delaware (the "Bankruptcy Court"), the Debtors, the Creditors' Committee, and the Equity Committee will request, among other things, that the Bankruptcy Court (i) grant the Motion and (ii) authorize the Debtors to include the Plan Support Letters in the solicitation packages and materials to be distributed to certain stakeholders.

Dated: December 20, 2011
Wilmington, Delaware

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ATTORNEYS TO THE DEBTORS
AND DEBTORS IN POSSESSION

Exhibit A-1

Debtors' Plan Support Letter

Washington Mutual, Inc. and WMI Investment Corp.,
as Debtors and Debtors in Possession

January [__], 2012

To: Holders of Claims against and Equity Interests in the Debtors' Estates

Enclosed is a ballot or, in some instances, an election form, for voting and making elections with respect to the *Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* (the "Plan")[1] filed by Washington Mutual, Inc. ("WMI") and WMI Investment Corp. (collectively, the "Debtors"). The Debtors encourage you to vote to **ACCEPT** the Plan and grant the releases provided therein. It represents a compromise and settlement of many different interests and yields a tremendous—and, in the Debtors' opinion, the best—opportunity for recovery on Claims and Equity Interests. The deadline for voting and submitting elections is **5:00 p.m. (Pacific Time) on [February 2, 2012]** (the "Ballot Deadline"). With respect to holders of Equity Interests in Classes 19 and 22 only, if you fail to tender a ballot by the Ballot Deadline, in order to receive a distribution pursuant to the Plan, you may still execute and deliver a release up to the release election deadline of **5:00 p.m. (Pacific Time)** on **[February 22, 2012]** or such other later date as posted with DTC and at www.kccllc.net/wamu. **THE PLAN HAS THE FULL SUPPORT OF THE CREDITORS' COMMITTEE AND THE EQUITY COMMITTEE.**

YOU MUST COMPLETE AND RETURN YOUR BALLOT EVEN IF YOU PREVIOUSLY RETURNED A BALLOT. ANY AND ALL PRIOR VOTES AND ELECTIONS (EXCEPT WITH RESPECT TO THE ELECTION TO BECOME A RELEASING REIT TRUST HOLDER) WILL BE DISREGARDED.[2]

The Plan is the product of extensive, arm's-length negotiations with numerous parties, including the Debtors, the Creditors' Committee, the Equity Committee, AAOC (Appaloosa, Aurelius, Owl Creek, Centerbridge, and their related entities) and certain other Creditor constituencies, all of whom have been actively involved in the negotiation of the Plan and the review of the accompanying disclosure statement (the "Disclosure Statement"). Such negotiations have included extensive sessions with the Mediator appointed by the Bankruptcy Court.

The Plan is premised upon and incorporates the terms of the Global Settlement Agreement, which the Bankruptcy Court has determined is fair, reasonable and in the best

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan.

[2] Additionally, holders of WMB Senior Notes Claims in Class 17A and Non-filing WMB Senior Note Holders that did not previously submit a release in connection with solicitation of the Sixth Amended Plan or the Modified Plan, as the case may be, will not be solicited and will not be able to submit a release in connection with the Plan; rather, releases previously submitted by any such holders shall be binding on such holders, and, therefore, such holders will not be sent either ballots or election forms with respect to the Plan.

interests of the Debtors' estates. In addition, the Plan incorporates the modifications the Bankruptcy Court has specified in prior rulings as necessary to permit confirmation thereof. Furthermore, to resolve certain pending motions, appeals and anticipated objections that stood as potential impediments to confirmation, the Plan contains a compromise and settlement among, and has the full support of, each of the Debtors, the Creditors' Committee, the Equity Committee, and certain Creditor constituencies. The distribution arrangement embodied in the Plan is a good faith compromise and represents, in the view of the Debtors, the Creditors' Committee, the Equity Committee, and the other settling parties, a fair and reasonable settlement and compromise of the various Claims and Equity Interests, especially as compared with the prospect of protracted litigation. Swift confirmation of the Plan is in the best interests of the Debtors' estates, as any additional delay would be accompanied by the continued accrual of post-petition interest, fees and expenses, and the attendant depletion of estate assets, to the detriment of subordinated creditors and holders of Equity Interests.

The Plan contemplates a reorganization of the Debtors pursuant to chapter 11 of the Bankruptcy Code. The assets of the Reorganized Debtors will be comprised of WMMRC, a non-debtor subsidiary engaged in the business of mortgage reinsurance, and certain of the Debtors' other assets. Specifically, and as set forth more fully in the Plan and Disclosure Statement, consistent with the mediation and related negotiations, the Plan contemplates the following:

- The distribution of Cash to holders of Allowed Claims in an amount in excess of approximately $6.2 billion.

- The Reorganized Debtors will issue (i) the Runoff Notes and (ii) the Reorganized Common Stock.

- Holders of Equity Interests that elect to grant the non-debtor releases set forth in Section 41.6 of the Plan will receive distributions of Reorganized Common Stock, to be allocated among the current holders of WMI's preferred and common Equity Interests in the manner set forth in the Plan, 70% and 30%,[3] respectively, or such other allocation as ordered by the Bankruptcy Court.

- The Reorganized Debtors will be funded by (i) a Seventy-Five Million Dollar ($75,000,000.00) contribution from the holders of Allowed Senior Notes Claims and Allowed Senior Subordinated Notes Claims, (ii) the proceeds of WMMRC's runoff reinsurance business in an aggregate original amount of at least Ten Million Dollars ($10,000,000.00), plus any interest accrued thereon at a rate of thirteen percent (13%) per annum,[4] in the form of a portion of the proceeds from the runoff of WMMRC's existing portfolio, (iii) 50% of the proceeds of certain litigations pursued by the

[3] Subject to the election of 5% of Reorganized Common Stock made available to Creditors.

[4] Payable in cash to the extent available and payable in kind through the capitalization of accrued interest at the rate of thirteen percent (13%) per annum otherwise.

Liquidating Trustee, and (iv) all distributions of Runoff Proceeds, if any, after full satisfaction of all amounts due on the Runoff Notes.

- AAOC, or such other lenders as the Equity Committee may elect, shall provide a senior secured Credit Facility in the aggregate amount of One Hundred Twenty-Five Million Dollar ($125,000,000.00) to be used by Reorganized WMI to finance working capital and general corporate purposes, as well as certain permitted acquisitions and transactions.

- Holders of Claims and Equity Interests who are entitled to a distribution pursuant to the Plan and who elect to grant certain non-debtor releases in Section 41.6 of the Plan will release their respective claims, if any, against the Released Parties, the AAOC Releasees, the Senior Notes Claims Releasees, the Senior Subordinated Notes Claims Releasees, the PIERS Claims Releasees, and the CCB Releasees.

- The Equity Committee has agreed to (i) support confirmation of the Seventh Amended Plan, and (ii) take any and all action as is necessary to cause the withdrawal and dismissal, with prejudice, of its appeals of the January Opinion and the September Opinion.

- The Plan further provides that the order confirming the Plan must provide for the withdrawal and vacatur for all purposes (a) the September Order to the extent relating to the Standing Motion and (b) those portions of the September Opinion relating to the Standing Motion, including, but not limited to, (i) Section III (H) of the September Opinion, pages 108 through 139, and (ii) the first sentence on page 68, footnote 31 on page 70 and the last paragraph of Section III(D) of the September Opinion, page 73.

In summary, the Debtors, the Creditors' Committee, and the Equity Committee, along with the major parties to the mediation, believe that the Plan and the terms embodied therein are in the best interest of all parties in interest and represent the most expeditious means for the Debtors to successfully emerge from the Chapter 11 Cases. Without the settlement embodied in the current Plan, the Equity Committee, among other parties, has indicated that it would object to confirmation of the Plan, and the Equity Committee's motion for standing to prosecute claims against certain Creditors would not be resolved. Such unresolved issues would likely lead either to a delay in confirmation of the Plan (if the Bankruptcy Court were to determine that a plan cannot be confirmed until such issues are resolved) or a delay in distributions to Creditors (if the Bankruptcy Court were to determine that distributions that would have been made to the Creditors that are the subject of the equitable disallowance claims must be reserved). The detrimental effects of further delay in confirmation and consummation of a plan in the Chapter 11 Cases—now over three years old—should not be underestimated, as further delay will be accompanied by a continued accrual of interest and fees and the attendant depletion of estate assets and increase in total Claims, all of which results in eroded recoveries for the Debtors' junior-most Creditors and stakeholders.

ACCORDINGLY, THE DEBTORS RECOMMEND THAT ALL PARTIES ENTITLED TO VOTE SUBMIT A TIMELY BALLOT VOTING TO ACCEPT THE PLAN.

The foregoing description summarizes only certain aspects of the Plan and does not constitute any part of, and is not intended as a substitute for, the Disclosure Statement approved by the Bankruptcy Court. Creditors and holders of Equity Interests should carefully read the Plan and the accompanying Disclosure Statement in their entirety for details about voting, recoveries, the proposed reorganization, and other relevant matters before voting on the Plan.

Sincerely,

Washington Mutual, Inc., *et al.*

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By: William C. Kosturos
Title: Chief Restructuring Officer

Exhibit A-2

Creditors' Committee's Plan Support Letter

[PROPOSED PLAN SUPPORT LETTER, PENDING D/S APPROVAL]

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF WASHINGTON MUTUAL, INC., et al.
c/o Akin Gump Strauss Hauer & Feld LLP
One Bryant Park, New York, NY 10036

January [12], 2012

To All Unsecured Creditors of Washington Mutual, Inc., et al.:

The Official Committee of Unsecured Creditors (the "Creditors' Committee") of Washington Mutual, Inc., et al. (the "Debtors") submits this letter in connection with your consideration of whether to vote in favor of the Debtors' Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code (the "Plan").

The Creditors' Committee believes that the Plan represents the best available alternative for the Debtors and maximizes realizable value for unsecured creditors. Under the Plan and Settlement Agreement (defined below), the Debtors project that funds in excess of $7 billion may become available for distribution to the Debtors' creditors on account of their claims. The Debtors, in valuations contained in the disclosure statement relating to the Plan, estimate that most unsecured creditors will receive substantial recoveries on account of their claims in cash, interests in a liquidating trust, or certain secured non-recourse notes to be issued under the Plan. The amount of the recovery for each class of unsecured creditors will depend upon the total amount of allowed claims and other factors.

However, because of the significant delay due to the failure to confirm the prior versions of the Plan, any further delay caused if the Plan now before you fails to receive the requisite votes to be confirmed – or is rejected for any other reason – will result in the further significant erosion of value to the PIERS class, will make any chance of recovery to classes junior to the PIERS more unlikely, would jeopardize the projected recoveries of holders of CCB and General Unsecured Creditor claims, and could even erode the recoveries of holders of Senior Subordinated Notes and Senior Notes.

For these reasons and the reasons set forth below, the Creditors' Committee supports the Plan. We urge each unsecured creditor to complete and return a ballot voting in favor of the Plan.

Additionally, you must check the box on your ballot granting certain releases under the Plan in order to receive a distribution from the Debtors' estates.

Background

The Debtors filed petitions for reorganization under chapter 11 of the United States Bankruptcy Code on September 26, 2008 (the "Petition Date"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On October 15, 2008, the United States Trustee appointed the Creditors' Committee, the fiduciary representative of unsecured creditors in the Debtors' chapter 11 cases. The Creditors' Committee is currently composed of

four members: The Bank of New York Mellon Trust Company, N.A., Law Debenture Trust Company of New York, Wells Fargo Bank, N.A., and Wilmington Trust FSB, each solely in its capacity as an indenture trustee (each, a "Committee Member" and, collectively, the "Committee Members").

Since the Petition Date, the Creditors' Committee has been actively and extensively involved in, among other things, (i) investigating the Debtors' assets and liabilities, (ii) litigating the Debtors' rights to certain assets and recoveries, (iii) negotiating the Plan and the Settlement Agreement upon which the Plan is predicated, as well as prior versions of the Plan, (iv) participating in confirmation hearings in December 2010 and July 2011, and (v) negotiating the current Plan through a mediation process ordered by the Bankruptcy Court.

Prompt Exit From Chapter 11 Is Crucial

Prompt confirmation of the Plan would benefit unsecured creditors by (i) settling multiple contentious litigations that, if fully litigated, would result in significant further delay and further wasting of the assets of the Debtors' estates; (ii) halting the ongoing erosion of the assets of the Debtors' estate from the costs of remaining in chapter 11, including professionals' fees and expenses; and (iii) with respect to the recoveries of subordinated creditors, halting the continuing accrual of post-petition interest owed to senior creditors.

Settlement of Costly, Lengthy Litigations

The Plan effectuates a settlement of multiple and contentious litigations among the Debtors' stakeholders over, among other things, the proper distribution of the assets of the Debtors' estates. The parties to the negotiated settlement embodied in the Plan – including the Debtors, the Creditors' Committee, the Official Committee of Equity Security Holders (the "Equity Committee"), and certain other parties in interest – agreed to settle their disputes, subject to confirmation of this Plan, after engaging in mediation directed by the Bankruptcy Court in its order dated September 13, 2011, in which the Bankruptcy Court denied confirmation of the Debtors' Modified Sixth Amended Plan. After protracted and contentious arms' length negotiations, the parties to the mediation believe they have resolved the issues that resulted in the denial of confirmation of the prior plans. Further litigation of these issues would hold back creditors' recoveries pending resolution of these disputes and result in further diminution, complete elimination, or, at a minimum, significant deferment of all creditors' recoveries. The settlement contemplates certain value being distributed to prepetition equity. The rationale for this settlement is described at pages 6-11 of the Disclosure Statement relating to the Plan. The Creditors' Committee agrees with the Debtors' analysis therein: That to attempt to confirm a Plan without reaching a resolution with the Equity Committee likely would lead to significant additional delay and further erosion of creditor recoveries.

The Plan also secures for the Debtors' stakeholders the benefits of a negotiated settlement of multiple and contentious litigations over contested assets and liabilities among the Debtors, JPMorgan Chase Bank, N.A. ("JPMC"), the Federal Deposit Insurance Corporation, as receiver for Washington Mutual Bank (the "FDIC-Receiver"), and the Federal Deposit Insurance Corporation, in its corporate capacity (the "FDIC-Corporate"), as embodied in that certain Second Amended and Restated Settlement Agreement, dated as of February 7, 2011, by and

among the Debtors, JPMC and certain of its affiliates, the FDIC-Receiver, the FDIC-Corporate, and the Creditors' Committee, as it has been and may be further amended, together with all exhibits annexed thereto (the "Settlement Agreement"). Although the Bankruptcy Court has twice denied confirmation of prior versions of the Plan, on both occasions the court has found that the Settlement Agreement is fair and reasonable. We believe it is essential to consummate the Settlement Agreement through prompt confirmation of the Plan. Failure to promptly confirm the Plan could jeopardize the Settlement Agreement and result in the reopening of disputes among the parties to the Settlement Agreement, with attendant costs and delays.

Issues to Consider as You Vote

The principal issues for your consideration in connection with the Plan are:

(i) the reasonableness of the compromise of the Debtors' stakeholders' rights to the assets of the Debtors' estates considered in light of the likely considerable delay necessary to obtain a resolution of such rights in litigation;

(ii) the reasonableness of the compromise of the Debtors' claims, potential claims, and rights to certain assets embodied in the Settlement Agreement and the Plan, including (a) the Debtors' rights to certain tax refunds, (b) the Debtors' rights in certain deposit accounts, (c) the Debtors' potential recovery from certain litigations or potential litigations against JPMC, the FDIC-Receiver, and the FDIC-Corporate, (d) the Debtors' potential liability to JPMC, the FDIC-Receiver, and the FDIC-Corporate in certain litigations or potential litigations against the Debtors, and (e) other assets or potential assets of the estate that have been the subject of disputes among certain of the parties to the Settlement Agreement; and

(iii) the potential for ongoing accrual of interest and fees to erode the distributions to be received by certain classes of unsecured creditors.

Although the Creditors' Committee, by this letter, expresses its support for the Plan, this letter does not necessarily reflect the views of any of the individual Committee Members, each of which reserves any and all of its rights.

If you have any questions with respect to the Plan or the treatment of your claims, please contact the Creditors' Committee's counsel, Akin Gump Strauss Hauer & Feld LLP, by emailing WMIcreditorscommittee@akingump.com or calling (310) 552-6630.

Very truly yours,

The Official Committee of Unsecured Creditors of Washington Mutual, Inc., et al.

Exhibit A-3

Equity Committee's Plan Support Letter

The Official Committee of Equity Security Holders
of Washington Mutual, Inc. et al.

January ___, 2012

To: The Equity Security Holders of Washington Mutual, Inc.

RE: In re Washington Mutual Inc., et al., Case No. 08-12229 (MFW)

Dear Equity Security Holders:

The Official Committee of Equity Security Holders (the "Equity Committee") is a fiduciary representative of holders of equity securities of Washington Mutual, Inc. ("WMI", and together with WMI Investment Corp., the "Debtors") represented by the issued and outstanding shares of preferred and common stock.

Throughout these chapter 11 cases, the Equity Committee has advocated for the highest possible recovery for all equity security holders. Recently, the Equity Committee has been actively involved in plan negotiations as part of the Bankruptcy Court-ordered mediation. As a result of these negotiations, the Equity Committee, the Debtors and other parties in interest have reached a resolution of the differences among them which, subject to approval of the Seventh Amended Plan (as defined below) by the Bankruptcy Court, will result in a recovery for holders of Preferred Equity Interests and Common Equity Interests. The terms of the Seventh Amended Plan which address the recovery for equity holders are summarized below.

With this letter, you are receiving the Disclosure Statement for the Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code (the "Disclosure Statement"). Attached to the Disclosure Statement is the Debtors' Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code (the "Seventh Amended Plan"). The Seventh Amended Plan is the legal document that, if confirmed by the Bankruptcy Court, will dictate what you will receive from the Chapter 11 case on account of your equity interests. The Disclosure Statement provides information to help you determine whether you should vote in favor of the Seventh Amended Plan. The Equity Committee recommends that you read the Disclosure Statement and the Seventh Amended Plan carefully. To the extent that there is any inconsistency between the Disclosure Statement and this letter, the Disclosure Statement controls.

THE EQUITY COMMITTEE SUPPORTS THE SEVENTH AMENDED PLAN, BELIEVES RECOVERIES TO HOLDERS OF PREFERRED AND COMMON STOCK CONTEMPLATED BY THE SEVENTH AMENDED PLAN TO BE IN THE BEST INTERESTS OF HOLDERS OF EQUITY INTERESTS AND RECOMMENDS THAT ALL HOLDERS OF PREFERRED AND COMMON EQUITY INTERESTS VOTE TO GRANT THE SPECIFIED RELEASES AND ACCEPT THE SEVENTH AMENDED PLAN.

If the Seventh Amended Plan is confirmed by the Bankruptcy Court, the holders of Preferred and Common Equity Interests that elect to grant the releases set forth in Section 41.6 of the Seventh Amended Plan will receive, as more fully set forth below:

- *Pro rata* share of 200 million shares of new common stock of Reorganized WMI and the right to appoint a controlling majority of Reorganized WMI's board of directors. Reorganized WMI will be capitalized with $75 million in cash, a $125 million credit facility, and other assets.
- Liquidating Trust Interests that may generate cash recovery for equity holders in the event all allowed claims and postpetition interest claims on allowed claims are paid in full.
- Representation on the Trust Advisory Board that will manage the Liquidating Trust.
- Majority representation on the Litigation Subcommittee of the Liquidating Trust that will manage certain litigation brought on behalf of the Liquidating Trust and its beneficiaries.

Under the Seventh Amended Plan, holders of equity interests represented by the outstanding shares of preferred stock of WMI issued prior to or on September 26, 2008 (referred to as "Preferred Equity Interests" in the Seventh Amended Plan and are classified in Class 19) and holders of equity interests represented by the issued and outstanding shares of common stock of WMI issued prior to or on September 26, 2008 (referred to as "Common Equity Interests" in the Seventh Amended Plan and are classified in Class 22, and may also include holders of Dime Warrants in Class 21, if the Bankruptcy Court determines these warrants to be convertible to common equity) are impaired. The holders of Preferred Equity Interests and of Common Equity Interests are entitled to vote to accept or reject the Seventh Amended Plan.

RELEASES REQUIRED FOR PARTICIPATION IN RECOVERY:

Section 41.6 of the Seventh Amended Plan provides for certain releases by holders of equity interests. The Equity Committee recommends that you read this section carefully. **PLEASE NOTE THAT YOU MUST CHECK THE BOX GRANTING THE RELEASE IN ORDER TO RECEIVE A DISTRIBUTION UNDER THE SEVENTH AMENDED PLAN. THE DEADLINE TO RETURN YOUR RELEASE AND MAKE THE ELECTION ENTITLING YOU TO A DISTRIBUTION IS _____, 2012. Please also note that, in order for your vote to be counted in support of (or in opposition to) the Seventh Amended Plan, you must return your ballot on or before the deadline set by the Court. The deadline to return your ballot is _____, 2012. If you fail to return your ballot by the ballot deadline, but make an election granting the releases and return it before the release deadline, you will still be entitled to receive a distribution under the Seventh Amended Plan. DO NOT DELAY IN RETURNING YOUR BALLOTS.** Holders of WMI equity interests who do not elect to grant the releases set forth in Section 41.6 of the Seventh Amended Plan will not receive any distribution under the Plan.

The legal scope of the releases is defined in Section 41.6 of the Seventh Amended Plan and associated definitions and related sections of the Plan. In general, consenting equity holders will be releasing (a) the four creditor hedge funds known as "AAOC" (these funds are also

known as the "Settlement Note Holders")[1]; (b) all other creditors who hold one of the four major classes of bonds (senior notes, senior subordinated notes, CCB notes, and PIERS); and (c) JPMorgan Chase, the Federal Deposit Insurance Corporation and other parties to the Global Settlement Agreement, for all claims related to the Debtors and their bankruptcy estates.

As part of the resolution the Equity Committee has reached with the Debtors and other parties in interest, the Equity Committee has agreed, subject to confirmation of the proposed Seventh Amended Plan, to waive any and all rights to pursue claims for equitable disallowance and causes of action against AAOC and the holders of senior notes, senior subordinated notes, CCB notes, and PIERS, and will dismiss with prejudice its appeals of the Global Settlement Agreement and prior iterations of the plan.

POTENTIAL RECOVERY FOR EQUITY HOLDERS GRANTING RELEASES:

If the Seventh Amended Plan is approved by the Bankruptcy Court, WMI's equity holders who have granted timely releases will obtain potential recovery through two sources: ownership of the Reorganized Debtor and interests in the Liquidating Trust (following satisfaction of claims senior in priority to equity interests). From the perspective of equity holders, the Seventh Amended Plan provides significant improvements over prior plans with regard to both of these interests.

Reorganized Debtor: Under the Seventh Amended Plan, WMI's preferred and common shareholders will own 95% of reorganized WMI. The stock to be issued in connection with the Seventh Amended Plan will be subject to significant restrictions on transfer. The holders' ability to transfer ownership will be limited, as described fully in the proposed Articles of Incorporation (filed with the Plan Supplement documents.)

Further, the stock will not initially be listed on a nationally recognized stock exchange and may not ever be so listed. Listing would require both that Reorganized WMI meet listing and eligibility requirements and that Reorganized WMI's Board of Directors be satisfied such listing would be in the best interests of the company. Reorganized WMI may be able to have its stock quoted on the OTCBB and/or the OTC Pink, subject to meeting eligibility requirements and to the Board's determination that such action is in the best interest of the company.

The proposed ownership structure is intended to provide the Reorganized Debtor with the full benefit of the tax Net Operating Loss ("NOL") generated by the loss of WMB's assets. In addition to the NOL, the Reorganized Debtor will be funded with $75 million in cash and will have access to a $125 million credit facility for use as working capital to either acquire or build a financial or insurance business, taxable income from which may be able to be offset by the NOL.

As in the prior plans, Reorganized WMI will emerge from bankruptcy with two major assets, a runoff portfolio of mortgage insurance policies and an NOL that is likely to be over $6

[1] The four hedge funds that make up AAOC are Appaloosa Management L.P.; Aurelius Capital Management LP; Centerbridge Partners L.P.; and Owl Creek Asset Management L.P. and certain funds managed by these entities and other affiliates.

billion dollars. The runoff portfolio is currently valued at $140 million. Under the Seventh Amended Plan, after elections are made in connection with solicitation, as discussed below, Reorganized WMI will issue notes to current WMI creditors for $130 million of the runoff proceeds and the other $10 million of those proceeds will be retained by the company. Significantly, the runoff notes will have recourse only to the proceeds of the portfolio, meaning that, if the insurance policies ultimately generate less income than the $140 million (present value) currently predicted, the holders of those notes will not be able to require Reorganized WMI to make up the deficiency from any of its other assets.

Ninety-five percent (95%) of the common stock in Reorganized WMI will be distributed to current WMI equity holders who elect to grant releases under the Seventh Amended Plan. Five percent (5%) of the common stock will be distributed to current WMI creditors who make an election to contribute a portion of the runoff proceeds to Reorganized WMI (this election is the basis for the $10 million in runoff proceeds retained by Reorganized WMI, as discussed in the previous paragraph.) The Equity Committee proposes that 70% of the remaining Reorganized WMI common stock (70% of the 95%) be distributed to current WMI preferred equity holders and 30% of the remaining Reorganized WMI common stock (30% of the 95%) be distributed to current WMI common shareholders, but the Bankruptcy Court will have discretion to allocate the distribution among current preferred and current common as it sees fit.

It is presently assumed that Reorganized WMI will seek to acquire additional insurance assets or companies, or other financial-related businesses. These efforts will be overseen by a five-member board of directors, four of whom will be initially appointed by the Equity Committee and whose positions will, in the future, be subject to election by Reorganized WMI's stock holders (i.e. current WMI equity holders who grant releases and elect to take the stock under the Seventh Amended Plan.) The fifth director will be appointed by the lenders of the $125 million credit facility.

Reorganized WMI will have access to four major sources of funding:

1. Reorganized WMI will receive $10 million of the insurance runoff proceeds, as discussed above.

2. Creditors who elect to contribute this portion of their runoff proceeds will also be electing to contribute 50% of any future distributions from the Liquidating Trust attributable to the affirmative litigation managed by the Litigation Subcommittee (as discussed below).

3. Reorganized WMI will receive $75 million in cash outright on emergence as a result of an election by holders of WMI's senior and senior subordinated notes. This contribution is being provided by these creditors expressly in exchange for the releases that will be granted by equity holders who elect to support the Seventh Amended Plan.

4. Reorganized WMI will have access to a $125 million credit facility.

The Equity Committee believes that the terms of the $125 million credit facility are favorable to Reorganized WMI. Interest on any outstanding loan under the credit facility will be a fixed 7%, of which 6% is due in cash and 1% is payable in kind at the election of Reorganized WMI. The loan is divided into two tranches. Tranche A is $25 million and Tranche B is $100 million. Either Tranche may be drawn in increments of $2.5 million or larger. Tranche A may be drawn at any time without qualification as to use of proceeds. In order to draw on Tranche B, Reorganized WMI must present a business plan or acquisition target that is approved by either the board member appointed by the credit facility lenders or, if that board member does not approve, Reorganized WMI must present an opinion from an independent third-party valuation expert that the target is to be acquired at a fair price. Up to $10 million of the Tranche B facility may be used to fund the creation of a new business by Reorganized WMI, the remainder is available solely for acquisition of existing businesses.

Liquidating Trust: The Liquidating Trust will receive, manage, and liquidate all assets belonging to the Debtors that are not directly distributed to creditors under the Seventh Amended Plan, apart from the assets allocated to the Reorganized Debtor. These Liquidating Trust assets include potential litigation claims that have not been resolved (by settlement or otherwise) against a number of entities and individuals who may have contributed to WMI's failure, including accountants and underwriters. Distribution of any money obtained as these assets are liquidated will follow the priority scheme in the Bankruptcy Code, and creditors will be made whole before any money can be distributed to WMI preferred or common share holders.

Under the Seventh Amended Plan, representatives appointed by the Equity Committee will have meaningful involvement in the management of the Liquidating Trust. This change from prior plans is an important factor in the Equity Committee's decision to support the Seventh Amended Plan. The Liquidating Trust will be overseen by a seven-member Trust Advisory Board (the "TAB"). The TAB will initially be made up of three members appointed by the Equity Committee, three members appointed by the Creditors' Committee, and one member appointed by the Creditors' Committee and approved by the Equity Committee. At the point when unpaid creditor claims, including interest, have been reduced to $50 million, one of the TAB members appointed by the Creditors' Committee will resign and a replacement will be appointed by the members appointed by the Equity Committee, giving the Equity Committee appointees majority control over the TAB. When creditor claims have been paid in full, the remaining Creditors' Committee appointees will resign, and the TAB will be controlled solely by Equity Committee appointees.

In addition to representation on the TAB, the Equity Committee will control a sub-committee of the TAB known as the Litigation Subcommittee. The Litigation Subcommittee will consist of two of the Equity Committee appointees to the TAB and one of the Creditor Committee appointees to the TAB. The Litigation Subcommittee will control both certain affirmative claims, seeking recovery for the Liquidating Trust, and the defense of certain claims brought by plaintiffs seeking a recovery from the Debtors or the Liquidating Trust. Affirmative claims controlled by the Litigation Subcommittee include all unresolved claims for professional malpractice, breach of fiduciary duty, and business tort claims that belonged to WMI or any of the other Debtors that are not being released under the Seventh Amended Plan. The claims defended by the Litigation Subcommittee include all claims falling into Class 18 in the Seventh

Amended Plan which are claims based upon, among other things, alleged harm to holders of debt securities issued by WMI or its non-debtor subsidiary, Washington Mutual Bank. The defense of suits brought by litigants or other claimants who have asserted a General Unsecured Claim falling in Class 12 will be controlled by the TAB. The Litigation Subcommittee's settlement authority over the claims it is responsible for pursuing or defending will be exclusive for the first six months after emergence. After six months, either the TAB or the Litigation Subcommittee will have the authority to settle claims being managed by the Litigation Subcommittee.

The Litigation Subcommittee will have available up to $20 million to fund the litigation efforts of the Liquidating Trust with respect to its affirmative claims. Litigation costs incurred to defend claims managed by the Litigation Subcommittee will be paid by the Liquidating Trust from funds other than this $20 million. Of the $20 million, the first $10 million will be available to the Litigation Subcommittee immediately, the second $10 million will be available on request to the TAB, which authorization must not be unreasonably withheld. The Litigation Subcommittee has sole authority to retain and supervise counsel for both the affirmative and defensive claims it is responsible for managing.

The Equity Committee believes that this management and funding structure for the Liquidating Trust and Litigation Subcommittee embodies a reasonable balance between the interests of WMI's remaining creditors and its equity holders and provides equity representatives with a meaningful voice in the decisions that will determine potential future distributions to current shareholders. **We recommend WMI's equity holders support the Seventh Amended Plan on this basis and vote to accept the Seventh Amended Plan.**

Following more than a year and a half of litigation during which the Equity Committee successfully defeated confirmation of two prior plans, the Equity Committee engaged in weeks of very intense negotiations with individual creditors, the Debtors, the Creditors Committee and other parties-in-interest to arrive at the terms of the Seventh Amended Plan, including the assets to be held by Reorganized WMI. The Equity Committee believes that the proposed Seventh Amended Plan represents the best chance for the largest possible recovery by its constituents. In particular, the Equity Committee believes that this outcome is far preferable to the uncertainty and delay inherent in what could be years of future litigation seeking to obtain a better result. **The Equity Committee recommends that all WMI equity holders promptly return ballots indicating that they will grant the proposed releases and accept the Seventh Amended Plan.**

Very truly yours,

THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS OF WASHINGTON MUTUAL, INC.