

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
<i>In re</i>	:		Chapter 11
	:		
WASHINGTON MUTUAL, INC., <u>et al.</u> , ¹	:		Case No. 08-12229 (MFW)
	:		
Debtors.	:		(Jointly Administered)
	:		
	:		Re: Docket No. 10199
	:		Hearing Date: June 28, 2012 at 10:30 a.m. (ET)
	:		Response Deadline: June 21, 2012 at 4:00 p.m. (ET)

**WMI LIQUIDATING TRUST'S (I) RESPONSE TO SUPPLEMENTAL
APPLICATION OF PACHULSKI STANG ZIEHL & JONES LLP FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE AD
HOC GROUP OF WMB SENIOR NOTEHOLDERS AND (II) CROSS MOTION FOR AN
ORDER AUTHORIZING WMI LIQUIDATING TRUST TO DISTRIBUTE CERTAIN
AMOUNTS OTHERWISE ALLOCABLE TO WMB SENIOR NOTEHOLDERS**

WMI Liquidating Trust ("WMILT"), as successor in interest to Washington Mutual, Inc. ("WMI") and WMI Investment Corp., formerly debtors and debtors in possession (collectively, the "Debtors"), files this (a) response to the *Supplemental Application of Pachulski Stang Ziehl & Jones LLP for Services Rendered and Reimbursement of Expenses as Counsel to the Ad Hoc Group of WMB Senior Noteholders*, dated May 21, 2012 [D.I. 10199] (the "Supplemental Application") and (b) cross motion (the "Cross Motion"), pursuant to sections 105(a) and 1142 of title 11 of the United States Code (the "Bankruptcy Code"), for an order

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) WMI Investment Corp. (5395). The principal offices of WMILT, as defined herein, are located at 1201 Third Avenue, Suite 3000, Seattle, Washington 98101.



authorizing WMILT to distribute certain amounts otherwise allocable to holders of WMB Senior Notes,² and respectfully represents as follows:

Preliminary Statement

1. As the Bankruptcy Court will recall, pursuant to the Plan, holders of Claims within Class 17A of the Plan, WMB Senior Notes Claims, that executed and delivered the release required were entitled to receive their *pro rata* portion of Three Hundred Thirty-Five Million Dollars (\$335,000,000.00), subject to the prior payment of those fees and expenses incurred by counsel to an ad hoc group of WMB Senior Noteholders and approved by the Bankruptcy Court not to exceed Ten Million Dollars (\$10,000,000.00). In connection with consummation of the Plan, such counsel estimated their fees and expenses and ultimately filed a fee application (the “Initial Application”) in the aggregate amount of \$8,211,160.99. Such application was approved by the Bankruptcy Court pursuant to an order, dated April 18, 2012 [D.I. 10073]. Consistent therewith, upon effectiveness of the Plan, \$326,788,839.01 was distributed on a *pro rata* basis to holders of Class 17A Claims who had complied with the Plan and solicitation procedures attendant thereto and counsel to the ad hoc group, including Pachulski Stang Ziehl & Jones LLP (“Pachulski”), received their respective portions of the Bankruptcy Court-approved fees and expenses.

2. Subsequent to such distributions being made, (a) WMILT was informed that Pachulski had additional unbilled fees and expenses in the aggregate amount of \$48,691.51 (the “Supplemental Fees and Expenses”), (b) three holders of Class 17A Claims, each managed by Marathon Asset Management (“Marathon”), have asserted that, having executed and

² Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, dated December 11, 2011 [D.I. 9178], as amended (the “Plan”).

delivered the requisite releases, they were entitled to, and did not receive, distributions in the aggregate amount of \$428,951.98,³ and (c) \$736,854.58 was returned to WMILT by two holders of WMB Senior Notes as a result of overpayments (the “Available Funds”).

3. WMILT does not oppose the payment of the Supplemental Fees and Expenses, as the payment thereof is consistent with the Plan and will not prejudice any non-Class 17A Creditors or holders of Equity Interests because such payment would be paid from the Available Funds – funds which would have been available in the first instance if Pachulski had included the Supplemental Fees and Expenses in the Initial Application.

4. By the Cross Motion, WMILT seeks authority to (a) pay \$428,951.98 requested by Marathon and (b) distribute to WMILT the remaining Available Funds, \$259,211.09, because the *de minimis* size of such remaining Available Funds and the corresponding *pro rata* distribution thereof to all eligible holders of WMB Senior Notes would be, in many instances, either impermissible pursuant to the Plan or costly and, indeed, in many instances, exceed the expense of generating the distribution. Therefore, WMILT seeks authority to allocate the remaining \$259,211.09 for distribution to Creditors through the Plan-approved waterfall and include such amount in a future quarterly distribution pursuant to the Plan.

Jurisdiction

5. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

³ Amount calculated consistent with the *pro rata* distribution received by other holders of Class 17A Claims.

BACKGROUND

6. On September 26, 2008, each of the Debtors commenced with this Court a voluntary case pursuant to chapter 11 of the Bankruptcy Code.

The Plan and Solicitation Process

7. On October 6, 2010, the Debtors filed their *Sixth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* [D.I. 5548] (as modified, the “Sixth Amended Plan”) and a related disclosure statement [D.I. 5549] (the “Initial Disclosure Statement”). By order, dated October 21, 2010 [D.I. 5659] (the “Initial Disclosure Statement Order”), the Bankruptcy Court approved the adequacy of the information contained in the Initial Disclosure Statement.

8. On October 22, 2010, in compliance with the Initial Disclosure Statement Order, the Debtors commenced their solicitation of votes to accept the Sixth Amended Plan and, to each holder of WMB Senior Notes that had filed a proof of claim (the “Filing Holders”), the Debtors’ solicitation agent, Kurtzman Carson Consultants LLC (“KCC”), directly sent a solicitation package which included a ballot to accept or reject the Plan. Separately, to every holder of WMB Senior Notes as of October 25, 2010 (the “Record Date”), KCC sent (through such holder’s broker or nominee) a solicitation package which included an election form on which the holders of WMB Senior Notes that did not file a proof of claim (the “Non-Filing Holders”, and together with the Filing Holders, the “WMB Senior Note Holders”) could elect whether to grant the releases in Section 43.6 of the Sixth Amended Plan. Therefore, Filing Holders received (separately) **both** a ballot and an election form, whereas Non-Filing WMB Senior Note Holders received **only** an election form.

9. To avoid confusion, both the ballot and the election form noted that Filing Holders should complete and return **only** the ballot and **not** the election form. In addition, on

November 15, 2010, the Debtors filed a supplemental notice [D.I. 5910] (the “Supplemental Notice”), which provided further explanation of the solicitation and election procedures applicable to the WMB Senior Note Holders. The Supplemental Notice stated that, “[t]o the extent that a holder of a WMB Senior Notes Claim receives, in addition to a Class 17A Ballot, a Non-Filing WMB Senior Note Holder Election Form, such holder should disregard the election form and only complete and submit the Class 17A Ballot.”

10. A hearing to consider confirmation of the Sixth Amended Plan was held from December 1, 2010 through December 7, 2010. On January 7, 2011, the Bankruptcy Court entered an opinion [D.I. 6528] (the “January Opinion”) and a corresponding order [D.I. 6529] denying confirmation of the Sixth Amended Plan and identifying certain modifications to the Sixth Amended Plan that would be required before the Sixth Amended Plan could be confirmed.

11. On February 8, 2011, the Debtors filed their *Modified Sixth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* [D.I. 6696] (as modified, the “Modified Plan”) and a related disclosure statement [D.I. 6697] (the “Supplemental Disclosure Statement”). By order, dated March 30, 2011 [D.I. 7081] (the “Supplemental Disclosure Statement Order”), the Bankruptcy Court, among other things, approved the adequacy of the information contained in the Supplemental Disclosure Statement.

The elections granted by WMB Senior Note Holders during solicitation of the Sixth Amended Plan remained binding on such holders and no new solicitation was undertaken for such parties. However, certain WMB Senior Note Holders who failed to grant such releases during the prior solicitation were given a new opportunity to do so during the solicitation on the Modified Plan.

12. A hearing to consider confirmation of the Modified Plan was held from July 13, 2011 through July 21, 2011. On September 13, 2011, the Bankruptcy Court entered an opinion [D.I. 8612] (the “September Opinion”) and a corresponding order [D.I. 8613] denying confirmation of the Modified Plan and identifying certain modifications to the Modified Plan that would be required before the Modified Plan could be confirmed.

13. On December 12, 2011, the Debtors filed the Plan and a related disclosure statement [D.I. 9179] (the “Disclosure Statement”). By order, dated January 13, 2012 [D.I. 9414], the Bankruptcy Court, among other things, approved the adequacy of the information contained in the Disclosure Statement. **Again, the elections granted by WMB Senior Note Holders during solicitation on the Sixth Amended Plan or the Modified Plan, as the case may be, remained binding on such holders and no new solicitation was undertaken for such parties.** WMB Senior Note Holders who failed to grant such releases during the prior solicitations were **not** given a new opportunity to do so during the solicitation on the Plan.

14. A hearing to consider confirmation of the Plan was held from February 16-17, 2012. By order, dated February 23, 2012 [D.I. 9759], the Bankruptcy Court confirmed the Plan and, upon satisfaction or waiver of the conditions described in the Plan, the transactions contemplated by the Plan were consummated on March 19, 2012.

Distributions Pursuant to the Plan

15. Pursuant to Section 21.1 of the Plan, all holders of WMB Senior Notes who elected to grant the releases contained in Section 43.6 of the Sixth Amended Plan or the Modified Plan, as the case may be, whether Class 17A WMB Senior Note Holders (“Releasing Filers”) or Non-Filing WMB Senior Note Holders (“Releasing Non-Filers”), were eligible to receive their *pro rata* share of “BB Liquidating Trust Interests (which interests, in the aggregate,

represent an undivided interest in WMI's share of the Homeownership Carryback Refund Amount, as defined and set forth in Section 2.4 of the Global Settlement Agreement, in an amount equal to Three Hundred Thirty-Five Million Dollars (\$335,000,000.00)."⁴

16. Pursuant to Sections 21.1 and 41.18 of the Plan, and subject to the approval of the Bankruptcy Court of the reasonableness of the fees and expenses requested, "the Settlement WMB Senior Note Holders shall have first priority to recover Cash distributions made on account of the BB Liquidating Trust Interests up to an aggregate amount of Ten Million Dollars (\$10,000,000.00), to compensate for the legal fees and expenses incurred by the Settlement WMB Senior Note Holders' and other WMB Senior Note Holders' retention of" Wilmer Cutler Pickering Hale & Dorr LLP ("Wilmer"), Pachulski, and Boies, Schiller & Flexner LLP ("Boies").

17. Holders of approximately \$6,085,187,657.94 of WMB Senior Notes granted releases during solicitation of acceptances to the Sixth Amended Plan or the Modified Plan. As the Effective Date approached, it was initially contemplated that such holders would receive a distribution of their *pro rata* share of \$325,000,000.00, with the full \$10,000,000.00 being set aside for the allowed legal fees and expenses of Wilmer, Pachulski and Boies. Then, after the allowance of such legal fees, any remaining excess would be distributed in a secondary distribution to the holders of WMB Senior Notes.

18. Such initial distributions would have been in an approximate amount of 5.341% of each such holder's WMB Senior Notes. However, the concept of an initial and subsequent distribution to holders was, with the consent of Wilmer, Pachulski, and Boies, dismissed as being uneconomical. Pursuant to Section 31.4 of the Plan, no payments are to be

⁴ Section 43.6 of the Sixth Amended Plan and the Modified Plan was renumbered to Section 41.6 of the Plan and was deemed binding on all Releasing Filers and Releasing Non-Filers.

made to a holder of an Allowed Claim or Equity Interest in the event that the amount payable is less than Ten Dollars (\$10.00). And, with Wilmer, Pachulski, and Boies estimating their fees and expenses to be approximately \$8,211,160.99, the implied secondary distribution of \$1,788,839.01 would have been in an approximate amount of 0.029% of each holder's WMB Senior Notes (i.e.: a holder of \$100,000 of WMB Senior Notes would receive a distribution of about \$30, and a holder of \$10,000 of WMB Senior Notes would receive a distribution of about \$3). Because the *pro rata* distribution of such amount to all eligible holders of WMB Senior Notes would be (a) in some instances, less than Ten Dollars (\$10.00) and (b) costly and, in many instances, the cost of sending a holder's distribution by check or wire transfer would be larger than the distribution itself, it was agreed by the Debtors and Wilmer, Pachulski and Boies, that counsel would estimate their fees and expenses and send such estimate to WMILT as soon as possible after the Effective Date. WMILT would set aside an amount to cover such estimated fees and expenses and distribute the balance of the \$335,000,000.00 in one distribution to all eligible holders of WMB Senior Notes.

19. Thus, on or around March 23, 2012, WMILT made a distribution of \$326,788,839.01 to all eligible holders of WMB Senior Notes, in an amount equal to approximately 5.370% of each such holder's WMB Senior Notes. As noted above, on March 27, 2012, Wilmer, Pachulski and Boies filed the Initial Application seeking approval of fees and expenses in the amount of \$8,211,160.99 [D.I. 9985]. By order, dated, April 18, 2012 [D.I. 10073], the Initial Application was approved and WMILT paid such amount to the three law firms, including \$2,233,905.71 to Pachulski.

20. On May 21, 2012, Pachulski filed the Supplemental Application seeking payment for additional pre-Effective Date fees and expenses in the amount of \$48,691.51.

Pachulski acknowledged in their application that there might not be any funds remaining from which they could be paid: “To the extent that there are excess funds on hand from the Class 17A distribution pool, the Applicant submits this Supplemental Application.” Supplemental Application at ¶12.

Marathon

21. Marathon is an investment manager that manages four (4) holders of WMB Senior Notes included on proofs of claim 3710 and 3711: (a) Corporate Debt Opportunities Fund, LP, (b) Marathon Credit Master Fund, Ltd., (c) Marathon Credit Opportunity Master Fund, Ltd., and (d) Marathon Special Opportunity Master Fund, Ltd. During solicitation of acceptances to the Sixth Amended Plan, Marathon returned ballots for all four holders, for WMB Senior Notes totaling \$54,897,000.00. Marathon also submitted election forms on behalf of three of these holders, in an amount totaling \$7,930,000.00. However, the election forms submitted by the Marathon entities were not tabulated.

22. Though the language in the Initial Disclosure Statement Order, the ballots sent to Filing Holders, and the election forms sent to all WMB Senior Note Holders was clear, and though the Debtors filed and served the Supplemental Notice to further clarify the solicitation procedures for WMB Senior Note Holders, certain Releasing Filers completed **both** a ballot and an election form, with respect to their holdings. In order to track which Releasing Non-Filers had completed an election form and granted the release, such holders’ notes were locked from trading temporarily and placed into contra-CUSIPs. A few weeks thereafter, such holders, notes were placed into escrow CUSIPs and their notes were again freely tradable. Even if such notes were sold with the rights to any distribution, distributions were to be made only to the holders as of October 25, 2010 – that is, the holders that granted the releases on the election forms – via their brokers.

23. No such tracking was done with respect to Releasing Filers. Rather, distributions to Releasing Filers were to be made directly to such holders from KCC. In July 2011, in order to reconcile ballots and elections forms that had been submitted by Releasing Filers, KCC began to (i) review the positions in the escrow CUSIPs and remove any positions of Releasing Filers (who would be paid directly from KCC, and not through their broker) and (ii) contact each such holder for confirmation of their holdings as listed on each ballot.

24. With respect to every Releasing Filer that filed both a ballot and an election form, but three (the three Marathon entities which returned election forms), the election forms were duplicates of the ballots, and had been filed out of an abundance of caution and the deletion of positions from the escrow CUSIPs with respect to such holders did not prejudice such holders in any way. On the contrary, it prevented a double distribution. However, because the election forms of the three Marathon entities were not duplicates of the ballots they also submitted, but, rather, were for positions above and beyond those encompassed by the Marathon ballots, once the positions included on by such election forms were deleted from the relevant escrow CUSIPs, Marathon would not, and ultimately did not, receive a distribution on account of those WMB Senior Notes, \$428,951.98. Marathon did receive a distribution of \$2,955,235.79 on account of the \$54,897,000.00 of notes covered by its ballots.

The Return of Overpayments

25. After the Effective Date, Anchorage Capital Group, LLC ("Anchorage"), a Releasing Filer, returned to WMILT \$467,135.49 of the distribution it had received on account of its WMB Senior Notes. Anchorage is the investment manager of Anchorage Capital Master Offshore, Ltd., a holder of WMB Senior Notes that was included on proofs of claim 3710 and 3711. Such overpayment related to the conversion of Anchorage's Euro holdings into dollar amounts and a corresponding calculation error. Also, Citigroup Global Markets, Inc.

(“Citigroup”), a holder of WMB Senior Notes included on proof of claim 2480, returned to WMILT \$269,719.09 of the distribution it had received on account of its WMB Senior Notes.

26. After the return of these overpayments (the “Overpayments”), WMILT has \$736,854.58 that it must, pursuant to Section 21.1 of the Plan, distribute to holders of Releasing Filers, Releasing Non-Filers, or their counsel. If WMILT were to distribute (a) \$48,691.51 to Pachulski on account of its Supplemental Application and (b) \$428,951.98 to Marathon on account of WMB Senior Notes for which Marathon had tendered releases, then \$259,211.09 would remain for distribution. Were this amount to be distributed to all eligible holders of WMB Senior Notes, it would be in an approximate amount of 0.004% of each holder’s WMB Senior Notes (i.e.: a holder of \$100,000 of WMB Senior Notes would receive a distribution of about \$4.26, and a holder of \$10,000 of WMB Senior Notes would receive a distribution of about 42 cents), each clearly below the threshold amount required pursuant to the Plan.

Relief Requested

27. WMILT seeks entry of an order (the “Proposed Order”), in the form attached hereto as Exhibit A, pursuant to sections 105(a) and 1142 of the Bankruptcy Code, authorizing WMILT to (i) pay \$48,691.51 to Pachulski on account of its Supplemental Application, (ii) pay \$428,951.98 to Marathon on account of to the WMB Senior Notes for which it submitted election forms, and (iii) allow the remaining \$259,211.09 to revert to WMILT for distribution to other Creditors in accordance with the terms of the Plan.

Approval of the Relief Requested is Appropriate and Warranted Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code

28. Section 105(a) of the Bankruptcy Code provides that, “[t]he court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions

of this title.” Likewise, section 1142 of the Bankruptcy Code authorizes the court to direct the debtor and any other necessary party to perform any act that is necessary for the consummation of the Plan. WMILT respectfully submits that entry of the Proposed Order is appropriate because it is consistent with not only the terms of the Plan, but also, the “spirit” behind the Plan.

29. With respect to the Supplemental Fees and Expenses requested by Pachulski, as long as the Bankruptcy Court finds that such fees and expenses are reasonable, such fees and expense would not increase the amount of fees and expenses to be paid to counsel in excess of the \$10,000,000.00 cap, and so the only roadblock to paying such fees and expenses would have been if no amount remained from the \$335,000,000.00 established pursuant to Section 21.1 of the Plan. That is not the case.

30. With respect to the amount requested by Marathon, WMILT submits that payment of such amount is fair, reasonable, and in the best interests of WMILT and the Debtors’ creditors. Absent such payment, Marathon may choose to litigate the issue as to accountability for the deletion of its election form releases and, not only would WMILT be faced with the expenses of such litigation, Marathon could potentially win such litigation and receive such payment. Additionally, even if Marathon were to lose, as described in greater detail above, the amount at issue (\$428,951.98) would then need to be distributed in a second *pro rata* distribution to other eligible holders of WMB Senior Notes, which distribution would be exceedingly small and, in many cases, exceed the cost of making such distribution by wire transfer or check. Thus, WMILT submits that payment of this requested amount to Marathon is appropriate.

31. Lastly, with respect to the remaining \$259,211.09, though the Plan requires that such amount be distributed only to holders of WMB Senior Notes or their counsel, and not to any other Creditors, WMILT submits that cause exists to allow such amount to revert

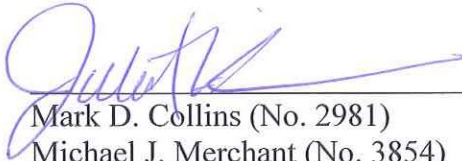
to WMILT for distribution to other Creditors and parties in interest, in accordance with the waterfall. As noted above, payment of such amount in a second *pro rata* distribution to other eligible holders of WMB Senior Notes in an approximate amount of 0.004% of each holder's WMB Senior Notes. If permitted pursuant to the Plan, and, by its express terms, it is not, holders of \$100,000 in WMB Senior Notes would receive a check or wire transfer in the approximate amount of \$4.26 and holders of \$10,000 in WMB Senior Notes would receive a check or wire transfer in the approximate amount of 42 cents. Unless the costs of distribution were allocated to such recipients, the cost to WMILT of making such small distributions would be greater than the distributions themselves and would prejudice all other Creditors – something that was not contemplated. Indeed, not only is the benefit to each such holder particularly small, but the harm to the estate (and its other Creditors) of having to send out checks and wire transfers in such amounts clearly outweighs such benefits. WMILT submits that, in light of (a) the inability to make *de minimis* distributions to holders of WMB Senior Notes and (b) other Creditors still receiving significantly less than one hundred percent (100%) of their outstanding Claims, the remaining Available Funds, after payment to Pachulski and Marathon, should revert to WMILT for distribution to other Creditors. By doing so, not only are such Creditors' recoveries enhanced, but also, Creditors lower in the capital structure will move closer to receiving a distribution from the waterfall.

Notice

32. Notice of the Response and Cross Motion has been given to (a) the U.S. Trustee, (b) Pachulski, (c) Marathon, and (d) all other persons entitled to receive notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, WMILT submits that no other or further notice need be provided.

WHEREFORE WMILT respectfully requests that this Court enter the Proposed Order granting (i) the relief requested herein and (ii) WMILT such other and further relief as is just.

Dated: June 7, 2002
Wilmington, Delaware



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Attorneys to the WMI Liquidating Trust

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

	X	
<i>In re</i>	:	
	:	Chapter 11
	:	
WASHINGTON MUTUAL, INC., <u>et al.</u> , ¹	:	Case No. 08-12229 (MFW)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Hearing Date: June 28, 2012 at 10:30 a.m. (EDT)
	:	Objection Deadline: June 21, 2012 at 4:00 p.m. (EDT)
	X	

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that on June 7, 2012, WMI Liquidating Trust, as successor in interest to Washington Mutual, Inc. and WMI Investment Corp., formerly debtors and debtors in possession (collectively, the “Debtors”), filed the **WMI Liquidating Trust’s (I) Response to Supplemental Application of Pachulski Stang Ziehl & Jones LLP for Services Rendered and Reimbursement of Expenses as Counsel to the Ad Hoc Group of WMB Senior Noteholders and (II) Cross Motion for an Order Authorizing WMI Liquidating Trust to Distribute Certain Amounts Otherwise Allocable to WMB Senior Noteholders** (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

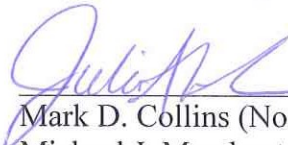
PLEASE TAKE FURTHER NOTICE that any objections or responses to the Motion must be filed in writing with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned counsel for the Debtors on or before **June 21, 2012 at 4:00 p.m. (EDT)**.

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) WMI Investment Corp. (5395). The principal offices of WMILT, as defined herein, are located at 1201 Third Avenue, Suite 3000, Seattle, Washington 98101.

PLEASE TAKE FURTHER NOTICE that, in the event that one or more objections or responses to the Motion are timely filed and not otherwise resolved, the Motion will be considered at a hearing before The Honorable Mary F. Walrath at the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom 4, Wilmington, Delaware 19801, on **June 28, 2012 at 10:30 a.m. (EDT)**.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS OR RESPONSES TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: June 7, 2012
Wilmington, Delaware


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Attorneys for WMI Liquidating Trust

Exhibit A
(Proposed Order)

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X	:	
<i>In re</i>	:	Chapter 11
	:	
WASHINGTON MUTUAL, INC., <u>et al.</u> , ¹	:	Case No. 08-12229 (MFW)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----X		Re: D.I. ____

**ORDER GRANTING (I) SUPPLEMENTAL APPLICATION OF PACHULSKI STANG
ZIEHL & JONES LLP FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS COUNSEL TO THE AD HOC GROUP OF WMB SENIOR
NOTEHOLDERS AND (II) WMI LIQUIDATING TRUST'S RESPONSE TO SUCH
SUPPLEMENTAL APPLICATION AND CROSS MOTION FOR AN ORDER
AUTHORIZING WMI LIQUIDATING TRUST TO DISTRIBUTE CERTAIN
AMOUNTS OTHERWISE ALLOCABLE TO WMB SENIOR NOTEHOLDERS**

Upon the supplemental application, May 21, 2012 (the "Supplemental Application"),² of Pachulski Stang Ziehl & Jones LLP ("Pachulski"), counsel to certain holders of WMB Senior Notes in the chapter 11 cases of Washington Mutual, Inc. ("WMI") and WMI Investment Corp., formerly debtors and debtors in possession (collectively, the "Debtors"), and upon the response of WMI Liquidating Trust ("WMILT"), as successor in interest to the Debtors, to the Supplemental Application and cross motion (the "Cross Motion"), pursuant to sections 105(a) and 1142 of title 11 of the United States Code (the "Bankruptcy Code"), for an order authorizing WMILT to distribute certain other amounts relating to holders of WMB Senior Notes, all as more fully set forth in the Cross Motion; and the Court having jurisdiction to consider the Supplemental Application, Cross Motion, and the relief requested therein pursuant

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) WMI Investment Corp. (5395). The principal offices of WMILT, as defined herein, are located at 1201 Third Avenue, Suite 3000, Seattle, Washington 98101.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Cross Motion.

to 28 U.S.C. §§ 157 and 1334; and consideration of the Supplemental Application, Cross Motion, and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Supplemental Application and Cross Motion having been provided to those parties identified therein, and no other or further notice being required; and the Court having determined that the relief sought in the Supplemental Application and Cross Motion is in the best interest of WMILT, the Debtors' creditors, and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Supplemental Application and Cross Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Supplemental Application and Cross Motion are GRANTED, as set forth herein; and it is further

ORDERED that WMILT is authorized and directed to pay, within five (5) business days of entry of this Order, \$48,691.51 to Pachulski for the reasonable fees and expenses requested in the Supplemental Application; and it is further

ORDERED that WMILT is authorized and directed to pay, within five (5) business days of entry of this Order, \$428,951.98 to Marathon on account of to the WMB Senior Notes for which it submitted election forms; and it is further

ORDERED that the remaining \$259,211.09 shall revert to WMILT for distribution to other Creditors in accordance with the terms and provisions of the Plan; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: June __, 2012
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE