

**WMI LIQUIDATING TRUST  
FREQUENTLY ASKED QUESTIONS (“FAQs”)<sup>1</sup>  
(Please read carefully.)**

*PLEASE NOTE THAT WHAT FOLLOWS IS A STREAMLINED VERSION OF FAQs RELEVANT TO WMI LIQUIDATING TRUST AS IT CONTINUES TO WIND-DOWN ITS OPERATIONS AND PREPARES FOR DISSOLUTION IN ACCORDANCE WITH APPLICABLE LAW. FOLLOWING SUCH STREAMLINED FAQs, THE TRUST ADMINISTRATORS HAVE INCLUDED THE LAST VERSION OF THE FAQs THAT WAS PUBLISHED BY THE TRUST WHILE ITS CHAPTER 11 PROCEEDINGS WERE ONGOING. SUCH PROCEEDINGS WERE CLOSED IN DECEMBER 2019 AND A FINAL DISTRIBUTION OF CASH WAS MADE TO BENEFICIARIES OF THE TRUST IN JANUARY 2020. CONSISTENT WITH REPRESENTATIONS MADE TO THE BANKRUPTCY COURT IN CONNECTION WITH CLOSING THE CHAPTER 11 PROCEEDINGS, THE TRUST WILL CONTINUE TO MAKE THESE LEGACY FAQs ACCESSIBLE TO INTERESTED PARTIES UNTIL AT LEAST MARCH 31, 2021.*

*IN BOTH INSTANCES, THESE FAQs PROVIDE A SUMMARY OF CERTAIN FEATURES OF WMI LIQUIDATING TRUST AND ARE INTENDED FOR INFORMATIONAL PURPOSES ONLY. TO THE EXTENT THAT THERE IS ANY CONFLICT BETWEEN THESE FAQs AND THE CONFIRMATION ORDER (AS DEFINED BELOW), THE PLAN (AS DEFINED BELOW), OR THE AMENDED AND RESTATED LIQUIDATING TRUST AGREEMENT (AS DEFINED BELOW), THE PLAN, THE CONFIRMATION ORDER AND THE LIQUIDATING TRUST AGREEMENT, AS APPLICABLE, SHALL PREVAIL. THESE FAQs ARE SUBJECT TO CHANGE FROM TIME TO TIME, WITHOUT PRIOR NOTICE. PLEASE CONSULT THE LATEST VERSION OF THESE FAQs (AVAILABLE AT [www.wmitrust.com](http://www.wmitrust.com)) IF YOU HAVE ANY QUESTIONS.*

*CAPITALIZED TERMS USED AND NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS GIVEN TO SUCH TERMS IN THE PLAN AND/OR THE LIQUIDATING TRUST AGREEMENT (AS DEFINED BELOW), AS THE CASE MAY BE.*

*AS PROVIDED IN TREASURY DEPARTMENT CIRCULAR 230, ANY TAX ADVICE IN THIS DOCUMENT IS NOT WRITTEN OR INTENDED TO BE USED, AND CANNOT BE USED, BY ANY PERSON OR ENTITY FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON ANY TAXPAYER. THE MATERIALS IN THIS DOCUMENT IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND DO NOT CONSTITUTE LEGAL ADVICE. YOU SHOULD NOT ACT OR RELY ON ANY INFORMATION IN OR REFERENCED BY THIS DOCUMENT WITHOUT SEEKING THE ADVICE OF A QUALIFIED PROFESSIONAL.*

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<sup>1</sup> Please note that the Trust is publishing these updated FAQs in connection with the imminent distribution by the Trust of tax information for the 2020 tax reporting period. Apart from adding new FAQs numbered 5 and 6 and certain immaterial revisions to address typographical errors, no other revisions have been made.

***STREAMLINED FAQs BEGIN HERE***

**1. What is the WMI Liquidating Trust?**

WMI Liquidating Trust (the “Trust” “WMILT” or “Liquidating Trust”) was originally established to serve as a mechanism for liquidating, converting to cash and distributing the Liquidating Trust Assets (as further described in these FAQs) to the holders of beneficial interests in the Liquidating Trust (the “Liquidating Trust Beneficiaries”). The Liquidating Trust is intended to qualify as a “liquidating trust” for federal income tax purposes under applicable Treasury regulations.

The Liquidating Trust was established pursuant to:

- (a) the Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, dated December 12, 2011 (as modified, the “Plan”);
- (b) the order that was entered by the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) on February 24, 2012, (the “Confirmation Order”) confirming the Plan, which was declared effective on March 19, 2012; and
- (c) WMI Liquidating Trust Agreement, dated March 6, 2012, by and among Washington Mutual, Inc., WMI Investment Corp., William C. Kosturos as liquidating trustee (together with any successor, the “Liquidating Trustee”), and Delaware Trust Company (formerly known as CSC Trust Company of Delaware) as the Delaware resident trustee (as amended, modified or supplemented from time to time, the “Liquidating Trust Agreement”).

Copies of the Plan, the Confirmation Order and the Liquidating Trust Agreement are available on the Liquidating Trust’s website at [www.wmitrust.com](http://www.wmitrust.com). Capitalized terms that are used but not defined in these FAQs shall have the meanings that are given to such terms in the Plan.

On December 20, 2019, upon motion by the Liquidating Trust, the Bankruptcy Court entered an order authorizing, among other things, (a) the closing the Debtors’ chapter 11 cases, (b) a post-closing mechanism with respect to undelivered and uncashed distributions, and (c) following a final distribution to holders of Class 18 Allowed Claims (which distribution, in the aggregate amount of approximately \$39 million, was initiated on January 10, 2020 (the “Final Distribution”)), (i) the wind-up and dissolution of the Trust, including the making of one or more charitable contributions of remaining Liquidating Trust Assets, and (ii) the termination of Kurtzman Carson Consultants LLC as Claims Agent.

In January 2020, an Amended and Restated Liquidating Trust Agreement (the “A&R LTA”) was entered into by the parties thereto. The A&R LTA, among other things, provides for

the winding-down and dissolution of the Liquidating Trust and, among other things, streamlines the Liquidating Trust's governance structures, including: removing the requirement that the Trust be managed by a Liquidating Trustee; disbanding the Trust Advisory Board; and vesting authority to manage winding-down of the Trust's operations in one or more administrators in a manner consistent with Delaware law. The Trust has not at any time engaged in, and will not at any time engage in, the conduct of any trade or business other than the liquidation and distribution of the Liquidating Trust Assets.

Charles Edward Smith and Doreen Logan have agreed to serve as the Trust's administrators and will manage winding-down the Trust's operations and its dissolution.

## **2. What are the Trust's Assets now?**

Following the Final Distribution, the Trust's assets consist almost entirely of cash. Specifically, as at February 29, 2020, the Trust held approximately \$6.1 million of cash. Such cash will be used by the Trust Administrators to wind-down the Trust's operations and to fund any post-case closure litigation expenses that may arise prior to the Trust being dissolved in accordance with Delaware law.

In addition, the Trust has filed proofs of claim in the so-called LIBOR litigations and may realize what the Trust administrators expect to be an immaterial recovery from those proceedings upon resolution thereof; however, there can be no assurances that the Trust will, in fact, realize any such recovery (or recoveries) on account of such litigation and, if so, the amount thereof. On the basis of the foregoing, at this time, the Trust has not recorded on its financial statements any asset or value attributable to any such recovery. Additional information will be disclosed as and when it is available.

## **3. Other than as reported in its Quarterly Summary Reports and/or filings with the U.S. Securities and Exchange Commission, is the Trust holding any assets that are "Off-Book", "Safe Harbor Assets" (e.g., "Washington Mutual Capital Trust 2001", "Posit", or "Retained Earnings) or other assets? Is the Trust entitled to any income, cash or other forms of value related to the legacy home loan servicing operations of, or securitization transactions sponsored or consummated by, Washington Mutual Bank or its affiliates?**

There are no material assets of the Trust<sup>2</sup> other than the cash described above and any potential recoveries arising from the LIBOR litigations. As the Trust disclosed during the pendency of its Chapter 11 proceedings, all of the Trust's material assets were disclosed by the Trust from time to time in its Quarterly Summary Reports and/or SEC filings and no assets were or are "hidden" or "unreported".

The Trust's administrators are aware that certain individuals who have an interest in the operations of the Trust (e.g., legacy shareholders of Washington Mutual, Inc.) have suggested

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<sup>2</sup> Please see the text above regarding the so-called LIBOR litigations as well as FAQ #21 in the last version of FAQs published by the Trust and appended hereto.

that the Trust is hiding assets or is entitled to value from the Washington Mutual Bank receivership or from legacy home loan servicing operations and/or securitization transactions engaged in by Washington Mutual Bank and its affiliates. Such suggestions are inaccurate: the Trust's unaudited financial statements disclose all of the Trust's material assets. Additional information regarding the Trust's assets as of the Effective Date can be found in the Global Settlement Agreement, Disclosure Statement and Confirmation Order. We also refer you to the Trust's Quarterly Summary Reports and SEC filings.

**4. What role did Washington Mutual, Inc. play in connection with securitization transactions sponsored by Washington Mutual Bank and its affiliates? What role did (or does) the Trust's former liquidating trustee play in connection with such securitization transactions?**

Contrary to assertions by various parties on message boards and other media platforms, Washington Mutual, Inc. did not have any role in connection with securitization transactions consummated by Washington Mutual Bank and its affiliates. Specifically, Washington Mutual, Inc. did not sponsor, guarantee or otherwise participate in such securitization transactions. Relatedly, Washington Mutual, Inc. did not hold any certificates issued in connection with such transactions, including any "R" or "residual" certificates issued in connection with such transactions. Finally, it also has been suggested that the Trust's former liquidating trustee, William C. Kosturos, served and/or is currently serving as the trustee of one or more special purpose entities or statutory trusts that were used to consummate one or more securitization transactions. That suggestion also is inaccurate: Mr. Kosturos has never had any role in, or served as a trustee for, any securitization transactions sponsored by Washington Mutual Bank and its affiliates.

**5. What sort of tax reporting will the Trust distribute to legacy beneficiaries for the 2020 tax year?**

Although the Trust Administrators continue to prepare for the dissolution and winding-down of the Trust's operations (currently projected to occur on or prior to the end of the first quarter of 2021), the Trust continues to have ongoing U.S. federal tax reporting and compliance obligations. Specifically, for the tax year ended December 31, 2020, on or about January 15, 2021, the Liquidating Trust expects to distribute to former members of Tranche 5, Beneficiary Tax Information Letters. Consistent with prior practice, these letters provide relevant beneficiaries of the Liquidating Trust an annual statement of receipts and expenditures of the Liquidating Trust allocable to an LTI holder as relevant for U.S. federal income tax reporting purposes.

In addition to the foregoing, certain foreign beneficiaries of the Liquidating Trust will receive a Form 1042-S, which will set forth the amount of gross income allocable to such foreign beneficiaries from U.S. sources, as contemplated by relevant rules and regulations promulgated by the IRS.

For the avoidance of doubt, the Liquidating Trust and its personnel are prohibited from providing tax advice to beneficiaries. Beneficiaries should consult with their own tax advisors to avoid duplicate reporting of the income on the Beneficiary Tax Information Letter and Form 1042-S.

More information regarding the tax treatment and reporting of the WMI Liquidating Trust at: <http://www.kccllc.net/documents/8817600/88176002003240000000000001.pdf>

**6. The Beneficiary Tax Reporting Letter I received includes disclosures regarding a “Net Operating Loss Carryforward” – what’s that about?**

Treasury Regulation 1.468B-9(c)(6) provides that upon the termination of a Disputed Ownership Fund, the claimants to the fund’s net assets succeed to the funds unused net operating loss carryforwards. This regulation also provides that “if the fund's net assets are distributable to more than one claimant, the unused net operating loss carryover. . . must be allocated among the claimants in proportion to the value of the assets distributable to each claimant from the fund.”

Pursuant to the Plan, the DCR was created and elected to be treated as a “Disputed Ownership Fund” pursuant to Treasury Regulation 1.468B-9(c)(2). On the basis of the foregoing, a beneficiary’s share of the unused net operating loss of the DCR is set forth in the Beneficiary Tax Reporting Letter distributed by the Trust for the year ended December 31, 2020<sup>3</sup>. This amount was calculated by allocating the unused net operating loss of the DCR among the final claimants based on each claimant’s portion of the final cash distribution that was initiated in January 2020.

The taxation of Disputed Ownership Funds is a highly technical area of tax law for which there is very little authority or interpretation. As stated previously, neither the Trust nor its personnel is able to provide tax advice to beneficiaries. Therefore, we recommend that you consult your financial and tax advisors regarding the appropriateness of claiming the amount shown above as a deduction on your tax return.

**7. When do you expect to dissolve the Trust?**

Absent the initiation of any post-case closure litigation, the Trust’s Administrators expect to dissolve the Trust no later than March 2021.

**8. What will be done with any cash held by the Trust immediately prior to dissolution?**

Consistent with the Amended and Restated Trust Agreement and Plan, cash, if any, remaining on the Trust’s balance sheet immediately prior to dissolution will be donated to one or more eligible charitable organizations. For these purposes an “eligible charitable organization” is one that, among other requirements, satisfies Section 501(c)(3) of the Internal Revenue Code, as amended.

**9. What are Escrow CUSIPs? Are they still issued and outstanding?**

As contemplated by the Plan, Escrow CUSIPs (the “Escrow CUSIPs”) were issued by the Trust on the Effective Date to eligible former shareholders of WMI. Eligible former shareholders are those who timely submitted relevant documentation, including the release required under Section 41.6 of the Plan. Escrow CUSIPs were issued solely to facilitate potential future distributions of equity shares of Reorganized WMI, if any, to such eligible former shareholders of WMI if Claims involving Disputed Equity Interests were disallowed.

The Escrow CUSIPS were established solely to facilitate potential distributions, if any, of shares of Reorganized WMI common stock; however, all shares of Reorganized Common Stock

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<sup>3</sup> Please note that Tranche 5 beneficiaries were only allocated income and expenses from the period running from January 4, 2020 through to, and including, January 10, 2020.

on deposit in the Disputed Equity Escrow have now been distributed and the Trust's administrators do not expect that any additional distributions of common stock will be distributed to former beneficiaries of the Trust or holders of Escrow CUSIPS. Nevertheless, at the request of certain legacy shareholders, the Trust's administrators agreed to keep the Escrow CUSIPS outstanding until the Trust's dissolution.

**10. I have an uncashed check from a prior distribution by the Trust? What is the deadline for negotiating any such check(s)? What if I have not received a check or suspect that a check has been returned to the Trust?**

If you received a check on account of a distribution prior to the date of the Final Distribution, then you must negotiate such check no later than August 26, 2020. If you received a check in connection with the Final Distribution, then you must negotiate such check no later than June 15, 2020. After the expiry of the relevant negotiation deadline, failure by a recipient to negotiate any distribution by June 15, 2020 shall constitute a bar to any recovery on account of any claim against the Debtors and the Debtors' chapter 11 estates and the distribution otherwise allocated to such Creditor shall be forever forfeited.

A list of recipients that have either (a) had any such distributions returned to WMILT due to incorrect initial or forwarding address information or (b) received such distributions but, as of the date hereof, have not negotiated the check distributed, is set forth on WMILT's website, [www.wmitrust.com](http://www.wmitrust.com). Any recipients' listed thereon that have had distributions returned to WMILT shall have until May 15, 2020, to notify WMILT of such recipients' whereabouts and receive such distribution. Failure to advise the Trust of your updated information by that date will result in the permanent forfeiture of any distribution to which you may be currently entitled.

**11. Where may I obtain more information about the Liquidating Trust?**

You can obtain further information regarding the Liquidating Trust by visiting the Liquidating Trust's website at [www.wmitrust.com](http://www.wmitrust.com). Further information regarding the Debtors may also be obtained by visiting the website of the Debtors' claims agent, KCC, at <http://www.kccllc.net/>.

**12. Where may I send correspondence to the Trust? What is the Trust's telephone number?**

From and after March 31, 2020, please direct your correspondence to WMI Liquidating Trust, P.O. Box 939, Edmonds, Washington 98020-0939. If you prefer, you may call the Trust's administrators at (206) 788-8964 and leave a message. The Trust's administrators will check voicemail left at that number from time to time.

**13. Whom should I call or email if I have any questions about a distribution I think I should have received? What if I need to change my address or update my personal information or status?**

Questions regarding unreceived distributions, if any, should be directed to KCC by phoning (888) 830-4644 or emailing [wmitrust@kccllc.com](mailto:wmitrust@kccllc.com). Likewise, individuals needing to update their personal information can also call or email that number or email address, as the case may be.

**LEGACY FAQs BEGIN ON THE NEXT PAGE  
[LAST PUBLISHED IN APRIL 2019]**



**WMI LIQUIDATING TRUST**  
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**1. What is the WMI Liquidating Trust?**

WMI Liquidating Trust (the “Trust”, “WMILT” or “Liquidating Trust”) serves as a mechanism for liquidating, converting to cash and distributing the Liquidating Trust Assets (as further described in these FAQs) to the holders of beneficial interests in the Liquidating Trust (the “Liquidating Trust Beneficiaries”). The Liquidating Trust will not continue, nor engage in at any time, the conduct of any trade or business other than the liquidation and distribution of the Liquidating Trust Assets, and is intended to qualify as a “liquidating trust” for federal income tax purposes under applicable Treasury regulations.

The Liquidating Trust was established pursuant to:

- (a) the Seventh Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code, dated December 12, 2011 (as modified, the “Plan”);
- (b) the order that was entered by the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) on February 24, 2012, (the “Confirmation Order”) confirming the Plan, which was declared effective on March 19, 2012; and

- (c) WMI Liquidating Trust Agreement, dated March 6, 2012, by and among Washington Mutual, Inc., WMI Investment Corp., William C. Kosturos as liquidating trustee (together with any successor, the “Liquidating Trustee”), and Delaware Trust Company (formerly known as CSC Trust Company of Delaware) as the Delaware resident trustee (as amended, modified or supplemented from time to time, the “Liquidating Trust Agreement”).

Copies of the Plan, the Confirmation Order and the Liquidating Trust Agreement are available on the Liquidating Trust’s website at [www.wmitrust.com](http://www.wmitrust.com). Capitalized terms that are used but not defined in these FAQs shall have the meanings that are given to such terms in the Plan.

## **2. What were the Liquidating Trust Assets on the Effective Date? What are the Trust’s Assets now?**

The assets that are to be held and distributed by the Liquidating Trust (the “Liquidating Trust Assets”) comprise all of the assets of Washington Mutual, Inc. (“WMI”) and WMI Investment Corp. (“WMI Investment” and together with WMI, the “Debtors”) as of March 19, 2012 (the “Effective Date”), *other than*:

- (a) Cash to be distributed by the Reorganized Debtors (i.e., the Debtors on and from the Effective Date) pursuant to the Plan as Disbursing Agent to holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims (to the extent applicable), Allowed Priority Non-Tax Claims, Allowed Convenience Claims, Allowed WMI Vendor Claims, and Allowed Trustee Claims;
- (b) Cash necessary to pay the fees and expenses owed to certain Creditors’ professionals pursuant to Section 41.15 of the Plan;
- (c) Cash necessary to reimburse the Reorganized Debtors for fees and expenses incurred in connection with initial distributions made by the Reorganized Debtors as Disbursing Agent;
- (d) Creditor Cash on the Effective Date; and
- (e) the equity interests in (i) WMI Investment (all the assets of which shall be contributed to the Liquidating Trust, including any Intercompany Claims), (ii) WM Mortgage Reinsurance Company (“WMMRC”), and (iii) Washington Mutual Bank (the stock in Washington Mutual Bank was worthless and was abandoned by WMI shortly before the Effective Date).

We refer you to Part II, Item 7 (“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Assets”) of the Liquidating Trust’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the “2018 10-K”) for a description of the Liquidating Trust Assets as at that date.

In addition, the Trust's most recent Quarterly Summary Report for the period ended December 31, 2018 (the "12/31/18 QSR") sets forth the Trust's balance sheet and includes disclosures regarding the Trust's assets and liabilities. Such Quarterly Summary Report may be found at <https://www.sec.gov/Archives/edgar/data/1545078/000119312519022756/d674582dex991.htm>.

### **3. How much are the Liquidating Trust Assets worth?**

An initial valuation of the Liquidating Trust Assets and each class of Liquidating Trust was determined for tax reporting purposes on the Effective Date. The initial valuation of Liquidating Trust Interest can be found in the disclosure titled "Value Worksheet for Liquidating Trust Interest Holders" under the "Beneficiary Tax Information" link on the Liquidating Trust's website at [www.wmitrust.com](http://www.wmitrust.com). Additionally, valuations have been performed (and will continue to be performed) periodically as needed for purposes of preparing the Trust's Quarterly Summary Reports filed with the Bankruptcy Court from time to time and ongoing tax reporting, as the case may be. In the past, the Trust used a third party to value the Liquidating Trust Assets; however, given the nature of the Liquidating Trust Assets that remain on the Trust's balance sheet, [in the second half of 2018,] management determined that it is no longer necessary to engage a third party for such valuation services. We refer you to Part II, Item 6 ("Selected Financial Data") of the 2018 Form 10-K for a description of the Liquidating Trust Assets and related matters.

### **4. What is a Liquidating Trust Interest?**

#### **a. Overview**

The interest that a Liquidating Trust Beneficiary holds in the Liquidating Trust is referred to as a "Liquidating Trust Interest" or "LTI". LTIs are recorded in the name of the corresponding Liquidating Trust Beneficiary via an electronic book-entry system (the "Book Entry System") managed by the Liquidating Trustee. LTI's are not transferable or assignable (refer to Section 5 of these FAQs).

When an LTI was first issued to an eligible claimant pursuant to the Plan, the face amount of the LTI (other than an LTI that is issued with respect to an Allowed General Unsecured Claim, as further described below) showed:

- (a) the amount of the unsatisfied claim, interest or right (including any interest, penalties or late charges that relate to the period prior to September 26, 2008 (the "Petition Date")) that had been allowed by the Bankruptcy Court and in relation to which the LTI was issued pursuant to the Plan;

*plus*

- (b) any interest that had accrued with respect to such unsatisfied claim, interest or right since the Petition Date as permitted by the Plan and Confirmation Order that remained unpaid as of the Effective Date.

The aggregate of (a) plus (b) (the “Face Amount”) was reflected on the initial ownership statement provided to each Liquidating Trust Beneficiary when the LTIs were issued (the “Ownership Statement”).

**b. Accretion of interest**

In accordance with the Plan, LTIs accrete at the Federal Judgment Rate (which, at the time the Plan was confirmed by the Bankruptcy Court, was 1.95%) and such accretion will continue until such time as an LTI is canceled. Under no circumstances will the holder of an LTI be entitled to recover more than the Face Amount, plus Post Effective Date Accrual (if applicable).

**c. Information to be provided before an LTI is issued**

If you were entitled to vote on the Plan and submitted a properly completed Ballot to Kurtzman Carson Consultants, LLC (“KCC”) in connection therewith, you will not have to take any further action before your LTI(s) can be issued because a properly completed Ballot included all requisite information. Otherwise, before an LTI can be issued to an eligible claimant pursuant to the Plan, such claimant must provide certain information to the Debtors’ claims agent, KCC, who will then validate the information and provide it to the Trustee. Such information includes the name and contact details of the claimant who shall be the beneficial holder of the LTI when issued and tax certifications such as a W-8, W-9, etc. Additional information regarding the information that must be provided before an LTI can be issued is available on KCC’s website at <http://www.kccllc.net/>. If such information is not provided, the applicable LTI cannot be issued by the Liquidating Trust.

**5. Can an LTI be transferred?**

LTIs are not transferable or assignable except by will, intestate succession or operation of law pursuant to Section 2.4(a) of the Liquidating Trust Agreement.

**6. Can an LTI be held in a Liquidating Trust Beneficiary’s brokerage account?**

In order to satisfy applicable U.S. federal withholding tax requirements, all LTIs must be held in the name of the beneficial holder and cannot be held in the name of a broker (or other nominee).

**7. My LTI originated from a position in my IRA account - but has my name on it and does not designate my IRA account as the beneficiary. Is there anything I need to do?**

In order to have an LTI re-deposited into your account, you will need to remit any cash disbursements received to date on account of such LTI to your brokerage firm and have such brokerage firm re-deposit such cash into the relevant account. Also, please have your brokerage firm call or email KCC so that KCC can update your account information so that

future distributions on account of your LTI holdings are distributed to your designated account (rather than you personally). KCC can be reached at [wmitrust@kccllc.com](mailto:wmitrust@kccllc.com) or (888) 830-4644.

## **8. I believe I am entitled to an LTI, but never received one**

Beneficial holders in Classes 2, 3, 12, 14, 15, 16 and 21, who provided releases and correct W-8 or W-9 tax information, were issued LTIs. Those beneficial holders who held claims in classes where LTIs were distributed may not have received LTIs due to reasons including the following:

(a) KCC may have not yet received correct W-8 or W-9 tax information on behalf of the beneficial holder. Brokerage firms have been asked to provide this information on behalf of their clients. If you believe you have not received an LTI due to insufficient tax information being provided to KCC, please call or email your brokerage firm and ensure that they have received confirmation from KCC that your tax information is certified and on file.

(b) In accordance with Section 31.4 of the Plan, LTIs were not issued for LTIs deemed to have a face amount of \$8.90 or less after the initial distribution that occurred on or about March 26, 2012.

## **9. What is the Liquidating Trust Disputed Claims Reserve?**

From and after the Effective Date, and until such time as a Claim against the Debtors which is disputed by the Debtors<sup>4</sup> (each such Claim, a “Disputed Claim”) has been compromised and settled, estimated by the Bankruptcy Court in an amount constituting the allowed amount, or allowed or disallowed, as the case may be, by a Final Order of the Bankruptcy Court, the Liquidating Trustee shall retain, for the benefit of each holder of a Disputed Claim, Creditor Cash, LTIs and, to the extent elected by such holder, Runoff Notes and any gains or income attributable thereto, in an amount equal to the Pro Rata Share of distributions that would have been made to the holder of such Disputed Claim if it were an Allowed Claim in an amount equal to the lesser of (i) the liquidated amount set forth in the filed proof of Claim relating to such Disputed Claim, (ii) the amount in which the Disputed Claim shall be estimated by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code constitutes and represents the maximum amount in which such Claim may ultimately become an Allowed Claim, or (iii) such other amount as may be agreed upon by the holder of such Disputed Claim and the Liquidating Trustee. Such Creditor Cash and any gains or income paid on account of the LTIs and the Runoff Notes (if any) retained for the benefit of holders of Disputed Claims shall be retained by the Liquidating Trust for the benefit of such holders pending determination of their entitlement thereto under the terms of the Plan and shall comprise the Liquidating Trust Disputed Claims Reserve. Additional information regarding the Disputed Claim Reserve can be found in the 2018 Form 10-K and the 12/31/18 QSR.

**10. How do changes in the Liquidating Trust Disputed Claims Reserve affect my LTIs?**

Holders of LTIs may, from time to time, be entitled to an increased interest in the underlying assets of the Liquidating Trust if a Disputed Claim is subsequently disallowed. In such event, Liquidating Trust Assets that were originally allocated to such Disputed Claims, and thus formed part of the Liquidating Trust Disputed Claims Reserve, will be reallocated for the benefit of the holders of other LTIs. For U.S. federal tax purposes, the holders of LTIs that are expected to benefit from such disallowance will be treated as receiving an additional distribution from the Debtors with respect to the original claim or equity interest in respect of which the LTI was distributed (and taxed accordingly, regardless of whether a contemporaneous or commensurate cash distribution is made to the holders).

**11. When are LTIs deemed cancelled?**

An LTI will be cancelled automatically when (a) the Face Amount of such LTI has been paid in full and all Post Effective Date Accrual (if applicable) with respect to such LTI prior to that date has also been paid, (b) the Liquidating Trust is dissolved in accordance with the Liquidating Trust Agreement and (c) any holder fails to claim their undeliverable distribution as provided under Section 31.6(b) of the Plan.

LTIs issued on account of claims arising in Tranches 2, 3 and 4 have been paid in full. As a result, these LTIs have been cancelled.

**12. What are Escrow CUSIPs?**

As contemplated by the Plan, Escrow CUSIPs (the “Escrow CUSIPs”) were issued on the Effective Date to eligible former shareholders of WMI. Eligible former shareholders are those who timely submitted relevant documentation, including the release required under Section 41.6 of the Plan. Escrow CUSIPs were issued solely to facilitate potential future distributions, if any, to such eligible former shareholders of WMI if Claims involving Disputed Equity Interests are disallowed.

By way of background, as of the Effective Date of the Plan, the Depository Trust Company (“DTC”) established and maintains positions in the aforementioned Escrow CUSIPs. These Escrow CUSIPs represent nominees’ positions that would be used to make future distributions, if any, of common stock issued by WMIH Corp. (formerly known as WMI Holdings Corp. (“Reorganized WMI”). Pursuant to the Plan, such shares of Reorganized WMI common stock were deposited in the Disputed Equity Escrow established in accordance with the Plan and are to be maintained in the Disputed Equity Escrow until such time as Claims involving Disputed Equity Interests are either allowed or disallowed.

Upon resolution of those Claims, the related portion of the shares maintained in the Disputed Equity Escrow will be distributed to claimants holding the newly allowed claim or, if the claim is disallowed, the related portion of the shares will be redistributed to beneficiaries of

the Trust in accordance with the distribution mechanics set forth in the Plan. In the event any future distributions of Reorganized WMI's common stock are made from the Disputed Equity Escrow, DTC will be instructed to allocate such common stock to each of the Escrow CUSIPs on a pro rata basis.

In June 2015, several Claims were disallowed and 1.4 million shares were subsequently distributed to holders of Escrow CUSIPs on a pro rata basis; however, a holder received such a distribution solely to the extent such holder's ownership position resulted in a distribution of at least one share of Reorganized WMI common stock. Since that date, no additional disallowances with respect to those relevant Claims have occurred. On that basis, former positions represented by the Escrow CUSIPs are not currently entitled to receive any distributions under the terms of the Plan.

As stated above, the Escrow CUSIPS were established solely to facilitate potential distributions, if any, of shares of Reorganized WMI common stock. The only source of common stock available for any such a distribution would be from the shares of common stock, if any, remaining on deposit in the Disputed Equity Escrow. Specifically, the Escrow CUSIPS do not, in and of themselves, represent an entitlement to any possible future cash distributions from the Trust, Reorganized WMI or the Federal Deposit Insurance Corporation (either in its corporate capacity or as the receiver for Washington Mutual Bank), as the case may be.

In accordance with the Plan, the Trust will issue LTIs to WMI's former shareholders if, and only if, the Trust is able to monetize Liquidating Trust Assets in amounts sufficient to pay-in-full claims held by beneficiaries of the Trust who are senior to members of Classes 19 and 22, and then, only if a shareholder had satisfied timely all conditions applicable to receiving any such Liquidating Trust Interests. There can be no assurances that the Trust will be able to monetize assets in a manner sufficient to give effect to the foregoing. Finally, as disclosed in the 2018 Form 10-K, WMILT does not currently expect that any additional cash distributions will be made to Classes 19, 21 or 22, as the case may be.

### **13. Who is responsible for administrating the Liquidating Trust?**

#### **a. The Liquidating Trustee**

William C. Kosturos, in his capacity as the Liquidating Trustee, is responsible for the day-to-day administration of the Liquidating Trust. Such oversight is subject to the terms of the Confirmation Order, the Plan and the Liquidating Trust Agreement, and the oversight of the Trust Advisory Board (as further described below) and the Bankruptcy Court.

#### **b. The Trust Advisory Board**

The Trust Advisory Board has oversight function with respect to the Liquidating Trust. The Trust Advisory Board shall have the following rights, powers and duties (a) to oversee the liquidation and distribution of the Liquidating Trust Assets by the Liquidating Trustee in accordance with the Liquidating Trust

Agreement, the Plan and the Confirmation Order, (b) to approve (or withhold approval) of those matters submitted to it for approval in accordance with the terms of the Liquidating Trust Agreement, and (c) to remove and appoint any successor to the Liquidating Trustee as provided for in the Liquidating Trust Agreement. See the 2018 10-K for additional information regarding the Trust Advisory Board including its composition.

**c. The Litigation Subcommittee**

The Litigation Subcommittee was originally established to oversee (i) the prosecution of, subject to the exculpation and release provisions of the Plan, (A) claims against present and former officers and directors of the Debtors for actions arising during the period prior to the Petition Date (the “D&O Claims”), (B) claims against professionals and representatives retained by the Debtors with respect to conduct that occurred prior to the Petition Date; and (C) claims based on conduct that occurred prior to the commencement of the Debtors’ bankruptcy cases against third-parties for any non- contractual breach of duty to WMI, including, but not limited to, antitrust claims and business tort claims (collectively categories (A), (B), and (C) are the “Recovery Claims”) and (ii) the defense of Junior Disputed Claims including Disputed Claims of WMB Noteholders for misrepresentation, which Disputed Claims are classified in Class 18 (Subordinated Claims) pursuant to the Plan (the “WMB Claims”); provided, however, that the Litigation Subcommittee was not authorized to pursue business tort Claims that were released against JPMC and its Related Persons pursuant to the Global Settlement Agreement. Following the completion of its investigation, which was undertaken with the assistance of the Litigation Subcommittee’s independent counsel, of various Recovery Claims (as well as the assessment of whether to pursue any such Recovery Claims), the activities of the Litigation Subcommittee were suspended on January 1, 2016; however, the Litigation Subcommittee may be reestablished if necessary or advisable, as determined by the TAB. For further information regarding the Litigation Subcommittee, please refer to Items 10 and 11 of the 2018 Form 10-K.

**14. When will the Liquidating Trust make distributions?**

After the Effective Date, in general, the Liquidating Trustee is required to make quarterly distributions during the term of the Liquidating Trust. Subject to the exceptions that are described in Section 15 of these FAQs, the Liquidating Trustee is required to make distributions to Liquidating Trust Beneficiaries in accordance with the terms of their LTIs and the distribution priorities on the first (1st) day of the second month in each fiscal quarter during the term of the Liquidating Trust or such other dates that the Liquidating Trustee determines, in consultation with the Trust Advisory Board, are appropriate from time to time.

**15. What form will distributions take?**

On each Distribution Date, the Liquidating Trustee is required to distribute to the Liquidating Trust Beneficiaries, in accordance with the terms of their LTIs and the distribution



priorities, all unrestricted cash then on hand (including any cash received from the Debtors on the Effective Date), except such amounts:

- (a) as are reasonably necessary to fund the activities of the Liquidating Trust;
- (b) as are allocable to, or retained on account of, Disputed Claims in accordance with Section 26.3 of the Plan (refer to Section 9 of these FAQs);
- (c) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Liquidating Trust Assets during liquidation;
- (d) as are necessary to pay reasonable incurred or anticipated expenses (including, but not limited to, any taxes imposed on or payable by the Debtors or the Liquidating Trust or in respect of the Liquidating Trust Assets); or
- (e) as are necessary to satisfy other liabilities incurred or anticipated by the Liquidating Trust in accordance with the Plan, the Global Settlement Agreement, or the Liquidating Trust Agreement.

Notwithstanding the foregoing:

- (f) the Liquidating Trustee is *not* required to make a distribution if the aggregate net amount of unrestricted cash available for distribution on any given Distribution Date (taking into account the above listed exclusions) is such as would make the distribution impracticable as reasonably determined by the Liquidating Trustee, with the consent of the Trust Advisory Board, in accordance with applicable law, but only so long as such aggregate amount is less than Twenty-Five Million Dollars (\$25,000,000.00);
- (g) no cash payment shall be made to any holder of an LTI until such time, if ever, as the amount payable thereto, in any distribution from the Liquidating Trust, is equal to or greater than ten dollars (\$10.00).

When a distribution is made, it will be processed by KCC on behalf of the Liquidating Trust and will be paid by check. The check will be posted to the address of each Liquidating Trust Beneficiary that is specified on the books and records of the Liquidating Trust as maintained by KCC.

## 16. General tax considerations

*PLEASE NOTE THAT THE LIQUIDATING TRUST, THE LIQUIDATING TRUSTEE AND KCC CANNOT GIVE TAX ADVICE TO LIQUIDATING TRUST BENEFICIARIES OR ANY OTHER PERSON. TAX MATTERS ARE COMPLICATED AND THE TAX CONSEQUENCES OF HOLDING A LIQUIDATING TRUST INTERESTS AND THE RELATED DISTRIBUTIONS TO YOU WILL DEPEND ON YOUR PARTICULAR TAX SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR TO FULLY UNDERSTAND THE TAX CONSEQUENCES THEREOF TO YOU.*

*FOR FURTHER INFORMATION, PLEASE REVIEW “TAX TREATMENT OF THE LIQUIDATING TRUST AND HOLDERS OF BENEFICIAL INTEREST” ON PAGES 238 – 241 (INCLUSIVE) OF THE DEBTOR’S DISCLOSURE STATEMENT DATED JANUARY 12, 2012.*

### **a. What is the nature of an LTI for U.S. federal income tax purposes?**

An LTI is *not* like stock in a corporation for tax purposes. Rather, for U.S. federal income tax purposes, a holder of an LTI is treated as receiving in exchange (in whole or in part) for its claim or equity interest a *direct* ownership interest in the underlying assets of the Liquidating Trust, and continues to be treated thereafter as a *direct* owner of an indivisible portion of the underlying assets of the Liquidating Trust.

An LTI may also represent, in part, the original claim or equity interest in respect of which the LTI was distributed. This is due to the fact that certain holders of LTIs may, from time to time, be entitled to an increased interest in the underlying assets of the Liquidating Trust if Disputed Claims are subsequently disallowed. In such event, Liquidating Trust Assets that were originally allocated to such Disputed Claims, and thus formed part of the Liquidating Trust Disputed Claims Reserve, will be reallocated for the benefit of the holders of other LTIs. For U.S. federal tax purposes, the holders of LTIs that are expected to benefit from such disallowance will be treated as receiving an additional distribution from the Debtors with respect to the original claim or equity interest in respect of which the LTI was distributed (and taxed accordingly, regardless of whether a contemporaneous or commensurate cash distribution is made to the holders).

### **b. How is a holder taxed on its LTI?**

Very generally, a holder is taxed as if directly receiving the income, gain, deduction or loss on its portion of the underlying assets of the Liquidating Trust. Therefore, a holder must take into account in the determination of its own taxable income for U.S. federal income tax purposes its allocable share of any income earned by the Liquidating Trust (other than with respect to the Liquidating Trust Disputed Claims Reserve), regardless of whether a contemporaneous or commensurate cash distribution is made to the holder by the Liquidating Trust. In addition, any cash or other property that is no longer part of the Liquidating Trust Disputed Claims Reserve due to the disallowance of one or more Disputed Claims will be reallocated among

the holders of LTIs that are expected to benefit from such disallowance and treated as distributed in respect of the claim or equity interest with respect to which such LTI was initially distributed and taxed, for U.S. federal income tax purposes, as a distribution with respect to such claim or equity interest.

**c. Why is a LTI holder receiving tax forms from more than one entity?**

Initial payments made to beneficial LTI holders were made at around the Effective Date from Reorganized WMI. These initial payments were made prior to the issuance of any LTIs and were made to Tranche 2 claimants, which included claimants in Classes 2, 3 and 12 and 21. These payments did not satisfy any Tranche 2 claims in full. Pursuant to Section 27.3 of the Plan, remaining assets available to creditors not distributed in the initial distribution were placed in the Liquidating Trust. LTIs were simultaneously issued to all holders and Tranche 2 claimants received basis, for tax reporting purposes, as a result of the contributions of assets to the Liquidating Trust (claimants in other tranches received LTIs but no basis). As a result, Reorganized WMI issued tax forms for any payments made to Tranche 2 claimants in the initial distribution and for any initial basis received when issued LTIs. Any claimant that was allowed on the effective date but released his claim after the Effective Date also received tax form(s) from Reorganized WMI. Subsequently, any payments made to LTI holders after the Effective Date were made from the Liquidating Trust or WMI LT Disputed Claims Reserve, entities separate from Reorganized WMI.

**d. For tax information purposes, what should LTI holders receive at year-end?**

Each holder of an LTI will receive an annual statement of receipts and expenditures of the Liquidating Trust as relevant for U.S. federal income tax purposes in the form of a beneficiary tax information letter. In addition, each holder may also receive Form(s) 1099 from the Liquidating Trust Disputed Claims Reserve. Year-end tax forms distributed included Form 1099-B (equity and debt related claims), 1099-INT (interest income) and 1042-S (non-U.S. recipients), depending on the original nature of the claim. Employee claimants may also have received Form W-2.

The following chart demonstrates the possible tax forms distributed by the various entities that an LTI holder may have received.

<b>Form</b>	<b>Liquidating Trust</b>	<b>Disputed Claims Reserve</b>
Form W-2	X	X
Form 1099-B	X	X
Form 1099-MISC	X	X
Form 1099-OID	X	X
Form 1099-INT	X	X
Form 1042-S	X	X
Beneficiary Tax Information Letter	X	

**e. Why did I receive a Form W-2?**

A W-2 was issued for the amount of the claim that was deemed to be employee wages. This was capped at the allowed claim amount. Any additional payment or basis would be reflected in a beneficiary tax information letter or Form 1099-INT.

**f. Why did I receive a Form 1099-B?**

Form 1099-B reported the amount distributed on account of the securities held by claimants. This was capped at the allowed claim amount. Any additional payment or basis would be reflected in a beneficiary tax information letter or Form 1099-INT.

**g. Why did I receive a Form 1099-MISC?**

Form 1099-MISC was issued for the amount distributed to Class 12 non-employee claimants. This was capped at the allowed claim amount. Any additional payment or basis would be reflected in a beneficiary tax information letter or Form 1099-INT.

Form 1099-MISC was also issued for professional fees paid by the Liquidating Trust.

**h. Why did I receive a 1099-OID?**

Form 1099-OID reported the amount of Original Issue Discount distributed to claimants arising from debt securities.

**i. Why did I receive a 1099-INT?**

Form 1099-INT was issued for the amount of prepetition or post-petition accrued interest distributed in excess of the principal amount for securities claims or the post-petition accrued interest for general unsecured claims.

**j. Why did I receive a 1042-S?**

Form 1042-S reported amounts subject to reporting for non-U.S. persons.

**k. Why did I receive a Beneficiary Tax Information Letter?**

The Beneficiary Tax Information Letter provides an annual statement of receipts and expenditures of the Liquidating Trust allocable to a LTI holder as relevant for U.S. federal income tax reporting purposes.

**l. Why did I receive a 1099-B but not a payment?**

Claimants in Class 16, PIERS, received an LTI at around the Effective Date. These LTIs initially did not have basis for tax reporting purposes. As LTIs in the more senior classes of claims were satisfied by distributions from the Liquidating Trust Disputed Claims Reserve, basis in the Liquidating Trust shifted pursuant to the waterfall set forth in the Plan. As of June 30, 2017, PIERS claimants have basis in the Liquidating Trust.

**m. Why have I received a Form 1099 in my name when the original position came from my IRA account?**

The Liquidating Trust currently has your personal information on record from the data originally submitted to KCC by your broker on your behalf. Discuss with your tax advisor and broker if a change to your account information is necessary.

If you wish to have your account information changed, have your brokerage firm call or email KCC. KCC will update your information for future distributions and tax reporting so that your LTI holdings are distributed to your designated account (rather than you personally). KCC can be reached at [wmitrust@kccllc.com](mailto:wmitrust@kccllc.com) or (888) 830-4644. See also discussion in FAQ #7.

**n. Is income that is paid with respect to an LTI subject to Foreign Withholding Tax?**

Generally, non-U.S. Persons who own LTIs will be subject to a 30% U.S. federal withholding tax on the interest component of Tax Refunds received by the Liquidating Trust at the time such non-U.S. Person holds LTIs (and possibly certain other Liquidating Trust income or receipts) unless such amounts are (a) effectively connected with the conduct of a trade or business within the United States or (b) entitled to a reduced withholding rate (or exemption) under an income tax treaty. A non-U.S. Person that is eligible for a reduced rate of withholding (or exemption) pursuant to a U.S. income tax treaty must certify that fact to the Liquidating Trust by providing a properly executed IRS Form W-8BEN or other appropriate form. To obtain an exemption from withholding based on the grounds that the subject income or receipts is effectively connected with the conduct of a trade or business within the United States, the owner of an LTI who is a non-U.S. Person must furnish a properly executed IRS Form W-8ECI. These forms can be obtained from the IRS's website (<http://www.irs.gov>).

*Non-U.S. Persons are encouraged to consult their tax advisors regarding the application of U.S. federal income tax withholding, including eligibility for a withholding tax reduction or exemption.*

**o. If an LTI was originally distributed with respect to an employment claim, are subsequent distributions from the Liquidating Trust subject to employment tax withholding? If so, will an IRS Form W-2 be issued reflecting the withholding, and to whom?**

It depends on whether any Liquidating Trust Assets that were originally allocated to Disputed Claims (and thus part of the Liquidating Trust Disputed Claims Reserve) have been reallocated for the benefit of the holder of such LTI. As described above, for U.S. federal income tax purposes, an LTI represents, in part, a direct interest in underlying assets of the Liquidating Trust and in the original claim in respect of which the LTI was distributed: see Section 16(a) of these FAQs. If there has been a reallocation (which potentially can occur quarterly, generally depending on whether any Disputed Claims are disallowed during such quarter), the value of any interest in the underlying assets (cash and other property) reallocated for the benefit of the holder of such LTI will be treated for U.S. federal tax purposes as an additional distribution from the Debtors with respect to the original employment tax claim in respect of which the LTI was distributed, whether or not any amounts are actually distributed to the holder of the LTI at such time. Accordingly, at the time of reallocation such amounts may be subject to employment tax withholding. In such event, any subsequent distributions to the holder of such LTI will be reduced for the amount of the withholding (but only to the extent prior distributions have not been so reduced).

**17. Where can I obtain more information about the Liquidating Trust and my LTIs?**

[You can obtain further information regarding the Liquidating Trust and your LTIs by visiting the Liquidating Trust's website at www.wmitrust.com.](http://www.wmitrust.com) [Further information regarding the Debtors may also be obtained by visiting the](http://www.kccllc.net/) website of the Debtors' claims agent, KCC, at <http://www.kccllc.net/>.

**18. Other than as reported in its Quarterly Summary Reports and/or filings with the U.S. Securities and Exchange Commission, is the Trust holding any assets that are "Off-Book", "Safe Harbor Assets" (e.g., "Washington Mutual Capital Trust 2001", "Posit", or "Retained Earnings) or other assets?**

There are no material assets of the Trust<sup>5</sup> other than those that have previously been disclosed and no assets are "hidden" or "unreported". The Trust submits unaudited financial statements to the Bankruptcy Court under penalty of perjury. Likewise, such financial statements (and other information) are filed with the U.S. Securities and Exchange Commission under Forms 8-K and 10-K and under applicable laws and regulations, the Trust is obligated to ensure that such filings do not either omit material information or include materially false or misleading information.

Management of the Trust is aware that certain individuals who have an interest in the operations of the Trust (e.g., legacy shareholders who do not yet hold and may never hold an LTI) have suggested that the Trust is hiding assets or is entitled to value from the Washington Mutual Bank receivership. Such suggestions are inaccurate: the Trust's financial statements disclose all of the Trust's material assets. Additional information regarding the Trust's assets as of the Effective Date can be found in the Global Settlement Agreement and Confirmation Order. We also refer you to the 2018 Form 10-K and 12/31/18 QSR.

Matters relevant to "Washington Mutual Capital Trust 2001" (the "PIERs Trust"), the entity that issued the so-called PIERs securities, were litigated extensively in connection with the confirmation proceedings related to the Plan that was ultimately approved by the Bankruptcy Court. Since the Effective Date, claimants whose claims against the estate relate to such securities have received distributions from the estate in accordance with the terms of the Plan (assuming that such claimant submitted required documentation and releases in order to be eligible for any such distribution). Apart from such distributions, including distributions in the future (if any), the PIERs Trust does not represent a source of value for future distributions, if any.

**19. What is the status of the PIERs Trust? Is the PIERs Trust a subsidiary of WMILT or Mr. Cooper Group Inc. (f/k/a WMIH Corp.)?**

WMILT is aware of questions regarding the status of the PIERs Trust, including whether the PIERs Trust is currently a subsidiary of WMILT or Mr. Cooper Group Inc. A

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<sup>5</sup> Please see the text below regarding the so-called LIBOR litigations.

Certificate of Cancellation covering the PIERs Trust was filed with the Delaware Secretary of State's office in April 2012. As result, it no longer exists as a legal entity. To the best of our knowledge, the PIERs Trust was never a subsidiary of either WMILT or Mr. Cooper Group, Inc. (including any predecessors thereto). We believe that information contained on one or more Bloomberg internet posts suggesting that the PIERs Trust is a subsidiary of Mr. Cooper Group Inc. is erroneous. A discussion of the PIERs structure can be found in the Disclosure Statement for the Plan.

**20. What is the Disputed Equity Escrow (“DEE”)? When are shares of common stock distributed from the DEE?**

On or about the Effective Date, the DEE was established to hold shares of common stock of Reorganized WMI for distribution based on the resolution of disputed equity interests by the Bankruptcy Court. A dismissal of disputed equity interests will result in redistribution to holders of Allowed Equity Claims in a manner consistent with the distribution of shares of common stock on the Effective Date. The shares and any cash distributed on behalf of the shares are held in the DEE and are not recorded as an asset of the Trust for financial accounting purposes and are not part of the Trust for U.S. federal income tax purposes. However, the Liquidating Trustee is the escrow agent for the DEE. As of January 31, 2019, the DEE held 128,857 shares of common stock. The balance of shares held in the DEE reflects a 1-for-12 reverse stock split effected by Mr. Cooper Group Inc. (formerly known as WMIH Corp.) in October 2018. It should be noted that the Escrow CUSIPs are relevant solely to distributions of common stock from the DEE and have no relevance in connection with cash distributions by the Trust (see FAQ 12 “What are Escrow CUSIPs” for additional information).

**21. What value can the Trust expect to receive from the Washington Mutual Bank Receivership? When will such Receivership be completed?**

None. Based upon the Settlement Agreement and the Plan, no actions in the Receivership are expected to yield any recovery to WMILT or the holders of beneficial interests in WMILT. In that regard, WMILT does not have any information regarding any of the assets, claims or causes of action relevant to the Receivership and individuals having questions about the Receivership, ongoing litigation involving the Receivership, JPMorgan Chase Bank, N.A. and other relevant parties, should contact those parties for any such information.

The foregoing notwithstanding, the Trust has filed proofs of claim in the so-called LIBOR litigations and may realize a recovery from those proceedings upon resolution thereof; however, there can be no assurances that the Trust will, in fact, realize any such recovery (or recoveries) on account of such litigation and, if so, the amount thereof. On the basis of the foregoing, at this time, the Trust has not recorded on its financial statements any asset or value attributable to any such recovery. Additional information will be disclosed as and when it is available.



**22. If value becomes available to distribution to members of Classes 19, 21 and/or 22, how will such value be allocated among those classes?**

Value, if any, which may be distributed to members of Classes 19, 21 and/or 22 will be distributed in accordance with the relevant provisions of the Plan. Should value become available to Classes 19, 21 and/or 22, the Trust will provide more details regarding the distribution levels and mechanics, similar to what it has done for current and former LTI holders.

**23. How does the Trust manage its operating budget and expenses?**

As contemplated by the Plan and the Confirmation Order, the Trust has engaged in extensive, complex litigation since the Effective Date. Because of the large number of LTI holders, the Trust continues to be a modified reporting entity for purposes of the Securities Exchange Act of 1934, as amended, and if Class 18 receives value in accordance with the Plan, the number of LTI holders is expected to increase significantly. In addition, the Trust's tax affairs are complex and require significant attention. Among other factors, the foregoing has resulted in the Trust incurring significant operational costs and expenses since the Effective Date.

In connection with the foregoing, shortly after the Effective Date, the TAB established a Finance Subcommittee that meets regularly with management to discuss and review the Trust's financial affairs and related matters, including the establishment of the Trust's annual operating budget. Management provides members of the Finance Subcommittee with monthly reports covering the Trust's operations and financial affairs. Management also regularly meets with the full TAB and provides the TAB with information regarding the Trust's operations and financial affairs, including budget-to-actual variances and other information. Management regularly works with the Trustee, Finance Subcommittee, the TAB and professional advisors with regard to managing fees and expenses and to explore potential opportunities to continue to streamline the Trust's operations.

**24. What is the "Stipulation with Underwriters" and how does it affect my interests, if any, in the Trust?**

Certain underwriters (including Morgan Stanley, Credit Suisse, and Goldman Sachs) filed indemnification claims against the estate for legal fees and settlement costs incurred in defending securities fraud action claims brought against them in connection with their role underwriting various WMI pre-petition security issuances (both debt and preferred equity) pursuant to indemnification provisions in their engagement letters. In the aggregate, they settled the securities fraud claims for approximately \$88 million and incurred approximately \$7.5 million in legal costs.

Relatively early on in the chapter 11 cases, the Bankruptcy Court approved the subordination of these claims. As a result, they are included in Classes 18 and 19. WMILT reserved its rights to object to this claim on other bases in the event value was recovered by members of Class 18 and/or 19. Because Class 19 received a

distribution of Reorganized WMI common stock in connection with the Initial Distribution, the parties began preparing to litigate the merits of the underwriters' claim. Such litigation was expected to take the form of a quasi-trial on the securities fraud claims.

After consideration, rather than incur potentially significant legal costs in connection with such litigation, WMILT negotiated what it believed (and continues to believe) to be a favorable resolution of the underwriters' claim which minimized cash payments prior to any potential additional distributions to former equity holders. The principal financial terms of such settlement included:

- \* The \$24 million Class 18 claim was disallowed in full, resulting in no cash distributions on account of such claim; and

- \* The \$72 million Class 19 claim was deemed allowed, representing only 1% of Class 19. Based on trading prices at the time of the settlement, the value of the prospective stock distribution was approximately \$1 million. Reorganized WMI common stock was reserved at the time the settlement was consummated.

WMILT believes that executing the settlement with the underwriters was in the best interests of the Trust and its beneficiaries. In particular, it removed \$24 million of potential claims that would have to be paid prior to any funds becoming available to former equity holders and did not require any additional cash outlay.

In accordance with, and as contemplated by, Section 6.2 of the Liquidating Trust Agreement, the terms of the settlement with the underwriters were not submitted to the Bankruptcy Court for approval. Nevertheless, the principal terms of the settlement with the underwriters, including the effect thereof, were first disclosed in the Trust's Form 10-K for the period ended December 31, 2012, which was filed on April 1, 2013, only four days after the settlement was finalized. It was further disclosed in subsequent Quarterly Summary Reports filed with the Court and under Form 8-K as well as subsequent 10-K's. The stipulation memorializing the underwriters' settlement is appended to these FAQs<sup>6</sup> as Exhibit A.

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<sup>6</sup> Note that the provision in such stipulation contemplating bankruptcy court approval of the settlement was waived by the parties.

