

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

IN RE WASHINGTON MUTUAL, INC.  
SECURITIES LITIGATION

This Document Relates to: ALL ACTIONS

No. 2:08-md-1919 MJP  
Lead Case No. C08-387 MJP

**NOTICE OF (I) PENDENCY OF CLASS ACTION AND PROPOSED  
SETTLEMENTS, (II) SETTLEMENT FAIRNESS HEARING, AND (III) MOTION FOR AN  
AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

***A Federal Court Authorized This Notice. This is not a solicitation from a lawyer.<sup>1</sup>***

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by a class action lawsuit (the "Action") pending in the United States District Court for the Western District of Washington at Seattle (the "Court") if, during the period from October 19, 2005 to July 23, 2008 (the "Class Period"), you purchased or otherwise acquired any of the following securities (the "WMI Class Securities") issued by Washington Mutual, Inc. ("WMI" or the "Company") or its subsidiaries, and were damaged thereby:

- WMI common stock (CUSIP 939322103)
- Floating Rate Notes due August 24, 2009, offered in August 2006 (CUSIP 939322AW3) ("Floating Rate Notes")
- 7.250% Subordinated Notes due November 1, 2017, offered in October 2007 (CUSIP 939322AY9) ("7.250% Notes")
- 7.75% Series R Non-Cumulative Perpetual Convertible Preferred Stock, offered in December 2007 (CUSIP 939322814) ("Series R Stock")
- Washington Mutual Capital Trust 2001's 5.375% Trust Preferred Income Equity Redeemable Securities (PIERS) Units, maturing July 1, 2041 (CUSIP 939322848) ("Capital Trust Unit Preferred")

**NOTICE OF SETTLEMENTS:** Please also be advised that the Court-appointed Lead Plaintiff, Ontario Teachers' Pension Plan Board, on behalf of itself and the Class (defined in paragraph 28 below), has reached three proposed all-cash settlements of the Action, as follows: (i) a \$105 million settlement with the Individual Defendants (identified in paragraph 1 below) whereby WMI is also a Settling Defendant (the "D&O/WMI Settlement"); (ii) an \$85 million settlement with the Underwriter Defendants (identified in paragraph 1 below) (the "Underwriters Settlement"); and (iii) an \$18.5 million settlement with Deloitte & Touche LLP ("Deloitte") (the "Deloitte Settlement") (collectively, the "Settlements"). The total amount of the Settlements is \$208.5 million, plus interest thereon. If all of the Settlements are approved by the Court, they will resolve all claims in the Action by Class Members against the Settling Defendants (including WMI) as well as other Released Defendant Parties, as defined in paragraph 73 below and the Bankruptcy Claims against WMI in the Chapter 11 Cases (as described in paragraphs 13 and 72 below).

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from each of the three Settlements if each is approved by the Court. If you are a Class Member, your legal rights will be affected whether or not you act.**

1. **Overview of the Action and the Class:** This Notice relates to three separate proposed Settlements of claims in a pending class action brought by investors alleging that the prices of WMI's securities were artificially inflated during the Class Period as a result of false statements, non-disclosures, and fraudulent conduct in violation of the federal securities laws. A more detailed description of the Action is set forth in paragraphs 14 – 27 below. The "Settling Defendants" are: (a) Kerry K. Killinger, Thomas W. Casey, Stephen J. Rotella, Ronald J. Cathcart, David C. Schneider, John F. Woods, Melissa J. Ballenger, Anne V. Farrell, Stephen E. Frank, Thomas C. Leppert, Charles M. Lillis, Phillip D. Matthews, Regina Montoya, Michael K. Murphy, Margaret Osmer McQuade, Mary E. Pugh, William G. Reed, Jr., Orin C. Smith, James H. Stever and Willis B. Wood, Jr. (the "Individual Defendants"); (b) Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated (now known as Morgan Stanley & Co. LLC), Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., UBS Securities LLC, J.P. Morgan Securities Inc., Barclays Capital Inc., Keefe, Bruyette & Woods, Inc., Cabrera Capital Markets, LLC, The Williams Capital Group, L.P., Citigroup Global Markets, Inc., Greenwich Capital Markets, Inc. (now known as RBS Securities Inc.), BNY Mellon Capital Markets LLC (successor to BNY Capital Markets, Inc.), and Samuel A. Ramirez & Company, Inc. (the "Underwriter Defendants"); (c) Deloitte, and (d) WMI.<sup>2</sup>

The proposed Settlements each provide for the release of claims against the Settling Defendants in the respective Settlements and others as specified in (i) "Stipulation and Agreement of Settlement with Individual Officer and Director Defendants and with Washington Mutual, Inc." dated June 30, 2011 (the "D&O/WMI Stipulation"); (ii) "Stipulation and Agreement of Settlement with the Underwriter Defendants" dated June 30, 2011 (the "Underwriters Stipulation"); and (iii) "Stipulation and Agreement of Settlement with

<sup>1</sup> All capitalized terms that are not defined in this Notice have the meaning ascribed to them in the respective Stipulations and Agreements of Settlement (the "Stipulations"), which are available on the website established for the Settlements at [www.WashingtonMutualSecuritiesLitigationSettlement.com](http://www.WashingtonMutualSecuritiesLitigationSettlement.com) and on Lead Counsel's website [www.blbglaw.com](http://www.blbglaw.com).

<sup>2</sup> WMI was named as a defendant in the Action but, because it filed a petition for bankruptcy, the Action was automatically stayed against it under the Bankruptcy Code, 11 U.S.C. § 362(a). Lehman Brothers Inc. ("Lehman") was also named as a defendant in the Action, but on September 19, 2008, a proceeding was commenced under the Securities Investor Protection Act of 1970 (SIPA) with respect to Lehman and, as a result, all proceedings against it have also been stayed. Lehman is not a Settling Defendant and is not being released pursuant to the terms of the Settlements.

Defendant Deloitte & Touche LLP” dated June 30, 2011 (the “Deloitte Stipulation”). All persons and entities who purchased or otherwise acquired WMI Class Securities during the Class Period and were damaged thereby, except for certain persons and entities who are excluded from the Class by definition (see paragraph 28 below) or persons and entities who validly elect to exclude themselves from the Class (see paragraphs 82 - 84 below), will be affected by the Settlements, if they are approved by the Court, and may be eligible to receive a payment from some or all of the Settlements.

2. **The Class’s Recovery:** Subject to approval by the Court, and with respect to the D&O/WMI Settlement, entry of the Bankruptcy Court Approval Order by the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) and such order becoming Final (as discussed in paragraph 13 below) and as described more fully below, Lead Plaintiff, on behalf of itself and the Class, has agreed to settle all claims based on the allegations asserted in the Action that were or could have been asserted against the Settling Defendants and other Released Defendant Parties and/or that relate to the purchase, acquisition or holding during the Class Period of the WMI Class Securities and certain other WMI securities as to which claims were asserted in the Action but were dismissed by the Court,<sup>3</sup> in exchange for a total of \$208.5 million in cash. Lead Plaintiff has agreed to settle with the Individual Defendants and include WMI as a Settling Defendant for \$105 million in cash, with the Underwriter Defendants for \$85 million in cash, and with Deloitte for \$18.5 million in cash. The claims asserted against the Individual Defendants were brought pursuant to both the Securities Act of 1933 (the “Securities Act”) and the Securities Exchange Act of 1934 (the “Exchange Act”) while the claims against the Underwriter Defendants and Deloitte were asserted pursuant only to the Securities Act. Subject to certain contingencies explained in the Plan of Allocation set forth below, only those Class Members who are entitled to assert Securities Act claims will be eligible to participate in the Net Settlement Funds created by the Settlements with the Underwriter Defendants and Deloitte, and only those Class Members who are entitled to assert Exchange Act claims will be eligible to participate in the Net Settlement Fund created by the D&O/WMI Settlement. The Settlement Amounts for each of the Settlements will be deposited into separate interest-bearing escrow accounts for the benefit of Class Members (the “Settlement Funds”). The respective Net Settlement Funds (the Settlement Funds less any Taxes, any Notice and Administration Costs and any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed in accordance with the plan of allocation that is approved by the Court, which will determine how the Net Settlement Funds shall be allocated among members of the Class who, by virtue of the claims they could assert, are eligible to participate in the distribution of the respective Net Settlement Funds and who submit timely and valid Proof of Claim and Release Forms (a “Claim Form”). The proposed plan of allocation (the “Plan of Allocation”) is included in this Notice at pages 7 to 12.

3. **Estimate of Average Amount of Recovery Per Share or Note:** Lead Plaintiff’s damages expert estimates that approximately 1.433 billion shares of WMI common stock, 461,900 Floating Rate Notes, 625,750 7.250% Notes, 10.227 million shares of Series R Stock, and 37,483,400 units of Capital Trust Unit Preferred purchased during the Class Period may have been affected by the conduct at issue in the Action. Because the number of affected common stock shares is so large – exceeding 1.4 billion shares – if all eligible Class Members elect to participate in the Settlements and all of the Settlements are approved, the estimated average recovery per eligible share, note or unit would be approximately \$0.07 per share of common stock; \$0.33 per \$100 face value of Floating Rate Notes; \$0.47 per \$100 face value of 7.250% Notes; \$9.68 per share of Series R Stock; and \$0.10 per unit of Capital Trust Unit Preferred before the deduction of Court-awarded attorneys’ fees and expenses, and the costs of providing notice and administering the Settlements. Class Members should note, however, that these are only estimates based on the overall number of potentially affected shares, notes and units. Some Class Members may recover more or less than these estimated amounts.

4. **Average Amount of Damages Per Share:** The parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. The Settling Defendants do not agree with the assertion that they engaged in any actionable conduct under the federal securities laws or that any damages were suffered by any members of the Class as a result of their conduct.

5. **Attorneys’ Fees and Expenses Sought:** Plaintiffs’ Counsel, who have been prosecuting this Action on a wholly contingent basis since its inception in 2008, have not received any payment of attorneys’ fees for their representation of the Class and they have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Lead Counsel will apply to the Court for an award of attorneys’ fees for all Plaintiffs’ Counsel in the amount of 22.5% of each Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the prosecution and resolution of the claims against the Settling Defendants, in an amount not to exceed \$5.8 million (which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Class). Any fees and expenses awarded by the Court will be paid from the Settlement Funds. Class Members are not personally liable for any such fees or expenses. If all the Settlements are approved, and Lead Counsel’s fee and expense application is granted, the average cost per share, note or unit of these fees and expenses will be approximately \$0.02 per share of common stock; \$0.08 per \$100 face value of Floating Rate Notes; \$0.12 per \$100 face value of 7.250% Notes; \$2.45 per share of Series R Stock; and \$0.03 per unit of Capital Trust Unit Preferred.<sup>4</sup>

6. **Identification of Attorneys’ Representative:** Lead Plaintiff and the Class are being represented by Hannah G. Ross, Esq. of Bernstein Litowitz Berger & Grossmann LLP. Any questions regarding the Action or the Settlements should be directed to Ms. Ross at Bernstein Litowitz Berger & Grossmann LLP, 1285 Avenue of the Americas, New York, NY 10019, (800) 380-8496, blbg@blbglaw.com.

<sup>3</sup> The additional securities as to which Class Members’ claims are being released with respect to their purchases, acquisitions or holdings during the Class Period are the 5.50% Notes due August 24, 2011 offered in WMI’s August 2006 Offering (CUSIP 939322AX1) (“5.50% Notes”) and the Series K perpetual non-cumulative preferred stock offered in WMI’s September 2006 Offering (CUSIP 939322830) (“Series K Stock”). The WMI Class Securities and the additional securities as to which claims are being released are referred to as the “WMI Released Securities.”

<sup>4</sup> Should the Court approve less than all the Settlements, attorneys’ fees will be paid only on the Settlement Fund(s) created by the approved Settlement(s). The Litigation Expenses approved by the District Court will be paid from the Settlement Fund(s) created by the approved Settlement(s).

**YOUR LEGAL RIGHTS AND OPTIONS IN THESE SETTLEMENTS:**

<p><b>SUBMIT A CLAIM FORM BY DECEMBER 8, 2011.</b></p>	<p>This is the only way to be eligible to get a payment from the Settlements. If you are a Class Member and you remain in the Class, you will be bound by the Settlements as approved by the Court and you will give up any "Settled Claims" (as defined below) that you have against the Settling Defendants and the other "Released Defendant Parties" (as defined below), so, if you remain in the Class, it is in your interest to submit a Claim Form.</p>
<p><b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 10, 2011.</b></p>	<p>If you exclude yourself from the Class, you will not be eligible to get any payment from any of the Settlement Funds. This is the only option that allows you ever to be part of any other lawsuit against any of the Settling Defendants or the other Released Defendant Parties concerning the Settled Claims.</p>
<p><b>OBJECT TO THE SETTLEMENTS BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 10, 2011.</b></p>	<p>If you do not like one or more of the proposed Settlements, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlements, the Plan of Allocation or the fee and expense request unless you are a Class Member and do not exclude yourself.</p>
<p><b>GO TO A HEARING ON NOVEMBER 4, 2011 AT 9:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN OCTOBER 15, 2011.</b></p>	<p>Filing a written objection and notice of intention to appear allows you to speak in Court about the fairness of the Settlements, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and speak to the Court about your objection.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Class and you do not submit a Claim Form by December 8, 2011, you will not be eligible to receive any payment from any of the Settlements. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlements and you will be bound by any Judgments or Orders entered by the Court in this Action.</p>

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**WHY DID I GET THIS NOTICE?**

7. This Notice is being sent to you pursuant to an Order of the United States District Court for the Western District of Washington because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired WMI Class Securities (defined on page 1) during the Class Period. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlements. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights. If the Court approves the Settlements and the Plan of Allocation (or some other plan of allocation), the Claims Administrator selected by Lead Plaintiff and approved by the Court will make payments pursuant to the Settlements and the Court-approved plan of allocation after any objections and appeals are resolved.

8. In a class action lawsuit, the court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. Once the class is certified, the court must resolve all issues on behalf of the class members, except for any persons who choose to exclude

themselves from the class. In this Action, the Court appointed Ontario Teachers' Pension Plan Board to serve as "Lead Plaintiff" under a federal law governing lawsuits such as this one, and approved Lead Plaintiff's selection of the law firm of Bernstein Litowitz Berger & Grossmann LLP ("Lead Counsel") to serve as Lead Counsel in the Action. The Court certified the Action to proceed as a class action and certified Lead Plaintiff and additional named plaintiffs Pompano Beach Police and Firefighters' Retirement System, Brockton Contributory Retirement System, and Police and Fire Retirement System of the City of Detroit (collectively, "Plaintiffs") as representatives for the Class. (For more information on excluding yourself from the Class, please read "What If I Do Not Want To Participate In The Settlements? How Do I Exclude Myself?," on page 14 below.)

9. The court in charge of this case is the United States District Court for the Western District of Washington, and the case is known as *In re Washington Mutual, Inc. Securities Litigation*, No 2:08-md-1919 MJP, Lead Case No. C08-387 MJP. The Judge presiding over this case is the Honorable Marsha J. Pechman, United States District Judge. The persons or entities that are suing are called plaintiffs, and those who are being sued are called defendants. If all three proposed Settlements are approved, they will resolve all claims in the Action by Class Members against the Settling Defendants and will bring the Action to an end.

10. This Notice explains the lawsuit, the Settlements, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Class if you wish to so do. It is also being sent to inform you of the terms of the proposed Settlements, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlements, the proposed Plan of Allocation and the motion by Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing").

11. The Settlement Hearing will be held on November 4, 2011 at 9:00 a.m., before the Honorable Marsha J. Pechman at the United States District Court for the Western District of Washington, United States Courthouse, 700 Stewart Street, Seattle, WA 98101 to determine:

- (a) whether the proposed Settlements are fair, reasonable and adequate and should be approved by the Court;
- (b) whether all claims asserted in the Action against the Settling Defendants should be dismissed with prejudice and all Settled Claims against the Settling Defendants and the other Released Defendant Parties should be released as set forth in the respective Stipulations;
- (c) whether the proposed Plan of Allocation is fair and reasonable, and should be approved by the Court; and
- (d) whether Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses should be approved by the Court.

12. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve each of the Settlements. If the Court approves the Settlements and a plan of allocation, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. Please be patient.

13. The D&O/WMI Settlement also is conditioned on the entry of the Bankruptcy Court Approval Order by the Bankruptcy Court (and on such Order becoming Final) which is overseeing WMI's bankruptcy case, jointly administered in the Bankruptcy Court with the bankruptcy case of WMI Investment Corp. as *In re Washington Mutual Inc.*, Case No. 08-12229 (MFW) (collectively the "Chapter 11 Cases"). The Bankruptcy Court Approval Order will, among other things, authorize, to the extent necessary, the use of proceeds from officers' and directors' insurance policies for the payment and funding of the \$105,000,000 Settlement Amount of the D&O/WMI Settlement. If the Bankruptcy Court Approval Order is not entered or does not become Final, the D&O/WMI Settlement will not go forward and the parties to the D&O/WMI Stipulation will be restored to their respective positions as of March 23, 2011.

#### WHAT IS THE CASE ABOUT? WHAT HAS HAPPENED SO FAR?

14. The Action is a class action alleging violations of the federal securities laws by various persons, including WMI, the Individual Defendants, the Underwriter Defendants, and Deloitte.

15. Beginning in November 2007, class action complaints on behalf of purchasers of certain WMI securities were filed in the United States District Court for the Southern District of New York against WMI and certain of its officers and directors alleging violations of the Exchange Act with respect to public disclosures concerning the lending practices and financial condition of WMI. In early 2008, pursuant to an order of the United States Judicial Panel on Multidistrict Litigation, these actions, together with a number of related actions, were transferred to the United States District Court for the Western District of Washington. On May 7, 2008, the Court entered an Order consolidating the transferred actions and any related pending or subsequently filed securities actions into this Action; appointed Ontario Teachers' Pension Plan Board as Lead Plaintiff, Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel and Byrnes Keller Cromwell LLP as Liaison Counsel for Plaintiffs; and ordered that Lead Plaintiff file an amended complaint.

16. On August 5, 2008, Lead Plaintiff filed the Consolidated Class Action Complaint (the "Consolidated Complaint"), which included Brockton Contributory Retirement System as an additional named plaintiff. The Consolidated Complaint asserted claims against WMI and certain of the Individual Defendants under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, alleging that these defendants made, or controlled others who made, materially false and misleading statements about the effectiveness of WMI's risk management procedures, the fairness and reliability of the appraisals received in connection with WMI's loans, the quality of WMI's mortgage underwriting practices and WMI's financial results, including the appropriate allowances for its loan losses, and that these false and misleading statements had caused the prices of WMI's securities to be artificially inflated during the Class Period. The Consolidated Complaint also asserted claims against WMI, the Underwriter Defendants, Deloitte and certain of the Individual Defendants under Section 11 of the Securities Act of 1933 (the "Securities Act"); against WMI and the Underwriter Defendants under Section 12(a)(2) of the Securities Act; and against certain of the Individual Defendants under Section 15 of the Securities Act alleging that the defendants named in the Securities Act claims were

statutorily liable for materially untrue statements and misleading omissions in the registration statement and offering documents for several public securities offerings that WMI conducted during the Class Period.

17. On September 26, 2008, WMI filed a petition for bankruptcy under chapter 11 of the Bankruptcy Code in the Bankruptcy Court, causing the Action to be stayed against it pursuant to 11 U.S.C. § 362(a).

18. On December 8, 2008, all of the Settling Defendants (other than WMI, against which the Action had been stayed) filed motions to dismiss the Consolidated Complaint. Lead Plaintiff opposed the motions and, on May 15, 2009, the Court entered an order granting in part and denying in part the motions to dismiss and ordering that certain claims be re-pled.

19. On June 15, 2009, Lead Plaintiff filed the Amended Consolidated Class Action Complaint (the "Amended Complaint"). In addition to Lead Plaintiff and named plaintiff Brockton Contributory Retirement System, the Amended Complaint included Pompano Beach Police and Firefighters' Retirement System, Mr. Harlan Seymour, and Police and Fire Retirement System of the City of Detroit as additional named plaintiffs. Like the Consolidated Complaint, the Amended Complaint asserted claims under Sections 10(b), 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder; and under Sections 11, 12(a)(2) and 15 of the Securities Act and alleged claims substantially similar to those in the Consolidated Complaint.

20. On July 17, 2009, all of the Settling Defendants (other than WMI) moved to dismiss the Amended Complaint. The motions were fully briefed and argued to the Court and, on October 27, 2009, the Court entered an Order sustaining the Exchange Act claims against all the Defendants against whom they were asserted but dismissed certain of the Securities Act claims.

21. On January 15, 2010, all of the Settling Defendants (other than WMI) filed answers to the Amended Complaint.

22. On April 30, 2010, Lead Plaintiff filed a motion for class certification which was fully briefed and argued to the Court. On October 12, 2010, the Court entered an Order certifying the Action as a class action, certifying Lead Plaintiff and additional named plaintiffs Pompano Beach Police and Firefighters' Retirement System, Brockton Contributory Retirement System, and Police and Fire Retirement System of the City of Detroit as class representatives, and appointing Lead Counsel as Class Counsel. The Court excluded one named plaintiff from the class and the Series K Stock from the Class.<sup>5</sup> The definition of the Class is set forth in paragraph 28 below.

23. On December 1, 2010, the Underwriter Defendants moved for judgment on the pleadings, a motion in which all other Settling Defendants (other than WMI) joined, contending that the remaining Securities Act claims relating to the August 2006 and the December 2007 offerings were barred by the statute of limitations. The Court, after hearing oral argument, denied the motion on January 28, 2011.

24. Pursuant to the Court's Order dated November 25, 2009, the parties were directed to engage in mediation to determine whether a consensual resolution of the Action could be achieved.

25. Lead Plaintiff and the Settling Defendants (other than WMI) engaged in extensive arm's-length negotiations that included participation by their respective counsel in multiple mediation sessions in February and March 2011 with an experienced mediator, a former Federal District Judge, Layn R. Phillips. With Judge Phillips' assistance, Lead Plaintiff reached agreements-in-principle to settle with the Individual Defendants on March 23, 2011; with Deloitte on March 24, 2011; and with the Underwriter Defendants on March 30, 2011.

26. Before agreeing to the Settlements, Lead Counsel had conducted an extensive investigation into the events and transactions underlying the claims alleged in the Amended Complaint and had also conducted extensive discovery. Lead Counsel analyzed the evidence adduced during its investigation and through discovery, which included almost 500 witness interviews, review of over 23 million pages of documents produced by Defendants and others, and dozens of depositions; consulted with numerous experts, including experts in accounting and auditing, risk management, loss reserve modeling, statistical analysis and damages; and researched the applicable law with respect to the claims of Lead Plaintiff and the Class against the Settling Defendants and their potential defenses. At the time the agreements to settle were reached, Lead Counsel had a thorough understanding of the strengths and weaknesses of Lead Plaintiff's and the Settling Defendants' positions based on the extensive investigation and discovery, the briefing of the multiple motions to dismiss and the class certification motion, and the preparation of several detailed mediation statements as well as the review of mediation statements prepared by Settling Defendants. Lead Counsel and Lead Plaintiff believe that each of the proposed Settlements is fair, reasonable and adequate, and in the best interests of the Class.

27. On July 21, 2011, the Court entered an Order Preliminarily Approving Proposed Settlements and Providing for Notice, which preliminarily approved the Settlements, authorized this Notice be sent to potential Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlements.

#### HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENTS?

28. If you are a member of the Class, you are subject to the Settlements, unless you timely request to be excluded. The Class consists of:

All persons and/or entities who purchased or otherwise acquired the following securities issued by WMI and its subsidiaries: WMI common stock (CUSIP 939322103); Floating Rate Notes offered in WMI's August 2006 Offering (CUSIP 939322AW3); the 7.250% Notes offered in WMI's October 2007 Offering (CUSIP 939322AY9); the 7.75%

<sup>5</sup> Former defendant Banc of America Securities LLC ("BOA"), which was sued as one of the Underwriter Defendants, underwrote only the Series K Stock offering, was dismissed from the Action as a result of the District Court's October 12, 2010 Order. BOA is a Released Defendant Party in the Underwriters Settlement.

Series R Non-Cumulative Perpetual Convertible Preferred Stock offered in WMI's December 2007 Offering (CUSIP 939322814); and Washington Mutual Capital Trust 2001's 5.375% Trust Preferred Income Equity Redeemable Securities (PIERS) Units, maturing 7/1/2041 ("Capital Trust Unit Preferred") (CUSIP 939322848) (collectively, the "WMI Class Securities") from October 19, 2005 to July 23, 2008 (the "Class Period"), and were damaged thereby.

Excluded from the Class are (i) Defendants; (ii) members of the Immediate Family of each Individual Defendant; (iii) any other person who was an officer or director of WMI, Deloitte, any of the Underwriter Defendants, Lehman, or BOA during the Class Period; (iv) any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; (v) any person who participated in the wrongdoing alleged in the Action; (vi) TPG Capital and other purchasers of equity securities issued by WMI in connection with the \$7 billion capital issuance pursuant to the agreements entered into by and among TPG Capital and WMI and other investors, announced by the Company on April 8, 2008 (the "TPG Deal"), to the extent that such purchasers exercised distinct rights and diligence opportunities afforded them in connection with the TPG Deal; and (vii) the legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any such excluded party, provided that any Investment Vehicle shall not be deemed an excluded person or entity by definition.<sup>6</sup> Also excluded from the Class are any persons or entities who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice. See "What if I Do Not Want to Participate in the Settlements? How Do I Exclude Myself?," on page 14 below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENTS. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENTS, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN DECEMBER 8, 2011.**

#### WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENTS?

29. Lead Plaintiff and Lead Counsel believe that the claims asserted against the Settling Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against these defendants through trial and appeals, as well as the difficulties in establishing liability and damages at trial. Lead Plaintiff and Lead Counsel have also taken into account the possibility that the claims asserted in the Amended Complaint might have been dismissed in response to the Settling Defendants' anticipated motions for summary judgment, and have considered issues that would have been decided by a jury in the event of a trial of the Action, including whether certain of the Settling Defendants acted with an intent to mislead investors, whether all of Class Members' losses were caused by the alleged misrepresentations or omissions and the amount of damages. Lead Plaintiff and Lead Counsel have considered the uncertain outcome and trial risk in complex lawsuits like this one, and that, even if they were successful, after the resolution of the appeals that were certain to be taken (which could take years to resolve), certain of the Settling Defendants may not have been able to pay an amount significantly larger than their respective Settlement Amount or even as much as the Settlement Amount. The Action has been stayed against WMI because of the Company's filing for bankruptcy and the Individual Defendants' ability to pay as well as the limited potential for any recovery from the Bankruptcy Claims asserted in the Chapter 11 Cases were significant factors that Lead Plaintiff had to take into account, given the fact that the insurance coverage provided to these defendants by the directors' and officers' policies was a "wasting asset" which would have continued to be depleted by the costs of this and other ongoing litigation.

30. In light of the amount of the Settlements and the immediacy of recovery to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlements are fair, reasonable and adequate. Indeed, Lead Plaintiff and Lead Counsel believe that the Settlements achieved are excellent results and in the best interests of the Class. The Settlements, which total \$208.5 million in cash (less the various deductions described in this Notice), individually and collectively provide substantial benefits now as compared to the risk that a similar, smaller, or no recoveries would be achieved after a trial and appeals, possibly years in the future.

31. The Settling Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. The Settling Defendants have agreed to the Settlements solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlements may not be construed as an admission of any wrongdoing by any of the Settling Defendants.

#### WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENTS?

32. If there were no Settlements and Plaintiffs failed to establish any essential legal or factual element of their claims against the Settling Defendants, neither they nor the Class would recover anything from the Settling Defendants. Also, if the Settling Defendants were successful in proving any of their defenses, the Class could recover substantially less than the amounts provided in the Settlements, or nothing at all. Additionally, with respect to the D&O/WMI Settlement in particular, even if Plaintiffs prevailed at trial, and obtained a judgment in excess of the Settlement Amount, recovery on the judgment would have been unlikely. The insurance coverage available to the Individual Defendants is a wasting asset and any recovery out of the Chapter 11 Cases is unlikely. The ongoing prosecution of the Action against the Individual Defendants as well as other costs being paid from these policies in connection with other ongoing litigation and investigations is fast depleting the amount of insurance coverage. Even if Lead Plaintiff prevailed at trial and on the appeal that was sure to follow, by the time Lead Plaintiff could seek to enforce the judgment, the coverage would have

<sup>6</sup> "Investment Vehicle" means any investment company or pooled investment fund, including but not limited to, mutual fund families, exchange-traded funds, fund of funds and hedge funds, in which any Underwriter Defendant, BOA or Lehman has or may have a direct or indirect interest, or as to which its affiliates may act as an investment advisor but in which the Underwriter Defendant, BOA or Lehman or any of their respective affiliates is not a majority owner or does not hold a majority beneficial interest. This definition does not bring into the Class any of the Underwriter Defendants, BOA or Lehman.

been seriously depleted, if not exhausted entirely. Thus, a victory at trial or on appeal against these defendants could well have resulted in a smaller recovery or no recovery at all.

#### HOW MUCH WILL MY PAYMENT BE?

33. At this time, it is not possible to make any determination as to how much a Class Member may receive from the Settlements.

34. Pursuant to the Settlements, the Contributing Insurers have agreed to pay \$105 million in cash with respect to the D&O/WMI Settlement; the Underwriter Defendants have agreed to pay \$85 million in cash; and Deloitte has agreed to pay \$18.5 million in cash. The Settlement Amounts will be deposited into interest-bearing escrow accounts (the "Settlement Funds"). If the Settlements are approved by the Court, the Net Settlement Funds (*i.e.*, the Settlement Funds less (a) all federal, state and local taxes on any income earned by the Settlement Funds and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Funds (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing Notice to Class Members and administering the Settlements on behalf of Class Members; and (c) any attorneys' fees and expenses awarded by the Court) will be distributed to Class Members as set forth in the proposed plan of allocation (the "Plan of Allocation") or such other plan as the Court may approve.

35. After approval of the Settlements by the Court and upon satisfaction of the other conditions to the Settlements, the Net Settlement Funds will be distributed to Authorized Claimants in accordance with the plan of allocation approved by the Court. The Net Settlement Funds will not be distributed until the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

36. Neither Settling Defendants nor any other person or entity that paid any portion of the Settlement Amounts on any of their behalves are entitled to get back any portion of the respective Settlement Funds once the Court's Order or Judgment approving the relevant Settlement becomes Final. Settling Defendants shall not have any liability, obligation or responsibility for the administration of the Settlements or disbursement of the Net Settlement Funds or the Plan of Allocation.

37. Approval of the Settlements is independent from approval of the plan of allocation. Any determination with respect to the plan of allocation will not affect the Settlements, if approved.

38. Only those Class Members who purchased or otherwise acquired WMI Class Securities during the Class Period **AND WERE DAMAGED AS A RESULT OF SUCH PURCHASES OR ACQUISITIONS**, will be eligible to share in the distribution of the Net Settlement Funds. Each person wishing to participate in the distribution must timely submit a valid Claim Form establishing membership in the Class, and including all required documentation, postmarked on or before December 8, 2011 to the address set forth in the Claim Form that accompanies this Notice.

39. Unless the Court otherwise orders, any Class Member who fails to submit a Claim Form postmarked on or before December 8, 2011 shall be fully and forever barred from receiving payments pursuant to the Settlements but will in all other respects remain a Class Member and be subject to the provisions of the Stipulations and Settlements that are approved, including the terms of any Judgments entered and releases given. This means that each Class Member releases the applicable Settled Claims (as defined in paragraph 73 below) against the applicable Released Defendant Parties (as defined in paragraph 73 below) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the applicable Settled Claims against any of the applicable Released Defendant Parties regardless of whether or not such Class Member submits a Claim Form.

40. Information Required on the Claim Form: Among other things, each Claim Form must state and provide sufficient documentation for each Claimant's position in WMI Class Securities as of the beginning of the Class Period, their transactions during the Class Period, and their closing positions on the dates specified in the Claim Form.

41. Participants and beneficiaries in the WaMu Savings Plan should not include any information relating to their transactions within the plan in any Claim Form that they may submit in this Action. Claims based on the WaMu Savings Plan's purchases of WMI Class Securities during the Class Period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Class are participants in the plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from these Settlements by the WaMu Savings Plan.

42. The Court has reserved jurisdiction to allow, disallow or adjust the Claim of any Class Member on equitable grounds.

43. Each Claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Western District of Washington with respect to his, her or its Claim Form.

44. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Funds and should not submit Claim Forms.

#### PROPOSED PLAN OF ALLOCATION<sup>7</sup>

45. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws as opposed to losses caused by market or industry factors or Company specific factors unrelated to the alleged violations of law. The Plan of Allocation reflects Lead Plaintiff's damages expert's analysis undertaken to that end, including a review of publicly available information regarding WMI and statistical

<sup>7</sup> The Settling Defendants take no position on the Plan of Allocation and, as stated above, continue to deny that WMI Class Securities were ever artificially inflated in price, or that any Class Members suffered any damages.

analyses of the price movements of the WMI Class Securities and the price performance of relevant market and industry indices during the Class Period. The Plan of Allocation, however, is not a formal damage analysis.

46. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlements. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Funds.

47. As noted above, claims were asserted under both the Exchange Act and the Securities Act.<sup>8</sup> For purposes of the Exchange Act claims, Lead Plaintiff's damages expert estimated the alleged artificial inflation in the Common Stock and the Capital Trust Unit Preferred which is shown in Table A. For purposes of the Securities Act claims, the Plan of Allocation is generally based upon application of the statutory damages formula under Section 11 of the Securities Act with respect to transactions in Series R Stock, Floating Rate Notes and 7.250% Notes.

48. Subject to certain contingencies set forth below, the Net Settlement Fund created by the D&O/WMI Settlement (the "Exchange Act Fund") will be distributed to Authorized Claimants with respect to their Recognized Loss Amounts based on their Class Period purchases of Common Stock and Capital Trust Unit Preferred (their "Exchange Act Loss") and the Net Settlement Funds created by the Settlements with the Underwriter Defendants and Deloitte (the "Securities Act Fund") will be distributed to Authorized Claimants with respect to their Recognized Loss Amounts based on their Class Period purchases of Series R Stock, Floating Rate Notes and 7.250% Notes (their "Securities Act Loss").

49. A Securities Act Loss or Exchange Act Loss will be calculated for each eligible purchase or acquisition of the WMI Class Securities that is listed in the Claim Form, and for which adequate documentation is provided. The calculation will depend upon several factors, including (i) which type of WMI Class Securities were purchased or otherwise acquired; (ii) when the WMI Class Securities were purchased or otherwise acquired; and (iii) whether the securities were sold and, if so, when they were sold.

50. Calculation of Exchange Act Losses will be based on the change in the level of alleged artificial inflation in the price of the WMI Common Stock and Capital Trust Unit Preferred at the time of purchase or acquisition and at the time of sale. In this case, Lead Plaintiff alleges that the Individual Defendants violated the Exchange Act by making false statements and omitting material facts between October 19, 2005 through and including July 22, 2008, which had the effect of artificially inflating the prices of these securities. Defendants deny all such allegations.

51. In order to have recoverable damages under the Exchange Act claims, plaintiffs must prove that disclosure of the alleged misrepresentations is the cause of the decline in the price of the security. Alleged corrective disclosures that removed the alleged artificial inflation from the prices of the Common Stock and Capital Trust Unit Preferred occurred on October 18, 2007, November 2, 2007, November 7, 2007, December 11, 2007, December 21, 2007, March 7, 2008 and before the beginning of trading on July 23, 2008. Accordingly, in order to have a compensable loss:

(a) Common Stock and Capital Trust Unit Preferred purchased or otherwise acquired from October 19, 2005 through October 17, 2007 must have been held until at least the beginning of trading on October 18, 2007, the day of the first corrective disclosure; and

(b) Common Stock and Capital Trust Unit Preferred purchased or otherwise acquired after the start of trading on October 18, 2007 through and including July 22, 2008, must have been held at least until the next corrective disclosure as listed above.

52. To the extent an Exchange Act Claimant does not satisfy either of the conditions set forth in the preceding paragraph, his, her or its Recognized Loss Amount for those transactions will be zero.

53. Calculation of Securities Act Losses will be generally based upon the statutory measure of damages for claims based on material misrepresentations in registration statements. As noted above, the calculation of Recognized Loss Amounts pursuant to the Plan of Allocation is not intended to be an estimate of, nor indicative of, the amount that a Class Member might have been able to recover after a trial.

#### **CALCULATION OF SPECIFIC LOSS AMOUNTS**

54. Based on the formulas set forth below, a "Recognized Loss Amount" shall be calculated for each purchase or acquisition of the WMI Class Securities listed in the Proof of Claim form and for which adequate documentation is provided. If a Recognized Loss Amount results in a negative number, that Recognized Loss Amount shall be zero.

55. **Exchange Act Claims Recognized Loss Amount Calculations** - For the Common Stock and the Capital Trust Unit Preferred, the Recognized Loss Amount per share or unit shall be calculated as follows:

(a) **Common Stock**

For each share of Common Stock purchased or acquired between October 19, 2005 and July 22, 2008, inclusive, and:

- 1) Sold prior to the close of trading on October 17, 2007, the Recognized Loss Amount is \$0.00.

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<sup>8</sup> The determination as to which claims should be brought against any given defendant was based on Plaintiffs' analysis of the relevant law and the facts as known at the time the claims were asserted.

- 2) Sold at a loss from October 18, 2007 through the close of trading on July 22, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per share as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per share as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price.
- 3) Sold at a loss from July 23, 2008 through the close of trading on October 20, 2008, the Recognized Loss Amount shall be **the least of**: (i) the amount of artificial inflation per share as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per share as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price; or (iii) the purchase price **minus** the average closing price between July 23, 2008 and the date of sale as shown in Table B.
- 4) Held as of the close of trading on October 20, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per share as set forth in Table A on the date of purchase; or (ii) the purchase/acquisition price **minus** \$2.86, the average closing price for the Common Stock between July 23, 2008 and October 20, 2008 as shown at the end of Table B.

(b) **Capital Trust Unit Preferred**

For each unit of Capital Trust Unit Preferred purchased or acquired between October 19, 2005 and July 22, 2008, inclusive, and:

- 1) Sold prior to the close of trading on October 17, 2007, the Recognized Loss Amount is \$0.00.
- 2) Sold at a loss from October 18, 2007 through the close of trading on July 23, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per unit as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per unit as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price.
- 3) Sold at a loss from July 24, 2008 through the close of trading on October 21, 2008, the Recognized Loss Amount shall be **the least of**: (i) the amount of artificial inflation per unit as set forth in Table A on the date of purchase **minus** the amount of artificial inflation per unit as set forth in Table A on the date of the sale; or (ii) purchase/acquisition price **minus** the sale price; or (iii) the purchase price **minus** the average closing price between July 24, 2008 and the date of sale as shown in Table C.
- 4) Held as of the close of trading on October 21, 2008, the Recognized Loss Amount shall be **the lesser of**: (i) the amount of artificial inflation per unit as set forth in Table A on the date of purchase; or (ii) the purchase/acquisition price **minus** \$13.04, the average closing price for the Capital Trust Unit Preferred between July 24, 2008 and October 21, 2008 as shown at the end of Table C.

56. **Securities Act Claims Recognized Loss Amount Calculations** – For the Series R Stock, the 7.250% Notes and the Floating Rate Notes, the Recognized Loss Amount per share or note shall be calculated as follows:

(a) **Series R Stock**

For each share of Series R Stock purchased or otherwise acquired prior to the close of trading on July 22, 2008, inclusive, and:

- 1) Sold at a loss prior to the close of trading on August 5, 2008 (the date of suit), the Recognized Loss Amount shall be **the lesser of**:
  - (x) the purchase/acquisition price **minus** the sale price; or
  - (y) \$1,000 (issue price) **minus** the sale price.
- 2) Sold at a loss from August 6, 2008 through the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of**:
  - (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$465.00, the closing price on August 5, 2008; or
  - (y) \$1,000 (issue price) **minus** the greater of (i) the sale price or (ii) \$465.00, the closing price on August 5, 2008.
- 3) Held as of close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of**:
  - (x) the purchase/acquisition price **minus** \$465.00, the closing price on August 5, 2008 (the date of suit); or
  - (y) \$1,000 (issue price) **minus** \$465.00, the closing price on August 5, 2008 (the date of suit).

(b) **Floating Rate Notes**

- (i) For each \$100 in face value of Floating Rate Notes purchased or otherwise acquired prior to the close of trading on May 13, 2008, and:
  - 1) Sold at a loss prior to the close of trading on May 13, 2008 (the date of suit), the Recognized Loss Amount shall be **the lesser of**:
    - (x) the purchase/acquisition price **minus** the sale price; or

- (y) \$100 (issue price) **minus** the sale price.
- 2) Sold at a loss from May 14, 2008 through the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
- (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit); or
- (y) \$100 (issue price) **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit).
- 3) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00.
- (ii) For each \$100 in Floating Rate Notes purchased or otherwise acquired from May 14, 2008 through the close of trading on July 22, 2008, inclusive, and:
- 1) Sold at a loss prior to the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
- (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit); or
- (y) \$100 (issue price) **minus** the greater of (i) the sale price or (ii) \$93.50, the closing price on May 13, 2008 (the date of suit).
- 2) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00.
- (c) **7.250% Notes**
- (i) For each \$100 in face value of 7.250% Notes purchased or otherwise acquired prior to the close of trading on May 13, 2008 and:
- 1) Sold at a loss prior to the close of trading on May 13, 2008 (the date of suit), the Recognized Loss Amount shall be **the lesser of:**
- (x) the purchase/acquisition price **minus** the sale price; or
- (y) \$99.377 (issue price) **minus** the sale price.
- 2) Sold at a loss from May 14, 2008 through the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
- (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit); or
- (y) \$99.377 (issue price) **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit).
- 3) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00.
- (ii) For each \$100 in face value of 7.250% Notes purchased or otherwise acquired from May 14, 2008 through the close of trading on July 22, 2008, inclusive, and:
- 1) Sold at a loss prior to the close of trading on May 13, 2011, the Recognized Loss Amount shall be **the lesser of:**
- (x) the purchase/acquisition price **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit); or
- (y) \$99.377 (issue price) **minus** the greater of (i) the sale price or (ii) \$84.47, the closing price on May 13, 2008 (the date of suit).
- 2) Held as of the close of trading on May 13, 2011, the Recognized Loss Amount shall be \$0.00

57. The sum of a Claimant's Recognized Loss Amounts based on his, her or its purchases or acquisitions of Common Stock and Capital Trust Unit Preferred (as calculated in paragraph 55 above) shall be the Claimant's Exchange Act Loss. The sum of a Claimant's Recognized Loss Amounts based on his, her or its purchases or acquisitions of Series R Stock, Floating Rate Notes and 7.250% Notes (as calculated in paragraph 56 above) shall be the Claimant's Securities Act Loss. The sum of a Claimant's Securities Act Loss and Exchange Act Loss is referred to as his, her or its Recognized Claim.

#### ADDITIONAL PROVISIONS

58. The Net Settlement Funds will be allocated among all Authorized Claimants whose Distribution Amount (defined below in paragraph 61) is \$20.00 or greater.

59. If the sum total of the Exchange Act Losses of all Authorized Claimants is greater than the Exchange Act Fund, each Authorized Claimant with an Exchange Act Loss shall receive a *pro rata* share of the Exchange Act Fund, which shall be the Authorized Claimant's Exchange Act Loss divided by the total of all Exchange Act Losses, multiplied by the total amount in the Exchange Act Fund. If the sum total of the Securities Act Losses of all Authorized Claimants is greater than the Securities Act Fund, each Authorized

Claimant with a Securities Act Loss shall receive a *pro rata* share of the Securities Act Fund, which shall be the Authorized Claimant's Securities Act Loss divided by the total of all Securities Act Losses, multiplied by the total amount in the Securities Act Fund.

60. While it is unlikely that the Exchange Act Fund will exceed the total amount of the Exchange Act Losses, should that happen, the excess amount in the Exchange Act Fund shall become available to compensate Authorized Claimants for their Securities Act Losses if the Securities Act Fund is not sufficient to pay the total amount of Securities Act Losses, up to the amount necessary to pay those losses. Should there be any excess remaining after the total amount of Securities Act Losses have been paid, the excess will be distributed *pro rata* to Authorized Claimants based on their Exchange Act Losses. In like manner, should the amount in the Securities Act Fund exceed the total Securities Act Losses, the excess will become available to compensate Authorized Claimants for their Exchange Act Losses if the amount in the Exchange Act Fund is not sufficient to pay the total amount of the Exchange Act Losses, up to the amount necessary to pay those losses, with any remaining balance being distributed *pro rata* to Authorized Claimants based on their Securities Act Losses.

61. The Distribution Amount paid to an Authorized Claimant will be the sum of (i) his, her or its *pro rata* share of the Exchange Act Fund; and (ii) his, her or its *pro rata* share of the Securities Act Fund. If an Authorized Claimant's Distribution Amount calculates to less than \$20.00, no distribution will be made to that Authorized Claimant.

62. If a Class Member has more than one purchase/acquisition or sale of WMI Class Securities during the Class Period, all purchases/acquisitions and sales of like securities shall be matched on a First In, First Out ("FIFO") basis. Sales will be matched first against any holdings of WMI Class Securities of the same security type held at the beginning of the Class Period, and then against purchases/acquisitions of the same security in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

63. Purchases or acquisitions and sales of WMI Class Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of WMI Class Securities during the Class Period shall not be deemed a purchase, acquisition or sale of WMI Class Securities for the calculation of an Authorized Claimant's Securities Act Loss or Exchange Act Loss nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any WMI Class Securities unless (i) the donor or decedent purchased or otherwise acquired such WMI Class Securities during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such WMI Class Securities; and (iii) it is specifically so provided in the instrument of gift or assignment.

64. The date of covering a "short sale" is deemed to be the date of purchase or acquisition of WMI Class Securities. The date of a "short sale" is deemed to be the date of sale of WMI Class Securities. Under the Plan of Allocation, however, the Securities Act Loss and Exchange Act Loss on all "short sales" is zero. In the event that there is an opening short position in any WMI Class Security, the earliest Class Period purchases of like security shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

65. Option contracts are not securities eligible to participate in the Settlements. With respect to WMI Class Securities purchased or sold through the exercise of an option, the purchase/sale date of the WMI Class Security is the exercise date of the option and the purchase/sale price of the WMI Class Security is the exercise price of the option.

66. To the extent a Claimant had a market gain with respect to his, her, or its purchases/acquisitions of WMI Class Securities during the Class Period, the value of the Claimant's Securities Act Loss and Exchange Act Loss will both be zero. Such Claimants will in any event be bound by the Settlements. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its purchases/acquisitions of WMI Class Securities during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant's Recognized Claim shall be limited to the amount of the actual market loss and the Claimant's Securities Act Loss and Exchange Act Loss will be reduced proportionally.

67. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its purchases/acquisitions of WMI Class Securities during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>9</sup> and (ii) the sum of the Total Sales Proceeds<sup>10</sup> and Total Holding Value.<sup>11</sup> This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its overall purchases/acquisitions of WMI Class Securities during the Class Period.

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<sup>9</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for all WMI Class Securities purchased or acquired during the Class Period.

<sup>10</sup> The Claims Administrator shall match any sales of Common Stock and Capital Trust Unit Preferred during the period from October 19, 2005 through and including October 20, 2008 (for Common Stock) and October 21, 2008 (for Capital Trust Unit Preferred), first against the Claimant's opening position in the like security (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). For Series R Stock, Floating Rate Notes, and 7.250% Notes there are no opening positions since they were issued during the Class Period. The total amount received (excluding commissions and other charges) for (i) sales of Common Stock sold during the period from October 19, 2005 through and including October 20, 2008 (if the sale can be matched against a Class Period purchase/acquisition); (ii) sales of the Capital Trust Unit Preferred sold during the period from October 19, 2005 through and including October 21, 2008 (if the sale can be matched against a Class Period purchase/acquisition); and (iii) sales of Series R Stock, Floating Rate Notes, and 7.250% Notes sold during the period from the offering date of the security through and including May 13, 2011 (if the sale can be matched against a Class Period purchase/acquisition) shall be the "Total Sales Proceeds".

<sup>11</sup> The Claims Administrator shall ascribe a holding value to the WMI Class Securities purchased or acquired during the Class Period and still held as of the close of trading on October 20, 2008 (for Common Stock), October 21, 2008 (for Capital Trust Unit Preferred), and May 13, 2011 (for Series R Stock, Floating Rate Notes, and 7.250% Notes) (the "Holding Value") as follows: \$0.08 per share of WMI Common Stock; \$1.10 per unit of Capital Trust Unit Preferred; \$14.01 per share of Series R Stock; \$100.188 per \$100 face value of the Floating Rate Notes; and \$114.00 per \$100 face value of the 7.250% Notes.

68. If any funds remain in the Net Settlement Funds because of uncashed distributions or other reasons, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distribution checks, any balance remaining in the Net Settlement Funds one (1) year after the initial distribution of such funds shall be redistributed to Authorized Claimants who have cashed their initial distribution and who would receive at least \$20.00 from such redistribution, after payment of any unpaid costs or fees incurred in administering the funds, including for such redistribution. Additional redistributions to Authorized Claimants who have cashed their prior distribution checks and who would receive at least \$20.00 on such additional redistributions, subject to the conditions previously noted, may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional redistribution, after the deduction of any additional fees and expenses that would be incurred with respect to such redistributions, is cost-effective. At such time as it is determined that the redistribution of funds remaining in the Net Settlement Funds is not cost-effective, the remaining balance of the Net Settlement Funds shall be contributed to non-sectarian, not-for-profit 501(c)(3) organizations recommended by Lead Counsel and approved by the Court.

69. Payment pursuant to the Plan of Allocation, or such other plan as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, Liaison Counsel for Plaintiffs, Settling Defendants and their respective counsel or any of the other Released Defendant Parties, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulations, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Settling Defendants and their respective counsel, and all other Released Defendant Parties shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Funds, the Net Settlement Funds, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Funds, or any losses incurred in connection therewith.

70. The Plan of Allocation set forth herein is the plan that is being proposed by Lead Plaintiff and Lead Counsel to the Court for approval. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any Orders regarding a modification of the Plan of Allocation will be posted on the settlement website, [www.WashingtonMutualSecuritiesLitigationSettlement.com](http://www.WashingtonMutualSecuritiesLitigationSettlement.com).

#### WHAT RIGHTS AM I GIVING UP BY REMAINING IN THE CLASS?

71. If you remain in the Class, you will be bound by any orders issued by the Court. For example, as to each Settlement that is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against the applicable Settling Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other members of the Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors and assigns, shall be deemed by operation of law to have released, waived, discharged and dismissed each and every Settled Claim (as defined in paragraph 73 below) as against all of the applicable Released Defendant Parties (as defined in paragraph 73 below) and shall forever be enjoined from prosecuting any or all Settled Claims against any Released Defendant Parties.

72. In addition, in the D&O/WMI Settlement (if approved), upon the Effective Date, Lead Plaintiff and all of the other members of the Class on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors, assigns and agents, shall be deemed by operation of law to have irrevocably, absolutely and unconditionally, fully, finally and forever released, waived, discharged and dismissed the Bankruptcy Claims as against WMI. The "Bankruptcy Claims" are certain claims filed in the Chapter 11 Cases with respect to the claims asserted in this Action. While the Bankruptcy Claims and the other Settled Claims are being released, the Settlements will **not** release any claims that individual Class Members might have in the Chapter 11 Cases based solely upon their status as holders or owners of various WMI debt or equity securities (as described in paragraph 76 below).

73. As described in more detail below, the Settled Claims include any claims that (i) were asserted in the Action or that could have been asserted in this Action relating to the various claims and allegations that were or could have been alleged in the Amended Complaint and/or (ii) relate to the purchase, acquisition or holding of any of the WMI Class Securities (listed on page one), 5.50% notes due August 24, 2011 offered in WMI's August 2006 offering or Series K perpetual non-cumulative floating rate preferred stock.<sup>12</sup>

**"Settled Claims"** means: any and all claims, rights, demands, liabilities, or causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liabilities whatsoever), to the fullest extent that the law permits their release in this Action (or, with respect to the D&O/WMI Settlement, in the Chapter 11 Cases), by or on behalf of Lead Plaintiff or any other Class Members against any of the Released Defendant Parties that have been alleged or could have been alleged in the Action (or, with respect to the D&O/WMI Settlement, in the Chapter 11 Cases, including without limitation, the Bankruptcy Claims) whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether known claims or Unknown Claims, whether class or individual in nature, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, whether at law or in equity, matured or unmatured, that (i) are based on, relate to or arise out of the allegations, transactions, facts, matters, events, disclosures, statements, occurrences, representations, acts or omissions or failures to act that have been or could have been alleged in the Action (or, with respect to the D&O/WMI Settlement, in the Chapter 11 Cases with respect to the Bankruptcy Claims or otherwise) and/or (ii) relate to or arise out of Lead Plaintiff's or any other Class Member's

<sup>12</sup> The 5.50% notes due August 24, 2011 offered in WMI's August 2006 offering (CUSIP 939322AX1) ("5.50% Notes") and Series K perpetual non-cumulative preferred stock offered in WMI's September 2006 offering (CUSIP 939322830) ("Series K Stock") are not WMI Class Securities, however, if you are a Class Member and purchased those securities, then, as part of the Settlements, you will also be releasing the Settled Claims with respect to those securities. If you are not a Class Member, your claims with respect to these securities are not affected.

purchase, acquisition or holding of WMI Released Securities during the Class Period insofar as it relates in any way to any other matter covered in this definition of Settled Claims.<sup>13</sup>

**“Unknown Claims”** means any Settled Claims which Lead Plaintiff or other Class Members do not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendant Parties’ Claims which any Released Defendant Party does not know or suspect to exist in his, her, or its favor at the time of the release of Lead Plaintiff, Plaintiffs’ Counsel, the other Class Members and their respective attorneys, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to the Settlements. With respect to any and all Settled Claims and Released Defendant Parties’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and each of the Settling Defendants shall expressly waive, and each of the other Class Members and each of the other Released Defendant Parties shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff and each of the Settling Defendants acknowledge, and each of the other Class Members and each of the other Released Defendant Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for as a key element of the Settlement.

**“Released Defendant Parties”** means as to the respective Settlements:

**The D&O/WMI Settlement:** any and all of the Individual Defendants and WMI pursuant to that Settlement and each of their respective Related Parties, i.e., (i) with respect to each Individual Defendant, his or her assigns, attorneys, advisors (other than the Underwriter Defendants), representatives, members of his or her Immediate Family, heirs, executors, estates, administrators, insurers, including, without limitation, the Contributing Insurers and reinsurers, (ii) with respect to WMI, its predecessors, successors, past, present or future parents, subsidiaries, affiliates, and each of their respective past or present officers, directors, agents, partners, principals, members, employees, attorneys, advisors (other than the Underwriter Defendants), auditors and accountants (other than Deloitte), insurers, including, without limitation, the Contributing Insurers, and reinsurers; (iii) with respect to all Individual Defendants and WMI, any firm, trust, corporation, or other entity in which any of them has or had a controlling interest.

**The Underwriters Settlement:** any and all of the Underwriter Defendants, BOA and each of their respective Related Parties, i.e., with respect to each Underwriter Defendant and BOA, its predecessors, successors, past, present or future parents, subsidiaries, affiliates, and each of their respective past or present officers, directors, shareholders, agents, partners, principals, members, employees, attorneys, advisors, auditors and accountants (other than Deloitte), insurers and reinsurers, and any firm, trust, corporation, or other entity in which any of the Underwriter Defendants or BOA has or had a controlling interest.

**The Deloitte Settlement:** Deloitte and each of its Related Parties, i.e., as to Deloitte & Touche LLP, Deloitte LLP, Deloitte Consulting LLP, Deloitte Financial Advisory Services LLP, Deloitte Tax LLP, Deloitte Services LP, all of their and Deloitte & Touche LLP’s respective past, present and future parent companies, subsidiaries, affiliates, divisions, joint venturers, subcontractors, agents, attorneys, insurers, subrogees, co-insurers and reinsurers, and each of their respective past and present officers, directors, employees, members, partners, principals, shareholders and owners.

Notwithstanding the foregoing, as to each individual Settlement, the Related Parties do not include any of the Defendants who are parties to one of the other Settlements or any person or entity that would be a Related Party of one of those Other Defendant parties as defined in the applicable Stipulation. Thus, if any of the Settlements is not approved, a person or entity who or which is a “Settling Defendant” or a “Related Party” pursuant to the terms of that Settlement will not be released.

74. The Judgments will also provide that, upon the Effective Date of each Settlement, each of the applicable Settling Defendants and each of the other applicable Released Defendant Parties, on behalf of themselves, their respective heirs, executors, administrators, predecessors, successors and assigns, shall be deemed by operation of law to have released, waived, discharged and dismissed any and all claims, rights, demands, liabilities or causes of action of every nature and description whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liabilities whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and Unknown Claims, that have been or could have been asserted in the Action or in this or any other forum against Lead Plaintiff, Plaintiffs’ Counsel, any other Class Member or any of their respective attorneys, which arise out of or relate in any way to the

<sup>13</sup> Settled Claims, generally, do not include, release, bar, waive, impair or otherwise impact (i) any claims to enforce the Settlement; (ii) any claims of the Class or any Class Member against any of the Other Defendants; (iii) the rights of any Class Members to recover moneys from the settlement of the action styled *In re Washington Mutual Inc. ERISA Litig.*, Lead Case No. 07-cv-1874; (iv) any claims asserted in the actions styled: *In re Washington Mutual, Inc. California Securities Litigation*, No. 09-664 (W.D. Wash.), *Flaherty & Crumrine Preferred Income Fund Incorporated, et al. v. Killinger, et al.*, No. C09-1756 MJP (W.D. Wash.), *Boilermakers National Annuity Trust Fund v. WaMu Mortgage Pass-Through Certificates et al.*, 09-37 (W.D. Wash.), and *Allstate Bank, et al. v. JPMorgan Chase Bank, NA, et al.*, Index No. 650398/2011 (N.Y. Supreme); (v) any claim or right to recovery of any Class Member individually in the Chapter 11 Cases based solely upon his, her or its status as a holder or beneficial owner of a WMI debt or equity security with respect to their rights to participate in the distribution of funds in the Chapter 11 Cases upon confirmation of a plan of reorganization or otherwise solely to the extent that such distribution is being made on account of such debt or equity security; or (vi) Lead Plaintiff’s and each other Class Member’s right to participate in the distribution of any funds recovered from any of the Defendants by any governmental or regulatory agency.

institution, prosecution, or settlement of the Action (except for claims to enforce the Settlements), and shall forever be enjoined from prosecuting any such claims against Lead Plaintiff, Plaintiffs' Counsel, every other Class Member and each of their respective attorneys.

75. In addition, each of the Judgments will provide for a "Bar Order" that will bar certain claims for contribution or other related claims by or against the Settling Defendants or the other Released Defendant Parties. The specific terms of the Bar Orders that will be sought are set forth in the respective Stipulations. Each Judgment will further provide that if the Class or any Class Member later obtains a judgment against a person subject to the Bar Order, such judgment shall be reduced by the greater of an amount that corresponds to the percentage of responsibility of the Settling Defendants for common damages or the amount paid by or on behalf of the Settling Defendants to the Class or Class Member for common damages.

WILL THE SETTLEMENTS AFFECT ANY INDIVIDUAL CLAIM THAT I MIGHT HAVE IN THE CHAPTER 11 CASES?

76. The Settlements will affect only the Settled Claims, including the Bankruptcy Claims filed in the Chapter 11 Cases. The Settlements shall not in any way release, impair or otherwise impact any claim or right to recovery of any Class Member individually in the Chapter 11 Cases based solely upon his, her or its status as a holder or beneficial owner of a WMI debt or equity security with respect to their rights to participate in the distribution of funds in the Chapter 11 Cases upon confirmation of a plan of reorganization or otherwise solely to the extent that such distribution is being made on account of such debt or equity security in addition to any recovery that they may be entitled to receive under these Settlements.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

77. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Settling Defendants on behalf of the Class, nor have they been reimbursed for their out-of-pocket expenses. Before final approval of the Settlements, Lead Counsel will apply to the Court for an award of attorneys' fees on behalf of all Plaintiffs' Counsel in the amount of 22.5% of each of the Settlement Funds. At the same time, Lead Counsel also intend to apply for reimbursement of Litigation Expenses to be paid proportionately from the Settlement Funds in an amount not to exceed \$5.8 million (which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Class). Should the Court approve less than all the Settlements, attorneys' fees will be paid only with respect to the Settlements that are approved and the Litigation Expenses approved by the Court will be paid proportionately from the Settlement Funds created by the approved Settlements.

HOW DO I PARTICIPATE IN THE SETTLEMENTS? WHAT DO I NEED TO DO?

78. To be eligible for a payment from the proceeds of the Settlements, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than December 8, 2011**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlements, [www.WashingtonMutualSecuritiesLitigationSettlement.com](http://www.WashingtonMutualSecuritiesLitigationSettlement.com), or from Lead Counsel's website, [www.blbglaw.com](http://www.blbglaw.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-888-588-3788. If you request exclusion from the Class or do not submit a timely and valid Claim Form, you will not be eligible to share in any of the Net Settlement Funds. Please retain all records of your ownership of and transactions in WMI Class Securities, as they may be needed to document your Claim.

79. As a Class Member you are represented by Lead Plaintiff and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements?," below.

80. If you are a Class Member and do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section entitled, "What If I Do Not Want to Participate in the Settlements? How Do I Exclude Myself?," below.

81. If you are a Class Member and you wish to object to any of the Settlements, to the Plan of Allocation, or to Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlements?," below.

WHAT IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENTS? HOW DO I EXCLUDE MYSELF?

82. Each Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Class, addressed to *In re Washington Mutual, Inc. Securities Litigation*, EXCLUSIONS, c/o The Garden City Group, Inc., P.O. Box 91310, Seattle, WA 98111-9410. The exclusion request must be *received* no later than October 10, 2011. You will not be able to exclude yourself from the Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion; (b) state that such person or entity "requests exclusion from the Class in *In re Washington Mutual, Inc. Securities Litigation*, No. 2:08-md-1919 MJP, Lead Case No. C08-387 MJP"; (c) state the number of each WMI Class Security (in terms of shares, notes or units) that the person or entity requesting exclusion purchased and/or sold during the Class Period, as well as the dates and prices of each such purchase and sale; (d) state whether the person or entity requesting exclusion sold or disposed of any: WMI common stock between July 23, 2008 and October 20, 2008, inclusive; units of Capital Trust Unit Preferred between July 23, 2008 and October 21, 2008, inclusive; and/or Floating Rate Notes, 7.250% Notes or Series R Preferred Stock on or after July 23, 2008, and if so, state the

number of shares, units or notes sold, the date(s) of such sale(s) and the amount of money received for each such sale; and (e) be signed by such person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

83. If you do not want to be part of the Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Settled Claim against any of the Released Defendant Parties.

84. If you ask to be excluded from the Class, you will not be eligible to receive any payment out of any of the Net Settlement Funds, or any other benefit provided for in the Stipulations.

85. The Settling Defendants have the right to terminate their respective Settlements if valid requests for exclusion are received from persons and entities entitled to be members of the Class in an amount that exceeds an amount agreed to by Lead Plaintiff and the applicable Settling Defendants.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENTS? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENTS?

86. **Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if the Class Member does not attend the hearing. You can participate in the Settlements without attending the Settlement Hearing.**

87. The Settlement Hearing will be held on November 4, 2011 at 9:00 a.m. before the Honorable Marsha J. Pechman, at the United States District Court for the Western District of Washington, United States Courthouse, 700 Stewart Street, Seattle, WA 98101. The Court reserves the right to approve the Settlements at or after the Settlement Hearing without further notice to the members of the Class.

88. Any Class Member who does not request exclusion may object to one or more of the Settlements, the proposed Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Western District of Washington at the address set forth below on or before October 10, 2011. You must also serve the papers on Lead Counsel for the Class and on counsel for the relevant Settling Defendants at the addresses set forth below for their respective counsel so that the papers are **received on or before October 10, 2011**.

**Clerk's Office**

United States District Court for the  
Western District of Washington  
Clerk of the Court  
United States Courthouse  
700 Stewart Street  
Seattle, WA 98101

**Lead Counsel for the Class**

Hannah G. Ross, Esq.  
Bernstein Litowitz Berger  
& Grossmann LLP  
1285 Avenue of the Americas  
New York, NY 10019

**Representative Counsel for the  
Individual Defendants**

Ronald L. Berenstain, Esq.  
Perkins Coie LLP  
1201 Third Avenue  
Suite 4800  
Seattle, WA 98101-3099

**Counsel for the  
Underwriter Defendants**

Jonathan C. Dickey, Esq.  
Gibson, Dunn & Crutcher LLP  
200 Park Avenue  
New York, NY 10166

**Counsel for  
Deloitte & Touche LLP**

Peter A. Wald, Esq.  
Latham & Watkins LLP  
505 Montgomery Street  
San Francisco, CA 94111

89. Any objection to any of the Settlements (a) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; and (b) must include documents sufficient to prove the number (in terms of shares, notes or units) of each WMI Class Security that the objecting Class Member purchased and sold during the Class Period, as well as the dates and prices of each such purchase and/or sale, and with respect to WMI common stock sold between July 23, 2008 and October 20, 2008 inclusive, Capital Trust Unit Preferred sold between July 23, 2008 and October 21, 2008 inclusive, and Floating Rate Notes, 7.250% Notes or Series R Preferred Stock sold on or after July 23, 2008, state the number of shares, units or notes sold, the date(s) of such sale(s) and the amount of money received for each such sale. You may not object to any of the Settlements, the Plan of Allocation or the motion for attorneys' fees and reimbursement of expenses if you excluded yourself from the Class or if you are not a member of the Class.

90. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

91. If you wish to be heard orally at the hearing in opposition to the approval of any of the Settlements, the Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses, and if you file and serve a timely written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and counsel for the Settling Defendants at the addresses set forth above so that it is **received** on or before October 15, 2011. Persons

who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

92. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court and serve it on Lead Counsel and Counsel for the Settling Defendants at the addresses set forth above so that the notice is **received** on or before October 15, 2011.

93. The Settlement Hearing may be adjourned by the Court without further written notice to the Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

**Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlements, the proposed Plan of Allocation or Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

WHAT IF I BOUGHT SHARES, NOTES OR UNITS ON SOMEONE ELSE'S BEHALF?

94. If you purchased or otherwise acquired any of the WMI Class Securities (listed on page 1 of this Notice) during the Class Period for the beneficial interest of persons or organizations other than yourself, you must either (a) send a copy of this Notice and the enclosed Claim Form to the beneficial owners of such securities, postmarked no later than fourteen (14) days after you receive this Notice, or (b) provide the names and addresses of such persons or entities no later than fourteen (14) days after you receive this Notice to *In re Washington Mutual, Inc. Securities Litigation*, c/o The Garden City Group, Inc., P.O. Box 91310, Seattle, WA 98111-9410. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form can be obtained from the website maintained by the Claims Administrator, [www.WashingtonMutualSecuritiesLitigationSettlement.com](http://www.WashingtonMutualSecuritiesLitigationSettlement.com), by calling the Claims Administrator toll-free at 1-888-588-3788, or from Lead Counsel's website, [www.blbglaw.com](http://www.blbglaw.com).

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

95. This Notice contains only a summary of the terms of the proposed Settlements. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulations, which may be inspected during regular office hours at the Office of the Clerk, United States District Court, Western District of Washington, United States Courthouse, 700 Stewart Street, Seattle, WA 98101. Additionally, copies of the Stipulations and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.WashingtonMutualSecuritiesLitigationSettlement.com](http://www.WashingtonMutualSecuritiesLitigationSettlement.com). All inquiries concerning this Notice should be directed to:

*In re Washington Mutual, Inc. Securities Litigation*  
c/o The Garden City Group, Inc.  
P.O. Box 91310  
Seattle, WA 98111-9410  
(888) 588-3788  
[www.WashingtonMutualSecuritiesLitigationSettlement.com](http://www.WashingtonMutualSecuritiesLitigationSettlement.com)

and/or

Hannah G. Ross, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1285 Avenue of the Americas  
New York, NY 10019  
(800) 380-8496  
[blbg@blbglaw.com](mailto:blbg@blbglaw.com)

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.**

Dated: August 10, 2011

By Order of the Clerk of the Court  
United States District Court  
Western District of Washington

**TABLE A – WMI Securities Inflation per share by Period**

Period	Inflation Per Share	
	Common Stock	Capital Trust Unit
October 19, 2005 to October 17, 2007	\$5.80	\$5.06
October 18, 2007 to November 1, 2007	\$4.87	\$4.15
November 2, 2007 to November 6, 2007	\$4.54	\$4.06
November 7, 2007 to December 10, 2007	\$2.83	\$3.22
December 11, 2007 to December 20, 2007	\$2.38	\$3.74
December 21, 2007 to March 6, 2008	\$1.57	\$1.71
March 7, 2008 to July 22, 2008	\$0.97	\$0.79
July 23, 2008 Onwards	\$0.00	\$0.00

**TABLE B – Common Stock Average 90 Day Lookback Price**

Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price
7/23/2008	\$4.64	\$4.64	9/8/2008	\$4.12	\$4.34
7/24/2008	\$4.02	\$4.33	9/9/2008	\$3.30	\$4.31
7/25/2008	\$3.83	\$4.16	9/10/2008	\$2.32	\$4.25
7/28/2008	\$3.94	\$4.11	9/11/2008	\$2.83	\$4.21
7/29/2008	\$4.43	\$4.17	9/12/2008	\$2.73	\$4.17
7/30/2008	\$4.74	\$4.27	9/15/2008	\$2.00	\$4.11
7/31/2008	\$5.33	\$4.42	9/16/2008	\$2.32	\$4.07
8/1/2008	\$5.32	\$4.53	9/17/2008	\$2.01	\$4.02
8/4/2008	\$4.87	\$4.57	9/18/2008	\$2.99	\$3.99
8/5/2008	\$5.22	\$4.63	9/19/2008	\$4.25	\$4.00
8/6/2008	\$5.30	\$4.69	9/22/2008	\$3.33	\$3.98
8/7/2008	\$4.97	\$4.72	9/23/2008	\$3.20	\$3.96
8/8/2008	\$4.58	\$4.71	9/24/2008	\$2.26	\$3.93
8/11/2008	\$4.74	\$4.71	9/25/2008	\$1.69	\$3.88
8/12/2008	\$4.30	\$4.68	9/26/2008	\$0.16	\$3.80
8/13/2008	\$4.12	\$4.65	9/29/2008	\$0.03	\$3.72
8/14/2008	\$4.36	\$4.63	9/30/2008	\$0.08	\$3.65
8/15/2008	\$4.55	\$4.63	10/1/2008	\$0.14	\$3.58
8/18/2008	\$4.21	\$4.60	10/2/2008	\$0.12	\$3.51
8/19/2008	\$4.10	\$4.58	10/3/2008	\$0.16	\$3.44
8/20/2008	\$4.10	\$4.56	10/6/2008	\$0.14	\$3.38
8/21/2008	\$3.90	\$4.53	10/7/2008	\$0.11	\$3.32
8/22/2008	\$3.83	\$4.50	10/8/2008	\$0.11	\$3.26
8/25/2008	\$3.60	\$4.46	10/9/2008	\$0.09	\$3.20
8/26/2008	\$3.59	\$4.42	10/10/2008	\$0.08	\$3.15
8/27/2008	\$3.53	\$4.39	10/13/2008	\$0.09	\$3.10
8/28/2008	\$3.87	\$4.37	10/14/2008	\$0.10	\$3.05
8/29/2008	\$4.05	\$4.36	10/15/2008	\$0.10	\$3.00
9/2/2008	\$4.24	\$4.35	10/16/2008	\$0.10	\$2.95
9/3/2008	\$4.40	\$4.36	10/17/2008	\$0.09	\$2.90
9/4/2008	\$4.04	\$4.35	10/20/2008	\$0.08	\$2.86
9/5/2008	\$4.27	\$4.34			

**TABLE C – Capital Trust Unit Preferred Average 90 Day Lookback Price**

<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price</b>
7/24/2008	\$18.25	\$18.25
7/25/2008	\$18.00	\$18.13
7/28/2008	\$19.00	\$18.42
7/29/2008	\$19.00	\$18.56
7/30/2008	\$20.32	\$18.91
7/31/2008	\$23.50	\$19.68
8/1/2008	\$21.50	\$19.94
8/4/2008	\$22.00	\$20.20
8/5/2008	\$21.20	\$20.31
8/6/2008	\$21.50	\$20.43
8/7/2008	\$20.93	\$20.47
8/8/2008	\$21.85	\$20.59
8/11/2008	\$20.72	\$20.60
8/12/2008	\$20.62	\$20.60
8/13/2008	\$19.38	\$20.52
8/14/2008	\$19.38	\$20.45
8/15/2008	\$20.50	\$20.45
8/18/2008	\$19.85	\$20.42
8/19/2008	\$19.00	\$20.34
8/20/2008	\$18.50	\$20.25
8/21/2008	\$18.10	\$20.15
8/22/2008	\$18.30	\$20.06
8/25/2008	\$18.20	\$19.98
8/26/2008	\$18.00	\$19.90
8/27/2008	\$17.50	\$19.80
8/28/2008	\$17.90	\$19.73
8/29/2008	\$18.60	\$19.69
9/2/2008	\$18.50	\$19.65
9/3/2008	\$18.70	\$19.61
9/4/2008	\$18.40	\$19.57
9/5/2008	\$17.75	\$19.51
9/8/2008	\$18.00	\$19.47

<b>Date</b>	<b>Closing Price</b>	<b>Average Closing Price</b>
9/9/2008	\$16.00	\$19.36
9/10/2008	\$13.00	\$19.17
9/11/2008	\$14.00	\$19.03
9/12/2008	\$16.75	\$18.96
9/15/2008	\$13.00	\$18.80
9/16/2008	\$10.25	\$18.58
9/17/2008	\$10.50	\$18.37
9/18/2008	\$15.00	\$18.29
9/19/2008	\$18.00	\$18.28
9/22/2008	\$16.50	\$18.24
9/23/2008	\$13.40	\$18.12
9/24/2008	\$11.05	\$17.96
9/25/2008	\$6.00	\$17.70
9/26/2008	\$0.02	\$17.31
9/29/2008	\$0.70	\$16.96
9/30/2008	\$0.40	\$16.61
10/1/2008	\$1.05	\$16.30
10/2/2008	\$1.10	\$15.99
10/3/2008	\$1.75	\$15.71
10/6/2008	\$2.01	\$15.45
10/7/2008	\$1.95	\$15.20
10/8/2008	\$1.90	\$14.95
10/9/2008	\$1.80	\$14.71
10/10/2008	\$1.75	\$14.48
10/13/2008	\$1.66	\$14.25
10/14/2008	\$1.80	\$14.04
10/15/2008	\$1.50	\$13.83
10/16/2008	\$1.50	\$13.62
10/17/2008	\$1.60	\$13.42
10/20/2008	\$1.60	\$13.23
10/21/2008	\$1.10	\$13.04