

October 18, 2010

To the Preferred Shareholders of Washington Mutual, Inc. ("WMI"),

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

Dear Preferred Shareholders:

The Susman Godfrey, L.L.P. and Ashby & Geddes, P.A. firms are counsel to the Official Committee of Equity Security Holders (the "Equity Committee"), which was formed in these Chapter 11 cases on January 11, 2010. The Equity Committee is a fiduciary representative of all WMI equity security holders and is charged with investigating the circumstances giving rise to the Washington Mutual bankruptcy and negotiating with the Washington Mutual debtors and various creditor constituencies towards a plan of reorganization that appropriately treats all WMI equity holders. The Equity Committee is currently comprised of four members that, in the aggregate, hold both preferred and common equity securities in WMI.

With this letter, you are receiving the Debtors' *Disclosure Statement for the Sixth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* (referred to as the "Disclosure Statement"). Attached to the Disclosure Statement is Washington Mutual's *Sixth Amended Joint Plan of Affiliated Debtors Pursuant to Chapter 11 of the United States Bankruptcy Code* (referred to as the "Plan"). The Plan is a legal document that, if accepted by claimants and approved by the Bankruptcy Court, will provide what you will receive on account of your preferred equity holdings. The Disclosure Statement is meant to provide you with information to help you evaluate whether to vote in favor of the Plan. The Equity Committee recommends that you read the Disclosure Statement and the Plan carefully and completely.

THE OFFICIAL COMMITTEE DOES NOT SUPPORT THE PLAN, DOES NOT BELIEVE THAT THE PLAN IS IN THE BEST INTERESTS OF ALL EQUITY SECURITY HOLDERS AND RECOMMENDS THAT PREFERRED EQUITY SECURITY HOLDERS VOTE TO REJECT THE PLAN.

The Plan is based largely on a proposed settlement agreement among the Debtors, JPMorgan Chase Bank, N.A. ("JPMC"), the Federal Deposit Insurance Corporation (the "FDIC"), the Official Committee of Unsecured Creditors and certain other parties. The Equity Committee was excluded from the negotiations that led to the proposed settlement agreement and formulation of the Plan, both of which remain subject to Bankruptcy Court approval. Through the proposed settlement agreement and the Plan, WMI proposes to settle and release those actual and potential claims it holds against JPMC, the FDIC and numerous third parties that could potentially aggregate in multiple billions of dollars more than the amount WMI stands to receive under the proposed settlement agreement.



Under the Plan, the Debtors estimate that preferred equity security holders in Class 19 (REIT Series) and in Class 20 (Preferred Equity Interests) will each receive between **0 and 1%** recovery. The Plan provides no recovery to holders of Dime Warrants or WMI common equity securities.

For these reasons, the Equity Committee does not believe that the Plan is in the best interests of equity security holders and recommends that preferred equity security holders in Class 19 and 20 vote to **reject** the Plan.

Very truly yours,

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