PRESS RELEASE

Federal Deposit Insurance Corporation ● Each Depositor insured to at least $250,000

FOR IMMEDIATE RELEASE
December 15, 2011

Media Contact:
Andrew Gray (202) 898-7192

FDIC Announces Settlement With Washington Mutual Directors and Officers

The Settlement Totals $64.7 million From Cash, Insurance, and the Turn Over of Proceeds from Bankruptcy Claims

The Federal Deposit Insurance Corporation (FDIC) has announced a settlement with the former directors and officers of Washington Mutual Bank (WaMu). The defendants, Kerry Killinger, Stephen Rotella, and David Schneider, have agreed to collectively provide cash payments and turn over proceeds obtained from pending bankruptcy claims to the FDIC totaling $64,721,195. This money is comprised of $39.575 million from insurance proceeds, $425,000 in cash from the defendants, and the $24.7 million face value of the defendants' bankruptcy claims that are pending in the Chapter 11 of WaMu's former holding company, Washington Mutual, Inc. (WMI). The FDIC filed suit against the defendants on March 16, 2011, in the U.S. District Court for the Western District of Washington (Case No. 2:11-cv-000459). When combined with the $125 million that the FDIC will receive under the settlement agreement with WMI to release its claims against 12 former WaMu directors and other officers, this settlement will result in payments and the turn over of claims totaling $189.7 million.

FDIC General Counsel Michael Krimminger said, "The settlement announced today will provide a significant return to the Washington Mutual receivership. I'm pleased that all parties were able to reach a suitable agreement and avoid extended litigation. As the cleanup from the financial crisis continues, the FDIC will continue to pursue meritorious and cost effective professional liability suits in order to recover as much as possible for the failed bank receiverships."

Washington Mutual Bank was placed into receivership on September 25, 2008. As receiver for failed financial institutions, the FDIC may sue professionals whose conduct resulted in losses to the institutions in order to maximize recoveries. As of December 8, 2011, the FDIC has authorized suits in connection with 41 failed institutions against 373 individuals for director and officer (D&O) liability with damage claims of at least $7.6

billion. This includes 17 filed D&O lawsuits (three of which have settled) naming 135 former directors and officers.

Attachments:

Settlement Summary - Fact sheet
Settlement Document - PDF (PDF Help)

For additional background on Professional Liability Suits, please see
http://www.fdic.gov/bank/individual/failed/pls/