

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

GWG HOLDINGS, INC., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-90032 (MI) (Jointly  
Administered)

**SUPPLEMENTAL EXHIBIT TO GWG LITIGATION TRUSTEE'S  
MOTIONS FOR ENTRY OF ORDERS APPROVING SETTLEMENT AGREEMENTS**

[Relates to Dkt Nos. 2533, 2535, 2537, 2540]

The GWG Litigation Trustee has filed four motions seeking court approval of settlement agreements between the GWG Litigation Trustee and certain D&O Defendants [Dkt No. 2533], Whitley Penn LLP [Dkt No. 2535], the Sabes Defendants [Dkt No. 2537], and Mayer Brown LLP [Dkt No. 2540] (collectively, the “Motions”). The Motions, if approved, will result in a distribution from the GWG Litigation Trust to the GWG Wind Down Trust, which in turn will distribute the funds in accordance with the waterfall provided in Article VI.C of the *Debtors’ Further Modified Second Amended Joint Chapter 11 Plan* (the “Plan”), as confirmed by the Court’s *Findings of Fact, Conclusions of Law, and Order Confirming Debtors’ Further Modified Second Amended Joint Chapter 11 Plan* [Dkt No. 1952] (the “Confirmation Order”).

The GWG Litigation Trustee understands that the GWG Wind Down Trust is not yet able to precisely estimate the percentage of funds distributable to each of the classes of WDT Interests

---

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: GWG Holdings, Inc. (2607); GWG Life, LLC (6955); GWG Life USA, LLC (5538); GWG DLP Funding IV, LLC (2589); GWG DLP Funding VI, LLC (6955); and GWG DLP Funding Holdings VI, LLC (6955). Information regarding these chapter 11 cases is available at [www.gwgholdingstrust.com](http://www.gwgholdingstrust.com).

pursuant to Article VI.C of the Plan.<sup>2</sup> However, to aid WDT Interest holders in evaluating the Motions, the GWG Litigation Trustee provides the following chart, which estimates the net amounts that the GWG Litigation Trust would be able to distribute to the GWG Wind Down Trust if the Motions are approved. The following chart includes the GWG Litigation Trustee's best estimate and allocation of certain fees and expenses based on information currently available to him. The amount(s) ultimately distributed to the GWG Wind Down Trust may change from what is reflected below, depending on, among other things, whether (i) the estimated fees and expenses are different than anticipated, and/or (ii) the Settlements are ultimately approved.

The Motions and all exhibits, including the chart below, are available at **no cost** at [www.gwgholdingstrust.com](http://www.gwgholdingstrust.com), by request to [inquiry@gwgholdingstrust.com](mailto:inquiry@gwgholdingstrust.com), or by calling 713-654-5150. In addition to the Motions, the GWG Litigation Trustee and GWG Wind Down Trustee have instructed Stretto to include this Supplemental Exhibit in the documents being served on WDT Interest holders in accordance with the process described in the Motions. Stretto will file an affidavit of service with the Service List attached as soon as possible after service is completed.

---

<sup>2</sup> Certain potentially large claims against the Debtors remain to be resolved. The WDT Trustee reports significant progress has been made towards that reconciliation and she will be prepared to provide a status report at the scheduled hearings.

Settlement Amount	Trustee Counsel Contingency Fee	Class Counsel Fee (Maximum) <sup>3</sup>	Class Counsel Expense (Maximum) <sup>3</sup>	Gross Distributable Amount (Estimated)
D&O Defendants				
\$ 50,500,000.00	\$ 8,928,400.00	\$ 8,484,000.00	\$ 500,000.00	\$ 33,087,600.00
Whitley Penn LLP				
\$ 8,500,000.00	\$ 2,125,000.00	\$ -	\$ -	\$ 6,375,000.00
Sabes Defendants				
\$ 2,300,000.00	\$ 782,000.00	\$ -	\$ -	\$ 1,518,000.00
Mayer Brown LLP				
\$ 30,000,000.00	\$ 7,500,000.00	\$ -	\$ -	\$ 22,500,000.00
Subtotal				\$ 63,480,600.00
Less: Litigation Trust Expense Reserve <sup>4</sup>				\$ (2,500,000.00)
Notice Costs (Estimated)				\$ (350,000.00)
Litigation Trustee Success Fee (Est) <sup>5</sup>				\$ (805,215.84)
Net Distribution to Wind Down Trust (Estimated)				\$ 59,825,384.16

<sup>3</sup> The proposed settlement of claims asserted in *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-03090, also resolves claims in a parallel putative securities class action pending in the U.S. District Court for the Northern District of Texas (the “District Court”), styled *In re GWG Holdings, Inc. Sec. Litig.*, No. 3:22-cv-00410 (the “Class Action”). Under the terms of that settlement agreement, Class Counsel will apply to the District Court for a fee payment in an amount not to exceed \$8,484,000 plus reimbursement of expenses in an amount not to exceed \$500,000. [Dkt No. 2533-1 at ¶ 22].

<sup>4</sup> This amount represents a reserve by GWG Litigation Trustee to fund reasonably anticipated expenses associated with multiple pending arbitrations and adversary proceedings, in accordance with the terms of the GWG Litigation Trust Agreement. *See* Dkt No. 1910 at §3.4.

<sup>5</sup> The GWG Litigation Trustee’s compensation under the GWG Litigation Trust Agreement includes a success fee comprised of (a) 2% of the net amount available for distribution to the Wind Down Trust Beneficiaries *plus* (b) 2% of the amount of any fees and expenses paid to any experts and/or contingency counsel retained by the Litigation Trustee on behalf of the Litigation Trust (“Success Fee”). *See* Dkt No. 1910 at Schedule A. At the time a Success Fee is paid, 50% of all monthly compensation paid or payable to the Litigation Trustee is credited against any Success Fee. *Id.* Because this credit depends on when the Settlements are approved and ultimately fund, this amount is based on the Litigation Trustee’s best current estimate as to the timing of each and therefore may be subject to change. Further, for the settlement with the D&O Defendants [Dkt No. 2533], the Success Fee is calculated solely on the portion of the settlement allocated to the GWG Litigation Trust (52%), net of fees owed to the Litigation Trustee’s counsel; it excludes amounts allocated to settle the Class Action.

**Dated:** March 12, 2025

**REID COLLINS & TSAI LLP**

By: /s/ Nathaniel J. Palmer

William T. Reid, IV  
Tex. Bar No. 00788817  
S.D. Tex. Bar No. 17074  
Nathaniel J. Palmer (admitted *pro hac vice*)  
Tex. Bar No. 24065864  
Michael J. Yoder (admitted *pro hac vice*)  
Tex. Bar No. 24056572  
1301 S. Capital of Texas Hwy  
Building C, Suite 300  
Austin, Texas 78746  
(512) 647-6100  
wreid@reidcollins.com  
npalmer@reidcollins.com  
myoder@reidcollins.com

*Counsel for the GWG Litigation Trustee*

**CERTIFICATE OF SERVICE**

I, Nathaniel J. Palmer, certify that on March 12, 2025, I caused a true and correct copy of this Supplemental Exhibit to GWG Litigation Trustee's Motions for Entry of Orders Approving Settlement Agreements to be served by the Court's CM/ECF system on all parties entitled to notice.

/s/ Nathaniel J. Palmer

Nathaniel J. Palmer