

**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)

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

[Relates to Dkt Nos. 2533, 2535, 2537, 2540, 2544, 2546]

The GWG Litigation Trustee submitted a supplemental exhibit on March 12, 2025 [Dkt. No. 2544], which estimated the net amounts that the GWG Litigation Trust would be able to distribute to the GWG Wind Down Trust if the Court approves the GWG Litigation Trustee's motions seeking approval of four settlement agreements [Dkt Nos. 2533, 2535, 2537, 2540]. On March 13, 2025, the Court entered a Case Management Order [Dkt. No 2546] requesting that the GWG Litigation Trustee provide a further supplement providing 1) reasonable estimated expenses of the Wind Down Trust, 2) the amount that is estimated to be distributable to trust beneficiaries, and 3) the distributions that are estimated for a typical bondholder.

The GWG Litigation Trustee and GWG Wind Down Trustee prepared the following summary and model attached as Exhibit A to reflect the estimated distribution to former GWG L Bond Holders (now Series A1 WDT Interest Holders).<sup>2</sup> Because negotiations are continuing with several parties which will impact the distribution, the summary and model represent an estimated

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<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).

<sup>2</sup> The model is available in its native format at [www.gwgholdingstrust.com](http://www.gwgholdingstrust.com) or upon request to [inquiry@gwgholdingstrust.com](mailto:inquiry@gwgholdingstrust.com).

range of distributions depending on the outcome of settlement discussions. Moreover, all anticipated fees and costs were deducted in reaching the Estimated Net Settlement Proceeds (*i.e.*, the “Net Distribution to Wind Down Trust (Estimated),” reflected in Dkt. No. 2544). No additional fees or costs of the Wind Down Trust will reduce the Estimated Net Settlement Proceeds number.<sup>3</sup>

The estimated distribution range from the four settlements, assuming all settlements are approved, on account of pre-petition GWG L Bond Holdings (now Series A1 WDT Interest Holders) is **2.694%** to **3.438%**. The anticipated distribution amount to a typical former GWG L Bond Holder for each of low and high distribution estimate is:

	Low – 2.694%		High – 3.438%
Prepetition L Bond Investment	Estimated Distribution	Prepetition L Bond Investment	Estimated Distribution
\$5,000	\$134.70	\$5,000	\$171.90
\$10,000	\$269.40	\$10,000	\$343.80
\$25,000	\$538.79	\$25,000	\$687.61
\$100,000	\$2,693.97	\$100,000	\$3,438.03

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<sup>3</sup> The GWG Wind Down Trustee will separately file a supplemental budget identifying the reasonable expenses of the Wind Down Trust.

**Dated:** April 8, 2025

**REID COLLINS & TSAI LLP**

By: /s/ Nathaniel Palmer

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*Counsel for the GWG Litigation Trustee*

**CERTIFICATE OF SERVICE**

I, Nathaniel J. Palmer, certify that on April 8, 2025, I caused a true and correct copy of this Second 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 Palmer

Nathaniel J. Palmer

# **EXHIBIT A**

**\$ 59,825,384.16**

**Estimated Distribution  
from Diminution Claim  
Art. VI.C.ii.**

<u>Basis of Claim</u>	<u>Amount (WDT Interest)</u>
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Indenture Trustee Fees and Costs	\$	2,350,000.00
Diminution Claim*	\$	-
<b>Total Super Priority Claims</b>	<b>\$</b>	<b>2,350,000.00</b>
Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	<b>\$</b>	<b>57,475,384.16</b>

### Estimated Distribution Art. VI.C.iii

L Bond Claims	\$	1,672,852,358.00
LBM Subordinated Claims	\$	56,627,477.87
General Unsecured Claims#	\$	404,000,000.00
<b>Total Interests</b>	<b>\$</b>	<b>2,133,479,835.87</b>

<u>Prepetition L Bond Investment</u>	<u>Percentage of Total WDT Interests</u>	<u>Estimated Distribution</u>
\$ 5,000.00	0.0002%	\$ 134.70
\$ 10,000.00	0.0005%	\$ 269.40
\$ 20,000.00	0.0009%	\$ 538.79
\$ 50,000.00	0.0023%	\$ 1,346.99
\$ 100,000.00	0.0047%	\$ 2,693.97

\*Based on discussions the range of the Diminution Claim is from \$0 to an amount that exceeds the Net Settlement Proceeds.

#Based on current discussions with a Claimant, the range of GUC claims is \$4,000,000 to \$404,000,000

<u>Prepetition L Bond Investment</u>	<u>Estimated Distribution</u>
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\$	5,000.00	\$	134.70
\$	10,000.00	\$	269.40
\$	25,000.00	\$	538.79
\$	50,000.00	\$	1,346.99
\$	100,000.00	\$	2,693.97

**2.694%**

NET SETTLEMENT PROCEEDS		\$ 59,825,384.16		Two Basis of Distribution Under the Plan to former L Bond Holders			
WDT Interest Series Created by the Plan	Basis of Claim	Amount (WDT Interest)	Estimated Distribution from Diminution Claim Art. VI.C.ii.				
			Prepetition L Bond Investment	Percentage of Total WDT Interests	Estimated Distribution		
A1 Indenture Trustee	Indenture Trustee Fees and Costs	\$ 2,350,000.00					
	Diminution Claim*	\$ 57,650,000.00					
	Total Super Priority Claims	\$ 60,000,000.00	\$ 5,000.00	0.0003%	\$ 172.31		
			\$ 10,000.00	0.0006%	\$ 344.62		
			\$ 20,000.00	0.0012%	\$ 689.24		
			\$ 50,000.00	0.0030%	\$ 1,723.10		
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	\$ (174,615.84)	\$ 100,000.00	0.0060%	\$ 3,446.21		
WDT Interests sharing pro rata in Settlement Proceeds after A1 Indenture Trustee and Diminution Claim are paid			Estimated Distribution Art. VI.C.iii				
Series A1	L Bond Claims	\$ 1,672,852,358.00					
Series A2	LBM Subordinated Claims	\$ 56,627,477.87					
Series B	General Unsecured Claims#	\$ 404,000,000.00	\$ 5,000.00	0.0002%	\$ (0.41)		
	Total Interests	\$ 2,133,479,835.87	\$ 10,000.00	0.0005%	\$ (0.82)		
			\$ 20,000.00	0.0009%	\$ (1.64)		
			\$ 50,000.00	0.0023%	\$ (4.09)		
			\$ 100,000.00	0.0047%	\$ (8.18)		
Note: Administrative (other than Series A1 Indenture Trustee Claims), Secured, Priority, and Conveince Class Claims are paid in full			Percent Distribution on account of the L Bond Claims 3.438%				
*Based on discussions the range of the Dimunition Claim is from \$0 to an amount that exceeds the Net Settlement Proceeds.							
#Based on current discussions with a Claimant, the range of GUC claims is \$4,000,000 to \$404,000,000							