

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

In re:

GWG HOLDINGS, INC., *et al.*¹

Debtors.

Chapter 11

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

**GWG LITIGATION TRUSTEE'S SUPPLEMENTAL
NOTICE OF PROPOSED SETTLEMENTS
[Relates to Dkt. Nos. 2533, 2535, 2537, 2540]**

¹ 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.

Supplemental Notice of Proposed Settlements

Why am I receiving this supplemental notice?

This supplemental notice² relates to four proposed settlements reached by the GWG Litigation Trustee and for which the Litigation Trustee is seeking the Bankruptcy Court's approval.³

The four settlements are as follows:

- **Director & Officer (“D&O”) Adversary Proceeding:** In April 2024, the Litigation Trustee filed a lawsuit against certain former officers and directors of GWG Holdings, Inc. (“GWG”), including Brad Heppner, a number of trusts and entities related to Mr. Heppner, Beneficient (formerly, The Beneficient Company Group, L.P.), and several entities and trusts affiliated with Beneficient (the “D&O Adversary Proceeding”).

As described in the Litigation Trustee's motion seeking approval of the settlement, the proposed settlement would resolve the Litigation Trustee's claims against all insured defendants in the D&O Adversary Proceeding, including Mr. Heppner, that arose on or before December 16, 2024. The settlement also resolves claims brought in a parallel putative securities class action (the “Class Action”) pending in the U.S. District Court for the Northern District of Texas (the “District Court”).

The proposed settlement *does not* release the Litigation Trust's claims against trusts and other entities affiliated with Mr. Heppner that the Litigation Trustee alleges received more than \$140 million in funds that were improperly transferred from GWG. The Litigation Trustee will continue to pursue claims against those entities.

The settlement is subject to approval by both the Bankruptcy Court and the District Court. Note that the Bankruptcy Court has raised certain public policy questions regarding this settlement, and it is not certain that the proposed settlement will be approved.

The proposed settlement amount is **\$50.5 million**.

- **Whitley Penn LLP:** Whitley Penn LLP (“Whitley Penn”) served as GWG's auditor. The Litigation Trustee and Whitley Penn reached an agreement to settle the Litigation Trust's claims for **\$8.5 million**.

² This Supplemental Notice is provided for informational purposes only and is qualified in its entirety by reference to the related motions to approve the settlements and the underlying settlement agreements, which control in the event of any conflict.

³ All capitalized terms not otherwise defined herein have the same meanings as set forth in the *Findings of Fact, Conclusions of Law, and Order Confirming the Debtors' Further Modified Second Amended Joint Chapter 11 Plan, Submitted by the Debtors, The Bondholder Committee, and L Bond Management, LLC as Co-Proponents* (the “Confirmation Order”), Case No. 22-90032 (Bankr. S.D. Tex.), Dkt. No. 1952.

- **Sabes Adversary Proceeding:** In April 2024, the Litigation Trustee filed a lawsuit against GWG’s former CEO Jon Sabes, his brother, and several entities associated with the Sabes (the “Sabes Defendants”). The Litigation Trustee and the Sabes Defendants reached an agreement to settle the Litigation Trust’s claims for **\$2.3 million**.
- **Mayer Brown LLP:** Mayer Brown LLP (“Mayer Brown”) served as GWG’s former counsel. The Litigation Trustee and Mayer Brown reached an agreement to settle the Litigation Trust’s claims for **\$30 million**.

Summaries of the four settlement agreements are attached as Exhibit A.

The Bankruptcy Court has directed the Litigation Trustee to give GWG WDT Interest holders additional information regarding the settlements and their effects on former GWG bondholders. The Wind Down Trust previously mailed the Litigation Trustee’s motions seeking approval of the four settlements (the “Motions”) to WDT Interest holders, including former GWG bondholders, for whom the Wind Down Trustee has contact information. Each of the Litigation Trust’s motions seeking court approval of these settlements is available for review at www.gwgholdingstrust.com/litigation-trust. This supplemental notice contains additional information concerning the estimated distributions to WDT Interest holders that will result from the settlements, if approved by the Bankruptcy Court, and the Litigation Trustee’s reasons for agreeing to the settlements.

Note: Some former GWG bondholders held their bonds in “street name,” meaning that the bonds were held by a brokerage or clearing firm on the bondholders’ behalf. In those cases, the broker maintains records identifying the true owner, but the bondholder ***is not*** listed as the registered owner of the bond. The Wind Down Trust does not have contact information for all former GWG bondholders that held their bonds in “street name,” and served the Motions on brokers and custodians of record through third-party broker intermediaries and clearing houses for forwarding to those bondholders. The Wind Down Trust requests that former GWG bondholders who held their bonds in “street name” please contact the Wind Down Trust to provide contact information and verify the amount of their holdings. If you or your broker have not already verified your holdings, please send an email to inquiry@gwgholdingstrust.com or call the Wind Down Trust at 713-654-5150.

What is the total amount to be received from the settlements? How much are attorneys’ fees and expenses?

The four settlements, if approved, would result in \$91.3 million in total gross recoveries to the Litigation Trust. After fees, expenses, and replenishing the Litigation Trust reserve, the Litigation Trustee estimates that approximately \$59.8 million will be available for distribution by the Wind Down Trust to WDT Interest holders. The following chart shows the anticipated fees and expenses associated with each settlement:

Settlement Amount	Trustee Counsel Contingency Fee	Class Counsel Fee (Maximum)⁴	Class Counsel Expense (Maximum)⁴	Gross Distributable Amount (Estimated)
D&O Adv. Proceeding \$ 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 Reserve⁵				\$ (2,500,000.00)
Notice Costs (Estimated)				\$ (350,000.00)
Litigation Trustee Success Fee (Est)⁶				\$ (805,215.84)
Net Distribution to Wind Down Trust (Estimated)				\$ 59,825,384.16

⁴ The proposed settlement of claims asserted in the D&O Adversary Proceeding also resolves claims in the Class Action pending in the District Court. 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.

⁵ This amount represents a reserve by Litigation Trustee to fund reasonably anticipated expenses associated with multiple pending arbitrations and adversary proceedings against other non-settling parties (described on pages 10-11 below), in accordance with the terms of the GWG Litigation Trust Agreement. *See* Dkt. No. 1910 at § 3.4.

⁶ The 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. 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. For the settlement in the D&O Adversary Proceeding (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.

How much money will the Wind Down Trust distribute to WDT Interest holders from the settlement proceeds?

If the Bankruptcy Court approves all four settlements, the Wind Down Trust estimates that the cumulative distribution from the four settlements will be between 2.694% and 3.446% of the approximately \$1.67 billion in pre-petition GWG L Bond holdings that are now Series A1 WDT Interests. The anticipated distribution amount to a typical former GWG bondholder for each of the low and high distribution estimates is:

Prepetition L Bond Investment	Distribution Estimate – Low (2.694%)	Distribution Estimate – High (3.446%)
\$5,000.00	\$134.70	\$172.31
\$10,000.00	\$269.40	\$344.62
\$20,000.00	\$538.79	\$689.24
\$100,000.00	\$2,693.97	\$3,446.21

The Wind Down Trust's calculations are attached as Exhibit B.

Based on the Wind Down Trust's analysis, the Litigation Trust has estimated the amount that would be distributed on account of the approximately \$1.67 billion in pre-petition GWG L Bond holdings for each individual settlement alone (as though no other settlement was approved). Those estimated distributions are shown in the following charts, with the exception of the settlement with the Sabes Defendants for the reasons discussed below.⁷

D&O Adversary Proceeding Settlement (Only)

Prepetition L Bond Investment	Distribution Estimate – Low (1.278%)	Distribution Estimate – High (1.63%)
\$5,000.00	\$63.90	\$81.49
\$10,000.00	\$127.79	\$162.98
\$20,000.00	\$255.58	\$325.96
\$100,000.00	\$1,277.92	\$1,629.80

Whitley Penn LLP Settlement (Only)

Prepetition L Bond Investment	Distribution Estimate – Low (0.055%)	Distribution Estimate – High (0.070%)
\$5,000.00	\$2.75	\$3.51
\$10,000.00	\$5.51	\$7.02
\$20,000.00	\$11.01	\$14.05
\$100,000.00	\$55.07	\$70.24

⁷ Please note that these are not final calculations; these are estimates and are subject to change.

Mayer Brown LLP Settlement (Only)

Prepetition L Bond Investment	Distribution Estimate – Low (0.808%)	Distribution Estimate – High (1.030%)
\$5,000.00	\$40.38	\$51.50
\$10,000.00	\$80.77	\$103.01
\$20,000.00	\$161.53	\$206.01
\$100,000.00	\$807.66	\$1,030.05

Sabes Defendants Settlement (Only)

If the Bankruptcy Court only approves the settlement with the Sabes Defendants, the Litigation Trust does not expect that there would be any distribution to WDT Interest holders. GWG's Chapter 11 Plan requires that any recoveries from the Litigation Trust first pay any "Indenture Fee and Expense Claims," which the Wind Down Trust estimates to be \$2.35 million. Because the Indenture Fee and Expense Claim exceed the settlement with the Sabes Defendants of \$2.3 million, there would be no distribution if it were the only settlement approved.

* * * *

The percentages in the charts above reflect the estimated distribution as a percentage of the approximately \$1.67 billion in pre-petition GWG L Bond holdings (now Series A1 WDT Interests). However, for the reasons discussed below on pages 7-8, former GWG bondholder claims significantly exceed the amounts the Litigation Trustee might recover as damages through litigation.

Each settlement represents a higher percentage share of damages the Litigation Trust is seeking or could seek against each of the settling parties. If all four settlements are approved, the \$91.3 million in total settlements (*i.e.*, before deducting attorney's fees and expenses) represents between 17% and 28% of the Litigation Trustee's maximum estimated damages. The estimated \$59.8 million that the Wind Down Trust will distribute to WDT Interest holders represents between 11% and 18% of the Litigation Trustee's maximum estimated damages (without accounting for possible future recoveries from other cases the Litigation Trustee is still pursuing).

Why is there a range of possible distributions to WDT Interest holders?

The Debtors' confirmed Chapter 11 Plan specifies how the Wind Down Trust must distribute proceeds it receives from the Litigation Trust. To summarize, the Chapter 11 Plan provides that proceeds the Wind Down Trust receives are first to be used to pay "Indenture Fee and Expense Claims" and then to Series A1 WDT Interest holders "on account of the Indenture Diminution Claim." Once those amounts are paid in full, any further proceeds are then paid on a *pro rata* basis to Series A1, A2, and B WDT Interest holders up to certain amounts, and so on under the Chapter 11 Plan.

The Chapter 11 Plan, however, did not specify the amount of the “Indenture Diminution Claim.” As a result, the Wind Down Trust is in negotiations to set the amount of the “Indenture Diminution Claim.” In addition, the Wind Down Trustee and Litigation Trustee are in negotiations that may affect the total amount of Series B WDT Interests, which represent general unsecured creditor claims. Because the outcome of those negotiations will impact the amount distributed to former GWG bondholders, the Wind Down Trust cannot yet provide an exact distribution amount to former bondholders.

Would I be paid in full if the Litigation Trust was to pursue, win, and collect a judgment in the D&O Adversary Proceeding (or any other case) instead of settling?

No. Even if the Litigation Trustee won the D&O Adversary Proceeding (including any appeals) and was able to collect that entire judgment, the best case scenario is that you would receive 19% to 31% of your losses *before* deducting attorneys’ fees and expenses.

GWG had over \$1.67 billion in total bond debt at the time it filed for bankruptcy. Setting aside the collection risks discussed below, the maximum recovery the Litigation Trustee can legally seek in the D&O Adversary Proceeding and other cases is a fraction of bondholder losses. This is due to the nature of the claims assigned to the Litigation Trust: the Litigation Trust can only pursue claims for damages suffered by GWG (discussed below), and those damages are not the same as the more than \$1.67 billion in losses suffered by GWG bondholders.

For instance, the Litigation Trustee is seeking \$25.7 million in damages from the Sabes Defendants. As to the other settling parties, the Litigation Trustee estimates at this time that the *maximum* amount that can be recovered in total damages ranges from \$300 million to \$500 million, although the actual recoverable damages could be significantly less.⁸ These damages generally correspond to the approximately \$300 million that the Litigation Trustee alleges GWG improperly transferred in connection with damages involving Beneficient and other related entities, as well as other potential types of damages (such as costs associated with GWG’s bankruptcy).⁹ However, the \$300 million to \$500 million estimated range of maximum damages is *not* per case or per defendant, but rather the cumulative maximum for all of these claims, which involve many different parties that dispute both the claims of liability and the range of possible damages.

This means that the maximum amount that the Litigation Trust could possibly win (without accounting for the significant risk that it could lose, and recover nothing, or win only a portion of

⁸ This range is dependent on a number of factors, the most important of which is Beneficient’s value at the time of each transaction or transfer. The Litigation Trustee has alleged that Beneficient—and particularly the debt and equity GWG received—was worth far less than represented. But if at trial a court or jury determines that Beneficient’s value was as represented, the damages the Litigation Trust could recover could be significantly less.

⁹ The \$25.7 million the Trustee seeks to recover in the adversary proceeding against the Sabes Defendants is separate from and unrelated to the transfers to Beneficient or related entities.

the damages sought, which could be less than the proposed settlement amount) is somewhere between 19% and 31% of GWG bondholders' total losses *before* deducting attorneys' fees and expenses. Once fees and expenses are deducted, the Litigation Trustee estimates that, in a best case litigation scenario, less than 20% of GWG bondholder losses could ever be paid from a judgment in the D&O Adversary Proceeding—assuming the Litigation Trustee could successfully collect such a judgment, which is highly unlikely, as discussed below—or the other cases the Litigation Trustee is pursuing.

As a result, there is no scenario in which litigating the D&O Adversary Proceeding (or any other case) through trial could result in GWG's former bondholders receiving more than 20% of their investment back.

Could I receive more if the Litigation Trust were to pursue the claims in the D&O Adversary Proceeding to trial and win?

In the Litigation Trustee's judgment, former GWG bondholders are unlikely to receive more if the settlement of the D&O Adversary Proceeding is rejected. As explained in more detail in the Litigation Trustee's motion for approval of the settlement, even if the Litigation Trustee were to win a judgment against the insured defendants (which is far from certain), there is a very real risk that the Litigation Trust would not collect anywhere near that amount from those defendants. This is what the Litigation Trustee's motion refers to as "collection risk."

The surest way for the Litigation Trust to avoid this collection risk is by recovering from GWG's D&O Liability Insurance Policies. But much of that money has already been spent on the settling defendants' defense costs, and absent the approval of this settlement, that spending will continue to reduce the amount of insurance proceeds available to pay the Litigation Trust (and ultimately, former GWG bondholders).

According to the Debtors' disclosure statement, approximately \$146 million in coverage under the D&O Liability Insurance Policies remained in April 2023. By December 2024, however, only \$77 million to \$80 million remained on those policies. Given the complexity of the litigation and the number of individual defendants who share the right to reimbursement from the D&O Liability Insurance Policies for attorneys' fees incurred in defending the D&O Adversary Proceeding and other pending legal proceedings, the Litigation Trustee believes that the insurance policies that are funding the settlement will be spent by the time a trial takes place. This means that no insurance money will be available to pay a judgment.

Given this possibility, the Litigation Trustee looked at whether the insured defendants that are part of the settlement have assets that could be used to pay a judgment without insurance money. Based on that analysis, the Litigation Trustee concluded that the Litigation Trust (and therefore former GWG bondholders) are likely to recover less than the proposed settlement amount even if the Litigation Trustee was to win at trial.

Many of the assets that the individual defendants have are protected by generous Texas homestead laws (or similar exemptions) and cannot be used to pay a judgment. Certain individual defendants (like Brad Heppner and Thomas Hicks) appear to hold most of their assets through entities or trusts. But state law severely limits the Litigation Trustee's ability to seize assets held in certain types of trusts and entities, such as limited liability companies, to satisfy a judgment against an individual. Thus, even if the Litigation Trustee won a judgment against those individuals, the Litigation Trustee could not simply seize assets held in entities or trusts to pay the judgment against the individual. Finally, Beneficient's public filings indicate that it has few readily available, unencumbered assets to satisfy a judgment.

This means that the Litigation Trust could spend three to five years (or more) to get through a trial and appeals only to collect less than \$50.5 million from the insured defendants. This is one of the principal reasons the Litigation Trustee agreed to the settlement: the Litigation Trustee believes the \$50.5 million in insurance money available to fund the proposed settlement is the greatest amount the Litigation Trust will recover from the insured defendants in the D&O Adversary Proceeding.

What is the "Holdback" in the D&O Adversary Proceeding settlement agreement?

As noted above, by early December 2024, only \$77–\$80 million in coverage, at most, remained on the D&O Liability Insurance Policies. Under the settlement agreement, \$50.5 million will be paid to the Litigation Trust as settlement consideration, with the balance of the D&O Liability Insurance Policies set aside to pay defense costs for certain ongoing legal proceedings involving the settling defendants and other insured individuals. The Litigation Trust agreed to the holdback because the terms of the D&O Liability Insurance Policies give the insured defendants the right to reimbursement for legal fees incurred in defending these ongoing proceedings, and absent the holdback, there would be no settlement at all because certain insured defendants would not have agreed to settle the D&O Adversary Proceeding.

If more than \$250,000 from the D&O Liability Insurance Policies remains after the conclusion of the ongoing legal proceedings involving the settling defendants, however, the remaining amount will be paid to the Litigation Trust.

Why does the Litigation Trustee believe these settlements are best for the GWG Litigation Trust and the Wind Down Trust's underlying interest holders?

The Litigation Trustee believes that the proposed settlements are fair and are in the best interest of the WDT Interest holders.

Although the Litigation Trustee believes that the claims that have been asserted have merit, that does not mean that the Litigation Trust is guaranteed to win at trial. In evaluating the settlement, the Litigation Trustee must balance the strength of the claims against legal and practical

considerations. The Litigation Trustee evaluated a number of factors in deciding to accept the proposed settlements.

In each of the cases being settled, the Litigation Trustee's claims are legally complicated and the facts giving rise to those claims are complex. As a result, it is far from certain that the Litigation Trustee would win at trial or on appeal. The defendant(s) in each case have defenses, and the Litigation Trustee faces impediments to proving liability. Indeed, the defendant(s) in each case has and would continue to vigorously defend the claims. Moreover, litigating the claims would be expensive, and it could take many years to litigate through judgment and the appeals that would likely follow.

In the meantime, the settling defendants would be spending the insurance or other resources to fund their legal defense, funds that could be used to pay WDT Interest holders. As discussed above, in the context of the D&O Adversary Proceeding, the Litigation Trustee also considered the settling defendants' ability to pay outside of available insurance and the likelihood that the Litigation Trust could successfully collect a judgment.

The Litigation Trustee weighed these litigation and collection risks against the benefits of settling now on the terms negotiated by the Litigation Trust. In the Litigation Trustee's judgment, these settlements are in the best interests of the WDT Interest holders because they eliminate the risk that the Litigation Trust will receive less or nothing at all following a trial, and the settlements will allow distributions to WDT Interest holders once the settlements are approved, rather than years from now, assuming the Litigation Trust wins at trial and on appeal.

Importantly, the Litigation Trust has reserved its claims against the Reserved Trust Action Defendants (*i.e.*, Heppner-affiliated entities and trusts) that the Litigation Trustee alleges received over \$140 million from GWG. The Litigation Trustee will continue to pursue these claims against the Reserved Trust Action Defendants, as well as the other defendants identified below.

Are these settlements the only opportunity for WDT Interest holders to be paid from the Litigation Trust and/or Wind Down Trust?

No, the Litigation Trustee will continue pursuing and investigating other cases and claims which the Litigation Trustee expects (but does not guarantee) will result in additional recoveries. If the settlements are approved, there still will be four pending cases or arbitrations already filed by the Litigation Trustee.

First, the Litigation Trustee will continue to pursue claims against the various trusts and entities affiliated with Mr. Heppner. The settlement agreement refers to these remaining defendants as the

“Reserved Trust Action Defendants.”¹⁰ Of the \$300 million that the Litigation Trustee alleges GWG improperly transferred in connection with transactions involving Beneficient entities, the Litigation Trustee alleges that over \$140 million ultimately flowed to the Reserved Trust Action Defendants. The Reserved Trust Action Defendants will not be released if the settlement in the D&O Adversary Proceeding is approved, and the Litigation Trustee will continue to pursue claims against the Reserved Trust Action Defendants. It is uncertain whether the Litigation Trustee will be successful in pursuing claims against the Reserved Trust Action Defendants. It is also unclear what amounts can be recovered from the Reserved Trust Action Defendants, if any.

The three other remaining matters are: (1) the Litigation Trust’s adversary proceeding against Holland & Knight LLP; (2) an arbitration against Foley & Lardner LLP; and (3) an arbitration against another of GWG’s former professionals.

In addition, the Litigation Trust is continuing to investigate claims against a number of other potential defendants, which may result in additional claims being filed and additional settlements. There can be no guarantee as to the outcome of these proceedings.

If the settlements are approved, how soon will I receive a distribution from these settlement proceeds?

Before distributions to WDT Interest holders can be made, the Bankruptcy Court must enter an order approving each of the settlements. The settlement of the D&O Adversary Proceeding must also be approved by the District Court where the Class Action is pending. The attorneys for the plaintiff in the Class Action have initiated the process for approval by the District Court but the process is expected to take approximately six to nine months.

The Wind Down Trust will post updates about the approval process to the Trust website, as well as an anticipated date for payment.

Can I see the settlement agreements and related documents? Who do I contact if I have questions?

The Wind Down Trust previously mailed copies of the motions seeking approval of the settlements. To preserve as much money as possible for the WDT Interest holders, these pleadings are not being mailed again.

¹⁰ The “Reserved Trust Action Defendants” include: The Bradley K. Heppner Family Trust; The Heppner Family Home Trust; The Highland Business Holdings Trust; The Highland Investment Holdings Trust; Beneficient Holdings, Inc.; Bradley Capital Company, L.L.C.; Elmwood Bradley Oaks, L.P.; The Highland Investment Holdings Trust; Timothy B. Harmon, solely in his capacity as trustee of The Highland Investment Holdings Trust; HCLP Credit Company, L.L.C.; HCLP Nominees, L.L.C.; Highland Consolidated, L.P.; and Research Ranch Operating Company, L.L.C. The Reserved Trust Action Defendants also include entities that have an interest in the Bradley Oaks Ranch.

However, the Litigation Trustee's motions seeking approval of the settlements, the settlement agreements, all related documents, and all documents referenced in this Notice are available at no cost on the Litigation Trust page of the Wind Down Trust's website (<https://www.gwgholdingstrust.com/litigation-trust>). If you have questions or would like additional copies sent to you, please send an email to inquiry@gwgholdingstrust.com or call the Wind Down Trust at **713-654-5150**.

What happens next?

The Bankruptcy Court will hold hearings to consider whether to approve the proposed settlements. WDT Interest holders, if they choose, may file objections to the settlements with the Bankruptcy Court and appear at the approval hearings.

The Bankruptcy Court will hear the Motions and any objections on **June 3, 2025, at 9:00 a.m. CT**. The hearings will take place in Judge Isgur's courtroom, Courtroom 404, 515 Rusk, Houston, Texas 77002. Parties may also observe or participate by telephone and video conference. The Court's system requires dialing in on the telephone for audio. You may log in via video to watch the proceeding.

Sound – The Court's phone number is **832-917-1510**. Once connected, you will be asked to enter the conference room number. Judge Isgur's conference room number is **954554**. Please note that once you are connected, you will be able to hear the courtroom proceedings, but you will not be able to address the Court. If you wish to address the Court, you must press 5*. Do not press 5* until you need to address the Court.

Video – The Court uses the GoToMeeting platform. Connect via the free GoToMeeting application (the meeting code is "**JudgeIsgur**") or click the link on Judge Isgur's home page (<https://www.gotomeet.me/JudgeIsgur>).

If the settlements receive court approval, the Wind Down Trust will distribute the net settlement proceeds (after paying expenses, fees, and establishing a litigation reserve) as provided in GWG's confirmed Chapter 11 Plan, as discussed above.

Dated: April 30, 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 30, 2025, I caused a true and correct copy of this Notice of Hearings to be served by the Court's CM/ECF system and also by service through the claims and noticing agent, Stretto, on all parties entitled to notice.

/s/ Nathaniel Palmer
Nathaniel J. Palmer

EXHIBIT A

Exhibit A: Summary of Settlement Terms¹¹

Summary of Settlement Terms in D&O Adversary Proceeding

The Proposed Settlement in the D&O Adversary Proceeding includes the following key terms, summarized below in pertinent part:

Court Approval. The proposed settlement is contingent upon approval by both the Court (as to the Litigation Trust) and the District Court (as to the Class Action). The proposed settlement will not become effective unless both the Court and the District Court approve the proposed settlement and their orders approving the proposed settlement become Final.

Settlement Payment. The Insurers will pay \$50.5 million (the “Settlement Amount”) to the Litigation Trustee (or the Wind Down Trustee) within thirty (30) days following the latest of: (i) entry of the Bankruptcy Approval Order by the Bankruptcy Court, (ii) entry of the Preliminary Approval Order by the District Court, or (iii) the Insurers’ receipt of acceptable payment instructions and a W-9 form for the escrow account.

Net Settlement Fund. The “Net Settlement Fund” is the Settlement Amount (together with any accrued interest) less any (i) any Distribution Taxes; (ii) Notice Costs; (iii) Administration Costs; and (iv) the Plaintiff Counsel Fee Payments.

Distribution Plan. The Net Settlement Fund will be distributed pursuant to the Confirmation Order entered by the Bankruptcy Court. Under the Confirmation Order, the Wind Down Trust is the sole beneficiary of the Litigation Trust. Distributions of net proceeds realized by the Litigation Trust are to be made by the Wind Down Trustee (or by the Litigation Trustee at the direction of the Wind Down Trustee) in accordance with Article VI(C) of the Chapter 11 Plan.

Holdback; Reversion. The remaining limits available under the D&O Policies (the “D&O Holdback”) are reserved to cover the costs to document the proposed settlement and seek necessary approvals, as well as to cover expenses incurred by insured individuals in certain ongoing legal matters. If the D&O Holdback is greater than \$250,000 after the ongoing legal matters conclude, the Insurers will pay that balance to the Litigation Trust as additional settlement consideration.

Settling Defendants. Bradley K. Heppner; Beneficient f/k/a The Beneficient Company Group, L.P.; Beneficient Management, L.L.C.; Beneficient Company Holdings, L.P.; Beneficient Capital Company, L.L.C.; Beneficient Capital Company II, L.L.C.; The Beneficient Company

¹¹ This summary is provided solely for ease of reference and is qualified in its entirety by reference to the proposed settlement agreements, the actual terms of which are controlling. All capitalized terms not otherwise defined in this exhibit have the same meanings as set forth in the relevant proposed settlement agreement. The settlement agreements are attached as exhibits to the Litigation Trustee’s motions to approve settlements, which you can access for free here: www.gwgholdingstrust.com/litigation-trust.

Group (USA), L.L.C.; CT Risk Management, L.L.C.; Beneficient Fiduciary Financial, L.L.C.; The LT-1 Liquid Trust; The LT-2 Liquid Trust; The LT-5 Liquid Trust; The LT-7 Liquid Trust; The LT-8 Liquid Trust; The LT-9 Liquid Trust; The Collective Collateral Trust I; The Collective Collateral Trust II; The Collective Collateral Trust III; The Collective Collateral Trust IV; The Collective Collateral Trust V; The Collective Collateral Trust VI; The Collective Collateral Trust VII; The Collective Collateral Trust VIII; LiquidTrust Management, L.L.C.; Funding Trust Management, L.L.C.; Peter T. Cangany, Jr.; Thomas O. Hicks; Bruce W. Schnitzer; Murray T. Holland; Timothy L. Evans; David F. Chavenson; John Stahl; The LT-1 Collective Collateral Trust; The LT-1 Collective Collateral Trust; The LT-2 Collective Collateral Trust; The LT-3 Collective Collateral Trust; The LT-4 Collective Collateral Trust; The LT-5 Collective Collateral Trust; The LT-6 Collective Collateral Trust; The LT-7 Collective Collateral Trust; The LT-8 Collective Collateral Trust; The LT-9 Collective Collateral Trust.

Released Trust Action Claims. Any and all Claims, causes of action, demands, losses, and rights of every nature and description, whether known or Unknown Claims (as defined below), whether arising under federal, state, common, or foreign law, that GWG (or others acting by, through, or on its behalf), the Litigation Trustee, or the Litigation Trust (or their successors, assigns, executors, administrators, representatives, attorneys, and agents, in their capacities as such): (i) asserted in the Trust Action; (ii) could have asserted in any forum that arise out of or are based upon, in any way, directly or indirectly, any of the allegations, transactions, facts, events, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Trust Action; (iii) could have asserted in any forum that arise out of or are based upon, in any way, directly or indirectly, the defense of the Trust Action or the Bankruptcy Case; (iv) could have asserted in any other forum that arise out of or are based upon, in any way, directly or indirectly, any investment or any other relationship with GWG or any of its Affiliates; and/or (v) could have asserted in any forum that arise out of or are based upon in any way, directly or indirectly, any duty or alleged duty owed to GWG or any of its subsidiaries or Affiliates; in each case (x) against any one or more of the Released Trust Action Defendants Releasees and (y) that arose on or before December 16, 2024; *provided, however*, that in no event shall any Reserved Trust Action Claims be considered a Released Trust Action Claim.

Settling Defendants Release. The Litigation Trustee will release the Settling Defendants, their counsel, any other person that is an Insured under the D&O Policies, and the Insurers from the Released Trust Action Claims. Under the Proposed Settlement, the Litigation Trustee is not releasing claims against any Person that is not a Released Trust Action Defendants Releasee, including the Reserved Trust Action Defendants.

Withdrawal of Proofs of Claim. The Settling Defendants release any and all claims that they may have had against the Debtors' bankruptcy estate and agree that upon the Court's approval, any proofs of claim filed by the Settling Defendants are deemed withdrawn with prejudice.

Reserved Trust Action Defendants. The Bradley K. Heppner Family Trust; The Heppner Family Home Trust; The Highland Business Holdings Trust; The Highland Investment Holdings Trust; Beneficient Holdings, Inc.; Bradley Capital Company, L.L.C.; Elmwood Bradley Oaks, L.P.; The Highland Investment Holdings Trust; Timothy B. Harmon, solely in his capacity as trustee of The Highland Investment Holdings Trust; HCLP Credit Company, L.L.C.; HCLP Nominees, L.L.C.; Highland Consolidated, L.P.; and Research Ranch Operating Company, L.L.C.

Reserved Trust Action Claims. The Litigation Trustee reserves any and all claims and causes of action of the Litigation Trustee against any Person that is not a Released Trust Action Defendants Releasee, including but not limited to the Reserved Trust Action Defendants and any third-party professional firm that provided services to the Debtors.

Bar Order. The Parties agreed to use their best efforts to secure a bar order from the Bankruptcy Court in favor of the Released Defendants Releasees related to the allegations in the Trust Action and the Class Action. The Released Defendants in the Trust Action and the Litigation Trustee agreed to (and did) file a motion seeking a bar order, which seeks to preclude any non-Party to the Settlement Agreement from pursuing claims that (i) in any way relate to, are based upon, arise from or are connected with the allegations in the Trust Action and/or the allegations in the Class Action, *and* (ii) seek to hold any of the Settling Defendants or any of the Released Defendants Releasees liable or responsible for alleged injuries to GWG or its estate. The Parties are not seeking to prevent any third party from asserting any direct claims for any injuries that the third party itself suffered. The Proposed Settlement is not conditioned on the Bankruptcy Court's approval of the requested bar order.

Opt-Out Contingency Agreement. As is customary in class action settlements, the Parties to the Class Action are executing a supplemental agreement, which gives the Released Defendants in the Class Action the right, but not the obligation, to terminate the Settlement in the event that a certain portion of the Class (defined in the supplemental agreement as the "Opt-Out Threshold") delivers timely and valid requests for exclusion from the Class (the "Opt-Out Contingency Agreement"). The Litigation Trustee is not a party to the Opt-Out Contingency Agreement, but has agreed to keep the specific Opt-Out Threshold confidential, except if compelled by judicial process to disclose it. If the Bankruptcy Court requests to see the Opt-Out Threshold, the Settlement Agreement requires the Litigation Trustee to provide the Opt-Out Threshold to the court *in camera*.

Summary of Settlement Terms with Whitley Penn LLP

The Proposed Settlement with Whitley Penn LLP includes the following key terms, provided below in pertinent part:

Settlement Payment. Whitley Penn or its insurance carrier(s) will pay the Litigation Trustee the total sum of \$8.5 million by check or wire transfer as soon as funds are available following the Effective Date, and shall be made no more than fifteen (15) business days after the Effective Date

Mutual Release. The GWG Litigation Trust, for and on behalf of itself and Debtors, and to the fullest extent that has authority to do so, on behalf of Debtors' current and former creditors, subsidiaries, and affiliates and their respective directors, officers, managers, partners, employees, predecessors, successors, assigns, attorneys, consultants, representatives, licensees, accountants and auditors, insurers and agents (the "Releasing Trustee Parties") releases and forever discharges Whitley Penn and all of its past, present and future professionals, officers, directors, employees, trustees, agents, shareholders, affiliates, partners, principals, members, insurers, predecessors, successors, assigns, and agents (the "Released Whitley Penn Parties") from any and all claims, causes of action, proceedings, obligations, suits, debts, demands, agreements, promises, controversies, liabilities, and damages of any kind whatsoever, whether direct or derivative in nature, individual or on behalf of a class, whether based on federal, state, local, statutory or common law, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, known or unknown which the Releasing Trustee Parties ever had, now have, claim to have, or may in the future have or claim to have, that arise from or relate to the Retained Causes of Action (collectively, the "Released Trustee Claims").

Whitley Penn, for and on behalf of itself, and to the fullest extent that it has authority to do so, on behalf of its heirs and assigns, attorneys, consultants, representatives, accountants and auditors, insurers, and agents ("Releasing Whitley Penn Parties") release and forever discharge the GWG Litigation Trust, the Trustee, and Debtors (the "Released Trustee Parties"), from any and all claims, causes of action, proceedings, obligations, suits, debts, demands, agreements, promises, controversies, liabilities, and damages of any kind whatsoever, whether direct or derivative in nature, individual or on behalf of a class, whether based on federal, state, local, statutory or common law, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, known or unknown which the Releasing Whitley Penn Parties ever had, now have, claim to have, or may in the future have or claim to have (collectively, the "Released Whitley Penn Claims").

Use of Whitley Penn's Information. The Litigation Trustee shall use documents produced by Whitley Penn, including its working papers and emails related to its services (the "Materials") solely in connection with judicial or other proceedings initiated by the Litigation Trustee, including but not limited to existing or potential litigation, arbitration proceedings, contested matters, or adversary proceedings, and not for any other purpose. The Litigation Trustee shall otherwise treat the Materials as confidential and not discuss or disclose them to anyone, except in response to a legally enforceable demand, subpoena or court order. If the Litigation Trustee is served with a subpoena or subject to an order from any litigation, regulatory or other proceeding that compels disclosure of any Materials produced by Whitley Penn, the Litigation Trustee shall promptly notify undersigned counsel for Whitley Penn. The Litigation Trustee also agrees to promptly notify the party who caused the subpoena or order to issue that the Materials covered by the subpoena or order are subject to this Agreement. The Parties shall cooperate in good faith to comply with all

reasonable protections sought by Whitley Penn with regard to the Materials and to facilitate the Litigation Trustee's compliance with the subpoena or order. The Litigation Trustee will discard in a secure manner or destroy Whitley Penn's information and documents immediately following the conclusion of the last adversary proceeding, arbitration, mediation, or pre-suit negotiation related to Debtors.

Summary of Settlement Terms with the Sabes Defendants

The Proposed Settlement with the Sabes Defendants includes the following key terms, provided below in pertinent part

Contingent Upon Court Approval. The Agreement is contingent upon, and will become effective only upon: (a) approval of this settlement and entry of an order by the Bankruptcy Court that grants the Rule 9019 Motion; and (b) that order becoming "Final" meaning following the conclusion or expiration of any right or time period of any person or party to object or to appeal or seek to rehear, reconsider, or modify the approved order in whole or in part. If the Court should decline to enter an order approving the settlement, the Parties shall work in good faith to address the reasons for the Court's denial.

Settlement Amount and Terms of Payment. The total Settlement Payment amount is \$2.3 million. The Sabes Defendants or their carrier shall pay the Settlement Payment by wire transfer as soon as funds are available following the Effective Date, and shall be made no more than fifteen (15) days after the Effective Date.

Mutual Release. The GWG Litigation Trust, for and on behalf of itself and Debtors, and to the fullest extent that has authority to do so, on behalf of Debtors' current and former creditors, subsidiaries, and affiliates and their respective directors, officers, managers, partners, employees, predecessors, successors, assigns, attorneys, consultants, representatives, licensees, accountants and auditors, insurers and agents (the "Releasing Trustee Parties") releases and forever discharges the Sabes Defendants, in any capacity, and all of their past, present and future heirs, executors, personal representatives, administrators, representatives, attorneys, professionals, officers, directors, employees, trustees, agents, shareholders, affiliates, partners, principals, members, insurers and reinsurers, predecessors, successors, assigns, and agents (the "Released Sabes Parties") from any and all claims, causes of action, proceedings, obligations, suits, debts, demands, agreements, promises, controversies, liabilities, and damages of any kind whatsoever, whether direct or derivative in nature, individual or on behalf of a class, whether based on federal, state, local, statutory or common law, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, known or unknown which the Releasing Trustee Parties ever had, now have, claim to have, or may in the future have or claim to have, that arise from or relate to the Retained Causes of Action (collectively, the "Released Trustee Claims").

The Sabes Defendants, for and on behalf of themselves, and to the fullest extent that they have authority to do so, on behalf of its heirs and assigns, attorneys, consultants, representatives, accountants and auditors, insurers, and agents (“Releasing Sabes Parties”) release and forever discharge the GWG Litigation Trust, the Trustee, and Debtors (the “Released Trustee Parties”), from any and all claims, causes of action, proceedings, obligations, suits, debts, demands, agreements, promises, controversies, liabilities, and damages of any kind whatsoever, whether direct or derivative in nature, individual or on behalf of a class, whether based on federal, state, local, statutory or common law, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, known or unknown which the Releasing Sabes Parties ever had, now have, claim to have, or may in the future have or claim to have (collectively, the “Released Sabes Claims”).

Summary Settlement Terms with Mayer Brown LLP

The Proposed Settlement with Mayer Brown LLP includes the following key terms, summarized below in pertinent part:

Contingent Upon Court Approval. The Agreement is contingent upon, subject to, and will become effective only upon: (a) approval of this settlement and entry of an order by the Bankruptcy Court that grants the Rule 9019 Motion; and (b) that order becoming “Final” meaning following the conclusion or expiration of any right or time period of any person or party to object or to appeal or seek to rehear, reconsider, or modify the approved order in whole or in part. Should the Bankruptcy Court deny the Rule 9019 Motion or not enter an order approving this settlement as required by the preceding sentence, or if for any reason the Bankruptcy Court’s approval does not become Final or is reversed, modified, or vacated in subsequent proceedings or appeals, this Agreement shall become null and void.

Settlement Amount and Terms of Payment. The total Settlement Amount is \$30.0 million, payable in two payments. The first payment shall be \$21.0 million and shall be made on or before (a) the 30th day after the order approving the settlement and granting the Rule 9019 Motion becomes Final, or (b) July 1, 2025, whichever date is later. The second payment shall be \$9.0 million and shall be made on or before the 187th day after the first payment is made.

Releases of Claims Against Mayer Brown. The Litigation Trustee on behalf of himself, the Litigation Trust, the Debtors, and the Debtors’ bankruptcy estate (collectively, the “GWG Litigation Trust Releasers”) irrevocably releases, acquits, and forever discharges Mayer Brown and its past, present and future direct and indirect parents, insurers, subsidiaries, affiliates, and other entities under common control, divisions, predecessors, successors, and assigns, and their respective current and former officers, directors, partners, associates, shareholders, members, representatives, attorneys, agents and employees, in their official and individual capacities (each a “Mayer Brown Released Person”) from any and all claims, that can be or are owned or assertable

by, or that were or are assigned to the GWG Litigation Trust Releasors, known or unknown, of any nature whatsoever, that arose from the beginning of time through the Effective Date, including but not limited to, any claim arising out of or relating to the transactions identified by the Litigation Trustee, GWG, the Debtors, the Representation, the Firm's representation of any and all directors or officers of GWG, the Bankruptcy Case, and the Firm's representation of The Beneficient Company Group, L.P., including any affiliates, parents, subsidiaries, past, present and future officers, directors, employees, or agents of The Beneficient Company Group, L.P.

Covenant Not to Sue. The GWG Litigation Trust Releasors covenant not to sue, commence, or prosecute any proceeding against, or seek to recover damages or equitable relief from, any Mayer Brown Released Person based on any claims released in Section 3.1 of this Agreement and/or any claim that was or is assignable to the Litigation Trust.

Prohibition on Assignments. The GWG Litigation Trust Releasors covenant not to solicit, accept, take, or receive any assignment of any claims against any Mayer Brown Released Person.

Acknowledgement that the Settlement Resolves Multiple Alleged Injuries. The Parties acknowledge that this settlement and payment of the Settlement Amount resolves alleged claims with alleged injuries sustained by GWG and the Debtors, including alleged damages, in and among the years 2018, 2019, 2020, 2021, 2022, and 2023. The Parties acknowledge that the Settlement Amount resolves claims for damages and separate injuries allegedly suffered by the Debtors among the foregoing years, but Mayer Brown denies both liability and damages alleged by the Litigation Trustee. For the avoidance of doubt, this Section is not, and should not be represented as, an agreement, concession, or admission by Mayer Brown as to any alleged harm, damages, or liability.

Non-Discovery and Protection of Attorney-Client Privileged or other Confidential Information. Subject to certain narrow exceptions, the GWG Litigation Trust Releasors will not seek further discovery from Mayer Brown. To the extent any third parties seek discovery of documents Mayer Brown has previously produced to the Litigation Trust (many of which are subject to attorney-client privilege), Mayer Brown may seek an appropriate protective order, which the Litigation Trust will not oppose (and, if entered, will apply to documents produced by Mayer Brown). Subject to certain narrow exceptions (including, but not limited to obtaining Court approval of the Proposed Settlement), the Parties shall treat all settlement communications and everything else about this Settlement as confidential (and seek an appropriate protective order if required to disclose such information).

EXHIBIT B

FORMER L BOND HOLDER DISTRIBUTION ESTIMATE

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.					
A1 Indenture Trustee	Indenture Trustee Fees and Costs	\$	2,350,000.00								
				Prepetition L Bond Investment		Percentage of Total WDT Interests		Estimated Distribution			
		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		\$	-		\$ 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								
				Prepetition L Bond Investment		Percentage of Total WDT Interests		Estimated Distribution			
Series A2	LBM Subordinated Claims	\$	56,627,477.87								
Series B	General Unsecured Claims#	\$	404,000,000.00		\$ 5,000.00		0.0002%		\$ -		
		Total Interests		\$	2,133,479,835.87		\$ 10,000.00		0.0005% \$ -		
							\$ 20,000.00		0.0009% \$ -		
							\$ 50,000.00		0.0023% \$ -		
							\$ 100,000.00		0.0047% \$ -		
Note: Administrative (other than Series A1 Indenture Trustee Claims), Secured, Priority, and Convenience Class Claims are paid in full											
										Percent Distribution on account of the L Bond Claims	
										3.446%	

FORMER L BOND HOLDER DISTRIBUTION ESTIMATE

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*	\$-			
	Total Super Priority Claims	\$2,350,000.00	\$5,000.00	0.0003%	\$-
			\$10,000.00	0.0006%	\$-
			\$20,000.00	0.0012%	\$-
			\$50,000.00	0.0030%	\$-
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	\$57,475,384.16	\$100,000.00	0.0060%	\$-

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%	\$134.70
	Total Interests	\$2,133,479,835.87	\$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

ESTIMATED TOTAL DISTRIBUTION		
Prepetition L Bond Investment	Estimated Distribution	
\$5,000.00	\$	134.70
\$10,000.00	\$	269.40
\$20,000.00	\$	538.79
\$50,000.00	\$	1,346.99
\$100,000.00	\$	2,693.97

Note: Administrative (other than Series A1 Indenture Trustee Claims), Secured, Priority, and Convenience Class Claims are paid in full

*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

Percent Distribution on account of the L Bond Claims2.694%