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)

LITIGATION TRUSTEE'S MOTION FOR ENTRY OF AN ORDER APPROVING SETTLEMENT AGREEMENT WITH BENEFICIENT

This motion seeks an order that may adversely affect you. If you oppose the motion, you should immediately contact the moving party to resolve the dispute. If you and the moving party cannot agree, you must file a response and send a copy to the moving party. You must file and serve your response within 21 days of the date this was served on you. Your response must state why the motion should not be granted. If you do not file a timely response, the relief may be granted without further notice to you. If you oppose the motion and have not reached an agreement, you must attend the hearing. Unless the parties agree otherwise, the court may consider evidence at the hearing and may decide the motion at the hearing.

Represented parties should act through their attorney.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, were: 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.

Michael I. Goldberg, in his capacity as the Trustee of the GWG Litigation Trust, (the "Litigation Trustee") respectfully moves this Court for entry of an order pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure approving the Joint Prosecution & Allocation Settlement Agreement (the "Agreement") between the Litigation Trustee and Beneficient (collectively, the "Parties"), attached as Exhibit A. In support, the Litigation Trustee states as follows:

PRELIMINARY STATEMENT

1. Over the past several months, Beneficient has disclosed startling developments that directly corroborate and strengthen many of the Litigation Trustee's allegations in *Goldberg v. Heppner*, Adv. Pro. No. 24-03090 (the "D&O Adversary Proceeding"), as well as related adversary and arbitration proceedings. On June 21, 2025, Beneficient filed a Form 8-K announcing that its founder, Brad Heppner ("Heppner"), had resigned as Beneficient's director and chief executive officer after he refused to participate in a formal interview regarding "his knowledge of certain documents and information concerning Mr. Heppner's relationship to a related entity provided to the Company's auditors in 2019."[2]

2. On August 5, 2025, Beneficient filed a second Form 8-K disclosing three critical facts.[3] First, it confirmed that the "related party" identified in its June filing was HCLP Nominees LLC ("HCLP"), Beneficient's purported senior lender and a remaining defendant in the D&O Adversary Proceeding. Second, Beneficient announced that it had uncovered "credible evidence that ***Mr. Heppner participated in fabricating and delivering fake documents to the Company***

[2] Beneficient Form 8-K, filed on June 21, 2025, *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/0001775734/000164117225016507/form8-k.htm.

[3] Beneficient Form 8-K, filed on August 5, 2025, *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/0001775734/000164117225022297/form8-k.htm.

regarding his and others' relationships to HCLP, knowing that these documents would be provided to the Company's auditors." Third, Beneficient stated that it was "considering all options," including litigation against Heppner, HCLP, and any direct or indirect controllers of HCLP. These disclosures directly align with allegations already advanced by the Litigation Trustee, including that Heppner and others concealed his relationship with HCLP so that Heppner could funnel over $140 million of GWG funds to trusts and entities affiliated with Heppner.

3. Recognizing this overlap, Beneficient approached the Litigation Trustee and his counsel to explore coordinated efforts. The Agreement is the product of those discussions and provides substantial benefits to the Litigation Trust and its beneficiaries. Most importantly, it eliminates any "race to collect" against the Heppner Related Parties[4] by ensuring that *all* monetary recoveries—whether obtained by the Litigation Trustee or by Beneficient—flow exclusively to the Litigation Trust for distribution under the confirmed Plan.

4. The Agreement also creates a cooperative framework that facilitates coordinated prosecution of claims, streamlines access to information, allows the parties to share privileged information, and strengthens the Litigation Trust's ability to hold the non-settling defendants in the D&O Adversary Proceeding (the "Heppner Affiliated Entities") accountable, while expressly preserving the Litigation Trustee's independence. As a part of that cooperative framework, the Agreement would allow Reid Collins & Tsai LLP ("Reid Collins") to serve as counsel to both the Litigation Trustee and Beneficient solely for the limited purpose of pursuing claims against

[4] The Agreement defines "Heppner Related Parties" to mean "Heppner and/or various entities and trusts affiliated with, related to, or controlled by Heppner, including the Heppner Affiliated Entities." The Agreement, in turn, defines "Heppner Affiliated Entities" as the non-settling defendants in the D&O Adversary Proceeding, namely: 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.

Heppner and his affiliates. The Agreement includes detailed conflict disclosures, informed waivers, and safeguards—including the retention of conflicts counsel to screen privileged materials—that ensure Reid Collins's representation of Beneficient will not impair its zealous and independent advocacy for the Litigation Trust. Critically, the Agreement provides that if the D&O Settlement is not approved by the District Court, Reid Collins's representation of Beneficient will automatically terminate, and Beneficient has agreed not to seek Reid Collins's disqualification as counsel for the Litigation Trustee.

5. In short, the Agreement conserves resources, avoids duplicative litigation, and enhances the likelihood of recovery against Heppner and his network of affiliated entities and trusts. It is a fair, reasonable, and good-faith resolution that maximizes value for the Litigation Trust's beneficiaries. For these reasons, the Litigation Trustee respectfully requests that the Court approve the Agreement pursuant to Bankruptcy Rule 9019.

JURISDICTION AND VENUE

6. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Confirmation Order (Dkt. No. 1952). The Litigation Trustee confirms his consent to the entry of a final order by the Court in connection with this Motion. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The basis for the relief requested herein is section 105 of title 11 of the United States Code (the "Bankruptcy Code"), the Confirmation Order (defined below), and Federal Rule of Bankruptcy Procedure 9019.

BACKGROUND

7. On April 20, 2022 (the "Initial Petition Date"), GWG Holdings, Inc., GWG Life, LLC, and GWG Life USA, LLC (collectively, the "Initial Debtors"), and on October 31, 2022,

GWG DLP Funding IV, LLC, GWG DLP Funding Holdings VI, LLC, and GWG DLP Funding VI, LLC (collectively, the "DLP Entities," together with the Initial Debtors, the "Debtors"), commenced Chapter 11 Cases by filing voluntary petitions in the Bankruptcy Court for relief under chapter 11 of title 11 of the United States Code.

8. On June 20, 2023, the Court entered its *Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Further Modified Second Amended Joint Chapter 11 Plan* [Dkt. No. 1952] (the "Confirmation Order"), which confirmed 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* [Dkt. No. 1678] (the "Plan").

9. The Plan and Confirmation Order established the GWG Wind Down Trust ("Wind Down Trust") for the purpose of winding down Debtors' affairs, liquidating the Wind Down Trust assets, and making distributions. The Plan and Confirmation Order also established the GWG Litigation Trust (the "Litigation Trust") for the purpose of prosecuting or settling certain of Debtors' causes of action, appointed Michael I. Goldberg as the Litigation Trustee, and transferred all Retained Causes of Action, among other things, to the Litigation Trust.[5] The Plan and Litigation Trust agreement granted the Litigation Trustee the power to investigate and pursue the Retained Causes of Action. Litigation Trust Agreement §§ 3.2(a), 3.8. The Plan and Litigation Trust Agreement also empower the Litigation Trustee to compromise and settle the Retained Causes of Action, but require the Litigation Trustee to seek approval from the Court, after notice and an opportunity for a hearing, for settlements "with an economic value of $5 million or more." Plan Art. IV(Q); Litigation Trust Agreement § 3.2(a).

[5] The confirmed Plan defines "Retained Causes of Action" to mean "all Avoidance Actions, all Causes of Action set forth on a schedule in the Plan Supplement . . . and any other Causes of Action belonging to the Debtors or their Estates that are not released pursuant to this Plan or other Final Order." Plan Art. I(A)(163).

10. The Litigation Trust Agreement further provides, "the Bankruptcy Court shall have exclusive jurisdiction over the Litigation Trust and the Litigation Trustee, including, without limitation, the administration and activities of the Litigation Trust and the Litigation Trustee to the fullest extent permitted by law. . . ." Litigation Trust Agreement § 9.2.

A. The D&O Adversary Proceeding and D&O Settlement.

11. On April 19, 2024, the Litigation Trustee filed the D&O Adversary Proceeding, asserting claims against several former GWG directors and officers, Beneficient-related entities, and the Heppner Affiliated Entities (including HCLP). *See* Adv. Pro. No. 24-03090, ECF No. 3 (the "Complaint" or "Compl."). The Complaint alleges, among other things, that a significant portion of the approximately $300 million that GWG transferred to or for the benefit of The Beneficient Group, L.P. and its affiliates (collectively, "BEN") were used to pay fees, principal, and interest that BEN purportedly owed HCLP. *See* Compl. ¶¶2, 107-113. Indeed, HCLP repeatedly made threats of foreclosing on BEN (which would result in GWG suffering "a substantial loss on its debt and equity exposure in BEN") in order to induce GWG's special committees to advance funds to BEN to make payments to HCLP. Compl. ¶19.

12. GWG and its special committees, however, were repeatedly misled about HCLP's relationship with Heppner, GWG's chairman at the time. Compl. ¶822; *see also* Compl. ¶¶ 186, 189-96, 222-27, 263-300, 530, 538-39, 540-46. "Heppner and others acting in concert with him misleadingly portrayed HCLP as if it were a legitimate, hard bargaining third-party lender," Compl. ¶¶114, 274, over which "Heppner had no control" and in which Heppner had only "a contingent indirect interest," *see id.* ¶¶20, 269-71. But Heppner did control HCLP and took steps to conceal that fact by, for example, changing HCLP's manager multiple times and backdating organizational documents. Compl. ¶20; *see id.* ¶¶114-131, 190-95, 225-28, 275, 283-85.

Moreover, contrary to representations that "no debt repayment would be received by Mr. Heppner or his affiliates," Compl. ¶270, nearly every dollar paid to HCLP ultimately ended up in trusts and other entities affiliated with Heppner, such as Bradley Capital and the Brad Heppner Family Trust. Compl. ¶¶3, 107, 109-12, 778, 788-89, 791.

13. On March 6, 2025, the Litigation Trustee entered into a settlement agreement with certain of the defendants in the D&O Adversary Proceeding, including GWG's former directors and officers and the Beneficient-related parties (the "D&O Settlement Agreement"). *See* Case No. 22-90032, ECF No. 2533-1. The D&O Settlement Agreement, however, did not release any claims against the Heppner Affiliated Entities, including HCLP. *See id.* at ¶18 ("Trust Action Releases") and ¶1(aaa) & (bbb) (defining "Reserved Trust Action Claims" and "Reserved Trust Action Defendants").

14. The D&O Settlement Agreement is conditioned on approval by the Bankruptcy Court and the District Court overseeing a parallel class action pending in the Northern District of Texas. *Id.* at ¶¶3-4. The Bankruptcy Court approved the D&O Settlement on June 13, 2025. Case No. 22-90032, ECF No. 2700. The District Court preliminarily approved the D&O Settlement Agreement on September 25, 2025, and a final approval hearing is scheduled for January 13, 2026. *Bayati v. GWG Holdings, Inc.*, Case No. 3:22-cv-00410-B (N.D. Tex.), ECF No. 157.

B. Heppner's Resignation and Beneficient's Revelation of Heppner's Misconduct

15. Beneficient filed a Form 8-K on June 21, 2025 (the "June Form 8-K"), announcing that Heppner had resigned as a director and chief executive officer on June 19, 2025.[6] The June Form 8-K explained that Heppner resigned "following a request from the Company's counsel,

[6] Beneficient Form 8-K, filed on June 21, 2025, & Ex. 99.1 *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/0001775734/000164117225016507/form8-k.htm.

acting at the direction of the Audit Committee of the Board, for Mr. Heppner to sit for a formal interview regarding, among other things, his knowledge of certain documents and information concerning Mr. Heppner's relationship to a related entity provided to the Company's auditors in 2019, which request Mr. Heppner refused."

16. On August 5, 2025, Beneficient filed another Form 8-K (the "August Form 8-K") announcing that HCLP had provided written notice to Beneficient stating that "events of default occurred" under the credit agreement between Beneficient Company Holdings, L.P. and HCLP.[7] The August Form 8-K also provided additional detail concerning the subject of the Audit Committee's interview request that precipitated Heppner's resignation. The August Form 8-K explained that "[t]he interview request was made after the Company identified credible evidence that Mr. Heppner participated in fabricating and delivering fake documents to the Company regarding his and others' relationships to HCLP, knowing that these documents would be provided to the Company's auditors." The August Form 8-K further stated that Beneficient "is investigating additional information it has learned about other conduct by Mr. Heppner and other persons that purportedly controlled HCLP to determine the extent to which any of that conduct surrounding HCLP was fraudulent" and "is considering all options that it may pursue related to this conduct, including litigation against Mr. Heppner, HCLP and any direct or indirect control parties of HCLP."

C. Joint Prosecution & Allocation Settlement Agreement.

17. Beneficient contacted the Litigation Trustee and his counsel to propose coordinating the pursuit of their respective claims. Specifically, Beneficient indicated that its investigation had uncovered additional facts and evidence relevant to the Litigation Trustee's

[7] Beneficient Form 8-K, filed on August 5, 2025, *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/0001775734/000164117225022297/form8-k.htm.

remaining claims in the D&O Adversary Proceeding, which it would share with the Litigation Trustee under a cooperative agreement. Beneficient also requested that the Litigation Trustee allow his counsel, Reid Collins, to represent it in pursuing its claims against Heppner, HCLP, and other related parties, which it believed would be jointly beneficial to Beneficient and the Litigation Trustee.

18. Following several discussions with Beneficient and carefully considering the issues with his counsel, the Litigation Trustee and Beneficient negotiated the terms of the Agreement. The Agreement contains the following key terms, summarized below in pertinent part:[8]

> Bankruptcy Court Approval: The Agreement is subject to approval of the Bankruptcy Court; if the Bankruptcy Court does not approve this Agreement, its terms will be null and void except as to provisions concerning (i) Beneficient's waiver of any conflicts and its agreement not to seek disqualification of Reid Collins (or any successor to Reid Collins) as counsel for the Litigation Trustee in any matter, and (ii) the restrictions on the use of any Shared or Privileged Information exchanged before the Bankruptcy Court refuses to approve the Agreement
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> Allocation of Recoveries: The Litigation Trustee and Beneficient agree that any and all monetary recoveries arising from claims against (or from the assets of) any Heppner Related Parties, whether or not currently named in the D&O Adversary Proceeding, shall solely be for the benefit of the Litigation Trust. Beneficient agrees that in any litigation it may pursue against the Heppner Related Parties (a) it may seek both non-monetary and monetary remedies, but (b) in the event Beneficient obtains a monetary recovery against the Heppner Related Parties, whether through a judgment, settlement or otherwise, those proceeds will be paid to the Litigation Trust for distribution by the Litigation Trustee in accordance with the terms of the Confirmation Order and Plan
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> Information Sharing/Privilege: Subject to the terms of the Agreement, Beneficient and the Litigation Trustee will share information with each other concerning Matters of Common Interest, which includes Beneficient's investigation referenced in its August Form 8-K. Subject to certain safeguards discussed below, the Parties may also share privileged information concerning Matters of Common Interest, and the Agreement provides that the sharing of privileged information between Beneficient and the Litigation Trustee will not waive any privilege with respect to such information. Any information exchanged under the Agreement is limited in its use to the Matters of Common Interest.

[8] This summary is provided solely for ease of reference and is qualified in its entirety by reference to the Agreement, the actual terms of which are controlling. *See* Ex. A.

Conflicts Counsel: Prior to providing any information to the Litigation Trustee or his counsel, Beneficient's independent counsel will review that information to ensure that any information shared with the Litigation Trustee or his counsel is not protected by a joint attorney-client privilege, common interest privilege or any other applicable privilege that Beneficient shares with the Heppner Related Parties, any other defendant in the D&O Adversary Proceeding, or under any other counterparty to a written joint defense, common interest, or similar agreement to which Beneficent is also a party.

Counsel/Conflicts of Interest: The Litigation Trustee agrees to waive conflicts to allow Reid Collins to represent Beneficient solely for the purpose of pursuing claims against Heppner and Heppner Related Parties on an hourly or flat-fee basis. However, if the D&O Settlement is not approved by the District Court overseeing the Class Action, then Reid Collins's representation of Beneficient will immediately terminate without any further action by any Party or Reid Collins. Beneficient also waives any and all conflicts that may arise from Reid Collins's representation of it and the Litigation Trustee, and Beneficient agrees that it shall not seek to disqualify Reid Collins as counsel (or any successor counsel to or co-counsel with Reid Collins) for the Litigation Trustee from the D&O Adversary Proceeding or any other matter involving the Litigation Trust, including in the event the D&O Settlement is not approved by the District Court. The Agreement includes detailed conflict waivers by Beneficient.

Litigation Trustee's Independence: The Agreement also expressly provides that nothing in the Agreement shall impact the ability of the Litigation Trustee, on behalf of the Litigation Trust, to exercise his own business judgment in making any decisions with respect to the Litigation Trust or the pursuit of the Retained Causes of Action, as that term is defined in the Plan

RELIEF REQUESTED

19. Through this Motion, pursuant to 11 U.S.C. § 105(a), Federal Rule of Bankruptcy Procedure 9019, and the confirmed Plan, the Litigation Trustee respectfully requests entry of an order approving the Proposed Settlement.

BASIS FOR RELIEF REQUESTED

20. Pursuant to section 105(a) of the Bankruptcy Code, a bankruptcy court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). In addition, the Confirmation Order provides, "[s]ubject to Article XI of the Plan, pursuant to sections 105(a) and 1142 of the Bankruptcy Code, this Court retains exclusive jurisdiction with respect to all matters arising from or related to these Chapter 11 Cases,

the Plan, and the implementation of this Confirmation Order, including, without limitation, those matters set forth in Article XI of the Plan." Confirmation Order ¶ 35.

21. The confirmed Plan provides that:

> The Litigation Trust shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgement any [Retained Cause of Action] and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court; *provided*, that the entry into any settlement of any Claim, Cause of Action, or other dispute with an economic value of $5 million or more (in the Litigation Trustee's good faith determination) as of the date of the consummation, settlement, or resolution of such transaction or dispute shall require the approval of the Bankruptcy Court after notice and an opportunity for a hearing.
>
> Plan Art. IV(Q).

22. Because the Agreement resolves a potential allocation dispute that could represent more than $5 million of economic value to the estate and its creditors—and is with Beneficient, whose affiliates are still currently defendants in the D&O Adversary Proceeding while the parties await the District Court's decision on the D&O Settlement—the Litigation Trustee believed that seeking Bankruptcy Court approval was consistent with the Plan and appropriate.

23. Under Bankruptcy Rule 9019(a), a bankruptcy court may, after appropriate notice and a hearing, approve a compromise or settlement so long as the proposed settlement is fair, reasonable, and in the best interest of the estate. *See Official Comm. of Unsecured Creditors v. Moeller (In re Age Ref., Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015). Settlements are considered a "normal part of the process of reorganization" and a "desirable and wise method[] of bringing to a close proceedings otherwise lengthy, complicated and costly." *Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599, 602 (5th Cir. 1980). Indeed, "[t]o minimize litigation and expedite the administration of a bankruptcy estate, compromises are favored in bankruptcy." *Myers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996). Approval of a compromise is within the

sound discretion of the bankruptcy court. *See, e.g.*, *United States v. AWECO, Inc. (In re AWECO, Inc.)*, 725 F.2d 293, 297 (5th Cir. 1984); *Jackson Brewing*, 624 F.2d at 602–03.

24. When evaluating a settlement, the role of the bankruptcy court is not to decide the issues in dispute. *Watts v. Williams*, 154 B.R. 56, 59 (S.D. Tex. 1993). Rather, the bankruptcy court determines whether the settlement as a whole falls within the range of reasonableness and is fair and equitable. *Id.* (*citing Protective Comm. for Indep. S'holders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968)); *see also Ogle v. Morgan (In re Evergreen Helicopters Int'l Inc.*), 50 F.4th 547, 556 (5th Cir. 2022).

25. Courts consider the following factors when evaluating whether the compromise is fair and equitable: (a) the probabilities of success in the litigation, with due consideration for uncertainty in fact and law; (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay; and (c) all other factors bearing on the wisdom of the compromise. *DeepRock Venture Partners, L.P. v. Beach (In re Beach*), 731 F. App'x 322, 325 (5th Cir. 2018) (internal citations omitted); *see also Age Ref.*, 801 F.3d at 540 (same); *Jackson Brewing*, 624 F.2d at 602 (same).

26. Under the rubric of the third, catch-all provision, the Fifth Circuit has identified two additional factors that bear on the decision to approve a proposed settlement: (i) whether the compromise serves "the best interests of the creditors, with proper deference to their reasonable views"; and (ii) "the extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion." *Id.* Each of these factors weigh in favor of approving the Proposed Settlement.

A. The Agreement Improves the Litigation Trust's Probabilities of Success in Its Remaining Cases.

27. The Agreement does not compromise any of the Litigation Trust's substantive claims against the Heppner Affiliated Entities or any other defendants in the D&O Adversary Proceeding. Rather, it affirmatively strengthens the Litigation Trust's position and enhances the probability of success in two critical respects.

28. First, the Agreement provides the Litigation Trustee with access to Beneficient's investigative materials, information, and cooperative witnesses—resources that would otherwise take months (if not years) and substantial expense to obtain through discovery. Moreover, the Agreement allows Beneficient to share privileged information concerning its investigation with the Litigation Trustee, which the Litigation Trustee otherwise would not have access to through ordinary discovery. Beneficient's cooperation also will aid the Litigation Trustee in unraveling the complex structure of trusts and entities Heppner has employed to conceal his conduct and assets. While litigation outcomes are never certain, access to this information materially improves the Trust's ability to prosecute claims against the Heppner Affiliated Entities and other defendants.

29. Second, the Agreement eliminates competition for the Heppner Affiliated Entities' assets. Beneficient has affirmatively agreed that any monetary recovery it obtains—whether through judgment, settlement, or otherwise—will inure solely to the Litigation Trust. This ensures that the Litigation Trust will not face a competing claimant in pursuing recoveries against the Heppner Affiliated Entities. Put simply, the Agreement not only enhances the Trust's likelihood of prevailing on the merits but also increases the likelihood of collecting on any judgment obtained.

B. The Agreement Cuts Through Delays, Inefficiencies and Duplicative Efforts.

30. The cooperative framework embodied in the Agreement also eliminates substantial delays and inefficiencies. Absent the Agreement, the Litigation Trustee would be forced to await

discovery deadlines in the D&O Adversary Proceeding and then expend estate resources duplicating Beneficient's already-completed investigation. The Agreement accelerates the Trust's prosecution of claims by allowing near-immediate access to relevant information.

31. Moreover, cooperation with Beneficient is likely to reduce litigation expenses by streamlining the work of experts and avoiding duplicative efforts. These efficiencies conserve estate resources and increase the net recoveries ultimately available to creditors. In this way, the Agreement satisfies the second factor courts consider under Rule 9019: reducing complexity, delay, and expense.

C. The Agreement Is in the Best Interests of the Litigation Trust and Is the Product of a Good Faith, Arm's Length Negotiation.

32. The "other factors bearing on the wisdom of the compromise"—including "the best interests of the creditors" and whether the "settlement is truly the product of arms-length bargaining"—also weigh in favor of approval. *Beach*, 731 F. App'x at 325.

33. In the Litigation Trustee's prudent business judgment, the Agreement is in the best interests of creditors. It enhances the Litigation Trust's chances of success on the merits, maximizes the likelihood of recovery on any judgment, and ensures that the Litigation Trust's beneficiaries—not competing claimants—will benefit from any recoveries on claims against the Heppner Affiliated Entities. In fact, Beneficient has agreed that all monetary recoveries from the "Heppner Related Parties," regardless of which party secures them, will flow exclusively to the Litigation Trust for distribution under the Plan. In short, even if the Agreement itself does not yield an immediate monetary recovery, the Agreement protects creditor recoveries from dilution and ensures that every dollar recovered from the Heppner Affiliated Entities benefits the Litigation Trust.

34. The Agreement also squarely addresses potential concerns regarding Reid Collins's dual representation of the Litigation Trustee and Beneficient. Beneficient has provided informed written consent after consultation with independent counsel, and the Agreement includes detailed conflict disclosures, waivers, and safeguards—such as the use of conflicts counsel to screen any shared privileged materials. Importantly, the Agreement expressly affirms the Litigation Trustee's independence and provides that, in the unlikely event the District Court does not approve the D&O Settlement, Reid Collins's representation of Beneficient will automatically terminate. These safeguards ensure that the Litigation Trustee's representation is never compromised.

35. Finally, the Agreement is the product of good-faith, arm's-length negotiations between sophisticated parties represented by experienced counsel. Each party bargained independently and in its own interest, and the resulting Agreement reflects a fair compromise that advances the collective interests of the estate's beneficiaries.

36. In sum, the Agreement reflects precisely the type of good-faith compromise Rule 9019 was designed to encourage. It conserves resources, streamlines prosecution, eliminates duplication, and maximizes the likelihood of recovery, while fully protecting the Litigation Trustee's independence and the creditors' interests. For all these reasons, the Litigation Trustee respectfully submits that the Agreement is fair, equitable, and in the best interests of creditors, and requests that the Court approve the Agreement pursuant to Bankruptcy Rule 9019.

NOTICE

Prior to filing of this Motion, the Litigation Trustee coordinated with the Wind Down Trustee and her advisors and Stretto regarding service. The Litigation Trustee and Wind Down Trustee wish to ensure the broadest possible notice. A Service List was created that includes all parties on the master mailing matrix, including all WDT Interest holders. Further, the service list now includes individual indirect WDT Interest holders identified by the Wind Down Trustee.

Service will occur by First Class US Mail on all parties and also by e-mail whenever possible. Stretto will file an affidavit of service with the Service List attached as soon as possible after service is completed. Further, this Motion will be posted on the GWG Trust website.

PRAYER

WHEREFORE, the Litigation Trustee respectfully requests that the Court enter the Order, substantially in the form filed with this Motion, (i) granting this Motion; (ii) approving the Agreement by granting the Proposed Order attached hereto as **Exhibit B**; and (iii) granting all other relief that is appropriate under the circumstances.

Dated: October 3, 2025

REID COLLINS & TSAI LLP

By: */s/ Nathaniel Palmer*

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Counsel for the GWG Litigation Trustee

CERTIFICATE OF SERVICE

I, Nathaniel Palmer, certify that on October 3, 2025, I caused a true and correct copy of this Motion for Entry of an Order Approving Settlement Agreement to be served by the Court's CM/ECF system on all parties entitled to notice.

/s/ Nathaniel Palmer
Nathaniel Palmer

EXHIBIT A

EXECUTION COPY

JOINT PROSECUTION & ALLOCATION SETTLEMENT AGREEMENT

This Joint Prosecution & Allocation Settlement Agreement ("Agreement") is made and entered into September 24, 2025, by and between Michael I. Goldberg (the "Litigation Trustee") on behalf of the GWG Litigation Trust ("Litigation Trust") and Beneficient, a Nevada corporation, as well as their undersigned counsel (each a "Party" and collectively, the "Parties").

WHEREAS, on April 20, 2022 (the "Initial Petition Date"), GWG Holdings, Inc., GWG Life, LLC and GWG Life USA, LLC (collectively, the "Initial Debtors"), and on October 31, 2022, GWG DLP Funding IV, LLC, GWG DLP Funding Holdings VI, LLC, and GWG DLP Funding VI, LLC (collectively, the "DLP Entities", together with the Initial Debtors, the "Debtors"), commenced chapter 11 cases by filing voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Texas ("Bankruptcy Court");

WHEREAS, on June 20, 2023, the Bankruptcy Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Further Modified Second Amended Joint Chapter 11 Plan (Case No. 22-90032, Docket No. 1952) (the "Confirmation Order"), which confirmed 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 "Plan"), and on August 1, 2023, the effective date of the Plan occurred;

WHEREAS, the Plan and Confirmation Order established the GWG Wind Down Trust ("Wind Down Trust"), appointing Elizabeth Freeman as trustee ("Wind Down Trustee"), for the purpose of winding down the business affairs of the Debtors, liquidating the Wind Down Trust assets, and making distributions to the Wind Down Trust interest holders in accordance with the Plan;

WHEREAS, the Plan and Confirmation Order established the GWG Litigation Trust ("Litigation Trust" or "Trust"), appointing Michael I. Goldberg as trustee, for the purpose of prosecuting or settling the Retained Causes of Action, as that term is defined in the Plan, the proceeds of which are to be distributed to the Wind Down Trust, as sole beneficiary of the Litigation Trust, for ultimate distribution by or at the direction of the Wind Down Trustee in accordance with Article VI.C of the Plan;

WHEREAS, on April 19, 2024, Michael I. Goldberg, as Trustee of the Litigation Trust, filed an adversary proceeding styled *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-03090 (MI) in the Bankruptcy Court (the "D&O Adversary Proceeding"), which named as defendants Bradley K. Heppner ("Heppner"), individually and in his capacity as Trustee of The Bradley K. Heppner Family Trust, The Heppner Family Home Trust, and The Highland Business Holdings Trust, Beneficient Capital Company, L.L.C.; Beneficient Capital Company II, L.L.C.; Beneficient Company Holdings, L.P.; Beneficient Holdings, Inc.; Beneficient Management, L.L.C.; Bradley Capital Company, L.L.C.; Peter T. Cangany, Jr.; David F. Chavenson; CT Risk Management, L.L.C.; Timothy L. Evans; HCLP Credit Company, L.L.C.; HCLP Nominees, L.L.C.; Thomas O. Hicks; Highland Consolidated, L.P.; Murray T. Holland; Research Ranch Operating Company, L.L.C.; Bruce W. Schnitzer; The Beneficient Company Group, L.P.; The Beneficient Company Group (USA), L.L.C.; LiquidTrust Management, L.L.C.; Funding Trust Management, L.L.C.; and

John Stahl, in his capacity as Trustee of 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, 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, and The LT-9 Liquid Trust (collectively, "Trust Action Defendants");

WHEREAS, on August 29, 2024, certain of the Trust Action Defendants filed motions to withdraw the reference and to transfer venue to the District of Delaware, which are currently pending before the Bankruptcy Court;

WHEREAS, the Trust Action Defendants filed motions to dismiss the complaint filed in the Trust Action on August 29, 2024, and on November 4, 2024; the Trustee filed his response brief on November 25, 2024; and certain Trust Action Defendants filed their reply brief on December 13, 2024;

WHEREAS, the Litigation Trustee and certain of the Trust Action Defendants, including Beneficient Capital Company, L.L.C., Beneficient Capital Company II, L.L.C., Beneficient Company Holdings, L.P., Beneficient Management, L.L.C, The Beneficient Company Group, L.P., and The Beneficient Company Group (USA), L.L.C. (collectively, the "Beneficient Parties"), entered into a settlement agreement dated March 6, 2025 (the "D&O Settlement"), which resolves the Litigation Trustee's claims against the Beneficient Parties and the claims asserted in the class action styled *In re GWG Holdings, Inc. Securities Litigation*, Case No. 3:22-cv-00410-B (the "Class Action");

WHEREAS, the Litigation Trustee reserved and did not release any and all claims against any person that is not a "Released Trust Action Defendants Releasee," as that term is defined in the Settlement Agreement, including, but not limited to, claims against 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. (collectively, the "Heppner Affiliated Entities");

WHEREAS, the D&O Settlement is subject to approval by the Bankruptcy Court and the District Court in which the Class Action is pending;

WHEREAS, the Bankruptcy Court approved the Settlement Agreement on June 13, 2025, and the District Court has scheduled a hearing to preliminarily approve the Settlement Agreement on September 24, 2025;

WHEREAS, Beneficient announced in a Form 8-K filed on June 25, 2025, that Heppner had resigned as a director and Chief Executive Officer of Beneficient following a request from Beneficient's counsel, acting at the direction of Beneficient's Audit Committee, that Heppner sit for a formal interview regarding, among other things, his knowledge of certain documents and

information concerning Heppner's relationship to a related entity provided to Beneficient's auditors in 2019, which request Heppner refused;

WHERAS, Beneficient filed a Form 8-K on August 5, 2025 (the "Form 8-K"), announcing that it made its request that Heppner sit for a formal interview "after the Company identified credible evidence that Mr. Heppner participated in fabricating and delivering fake documents to the Company regarding his and others' relationships to HCLP, knowing that these documents would be provided to the Company's auditors." The Form 8-K further stated that the "Company is investigating additional information it has learned about other conduct by Mr. Heppner and other persons that purportedly controlled HCLP to determine the extent to which any of that conduct surrounding HCLP was fraudulent."

WHEREAS, Beneficient is investigating certain claims and causes of action that it may have against Heppner and entities or trusts affiliated with Heppner, including HCLP and other Heppner Affiliated Entities, which overlap with, concern, or otherwise relate to allegations made in the D&O Adversary Proceeding;

WHEREAS, the Parties, in order to maximize their effectiveness, wish to work cooperatively to investigate and prosecute their respective claims, consistent with their respective fiduciary obligations, against Heppner and/or various entities and trusts affiliated with, related to, or controlled by Heppner, including the Heppner Affiliated Entities (collectively, the "Heppner Related Parties"), related to Heppner's actions as an officer and director of Beneficient and a director of GWG Holdings, Inc. ("GWG"), the transfer of funds by Beneficient and/or GWG to Heppner Related Parties, disclosures made concerning the Heppner Related Parties to Beneficient and/or GWG, including disclosures made to their respective auditors, attorneys, and other professionals, as well as all related defenses that have been, shall be, or could be asserted by opposing parties, their attorneys, witnesses, consultants or experts in the D&O Adversary Proceeding or any other proceeding or action ("Matters of Common Interest").

WHEREAS, the Parties recognize that it is in their individual and common interest to share information and documents, share mental impressions and strategies, and otherwise to communicate with one another on the Matters of Common Interest and related investigations and litigation ("Shared Information"), without waiving any applicable privileges, protections, immunities or claims to confidentiality, including but not limited to the attorney-client privilege, the work-product doctrine, the common interest privilege, the law enforcement privilege, the deliberative process privilege, and exemptions from disclosure under any public access or records laws, that may be asserted at law or in equity to protect against disclosure of such Shared Information to anyone other than another Party ("Privilege(s)").

NOW THEREFORE, for the consideration set forth herein, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is to promote effective and efficient use of resources by cooperating in the prosecution of Matters of Common Interest and facilitating communication of Shared Information between the Parties without waiving any Privilege.

2. Allocation of Recoveries. The Litigation Trustee and Beneficient agree that any and all monetary recoveries arising from claims against (or from the assets of) any Heppner Related Parties, whether or not currently named in the D&O Adversary Proceeding, shall solely be for the benefit of the Litigation Trust. Beneficient agrees that in any litigation it may pursue against the Heppner Related Parties (a) it may seek both non-monetary and monetary remedies, but (b) in the event Beneficient obtains a monetary recovery against the Heppner Related Parties, whether through a judgment, settlement or otherwise, those proceeds will be paid to the Litigation Trust for distribution by the Litigation Trustee in accordance with the terms of the Confirmation Order and Plan.

3. Information Sharing. Subject to paragraphs 4, 5 and 6, Beneficient will provide information within Beneficient's custody, possession, or control that is relevant to the Matters of Common Interest, including its investigation referenced in the Form 8-K, to the Litigation Trustee and his counsel. Any Shared Information may be used solely in furtherance of the Matters of Common Interest and may not be used for any other purpose. Subject to paragraphs 5 and 6 and any protective orders entered in the GWG Bankruptcy Case or other proceedings brought by the Litigation Trustee, the Litigation Trustee will work with Beneficient to provide information within the Litigation Trust's custody, possession, or control that is relevant to the Matters of Common Interest.

4. Privileged Information; Use of Privileged Information. Beneficient and the Litigation Trustee may exchange Shared Information related to the Matters of Common Interest that is protected by one or more Privileges ("Privileged Information"). Any Privileged Information shared by a Party may be used solely in furtherance of the Matters of Common Interest and may not be used for any other purpose. The Parties shall take appropriate steps to preserve the confidentiality of Privileged Information and shall not disclose Privileged Information to any person not a Party to this Agreement without the prior written consent of the Party sharing such Privileged Information. The foregoing notwithstanding, nothing in this Agreement shall limit the right of any Party to: (a) use its own documents or information, or any information that has been obtained independently by such Party, wholly separate and apart from the exchange of Shared Information pursuant to this Agreement, for any purpose; or (b) in any action or proceeding, seek the production of non-privileged documents and information from the other Party for use in such action or proceeding (through discovery requests, a subpoena, or otherwise).

5. No Waiver of Privilege. Any communication of Privileged Information, whether in written, oral, electronic, or any other form, from one Party to another, including the underlying Shared Information itself, is not intended to waive, and shall not be deemed a waiver of, any claim of Privilege by any Party with respect to such Privileged Information. All Privileged Information shared under this Agreement shall be protected by the common interest doctrine and all other applicable Privileges to the fullest extent permitted by applicable law. Disclosure of Privileged Information by a Party or its counsel to either Party's experts or consultants is not a waiver of any applicable Privilege, including the attorney-client privilege, the work product privilege, the common interest privilege, or any other privilege or immunity. Each Party shall instruct its experts or consultants not to disclose information to any third party without prior consent of the Party and such disclosure may only be made in a manner consistent with the terms and conditions of this

Agreement. All experts or consultants shall execute an Acknowledgement of the terms of this Agreement before receiving any Privileged Information.

6. Jointly Privileged Information; Conflicts Counsel. Beneficient will not provide to the Litigation Trustee or Reid Collins any materials or information it reasonably believes is protected by a joint attorney-client privilege, common interest privilege, or any other applicable Privilege shared by (a) Beneficient, (b) Heppner and/or the Heppner Related Parties, (c) any other defendant in the D&O Adversary Proceeding, and/or (d) any other counterparty to a written joint defense, common interest, or similar agreement to which Beneficent is also a party (the "Shared Privilege Parties"). Beneficient will retain Conflicts Counsel to ensure that no information protected by a joint privilege, common defense agreement, or other shared privilege between Beneficient and Heppner, the Heppner Affiliated Entities, or any other party to the D&O Adversary Proceeding is shared with the Litigation Trustee or Reid Collins. Prior to providing any privileged information or work product to the Litigation Trustee and/or Reid Collins & Tsai LLP ("Reid Collins") under paragraph 4, Conflicts Counsel will review any and all such information to confirm that no information protected by a joint privilege, common defense agreement or any other shared privilege between the Shared Privilege Parties is shared with the Litigation Trustee or Reid Collins. Beneficient understands and acknowledges that the forgoing is a limitation that may impact Reid Collins's ability to fully represent Beneficient in litigation against Heppner and/or any Heppner Related Parties, as contemplated in paragraph 7.

7. Counsel/Conflict of Interest Waiver. Beneficient and the Litigation Trustee anticipate that the D&O Settlement, which has already been approved by the Bankruptcy Court, will be approved by the District Court and result in the dismissal of Beneficient from the D&O Adversary Proceeding. The Litigation Trustee agrees to waive conflicts to allow Reid Collins to represent Beneficient solely for the purpose of pursuing claims against Heppner and Heppner Related Parties on an hourly or flat-fee basis; provided however, that if the D&O Settlement is not approved by the District Court overseeing the Class Action, then Reid Collins's representation of Beneficient will immediately terminate without any further action by any Party or Reid Collins. In the event that Reid Collins' representation of Beneficient is terminated pursuant to the foregoing sentence, then (a) the Litigation Trustee and Reid Collins will return any and all Shared or Privileged Information shared by Beneficient under this Agreement and destroy any and all copies of such Shared or Privileged Information; and (b) Beneficient will return any and all Shared or Privileged Information shared by the Litigation Trustee under this Agreement and destroy any and all copies of such Shared or Privileged Information.

Beneficient waives any and all conflicts that may arise from Reid Collins's representation of it and the Litigation Trustee, and Beneficient agrees that it shall not seek to disqualify Reid Collins as counsel (or any successor counsel to or co-counsel with Reid Collins) for the Litigation Trustee from the D&O Adversary Proceeding or any other matter involving the Litigation Trust, including in the event the D&O Settlement is not approved by the District Court. Further, the Litigation Trust, through Reid Collins, reserves its ability to conduct discovery, including depositions, of Beneficient and its agents in other litigation or proceedings pursued by the Litigation Trustee, notwithstanding the fact that if this Agreement is approved by the Bankruptcy Court, Reid Collins will represent Beneficient in pursuing claims against Heppner and the Heppner Related Parties. Beneficient represents and warrants that it and its separate, independent counsel

have reviewed this agreement, understand the potential conflicts created by having Reid Collins serve as its counsel and as counsel for the Litigation Trustee in matters in which the Litigation Trustee and Reid Collins are currently and may continue to be directly adverse to Beneficient if the D&O Settlement is not approved by the District Court.

This conflicts disclosure concerns the nature, extent, implications and disadvantages of the conflict of interest that will result if the D&O Settlement is not approved. If that approval does not occur, then Reid Collins, on behalf of the Litigation Trustee, will again be adverse to Beneficient as though there was never a joint representation, except as set out herein. Further, after having represented Beneficient in what would be a considered a "substantially-related" matter, Reid Collins might otherwise be subject to disqualification under Texas or federal law. Additionally, Reid Collins, as a result of the prior joint representation of the Litigation Trustee and Beneficient created by this agreement, would have acquired Beneficient's client confidential information, which might be relevant to and jeopardized by Reid Collins' subsequent representation of the Litigation Trustee adverse to Beneficient (alternatively, a lawyer or law firm is legally presumed to have acquired a client's confidential information as a result of a representation to the extent of the lawyer's or law firm's scope of representation, even if the information acquired is not materially harmful to the client). These implications and disadvantages of waiving the conflict of interest are significant and Beneficient should grant this broad waiver ***only*** if it fully comprehends how its interests might be compromised as a result.

After full opportunity to consult with its own counsel and after careful consideration of the nature, extent, implications and disadvantages of waiving this conflict of interest, Beneficient understands and acknowledges that, under this Agreement, the Litigation Trustee and Reid Collins may receive Beneficient's Privileged Information concerning Matters of Common Interest that may prove detrimental to Beneficient if the D&O Adversary Proceeding continues against Beneficient. While the Litigation Trustee and Beneficient fully anticipate that the District Court will approve the D&O Settlement, Beneficient has not relied on any representations made or opinions expressed by Reid Collins and/or the Litigation Trustee with respect to the likelihood of that approval in determining whether to waive this conflict. In all things, Beneficient has made its own determinations without reliance on Reid Collins and the Litigation Trustee.

8. Waiver. The Privileges protected under this Agreement may not be waived by any Party with respect to Shared Information produced by another Party without the prior written consent of the Party producing such Shared Information (the "Party-Source"). The Parties shall honor any other Party's claim that any Shared Information is subject to any asserted Privilege until such claim is (a) withdrawn by the Party making the claim or (b) determined by a court to be invalid. Entering into this Agreement or providing Shared Information to the other Parties hereunder shall not be deemed to be a waiver by any Party of any such Privilege and shall not be argued or construed as such by any Party, including but not limited to any future litigation, action, or proceeding between or involving any of the Parties, and each Party shall be free to claim in any such litigation, action, or proceeding that the Shared Information is subject to any applicable Privilege.

9. Independence of Litigation Trustee. Nothing in this Agreement shall impact the independence of the Litigation Trust or the Litigation Trustee. Nothing in this Agreement shall impact the ability of the Litigation Trustee, on behalf of the Litigation Trust, to exercise his own

business judgment in making any decisions with respect to the Litigation Trust or the pursuit of the Retained Causes of Action, as that term is defined in the Plan.

10. Conflicts of Interest. No Party to this Agreement will assert a conflict of interest or other bases for disqualification against the other (or their counsel) in any litigation matter, including the D&O Adversary Proceeding, as a result of any information exchanged pursuant to this Agreement. While the Parties believe that they are well-served by the sharing of information under this Agreement, the Parties also understand that participation in this Agreement represents neither an endorsement of, nor an authorization to control, the strategy or decisions of any Party.

11. Bankruptcy Court Approval. This Agreement is subject to approval of the Bankruptcy Court; if the Bankruptcy Court does not approve this Agreement, its terms will be null and void except as to provisions concerning (i) Beneficient's waiver of any conflicts and its agreement not to seek disqualification of Reid Collins (or any successor to Reid Collins) as counsel for the Litigation Trustee in any matter, and (ii) the restrictions on the use of any Shared or Privileged Information exchanged before the Bankruptcy Court refuses to approve the Agreement.

12. Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes. Each signatory to this Agreement represents that he or she is fully authorized to enter into and execute this Agreement on behalf of the Party indicated at his or her signature. All parties to the Agreement shall indicate their agreement to be bound by its terms by signing below.

13. Entire Agreement. This Agreement constitutes the entire agreement between the Parties on the subject matter of this Agreement, and memorializes and supersedes all prior or contemporaneous agreements, understandings, representations, and negotiations, whether oral or written. No waiver, consent, modification, or change of terms of this Agreement shall bind either party unless in writing and signed by the Parties. This Agreement shall apply to any and all Confidential Communications shared between the Parties prior to the formal execution of this written Agreement.

14. Governing Law. This Agreement shall be governed by and construed in accordance the laws of the State of Nevada, without regard to the principles of conflicts of laws.

APPROVED AND AGREED TO BY:

Beneficient
David B. Rost, General Counsel
325 N. Saint Paul Street, Suite 4850
Dallas, Texas 75201

Michael Goldberg (Sep 29, 2025 11:53:19 EDT)

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GWG Litigation Trustee

EXECUTION COPY

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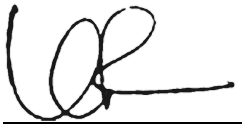
Beneficient Counsel



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Litigation Trust Counsel

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)

[Proposed] ORDER APPROVING JOINT PROSECUTION & ALLOCATION SETTLEMENT AGREEMENT WITH BENEFICIENT.

Upon consideration of the Motion for Entry of an Order Approving a Settlement and Compromise Pursuant to Bankruptcy Rule 9019 (the "Motion"),[2] seeking approval of the Joint Prosecution & Allocation Settlement Agreement ("Agreement") dated as of September 24, 2025 between the Litigation Trust and Beneficient ("BEN"), and attached hereto as Exhibit A; and upon consideration of the evidence admitted and all objections, if any, to the Motion having been withdrawn, resolved, or overruled on the merits; and this Court having considered the legal and factual bases for the relief requested in the Motion; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules"), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, were: 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.

[2] Unless otherwise defined herein, all capitalized terms have the same meaning as used in the Motion.

such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

C. Venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

D. Proper, sufficient, and adequate notice of the Motion and the hearing on the Motion have been given in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Plan, and no other or further notice is necessary.

E. The Litigation Trustee has consulted with The Wind Down Trustee regarding the Agreement pursuant to Article IV.E.2 of the Plan.

F. The Agreement and the transactions and compromises provided therein are reasonable and appropriate under the circumstances, and the Litigation Trust has demonstrated both (i) good, sufficient, and sound business purposes and justification for the Agreement and the transactions and compromises provided therein, and (ii) compelling circumstances for approval of the Agreement pursuant to Bankruptcy Rule 9019.

G. Based upon the evidence and arguments, this Court has weighed the impact of the Agreement on the probability of success in litigation pursued by the Litigation Trust, the litigation efficiencies created by the Agreement, and the minimization of expense and delay necessarily attending to it. This Court has also taken into account the paramount interest of creditors and, based on all of the foregoing, has determined that the relief requested in the Motion is fair and equitable, in the best interests of the Litigation Trust, and should be approved in all respects.

H. The terms of the Agreement and the transactions, compromises, and agreements provided therein were negotiated and agreed to by the Litigation Trust and Beneficient, each of

whom was represented by competent counsel, in good faith, without collusion, and as a result of arm's-length bargaining.

I. The Agreement was entered into by the Litigation Trust and Beneficient, each of whom was represented by competent counsel, in good faith, without collusion, and as a result of arm's-length bargaining.

Therefore, **IT IS HEREBY ORDERED, DETERMINED, ADJUDGED, AND DECREED THAT:**

1. The Agreement is approved.

2. The Litigation Trust, Beneficient, and its respective counsel are authorized to take such steps and actions as may be necessary or appropriate to implement the terms of the Agreement and this Order.

3. The terms and conditions of this Order shall be effective and enforceable upon its entry.

4. This Court retains jurisdiction with respect to all matters arising from or related to the Agreement or this Order.

Dated: _____, 2025
Houston, Texas

_____
UNITED STATES BANKRUPTCY JUDGE