

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

In re:

PROFESSIONAL FEE MATTERS  
CONCERNING THE JACKSON WALKER  
LAW FIRM

Civil Action No. 4:23-cv-04787

**LITIGATION TRUSTEE’S MOTION FOR ENTRY OF AN ORDER  
APPROVING SETTLEMENT AGREEMENT WITH JACKSON WALKER LLP**

TO THE HONORABLE ALIA MOSES,  
CHIEF UNITED STATES DISTRICT JUDGE:

NOW COMES, Michael I. Goldberg, in his capacity as the Trustee of the GWG Litigation Trust (the “Litigation Trustee”), and files this motion requesting entry of an order approving the Settlement Agreement, attached as **Exhibit A** (the “Proposed Settlement”) by and among the Litigation Trustee and Jackson Walker LLP (“Jackson Walker”) (collectively with the Litigation Trustee, the “Settling Parties”), and in support thereof, states as follows.

**PRELIMINARY STATEMENT**

1. The Litigation Trustee respectfully seeks the Court’s approval of the Proposed Settlement with Jackson Walker in the amount of \$405,000.00, which resolves all claims the GWG Litigation Trust (the “Litigation Trust”) has or may have against Jackson Walker. The Proposed Settlement also resolves any objections the Litigation Trust could have asserted in connection with Jackson Walker’s final fee application in the Debtors’ bankruptcy case and is conditioned on the Court’s approval of Jackson Walker’s final fee application. If the Court denies approval of the Proposed Settlement, including the resolution of Jackson Walker’s final fee application, the Proposed Settlement will be void and the Settling Parties will revert to their positions immediately before they executed the Proposed Settlement.

2. The Proposed Settlement was the product of extensive settlement negotiations, including a mediation before Judges Royal Ferguson (Ret.) and Gary Feess (Ret.). The Proposed Settlement recovers approximately 31% of the total fees Jackson Walker billed in GWG's bankruptcy case, and more than 68% of the fees billed by Jackson Walker and Ms. Freeman after November 30, 2022—the date Jackson Walker filed a motion on behalf of the Debtors seeking to appoint Judge Jones (who had no prior involvement in the bankruptcy case) as mediator with respect to hotly contested negotiations regarding a potential plan.<sup>1</sup> Notably, the Proposed Settlement recovers the full amount billed by Ms. Freeman in connection with GWG's bankruptcy case and which Jackson Walker included in its final fee application.

3. After careful evaluation, the Litigation Trustee has concluded that the Proposed Settlement is fair, reasonable, and in the best interests of the Litigation Trust and its ultimate beneficiaries. First and foremost, the Proposed Settlement maximizes recovery on the Litigation Trust's strongest and most likely theory of recovery: disgorgement of fees incurred after Jackson Walker became aware of a Jones-Freeman relationship. Because Judge Isgur was the presiding judge over GWG's bankruptcy case, not Judge Jones, the Litigation Trustee does not believe that Jackson Walker had an obligation to disclose to GWG or to Judge Isgur—at least in GWG's bankruptcy case—what it knew about the Jones-Freeman relationship when it was retained by the Debtors or when it filed its retention application in May 2022. In the Litigation Trustee's view, that changed on November 30, 2022, when Jackson Walker filed a motion on behalf of the Debtors seeking Judge Jones's appointment as mediator. At that point, the Litigation Trustee asserts that

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<sup>1</sup> The total amount that Jackson Walker and Ms. Freeman billed from December 1, 2022, and onward (*i.e.*, after the motion to appoint a mediator was filed) is \$592,729.31 (of which Ms. Freeman billed \$205,157.81). In total, Jackson Walker's final fee application sought \$1,030,910.50, \$47,164.00 in paraprofessional fees, and \$233,207.78 in expenses, totaling \$1,311,282.23.

Jackson Walker was obligated to inform both the Debtors and the Court about what it knew regarding the Jones-Freeman relationship.

4. Because the Litigation Trustee's view is that Jackson Walker's duty to disclose arose in late November—and the Litigation Trustee did not identify any colorable claims arising from Jackson Walker's representation prior to that time—the Litigation Trustee and his counsel concluded that the most likely disgorgement award would encompass Jackson Walker's fees following its alleged breach, and that a complete disgorgement of Jackson Walker's fees was less certain under Texas and federal bankruptcy law. Jackson Walker and Ms. Freeman collectively billed \$592,729.31 from December 1, 2022, through June 20, 2023, including \$205,157.81 billed by Ms. Freeman. The Proposed Settlement recovers roughly 68% of the total fees billed during that time period (*i.e.*, from December 1, 2022, through June 20, 2023), and approximately 31% of the total fees that Jackson Walker billed during the entirety of GWG's bankruptcy case. Once anticipated expenses are taken into account—including expert fees, deposition-related expenses, other discovery costs, and trial expenses that could easily add up to hundreds of thousands of dollars—the Litigation Trustee does not believe that the outcome of a lengthy process to secure a judgment would result in a better net recovery for the Litigation Trust on its primary theory of recovery.

5. The Litigation Trustee also considered broader theories of liability against Jackson Walker, including those recently asserted by third parties and several former GWG bondholders. For the reasons detailed below (*see* pages 17–28), the Litigation Trustee concluded that these theories were speculative at best, unlikely to result in any meaningful recovery for the Litigation Trust, and would require the Litigation Trust to incur significant out-of-pocket expenses that might not be recoverable.

6. Second, Jackson Walker has raised several legal defenses that complicate and potentially mitigate—if not bar—recovery. Among other arguments, Jackson Walker contends that it had no duty to disclose any connections to a mediator in the GWG bankruptcy case, and that Judge Jones did not preside over the GWG bankruptcy case, issued no judicial orders in the GWG bankruptcy case, and acted solely as a mediator. Jackson Walker also points to the involvement of sophisticated counsel for all the parties during the mediation sessions with Judge Jones, the absence of prejudice or harm to the estate, and the reasonable value of the legal services provided. These defenses, if successful, could significantly limit the Litigation Trust’s recovery.

7. Taking into account the strength of the Trust’s core claim, the costs and risks of litigation, and the defenses that Jackson Walker has raised, the Litigation Trustee believes the Proposed Settlement is in the best interests of the Litigation Trust and its beneficiaries. It provides an immediate monetary recovery while avoiding lengthy and costly litigation (including potential appeals) with uncertain prospects. The Litigation Trustee therefore respectfully requests that the Court approve the Proposed Settlement by granting this Motion.

8. Finally, the Litigation Trustee believes it is important to clarify that he played no role in GWG’s bankruptcy proceedings or the mediation involving Judge Jones. The Litigation Trustee was contacted by the Official Committee of Bondholders (“Bondholder Committee”) only after the Plan had been negotiated, and he formally assumed his role on August 1, 2023, when the Plan became effective. Prior to his appointment, the Litigation Trustee did not know and had never met Ms. Freeman or Judge Jones and had never participated in any case pending before Judge Jones in the Southern District of Texas. Moreover, to avoid any conflict of interest, the Litigation Trustee independently negotiated and determined that the Proposed Settlement was fair,

reasonable, and in the best interests of the Litigation Trust and its ultimate beneficiaries without any input from Ms. Freeman in her capacity as the Wind Down Trustee.

### **JURISDICTION AND VENUE**

9. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.<sup>2</sup> 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**

10. 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.<sup>3</sup>

11. On May 19, 2022, Debtors filed an *Application to Retain Jackson Walker as Local Counsel and Conflicts Counsel for the Debtors and Debtors-in-Possession*, attaching an engagement letter dated April 15, 2022, signed by the Debtors’ CEO at the time, Murray Holland.<sup>4</sup> On June 15, 2022, the Bankruptcy Court (Judge Isgur) entered an *Order Authorizing the Retention and Employment of Jackson Walker*.<sup>5</sup> In relevant part, that Order provides: “The Firm will review

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<sup>2</sup> On April 9, 2025, the Honorable Chief United States District Judge Alia Moses entered a Memorandum Opinion and Order withdrawing the reference of the GWG bankruptcy case, among others. *See In re GWG*, Case No. 22-90032 (“In re GWG”), ECF No. 2572; *In re Professional Fee Matters Concerning the Jackson Walker Law Firm*, Case No. 4:23-cv-04787 (the “Misc. Proceeding”), ECF No. 31.

<sup>3</sup> *In re GWG*, Case No. 22-90032, ECF No. 1.

<sup>4</sup> *Id.* ECF No. 267.

<sup>5</sup> *Id.* ECF No. 410.

its files periodically during the pendency of these chapter 11 cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, the Firm will use reasonable efforts to identify such further developments and will promptly file a supplemental declaration, as required by Fed. R. Bankr. P. 2014(a).”<sup>6</sup>

12. Jackson Walker’s monthly fee statements do not show Ms. Freeman as a timekeeper for GWG from April 20, 2022, through October 31, 2022.<sup>7</sup> Ms. Freeman first appeared as a timekeeper in Jackson Walker’s Fee Applications for GWG in November 2022 and billed a total of \$23,415.00.<sup>8</sup>

13. On November 30, 2022, Debtors and the Special Committee of the Board of GWG filed a motion requesting Judge Jones’s appointment as a judicial mediator.<sup>9</sup> Jackson Walker filed the motion but made no mention of any Jones-Freeman relationship. On information and belief, Jackson Walker also did not disclose any Jones-Freeman relationship to the Debtors prior to filing that motion. By this time, and as reflected in Jackson Walker’s briefing in response to a fee objection filed by the U.S. Trustee,<sup>10</sup> there is no dispute that Jackson Walker was aware that a romantic relationship of some sort had resumed between Judge Jones and Ms. Freeman.

14. Ms. Freeman left Jackson Walker to open her own firm by December 1, 2022, due—at least in part—to the fact that Jackson Walker became aware of the resumption of a romantic relationship between Judge Jones and Ms. Freeman. After opening her own firm, Ms. Freeman continued to work on the GWG case. Jackson Walker’s Fee Applications include

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<sup>6</sup> *Id.* ¶3.

<sup>7</sup> *Id.* ECF Nos. 829 and 1521.

<sup>8</sup> *Id.* ECF No. 1878.

<sup>9</sup> *Id.* ECF No. 1128.

<sup>10</sup> *Id.* ECF No. 2460.

Freeman's invoices as an expense for December 2022 (and going forward).<sup>11</sup> Ms. Freeman did not file her own retention application with the Court, and Jackson Walker did not amend its Bankruptcy Rule 2014 disclosures.<sup>12</sup>

15. On January 5, 2023, the Bankruptcy Court (Judge Isgur) signed the *Order Appointing Judge Jones as Mediator*.<sup>13</sup> The parties engaged in mediation multiple times between January and February, and again in June 2023.<sup>14</sup> Jackson Walker and Ms. Freeman participated in one or more of these mediation sessions. On information and belief, at no time did Jackson Walker inform the Debtors, their counsel, or other interested parties of the Jones-Freeman relationship; nor did Ms. Freeman.

16. Following the various mediation sessions, the Debtors, the Bondholder Committee, and others submitted a *Further Modified Second Amended Joint Chapter 11 Plan*,<sup>15</sup> which the Bankruptcy Court (Judge Isgur) confirmed on June 20, 2023.<sup>16</sup> On June 20, 2023, the Bankruptcy Court (Judge Isgur) entered its *Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Further Modified Second Amended Joint Chapter 11 Plan* (the "Confirmation Order"),<sup>17</sup> 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-

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<sup>11</sup> *Id.* ECF Nos. 1878 and 2158.

<sup>12</sup> The Litigation Trustee acknowledges that Bankruptcy Rule 2014, on its face, does not specifically reference mediators in the categories of persons referenced therein.

<sup>13</sup> *In re GWG*, Case No. 22-90032, ECF No. 1323.

<sup>14</sup> *Id.* ECF No. 1881.

<sup>15</sup> *Id.* ECF No. 1924.

<sup>16</sup> *Id.* ECF No. 1952.

<sup>17</sup> *Id.*

*Proponents* (the “Plan”).<sup>18</sup> Among other things, Judge Isgur independently found and concluded, that:

- “All documents necessary to implement the Plan and all other relevant and necessary documents have been negotiated in good faith and at arm’s length and shall, upon completion of documentation and execution, be valid, binding, and enforceable agreements.”<sup>19</sup>
- “The exculpation provisions and the protections granted to the 1125(e) Parties contained in the Plan are appropriately tailored to the circumstances of these Chapter 11 Cases and are appropriate under applicable law, including *In re Highland Capital Mgmt., L.P.*, 48 F. 4th419 (5th Cir. 2022), because they are supported by proper evidence, proposed in good faith, formulated following extensive good faith, arm’s-length negotiations with key constituents, and appropriately limited in scope.”<sup>20</sup>
- “The provisions of the Mediation Agreement and any subsequent mediated agreement among the Debtors and the Creditor Proponents constitute a good faith compromise and settlement among the Debtors and the Creditor Proponents of all Claims, Causes of Action, Interests, and controversies among such parties, including all potential Claims, Causes of Action, Interests, and controversies between the Debtors, Bondholder Committee, and LBM with respect to the allowance and treatment of the LBM L Bond Claims and the resolution of the Compensation Motion.”<sup>21</sup>

17. The Plan and Confirmation Order established the GWG Wind Down Trust (“Wind Down Trust”) for the purpose of winding down the Debtors’ affairs, liquidating the Wind Down Trust assets, and making distributions. Although the parties’ initial mediation agreement identified Jeffrey Stein, an independent director serving as the Debtors’ chief restructuring officer and chief executive officer at the time, as the Wind Down Trustee,<sup>22</sup> Ms. Freeman was ultimately appointed the Wind Down Trustee. On information and belief, it was not Jackson Walker that suggested Ms. Freeman as the Wind Down Trustee. Under the Wind Down Trust Agreement, the Wind Down

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<sup>18</sup> *Id.* ECF No. 1678.

<sup>19</sup> *Id.* ECF No. 1952 at 36.

<sup>20</sup> *Id.* at 12.

<sup>21</sup> *Id.* at 29.

<sup>22</sup> *Id.* ECF No. 1518 at 3.



Trustee may only be removed “for Cause, after notice and a hearing, by: (a) the Bankruptcy Court on its own initiative; or (b) the Bankruptcy Court upon a motion from 25% or more of the Wind Down Trust Beneficiaries, then holding at least 25% of the then-outstanding New WDT Interests in the aggregate.”

18. The Plan and Confirmation Order also established the Litigation Trust for the purpose of prosecuting or settling certain of the 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. The confirmed Plan defined “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)(161). 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).

19. On August 21, 2023, Jackson Walker filed its Fourth and Final Fee Application for its work as co-counsel and conflicts counsel to the Debtors, seeking final approval of \$1,311,282.23 in fees and expenses.<sup>23</sup> The deadline for filing objections to Jackson Walker’s Fourth and Final Fee Application was set for September 11, 2023. Jackson Walker subsequently agreed to extend the deadline for the Office of the United States Trustee of the Southern District

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<sup>23</sup> *Id.* ECF No. 2158.

of Texas (the “U.S. Trustee”) to object to Jackson Walker’s Fourth and Final Fee Application to March 29, 2024.<sup>24</sup>

20. On November 2, 2023, the U.S. Trustee filed motions that sought, among other relief, the vacatur of orders approving Jackson Walker’s retention as counsel and/or Jackson Walker’s fee applications pursuant to Rule 60(b)(6) of the Federal Rules of Civil Procedure, in various bankruptcy proceedings where (a) former Judge Jones served as the presiding judge or court-appointed mediator, and (b) Jackson Walker served as estate-retained counsel.

21. On February 29, 2024 and March 29, 2024, the U.S. Trustee filed (a) amended Rule 60(b)(6) motions in certain of the above-referenced cases, (b) initial Rule 60(b)(6) motions in certain other cases, and (c) objections to Jackson Walker’s then-pending final fee applications in the remaining cases (collectively, the “Relevant Cases”), including the GWG cases.<sup>25</sup> All such motions and objections filed by the U.S. Trustee are collectively referred to herein as the “U.S. Trustee Filings.”

22. On May 22, 2024, Jackson Walker filed its response in opposition to the U.S. Trustee Filings in each of the Relevant Cases.<sup>26</sup>

23. On July 1, 2024, the U.S. Trustee filed his reply in further support of the U.S. Trustee Filings<sup>27</sup> and, and August 12, 2024, Jackson Walker filed its sur-reply in further opposition to the U.S. Trustee Filings.<sup>28</sup>

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<sup>24</sup> *Id.* ECF No. 2387.

<sup>25</sup> The U.S. Trustee’s Opposition to Jackson Walker’s Final Fee Application in the GWG proceedings was filed on March 29, 2024. *In re GWG*, Case No. 22-90032, ECF No. 2415.

<sup>26</sup> *Id.* ECF No. 2460.

<sup>27</sup> *Id.* ECF No. 2463.

<sup>28</sup> *Id.* ECF No. 2474.

24. On October 7, 2024, the U.S. Trustee filed his Motion for Withdrawal of the Reference and Referral of the Objection to Jackson Walker’s Final Fee Application and Related Matters to Chief District Judge Moses.<sup>29</sup>

25. On April 9, 2025, Chief Judge Moses granted the U.S. Trustee’s Motion for Withdrawal of the Reference.<sup>30</sup>

**A. The Litigation Trustee’s Claims Against Jackson Walker.**

26. Following his appointment, the Litigation Trustee began investigating potential malpractice and other claims against the Debtors’ former lawyers, including Jackson Walker. In the course of this investigation, and in light of the U.S. Trustee’s Opposition to Jackson Walker’s Final Fee Application,<sup>31</sup> the Litigation Trustee and his counsel reviewed, among other items, Jackson Walker’s fee applications and billing records, pleadings in multiple cases involving Jackson Walker, deposition transcripts of Jackson Walker attorneys, and hearing transcripts and other filings in the GWG bankruptcy case. Based on his investigation, the Litigation Trustee determined that the Litigation Trust had potential claims against Jackson Walker (the “Debtors’ Claims”), including breach of fiduciary duty for failing to inform the Debtors, their counsel, or other interested parties of the Jones-Freeman relationship or the alleged conflict of interest resulting from Judge Jones’s serving as mediator in the case, in breach of the fiduciary duties it owed to Debtors.

27. After exchanging letters detailing the Litigation Trust’s claims and Jackson Walker’s defenses, the Litigation Trustee and Jackson Walker entered into a Tolling Agreement to toll the statute of limitations until April 30, 2025, to give the parties time to attempt to resolve

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<sup>29</sup> *Id.* ECF No. 2479.

<sup>30</sup> *Id.* ECF No. 2572; Misc. Proceeding, Case No. 4:23-cv-04787, ECF No. 31.

<sup>31</sup> *In re GWG*, Case No. 22-90032, ECF No. 2415.

the Debtors' Claims.<sup>32</sup> On March 6, 2025, the Litigation Trustee and Jackson Walker mediated the Debtors' Claims with Judge Royal Ferguson (Ret.) and Judge Gary Feess (Ret.) serving as mediators. At the mediation, the parties agreed to settle the Debtors' Claims for \$405,000.00.

28. Over the following weeks, the Litigation Trustee and Jackson Walker negotiated non-economic terms of the settlement, including waivers and releases. On April 29, 2025, the Litigation Trustee and Jackson Walker executed the Proposed Settlement.

**B. The Proposed Settlement.**

29. The Proposed Settlement is straightforward and includes the following key terms, summarized below in pertinent part:<sup>33</sup>

Effective Date: The effective date of this Agreement (the "Effective Date") is the first day as of which all of the following conditions have been satisfied or, to the extent permitted herein, are waived: (i) all Parties have executed and exchanged each Party's signature pages to this Agreement; and (ii) the Bankruptcy Court has entered an order (the "Approval Order") approving all terms of this Agreement and overruling any objections to approval of this Agreement and such order has become a Final Order. If the Effective Date does not occur: (a) the Parties shall revert, without prejudice to or waiver of any right, to their respective positions immediately prior to the execution of this Agreement; and (b) neither this Agreement nor evidence of its terms shall be admissible for any purpose in the Bankruptcy Case or any other action or proceeding.

Settlement Payment: Within five (5) business days after the Approval Order becoming a Final Order, JW shall pay or cause to be paid to the GWG Litigation Trust (receipt of which shall be promptly confirmed by the GWG Litigation Trust or its counsel) the sum of \$405,000.00 (the "Settlement Payment"). Payment shall be made payable by wire transfer to an escrow account designated by the GWG Litigation Trust or its counsel. The Settlement Payment shall be paid to the GWG Litigation Trust and distributed pursuant to the terms of the Confirmed Chapter 11 Plan in the Bankruptcy Case.

Release in Favor of Jackson Walker: On the Effective Date, and for the consideration described herein, and except for those obligations created by or arising out of this Agreement, the Litigation Trustee and the GWG Litigation Trust,

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<sup>32</sup> The Tolling Agreement was further extended until September 30, 2025.

<sup>33</sup> This summary is provided solely for ease of reference and is qualified in its entirety by reference to the Proposed Settlement, the actual terms of which are controlling here. *See* Ex. A.

for and on behalf of itself and the Debtors, hereby releases, acquits, and forever discharges JW and its respective predecessors in interest, successors, affiliates, estates, directors, officers, employees, agents, heirs, executors, representatives, insurers, attorneys, partners, associates, staff members, and assigns from any and all actions, suits, debts, covenants, contracts, controversies, agreements, promises, duties, obligations, claims, sanctions, issues, demands, damages, injuries, losses, liabilities, expenses, attorneys' fees and causes of action of any kind, whether arising in contract, in tort, by statute, at law, in equity, or otherwise, and whether fixed or contingent, liquidated or unliquidated, known or unknown, concealed or revealed, discovered or undiscovered, actual or potential, direct or indirect, material or immaterial, disputed or undisputed, arising out of, related to, based upon, by reason of, or in any way involving any act, matter, transaction, occurrence, or event before the Effective Date, including but not limited to any and all claims and causes of action that relate to or arise from the Bankruptcy Case, the U.S. Trustee Filings, the Bankruptcy Disputes, or the relationship between Ms. Freeman and former Judge Jones, which for the avoidance of doubt includes all such claims, causes of action and allegations that may be held by the GWG Litigation Trust against JW related to any breach of fiduciary duty, negligence, gross negligence, malpractice, fraud (or similar fraud based claims), and/or requests for sanctions.

Resolution of Jackson Walker's Final Fee Application: The Proposed Settlement is conditioned on the Court's approval of JW's final fee application currently pending in the Bankruptcy Case, as reflected in the Approval Order attached as an exhibit to the Settlement Agreement. If the Proposed Settlement is not approved by the Court, including the approval of JW's final fee application, the Parties revert to their respective positions immediately prior to the execution of the Proposed Settlement.

### **RELIEF REQUESTED**

30. 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**

31. 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). Although the Litigation Trustee does not believe that the Litigation Trust’s claims against Jackson Walker have an “economic value of \$5 million or more” for the reasons discussed below, the Litigation Trustee believes that seeking court approval of the Proposed Settlement is appropriate given the allegations made against Jackson Walker and the fact that Ms. Freeman serves as the Wind Down Trustee.

32. Bankruptcy Rule 9019 authorizes the Court to approve the settlement of claims and controversies after notice and a hearing. Pursuant to 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).

33. 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 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.

34. When evaluating a settlement, the court’s role is not to decide the issues in dispute. *Watts v. Williams*, 154 B.R. 56, 59 (S.D. Tex. 1993). Rather, the 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).

35. 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 Jackson Brewing*, 624 F.2d at 602 (same). In addition, 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.” *In re Age Ref., Inc.*, 801 F.3d at 540.

36. Each of these factors weighs in favor of approving the Proposed Settlement.

**A. Litigation of the Debtors' Claims Would Be Subject to Risk and Uncertainty and Not Result in a Greater Net Recovery.**

37. When evaluating the first factor considered by courts in the Fifth Circuit—the probabilities of success in the litigation—“it is unnecessary to conduct a mini-trial to determine the probable outcome of any claims waived in [a] settlement.” *Cajun Electric Power Cooperative, Inc. v. Mabey*, 119 F.3d 349, 356 (5th Cir. 1997). Instead, the court “need only apprise [itself] of the relevant facts and law so that [it] can make an informed and intelligent decision.” *Id.* (quoting *LaSalle Nat'l Bank v. Holland (In re Am. Reserve Corp.)*, 841 F.2d 159, 163 (7th Cir. 1987)). Here,

for the reasons discussed below, the probability of success in the litigation weighs in favor of finding that the Proposed Settlement is fair and equitable.

38. In the Litigation Trustee's view, the Litigation Trust has meritorious claims against Jackson Walker for breach of fiduciary duty for failing to inform the Debtors, their counsel, and other interested parties of the Jones-Freeman relationship or the conflict of interest that resulted from Judge Jones's serving as mediator in the case. Under Texas law, which governed Jackson Walker's engagement letter with the Debtors,<sup>34</sup> the most likely remedy available to the Litigation Trust for its breach of fiduciary duty claim is the disgorgement of Jackson Walker's fees. *Burrow v. Arce*, 997 S.W.2d 229, 240 (Tex. 1999). However, the "forfeiture of fees for clear and serious misconduct is not automatic and may be partial or complete, depending on the circumstances presented." *Id.* at 241. The relevant circumstances courts should consider, according to the Texas Supreme Court, include "the gravity and timing of the violation, its willfulness, its effect on the value of the lawyer's work for the client, any other threatened or actual harm to the client, and the adequacy of other remedies." *Id.* at 243 (quoting Restatement (Third) of the Law Governing Lawyers § 49).

39. Here, the Litigation Trustee's view is that Jackson Walker's alleged breach of duty occurred on or around November 30, 2022, when it filed a motion seeking Judge Jones's appointment as mediator without disclosing the Jones-Freeman relationship to the Debtors or the Bankruptcy Court. It does not appear that Jackson Walker was required to disclose the Jones-Freeman relationship prior to that time because the GWG bankruptcy case was pending before Judge Isgur (not Judge Jones) and had no other connection to Judge Jones that would have required

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<sup>34</sup> *In re GWG*, Case No. 22-90032, ECF No. 267-1 at 5.



disclosure. The Litigation Trustee also did not identify any facts that would give rise to any claims against Jackson Walker predating that alleged breach of duty.

40. Because Jackson Walker's duty to disclose, in the Litigation Trustee's view, arose in late November—and the Litigation Trustee did not identify any colorable claims arising from Jackson Walker's representation prior to that time—the Litigation Trustee and his counsel concluded that the most likely disgorgement award would encompass Jackson Walker's fees following its alleged breach, and that a complete disgorgement of Jackson Walker's fees was less certain, in part because the Litigation Trustee has found no evidence of any harm, injury, or other prejudice to the estate. *See In re GHR Energy Corp.*, 60 B.R. 52, 68 (Bankr. S.D. Tex. 1985) (declining to deny the entirety of the professional's fees upon a finding that the professional was not disinterested in the absence of some other actual injury or other prejudice to the estate) (quoting 2 COLLIER ON BANKRUPTCY § 328.04 at 328-15 (15th ed. 1979)).

41. And indeed, Jackson Walker has argued that complete disgorgement would be inappropriate for a number of reasons, including that: (1) Judge Jones participated in the Debtors' case solely as a mediator and not as the presiding judge; (2) Judge Jones did not enter any judicial orders in the proceedings, including orders approving Jackson Walker's retention and fees; (3) sophisticated counsel were involved and helped to ensure an equitable mediation process; (4) the estate was not damaged, prejudiced, or harmed by Jackson Walker's alleged failure to disclose the Jones-Freeman relationship; and (5) Jackson Walker provided reasonable and necessary services to the Debtors in the bankruptcy cases.

42. The Litigation Trustee also evaluated whether theories raised by other parties—including those asserted by the Debtors' former CEO, Murray Holland, in his motion to dismiss the adversary proceeding styled *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-03090 (the "D&O

Adversary Proceeding”)<sup>35</sup>—could support additional claims or bases for recovery against Jackson Walker. Holland’s arguments largely mirror those in a recently filed lawsuit by certain former GWG bondholders, some of whom are affiliated with Holland, asserting purported direct (and derivative) claims against Jackson Walker and others (the “Bondholder/Jackson Walker Complaint”).<sup>36</sup>

43. As to Jackson Walker, both Holland’s motion and the Bondholder/Jackson Walker Complaint assert two principal allegations: (a) that Jackson Walker (notwithstanding its role as local counsel) orchestrated a scheme to oust GWG’s management, derail a reorganization plan advanced by GWG’s remaining independent directors, and impose a liquidation; and (b) but for Jackson Walker’s failure to disclose the Jones-Freeman relationship, GWG would have reorganized and emerged from bankruptcy in a stronger position.<sup>37</sup>

44. The Litigation Trustee strongly disputes Holland’s assertion—echoed in the Bondholder/Jackson Walker Complaint—that the D&O Adversary Proceeding is a “misguided distraction.” Long before the Litigation Trustee’s appointment, both the GWG’s Independent Investigations Committee (represented by the Katten Muchin law firm) and the Bondholder Committee (represented by the Akin Gump law firm) independently concluded, after extensive investigations, that GWG’s former directors and officers—including Holland—faced colorable

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<sup>35</sup> *Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 114 at 5-7, 29-36.

<sup>36</sup> See *Peterson v. Jones*, Case No. 4:25-cv-02761, ECF No. 1 at 2-5. According to GWG’s Form-10K filed on November 5, 2021, Murray Holland served as a trust advisor for the trusts identified as plaintiffs in the *Peterson* case, which were referred to as the “Seller Trusts” in GWG’s securities filings. GWG Form 10-K, filed on Nov. 5, 2021, at 86& n.1 available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001522690/000152269021000008/gwgh-20201231.htm>. Although Holland purportedly resigned as trust advisor shortly before GWG filed for bankruptcy, Holland reportedly maintained “an indirect pecuniary interest in the assets of the Seller Trusts resulting from his ownership interest of 30% of the outstanding membership interests of” the Seller Trusts’ sole beneficiary, MHT Financial LLC. *In re GWG*, Case No. 22-90032, ECF No. 1135 at 54.

<sup>37</sup> *Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 114 at 5-7, 29-36; *Peterson v. Jones*, Case No. 4:25-cv-02761, ECF No. 1 at 4-7, 42-47.

claims.<sup>38</sup> Following his appointment, the Litigation Trustee and his counsel reviewed hundreds of thousands of additional documents and ultimately filed a comprehensive, 300-page complaint asserting that Holland and other former officers and directors breached their fiduciary duties in connection with GWG’s transactions with a company named Beneficient.<sup>39</sup> Notably, the Litigation Trustee alleged claims that GWG’s officers and directors breached their duties by, among other things, allowing GWG funds to be used to pay purported debts Beneficient owed to an entity named HCLP, which had been represented as a third-party lender but was in fact related to and controlled by Beneficient’s founder and GWG’s chairman, Brad Heppner.<sup>40</sup> Confirming the Litigation Trustee’s allegations, Beneficient recently filed a Form 8-K announcing that it had “identified credible evidence that Mr. Heppner participated in fabricating and delivering fake documents to [Beneficient] regarding his and others’ relationships to HCLP” and was considering pursuing litigation against Heppner.<sup>41</sup>

45. Notwithstanding his disagreement with Holland regarding the merits of the D&O Adversary Proceeding, the Litigation Trustee carefully considered whether Jackson Walker’s alleged failure to disclose the Jones-Freeman relationship could support additional damages beyond fee disgorgement. This evaluation included a detailed review of prepetition events, pleadings in multiple cases involving Jackson Walker, deposition transcripts of Jackson Walker attorneys, hearing transcripts and filings in the GWG bankruptcy case, and discussions with counsel for the Official Committee of Bondholders. Despite serious concerns about Jackson

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<sup>38</sup> *In re GWG*, Case No. 22-90032, ECF No. 1250 & ECF No. 1698 at 11-18.

<sup>39</sup> See *Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 3. The Bankruptcy Court recently approved a settlement of a portion of the D&O Adversary Proceeding, including the Litigation Trustee’s claims against Holland and other insured parties. *In re GWG*, Case No. 22-90032, ECF No. 160.

<sup>40</sup> *Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 3 at 4-6.

<sup>41</sup> Beneficient Form 8-K dated July 30, 2025 available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/1775734/000164117225022297/form8-k.htm>.

Walker’s conduct, the Litigation Trustee concluded that the Litigation Trust is unlikely to recover damages based on the theory that Jackson Walker and Freeman obstructed confirmation of a viable reorganization plan.

46. **First**, the Litigation Trustee found that certain core allegations made by Holland and others lacked factual support. A key example is the claim that Jackson Walker ousted GWG’s prepetition management as part of a “fraudulent scheme” to drive the company into liquidation.<sup>42</sup> The Litigation Trustee’s review of hearing transcripts, court filings, and other materials revealed no evidence supporting this theory.

47. Instead, in June 2022, shortly after GWG filed for bankruptcy, the Bankruptcy Court approved the appointment of two new independent directors—Jeffrey S. Stein and Anthony R. Horton—to the boards of GWG and its affiliates.<sup>43</sup> These directors formed an Investigations Committee with authority to hire counsel and investigate prepetition transactions, including the Debtors’ investments in Beneficient.<sup>44</sup> The Debtors then retained Katten Muchin Rosenman LLP (“Katten Muchin”) to act solely as counsel for the Independent Directors and the Investigations Committee.<sup>45</sup>

48. While investigating a 2021 transaction between GWG and Beneficient, which led to the resignation of directors serving on a GWG special committee, the Investigations Committee and Katten Muchin concluded that GWG management (including Holland) was aware that a March

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<sup>42</sup> See, e.g., *Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF 114 at 6; *Peterson v. Jones*, Case No. 4:25-cv-02761, ECF No. 1 at ¶97.

<sup>43</sup> *In re GWG*, Case No. 22-90032, ECF Nos. 430 and 594.

<sup>44</sup> *Id.* at ECF No. 430 at 14; ECF No. 594 at Ex. A.

<sup>45</sup> *Id.* at ECF No. 649.

2021 Form 8-K inaccurately described the resignation of those special committee directors.<sup>46</sup> Katten Muchin reported its findings to the Debtors’ counsel and full board,<sup>47</sup> at which point Jackson Walker, as local Debtors’ counsel, reviewed the Investigation Committee’s and Katten Muchin’s findings.<sup>48</sup> That work—undertaken by the Investigations Committee and Katten Muchin in the first instance, according to Katten Muchin’s and Jackson Walker’s time records<sup>49</sup>—ultimately led the Debtors to file an amended Form 8-K.<sup>50</sup> The Investigations Committee and Katten Muchin then reported their findings to the Bankruptcy Court (Judge Isgur),<sup>51</sup> which suspended the authority of GWG’s board of directors<sup>52</sup> and scheduled a hearing on whether to remove one or more GWG directors.<sup>53</sup> Ultimately, GWG’s remaining prepetition directors and officers, including Holland, resigned.<sup>54</sup>

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<sup>46</sup> *In re GWG*, Case No. 22-90032, ECF No. 1135 at 71-73; ECF No. 1698 at 14, 98-100; ECF No. 1073 at 6:14-9:25, 16:14-23:23 (Nov. 14, 2022 Hearing Transcript).

<sup>47</sup> *In re GWG*, Case No. 22-90032, ECF No. 1135 at 71-73; ECF No. 1698 at 98; ECF No. 1684 at pp. 55-57 of 101 (Katten Muchin time entries reflecting preparation of “talking points for meeting with Board concerning 4th special committee” and meeting with board on November 8, 2022); ECF No. 1073 at 4:19-22 (Nov. 14, 2022 Hearing Transcript).

<sup>48</sup> *In re GWG*, Case No. 22-90032, ECF No. 1073 at 14:17-15:1; 22:20-23:23; 26:21-27:5 (Nov. 14, 2022 Hearing Transcript).

<sup>49</sup> Katten Muchin’s time records indicate that it began investigating the disclosure issue on or about November 1, 2022, after Katten Muchin deposed one of the former special committee members, Roy Bailey. *In re GWG*, Case No. 22-90032, ECF No. 1684 at pp. 47-67 of 101. Jackson Walker appears to have learned about Katten Muchin’s findings on November 8, 2022, the same day that the Investigations Committee and Katten Muchin informed the full board of directors about its findings. *Compare id.* at p. 57 of 101 (Katten Muchin entries reflecting board meeting on November 8, 2022) with ECF No. 1243 at p. 13 of 24 (Jackson Walker entries first reflecting first “call with Katten team regarding investigation matters” and drafting motion for emergency hearing). Indeed, Jackson Walker’s time entries reflect that it did not “review and analyze findings of Katten re SEC filings” until November 10, 2022, well after Katten Muchin had reported its conclusions to the full board. *Id.* at p. 13 of 24.

<sup>50</sup> GWG Form 8-K/A, filed Nov. 14, 2022, available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001522690/000119312522284071/d417951d8ka.htm>.

<sup>51</sup> *See In re GWG*, Case No. 22-90032, ECF No. 1073 (Nov. 14, 2022 Hearing Transcript)

<sup>52</sup> *Id.* at 32:18-33:6; *In re GWG*, Case No. 22-90032, ECF No. 1061.

<sup>53</sup> *In re GWG*, Case No. 22-90032, ECF No. 1061.

<sup>54</sup> *In re GWG*, Case No. 22-90032, ECF No. 1073 at 9:23-10:24 (Nov. 14, 2022 Transcript); ECF No. 1127.

49. Based on the Investigations Committee’s and Katten Muchin’s report to the Bankruptcy Court (Judge Isgur) and the Litigation Trustee’s own investigation,<sup>55</sup> the Litigation Trustee concluded that the resignations were triggered by the Investigations Committee’s and Katten Muchin’s work into misleading securities filings that Holland signed pre-petition—not by a scheme orchestrated by Jackson Walker.<sup>56</sup> The Litigation Trustee has uncovered no facts suggesting that the Independent Directors or Katten Muchin joined Jackson Walker in any alleged “fraudulent scheme” to oust GWG’s prepetition management. To the contrary, on December 1, 2022—one day after Jackson Walker filed a motion seeking to have Judge Jones appointed as mediator—Jackson Walker filed a Joint Chapter 11 Plan on the Debtors’ behalf that contemplated a going-concern reorganization, not a liquidation (the “Debtors’ Proposed Plan”).<sup>57</sup>

50. **Second**, any claim for damages against Jackson Walker (beyond fee disgorgement) would require the Litigation Trustee to prove causation—a demanding burden under Texas law. *See Liberty Mut. Ins. Co. v. Gardere & Wynne, L.L.P.*, 82 F. App’x 116, 118 (5th Cir. 2003) (plaintiff must prove causation to recover damages); *Taylor v. Alonso, Ceronky & Garcia, P.C.*, 395 S.W.3d 178, 189 & n.6 (Tex. App.—Houston [1st Dist.] 2012, no pet.) (causation is an element of legal malpractice and fiduciary duty claims seeking damages). Specifically, the Litigation

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<sup>55</sup> The Litigation Trustee independently reviewed the relevant documents and testimony and reached the same conclusion as the Investigations Committee, Katten Muchin, and Jackson Walker: that the March 2021 Form 8-K was materially misleading in stating that the resignations “were not due to any disagreement with the company known to an executive officer of the company.” *See Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 3 at ¶547 & ECF No. 132 at 47-49 & n.28, 163-65.

<sup>56</sup> *In re GWG*, Case No. 22-90032, ECF No. 1135 at 71-73 & ECF No. 1698 at 14, 98-100; ECF No. 1073 at 6:14-9:25, 16:14-23:23 (Nov. 14, 2022 Hearing Transcript).

<sup>57</sup> *In re GWG*, Case No. 22-90032, ECF No. 1134. As another example, although Ms. Freeman was eventually identified as the Wind Down Trustee, she was not identified as the Wind Down Trustee following the initial mediation sessions, which resulted in an agreement among the parties to liquidate the Debtors using a two-trust structure. Rather, the parties agreed to appoint Jeffrey Stein, the Debtors’ chief restructuring officer and independent director, as Wind Down Trustee in connection with the mediated liquidation plan, again undercutting the theory that Jackson Walker was part of a plot from November 2022 onwards to force GWG into a liquidation so that Ms. Freeman could act as the Wind Down Trustee. *Id.* at ECF No. 1518 at 3. And ultimately, on information and belief, the recommendation to appoint Ms. Freeman as Wind Down Trustee came from parties other than Jackson Walker.

Trustee would need to prove that, but for Jackson Walker’s alleged conduct, the Bankruptcy Court would have confirmed the Debtors’ Proposed Plan under 11 U.S.C. § 1129. *See, e.g., Yaquinto v. Segerstorm (In re Segerstrom)*, 247 F.3d 218, 225 (5th Cir. 2001) (“[T]he estate must prove a ‘suit within a suit’—it must demonstrate that but for the manner in which [counsel] conducted her defense, [debtor] would have obtained a better result in the [underlying] litigation.”); *Haddy v. Caldwell*, 403 S.W.3d 544, 546 (Tex. App.—El Paso 2013) (suit-within-a-suit causation requires a plaintiff to prove that, “‘but for’ the attorney’s breach of duty, the plaintiff would have prevailed on the underlying cause of action and would have been entitled to judgment”); *Land Ventures for 2, LLC v. Fritz*, 551 B.R. 846, 852–53 (M.D. Ala. 2015) (debtor was required to show that “underlying bankruptcy proceeding *would have* resolved more favorably to [debtor], not merely that the proceeding *might have* been more favorable” on claim against debtor’s counsel).

51. After thorough analysis, the Litigation Trustee concluded that proving that the Debtors’ Proposed Plan could have been confirmed was highly uncertain. For example, the Trustee would need to show that: (a) all impaired classes of claims, including Bondholders, would have voted to accept the Debtors’ Proposed Plan, *see* 11 U.S.C. § 1129(a)(8); or (b) if an impaired class rejected the Debtors’ Proposed Plan, the Bankruptcy Court would have approved the Debtors’ Proposed Plan under 11 U.S.C. § 1129(b)’s cramdown provisions. The Litigation Trustee’s investigation and review of filings in the bankruptcy case suggests that the likelihood of proving either scenario was extremely low.

52. It was far from certain that the Debtors could have secured the necessary creditor votes required by 11 U.S.C. § 1129(a)(8). Both before and after the Debtors filed their Proposed Plan, the Bondholder Committee strongly opposed any plan that converted Bondholder debt into preferred equity while using their collateral to fund new, untested business ventures, as the

Debtors' Proposed Plan did.<sup>58</sup> Compounding matters, GWG faced an active SEC investigation,<sup>59</sup> prepetition management had resigned following Katten Muchin's findings about the 2021 Form 8-K,<sup>60</sup> and the Bondholder Committee had filed a motion with a draft complaint raising serious concerns about GWG's investments in Beneficient and the conduct of GWG's directors and officers.<sup>61</sup> Multiple lawsuits were also pending against Holland and other members of GWG's former management, including a securities fraud class action brought by former GWG Bondholders.<sup>62</sup> In short, GWG lacked a credible management team to execute the Proposed Plan, and its former leadership was engulfed in allegations of fraud and misconduct.

53. In the Litigation Trustee's experience, the Bondholder Committee's opposition—coupled with allegations of mismanagement—would make it exceedingly difficult to show that at least two-thirds in amount and more than one-half in number of Bondholders (or any other impaired class) would have voted to accept the plan. *See* 11 U.S.C. § 1126(c).

54. Absent acceptance by all impaired classes, the Litigation Trustee examined whether the Proposed Plan could have been confirmed under § 1129(b)(2)(A)'s cramdown provisions.<sup>63</sup> Based on the Litigation Trustee's analysis, however, the Debtors' Proposed Plan did not appear to

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<sup>58</sup> *See, e.g., In re GWG*, Case No. 22-90032, ECF Nos. 852, 942, 1250, and 1253; *see also id.* at ECF No. 1134 at Art. IV(A) (describing Reorganized Debtors post-confirmation business) & ECF No. 1135 at 73-74 (same).

<sup>59</sup> *Id.* at ECF No. 1135 at 92-93. Although the SEC eventually terminated its investigation without recommending any enforcement action, there are ongoing investigations related to GWG and Beneficient. In fact, the settlement with Beneficient and GWG's former fiduciaries includes a holdback to fund expenses incurred with that investigation. *Id.* at ECF No. 2533 at ¶2 & ECF No. 2533-1 at ¶¶1(o) & (ee).

<sup>60</sup> *See supra* at pages 20–21.

<sup>61</sup> *In re GWG*, Case No. 22-90032, ECF No. 1250.

<sup>62</sup> *See In re GWG Holdings, Inc. Securities Litig.*, Case 3:22-cv-00410-B (N.D. Tex.); *Paul Capital Advisors, L.L.C. v. Holland*, C.A. No. 2022-0167-SG (Del.Ch.).

<sup>63</sup> GWG's "L Bonds" were secured by all of the Debtors' assets, including their equity stakes in Beneficient. GWG Prospectus dated June 3, 2020, at 1 ("Obligations under the L Bonds are secured by substantially all the assets of GWG Holdings (the most significant components of which are cash and investments in subsidiaries), and by a guarantee and corresponding grant of a security interest in substantially all the assets of our subsidiary, GWG Life, LLC.") available at [https://www.sec.gov/Archives/edgar/data/1522690/000121390020014212/ea122727-424b1\\_gwgholdings.htm](https://www.sec.gov/Archives/edgar/data/1522690/000121390020014212/ea122727-424b1_gwgholdings.htm).



satisfy any of the three options available under 11 U.S.C. §1129(b)(2)(A). The Proposed Plan neither allowed Bondholders to retain their liens with deferred cash payments equal to their secured claims, nor did it provide for the sale of collateral with liens attaching to the proceeds—requirements of § 1129(b)(2)(A)(i) and (ii).

55. Instead, the Debtors’ Proposed Plan envisioned using Bondholder collateral to capitalize “GWG Asset Management,” a new venture, free and clear of all liens while giving Bondholders (a) an uncertain distribution from an exit financing facility (only after capitalizing the reorganized entity and paying other expenses) and (b) illiquid preferred equity redeemable in five years, with dividends that might be paid in cash if (i) the reorganized Debtors could monetize GWG’s interests in Beneficient and FOXO and (ii) a new board decided to distribute funds rather than reinvest them.<sup>64</sup> Such treatment is unlikely to meet § 1129(b)(2)(A)(i) or (ii)’s requirements. *See, e.g., In re N.S. Garrott & Sons*, 48 B.R. 13, 17 (Bankr. E.D. Ark. 1984) (rejecting plan that failed to meet requirements under 11 U.S.C. § 1129(b)(2)(A)(i) where secured creditor did not retain its lien and total stream of cash payments did not equal amount of secured claim).

56. Likewise, the Litigation Trustee concluded that it would be nearly impossible to prove that the contemplated preferred equity provided Bondholders the “indubitable equivalent” of their claims under § 1129(b)(2)(A)(iii), the Debtors’ only other option for obtaining a nonconsensual confirmation. The “indubitable equivalent standard requires a showing that the objecting secured creditor will receive the payments to which it is entitled, and that the changes forced upon the objecting creditor are completely compensatory, meaning that the objecting creditor is fully compensated for the rights it is giving up.” *In re Pearl Resources LLC*, 622 B.R. 236, 271 (Bankr. S.D. Tex. 2020). Here, Bondholders would have surrendered secured claims in

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<sup>64</sup> *In re GWG*, Case No. 22-90032, ECF No. 1134 at §§ IV(A), (P); ECF No. 1135 at 2-4, 14-15, 73-74.

exchange for risky equity, with dividends that might or might not be paid in cash<sup>65</sup> and which would only be redeemed if the new business lines succeeded—an exchange courts often reject as inequivalent. *See, e.g., In re River East Plaza, LLC*, 669 F.3d 826, 832 (7th Cir. 2012) (“But because of the different risk profiles of the two forms of collateral, they are not equivalents, and there is no reason why the choice between them should be made for the creditor by the debtor.”); *In re Platte River Bottom, LLC*, 2016 WL 241464, at \*6 (Bankr. D. Colo. Jan. 19, 2016) (“[B]ankruptcy courts generally do not function as incubators for start-up enterprises.”).

57. In sum, the Litigation Trustee concluded that the Litigation Trust would face insurmountable challenges proving suit-within-a-suit causation—*i.e.*, that but for Jackson Walker’s alleged conduct, the Debtors would have successfully satisfied 11 U.S.C. § 1129’s requirements to secure confirmation of the Debtors’ Proposed Plan.

58. **Third**, the Litigation Trustee determined that proving actual damages with reasonable certainty would be highly problematic. *See, e.g., Sanders v. Flanders*, 564 F. App’x 742, 745 (5th Cir. 2014) (“[A] plaintiff must establish his damages through ‘competent evidence with reasonable certainty.’”) (quoting *Helena Chem. Co. v. Wilkins*, 47 S.W.3d 486, 504 (Tex. 2001)). The Debtors’ Proposed Plan was speculative, and depended on the success of yet-to-be-launched, new business lines at the direction of unidentified new board members and managed by an unidentified management team.<sup>66</sup> Proving that these new business lines would have succeeded—without any operating history<sup>67</sup> or an experienced management team and board of

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<sup>65</sup> *In re GWG*, Case No. 22-90032, ECF No. 1135 at 2-7, 73-74.

<sup>66</sup> *Id.* at 73-76.

<sup>67</sup> *Id.* at 28 (“There can be no assurances regarding the level of success that the Reorganized Debtors will obtain in pursuing the GWG Asset Management or other business plans.”); *id.* at 91 (“The proposed GWG Asset Management business has no operating history.”).

directors<sup>68</sup> and while facing an ongoing SEC investigation,<sup>69</sup> significant regulatory risks,<sup>70</sup> a recent emergence from bankruptcy,<sup>71</sup> and liens on all of the Debtors' assets<sup>72</sup>—would be speculative at best. *See, e.g., Texas Instruments, Inc. v. Teletron Energy Mgmt., Inc.*, 877 S.W.2d 276, 279–80 (Tex. 1994) (discussing considerations when seeking to recover lost profits, including the “fact that the business is new” and “the experience of the persons involved in the enterprise”). Indeed, such a highly speculative go-forward business plan would likely be insufficient to pass the feasibility requirements for plan confirmation. 11 U.S.C. § 1129(a)(11); *see, e.g., Canal Place Ltd. P'ship v. Aetna Life Ins. Co (In re Canal Place Ltd. P'ship)*, 921 F.2d 569, 579 (5th Cir. 1991) (“Speculative, conjectural or unrealistic projections by Debtor cannot support Debtor's predictions of future performance.”); *In re Lakeside Global II, Ltd.*, 116 B.R. 499, 506-10 (Bankr. S.D. Tex. 1989) (rejecting plan failed to satisfy feasibility requirement).

59. Moreover, the Litigation Trustee's investigation raised serious concerns about the circumstances surrounding the Debtors' investments in Beneficient and the value of those investments, which led the Litigation Trustee to file multiple lawsuits and arbitrations against a variety of parties.<sup>73</sup> And once Beneficient began trading publicly, its stock price predictably

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<sup>68</sup> *Id.* at 75-76.

<sup>69</sup> *Id.* at 92.

<sup>70</sup> *Id.* at 95-97.

<sup>71</sup> *Id.* at 94 (“Even after a plan of reorganization is approved and implemented, the Reorganized Debtors' operating results may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that recently emerged from bankruptcy protection.”).

<sup>72</sup> *In re GWG*, ECF No. 975-1 at p. 61 of 75 (defining “Collateral” under debtor-in-possession financing facility to include “all of the real, personal and mixed property (including Equity Interests in GWG Life, the Restricted Subsidiaries, FOXO, and BEN) in which Liens are purported to be granted pursuant to the DIP Order or Collateral Documents . . .”).

<sup>73</sup> *See Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 3 at ¶¶1-34, 626-75 & ECF No. 132 at 26-28, 54-64; *Goldberg v. Foley & Lardner LLP*, Adv. Pro. No. 24-03119, ECF No. 1 (Bankr. S.D. Tex.); *Goldberg v. Holland & Knight LLP*, Adv. Pro. No. 25-03064, ECF No. 1 (Bankr. S.D. Tex.).

collapsed long before the Debtors or the Wind Down Trust could sell a single share.<sup>74</sup> After all, prior to and after going public, Beneficient repeatedly reported that it had a history of significant net losses and had never achieved profitability.<sup>75</sup> More recently, Beneficient’s founder resigned amid scrutiny over related-party transactions, and Beneficient announced that it had discovered that its founder “fabricated and delivered fake documents” concerning his relationship with those parties—issues at the heart of the Litigation Trustee’s ongoing litigation.<sup>76</sup> In his resignation letter, the founder’s counsel admitted that “*the only viable course for [Beneficient] at this point is an orderly wind down of operations.*”<sup>77</sup>

60. Accordingly, it is far from certain that GWG could have successfully launched or funded new business lines with Bondholder collateral, much less that the Debtors’ Proposed Plan would have yielded a better result than a liquidation plan. Moreover, given the Litigation Trustee’s ongoing litigation against several third parties in which the Litigation Trustee is challenging the value of GWG’s investments in Beneficient, proving damages from an alleged “lost reorganization” is even less likely.

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<sup>74</sup> The Wind Down Trust did not begin selling any Beneficient stock until October 20, 2023, at which point Beneficient’s stock price had already collapsed to \$0.70/share. Beneficient Schedule 13-D, filed on October 27, 2024, at 6, available at [https://www.sec.gov/Archives/edgar/data/1775734/000101376223007349/ea187391-13da2gwgwind\\_benefi.htm](https://www.sec.gov/Archives/edgar/data/1775734/000101376223007349/ea187391-13da2gwgwind_benefi.htm). Holland’s motion suggested that the Wind Down Trustee’s sale of Beneficient stock was the reason for its precipitous decline once it began trading in June 2023. *Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 114 at 23-24. Holland’s claims, however, ignore the fact that Beneficient’s common stock was structurally subordinated to approximately \$100 million in debt owed to related parties and more than \$1.9 billion in preferred equity, while Beneficient’s assets (excluding the goodwill that it has now written off) totaled just \$621 million. Beneficient Form 10-K, filed on July 13, 2023, at F-3, available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001775734/000177573423000008/ben-20230331.htm>.

<sup>75</sup> See, e.g., Beneficient Form 10-K, filed on July 13, 2023, at 28, available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001775734/000177573423000008/ben-20230331.htm> (“We have a history of net losses . . . . We have not achieved profitability, and we may not realize sufficient revenue to achieve profitability in future periods.”).

<sup>76</sup> *Goldberg v. Heppner et al.*, Adv. Pro. No. 24-03090, ECF No. 3 ¶¶1-34; Beneficient Form 8-K, filed on August 5, 2025, available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/1775734/000164117225022297/form8-k.htm>.

<sup>77</sup> Beneficient Form 8-K, filed on June 25, 2025, & Ex. 99.1 (emphasis added) available at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001775734/000164117225016507/form8-k.htm>.

61. For these reasons, the Litigation Trustee determined that pursuing additional claims against Jackson Walker based on these theories would be speculative, costly, and unlikely to benefit the Litigation Trust. The Proposed Settlement, on the other hand, recoups 68% of Jackson Walker's total fees billed after its alleged disclosure violation, which is the most likely remedy based on the Litigation Trustee's analysis of the claim, and avoids the time and added expense associated with litigation (discussed next).

**B. The Complexity and Likely Duration of the Litigation and Attendant Expense, Inconvenience and Delay Weigh in Favor of the Proposed Settlement.**

62. Were the Litigation Trustee to file a lawsuit and litigate the Debtors' Claims, it would be a lengthy process. In 2023, the median time from filing to beginning trial was 25.5 months in the Southern District of Texas.<sup>78</sup> Any appeals to the Fifth Circuit could add another year to the process, where the median time from filing an appeal to the issuance of an opinion or final order in the 12-month period ending September 30, 2023, was 10.7 months.<sup>79</sup> The Proposed Settlement, by contrast, allows for an increased distribution to the Debtors' bankruptcy estate much sooner; if the Proposed Settlement is approved, the Litigation Trustee and the Wind Down Trustee are prepared to distribute the net settlement proceeds expeditiously (in addition to the proceeds from other settlements reached by the Litigation Trustee).

63. The Litigation Trustee also considered other factors, such as the expense, inconvenience, and delay associated with litigating claims against Jackson Walker. The Litigation Trustee estimated that expenses—such as expert fees, deposition costs, and other litigation

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<sup>78</sup> U.S. District Courts, Median Time From Filings To Trial For Civil Cases In Which Trials Were Completed—During the 12-Month Periods Ending December 31, 2022 and 2023, <https://www.uscourts.gov/statistics/table/t3/statistical-tables-federal-judiciary/2023/12/31>.

<sup>79</sup> U.S. Courts of Appeals, Median Time for Civil and Criminal Cases Terminated on the Merits, by Circuit, During the 12-Month Period Ending September 30, 2023, [https://www.uscourts.gov/sites/default/files/data\\_tables/jb\\_b4a\\_0930.2023.pdf](https://www.uscourts.gov/sites/default/files/data_tables/jb_b4a_0930.2023.pdf).

expenses—could add up to several hundred thousand dollars, which may not be recoverable against Jackson Walker. If the Litigation Trustee were limited to seeking disgorgement, then those expenses could easily result in a worse net recovery than the Proposed Settlement.

64. Moreover, if the Litigation Trustee pursued a damages theory, litigation costs could easily exceed \$1 million, as the Litigation Trustee would need to hire multiple experts to value the Debtors’ assets (its life insurance portfolio and equity investments) and evaluate the likelihood of success of the Debtors’ Proposed Plan, as well as conduct additional extensive discovery into the bankruptcy case and events. Given the low probability of success for such a damage theory, incurring such expenses could result in an even worse outcome for the Litigation Trust’s ultimate beneficiaries by diverting money that could be distributed instead to funding expenses in speculative litigation with a highly uncertain outcome.

65. In short, the Litigation Trustee believes that a certain and more immediate recovery is of particular benefit to the Litigation Trust and its ultimate beneficiaries when compared to the complexity, delay, and expense that would come with pursuing litigation against Jackson Walker.

**C. The Proposed Settlement Is in the Best Interests of the Litigation Trust and Is the Product of a Good Faith, Arm’s Length Negotiation.**

66. 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 support approving the Proposed Settlement. *See Beach*, 731 F. App’x at 325.

67. Based on a review and analysis of the Proposed Settlement, and after consultation with counsel, the Litigation Trustee determined in his reasoned and prudent business judgment that the marginal chance of recovering an amount greater than the Proposed Settlement was not worth the risk, time, and expense required, for the reasons discussed above. Accordingly, entering

into the Proposed Settlement is in the best interests of the Litigation Trust, its sole beneficiary, the Wind Down Trust, and the Wind Down Trusts' beneficiaries.

68. The Bankruptcy Court has already approved four settlements between the Litigation Trustee and various parties.<sup>80</sup> The Proposed Settlement with Jackson Walker, along with the other settlements for which the Litigation Trustee also is seeking approval, will allow the Litigation Trust to distribute approximately an additional \$5.1 million to the Wind Down Trust, after accounting for attorneys' fees and other expenses. *See* Ex. B at 1. If all of these settlements are approved (in addition to those already approved by the Court), the Litigation Trustee estimates that total distributions to the Wind Down Trust will be approximately \$63.39 million (*see* Ex. C at 1) and total distributions to former GWG L Bond holders will range between 3.532% and 3.642% (*see* Ex. C at 2-3).

69. The Proposed Settlement is a good-faith, extensively-negotiated arm's length resolution of the Debtors' Claims. As detailed above, the settlement was reached following a full-day mediation with two nationally recognized mediators who are both former Federal District Court Judges, and also involved post-mediation negotiations. The Litigation Trustee engaged in these discussions in good faith, and all the negotiations were at arm's length. Further, to the best of the Litigation Trustee's knowledge, Jackson Walker participated in the settlement discussions and acted in good faith in reaching the Proposed Settlement.

70. Accordingly, the Litigation Trustee submits that the Proposed Settlement is a fair and equitable resolution of the Debtors' Claims and respectfully requests that the Court enter an order approving the Proposed Settlement.

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<sup>80</sup> *See In re GWG*, Case No. 22-90032, ECF Nos. 2544, 2699, 2700, 2701, and 2703.

**NOTICE**

71. Because the Wind Down Trust maintains the master service list, the Litigation Trustee is coordinating with the Wind Down Trust, its advisors, and Stretto regarding service (but not the merits) of this Motion, as well as the other Rule 9019 motions that the Litigation Trustee is filing seeking approval of other settlements. 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 and all exhibits 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 Proposed Settlement by granting the Proposed Order attached hereto as **Exhibit D**; and (iii) granting all other relief that is appropriate under the circumstances.

**Dated:** October 3, 2025

**REID COLLINS & TSAI LLP**

By: /s/ Nathaniel J. Palmer  
William T. Reid, IV  
Tex. Bar No. 00788817  
S.D. Tex. Bar No. 17074  
Nathaniel J. Palmer (admitted *pro hac vice*)  
Tex. Bar No. 24065864  
Taylor A. Lewis (admitted *pro hac vice*)  
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(512) 647-6100  
wreid@reidcollins.com  
npalmer@reidcollins.com  
tlewis@reidcollins.com

*Counsel for the GWG Litigation Trustee*



**CERTIFICATE OF SERVICE**

I, Nathaniel J. 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 J. Palmer

Nathaniel J. Palmer

# EXHIBIT A

## SETTLEMENT AGREEMENT AND RELEASE

This settlement agreement (the “Agreement”) dated April 29, 2025 is made and entered into by and between Jackson Walker LLP (“JW”) and Michael I. Goldberg, solely in his capacity as Litigation Trustee (the “Litigation Trustee”) of the GWG Litigation Trust (the “GWG Litigation Trust”), as successor-in-interest to certain causes of action of Debtors GWG Holdings, Inc., GWG Life, LLC, GWG Life USA, LLC, GWG DLP Funding IV, LLC, GWG DLP Funding VI, LLC, and GWG DLP Funding Holdings VI, LLC (collectively “Debtors” or “GWG”), and collectively with JW, the “Parties”, with respect to the bankruptcy case of *In re GWG Holdings, Inc., et al.*, jointly administered under Case No. 22-90032 (the “Bankruptcy Case”), filed in the United States Bankruptcy Court for the Southern District of Texas (Houston Division) (the “Bankruptcy Court”).

### RECITALS

A. On April 20, 2022 and October 31, 2022, the Debtors filed for Chapter 11 bankruptcy in the Bankruptcy Court.

B. On June 20, 2023, the Bankruptcy Court entered an order confirming the Debtors’ Chapter 11 Plan, which became effective on August 1, 2023 (the “Confirmed Chapter 11 Plan”). The Confirmed Chapter 11 Plan appointed Michael I. Goldberg as Trustee, for the purpose of prosecuting or setting 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 GWG Litigation Trust, for ultimate distribution by or at the direction of the Wind Down Trustee in accordance with Article VI.C of the Confirmed Chapter 11 Plan.

C. On or about November 2, 2023, Kevin M. Epstein, the United States Trustee for Region 7 (the “U.S. Trustee”), filed motions that sought, among other relief, the vacatur of orders approving JW’s retention as counsel and/or JW’s fee applications pursuant to Rule 60(b)(6) of the Federal Rules of Civil Procedure, in various bankruptcy proceedings where (a) former Judge Jones served as the presiding judge or court-appointed mediator, and (b) JW served as estate-retained counsel.

D. On February 29, 2024 and March 29, 2024, the U.S. Trustee filed (a) amended Rule 60(b)(6) motions in certain of the above-referenced cases, (b) initial Rule 60(b)(6) motions in certain other cases, and (c) objections to JW’s then pending final fee applications in the remaining cases (collectively, the “Relevant Cases”). All such motions and objections filed by the U.S. Trustee are collectively referred to herein as the “U.S. Trustee Filings”.

E. On May 22, 2024, JW filed its response in opposition to the U.S. Trustee Filings in each of the Relevant Cases.

F. On July 1, 2024, the U.S. Trustee filed his reply in further support of the U.S. Trustee Filings and, on August 12, 2024, JW filed its sur-reply in further opposition to the U.S. Trustee Filings.

G. On October 7, 2024, the U.S. Trustee filed his Motion for Withdrawal of the Reference and Referral of the Objection to Jackson Walker’s Final Fee Application and Related Matters to Chief District Judge Moses (ECF No. 2479).

H. On April 10, 2025, Chief Judge Moses granted the U.S. Trustee's Motion for Withdrawal of the Reference (ECF No. 2572).

I. The Parties dispute whether there is merit to the U.S. Trustee Filings or any other basis to challenge JW's employment and/or fee orders entered in the Bankruptcy Case or JW's acts or omissions in relation to the Bankruptcy Case, including, without limitation, whether the release and exculpation provisions of the Confirmed Chapter 11 Plan bar any potential claims against JW and relieve JW from any and all potential liability in relation to the Bankruptcy Case (collectively, the "Bankruptcy Disputes").

J. The Parties engaged in discovery from May 2024 through December 2024, and a trial on the issue of vacatur raised in the U.S. Trustee Filings in other matters (but not in the Bankruptcy Case) is set before the Honorable Chief Judge Rodriguez in May 2025.

K. On March 6, 2025, the Parties participated in a mediation regarding the U.S. Trustee Filings with Judge Royal Ferguson (Ret.) and Judge Gary Feess (Ret.) serving as mediators.

L. As a result thereof, and in order to avoid the further time, substantial expense, and uncertainties of continued litigation and to avoid the substantial stress and distraction of continued litigation, the Parties desire to fully and completely settle the disputes between them on the terms and conditions set forth herein.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual terms and covenants set forth in this Agreement, the receipt and sufficiency of which is respectively hereby acknowledged, and intending to be legal bound hereby, the Parties, as applicable, hereby agree as follows:

1. Recitals. The above recitals are incorporated herein by reference.
2. Effective Date.

(a) The effective date of this Agreement (the "Effective Date") is the first day as of which all of the following conditions have been satisfied or, to the extent permitted herein, are waived: (i) all Parties have executed and exchanged each Party's signature pages to this Agreement; and (ii) the Bankruptcy Court or District Court has entered an order (the "Approval Order") approving all terms of this Agreement and overruling any objections to approval of this Agreement and such order has become a Final Order (as hereafter defined). For purposes of this Agreement, the Approval Order will become a "Final Order" when: (1) fourteen (14) days (as computed in accordance with Fed. R. Bankr. P. 9006) shall have passed from the date of the entry of the Approval Order, and (2) either (i) the time to file a timely appeal under Fed. R. Bankr. P. 8002 from the Approval Order passes and no such timely appeal is filed, or (ii) if a timely appeal is filed, then all timely filed appeals have been dismissed with prejudice or the Approval Order is affirmed on appeal and is not subject to further timely appellate review. If the Effective Date does not occur: (a) the Parties shall revert, without prejudice to or waiver of any right, to their respective positions immediately prior to the execution of this



Agreement; and (b) neither this Agreement nor evidence of its terms shall be admissible for any purpose in the Bankruptcy Case or any other action or proceeding.

(b) With respect to the forgoing paragraph, the Parties will in good faith exercise all reasonable efforts required of such Party to obtain the entry of the Approval Order, including executing and delivering any motions, declarations, testimony, or other items of support reasonably required in connection therewith, and attending any related hearings. Consistent with the preceding sentences, the Litigation Trustee will promptly prepare a motion to approve compromise of controversy pursuant to Federal Rule of Bankruptcy Procedure 9019 or such other applicable rule(s) as may be applicable (the "Settlement Motion"). Before the Settlement Motion is filed, JW will be given an opportunity to review and comment on the Settlement Motion. The Settlement Motion and related Approval Order shall be in form and substance acceptable to both Parties. For the avoidance of doubt, the Settlement Motion, Approval Order and any related arguments or testimony provided in support of the same shall make clear that this Agreement resolves all issues and claims between the GWG Litigation Trust, for and on behalf of itself and the Debtors, and JW, including all claims and causes of action related to the allegations contained in the U.S. Trustee Filings as to the Bankruptcy Case, and that this Agreement adequately sanctions JW for any alleged violations of any law, rule, procedure, or statute. The Settlement Motion and Approval Order shall also make clear that this Agreement fully and finally resolves JW's final fee application currently pending in the Bankruptcy Case, and such Settlement Motion and Approval Order shall provide for final approval of the same as part of this Agreement.

3. Settlement Payment. Within five (5) business days after the Approval Order becoming a Final Order, JW shall pay or cause to be paid to the GWG Litigation Trust (receipt of which shall be promptly confirmed by the GWG Litigation Trust or its counsel) the sum of \$405,000.00 (the "Settlement Payment"). Payment shall be made payable by wire transfer to an escrow account designated by the GWG Litigation Trust or its counsel. The Settlement Payment shall be paid to the GWG Litigation Trust and distributed pursuant to the terms of the Confirmed Chapter 11 Plan in the Bankruptcy Case.

4. Mutual Releases.

(a) *Release in Favor of JW.* On the Effective Date, and for the consideration described herein, and except for those obligations created by or arising out of this Agreement, the Litigation Trustee and the GWG Litigation Trust, for and on behalf of itself and the Debtors, hereby releases, acquits, and forever discharges JW and its respective predecessors in interest, successors, affiliates, estates, directors, officers, employees, agents, heirs, executors, representatives, insurers, reinsurers, attorneys, partners, associates, staff members, and assigns from any and all actions, suits, debts, covenants, contracts, controversies, agreements, promises, duties, obligations, claims, sanctions, issues, demands, damages, injuries, losses, liabilities, expenses,

attorneys' fees and causes of action of any kind, whether arising in contract, in tort, by statute, at law, in equity, or otherwise, and whether fixed or contingent, liquidated or unliquidated, known or unknown, concealed or revealed, discovered or undiscovered, actual or potential, direct or indirect, material or immaterial, disputed or undisputed, arising out of, related to, based upon, by reason of, or in any way involving any act, matter, transaction, occurrence, or event before the Effective Date, including but not limited to any and all claims and causes of action that relate to or arise from the Bankruptcy Case, the U.S. Trustee Filings, the Bankruptcy Disputes, or the relationship between Ms. Freeman and former Judge Jones, which for the avoidance of doubt includes all such claims, causes of action and allegations that may be held by the GWG Litigation Trust against JW related to any breach of fiduciary duty, negligence, gross negligence, malpractice, fraud (or similar fraud based claims), and/or requests for sanctions.

- (b) *Release in Favor of the Litigation Trustee and the GWG Litigation Trust.* On the Effective Date, and for the consideration described herein, and except for those obligations created by or arising out of this Agreement, JW hereby releases, acquits, and forever discharges the GWG Litigation Trust, the Litigation Trustee, the Debtors, and their respective predecessors in interest, successors, affiliates, estates, directors, officers, employees, agents, heirs, executors, representatives, insurers, reinsurers, attorneys, partners, associates, staff members, and assigns from any and all actions, suits, debts, covenants, contracts, controversies, agreements, promises, duties, obligations, claims, sanctions, issues, demands, damages, injuries, losses, liabilities, expenses, attorneys' fees and causes of action of any kind, whether arising in contract, in tort, by statute, at law, in equity, or otherwise, and whether fixed or contingent, liquidated or unliquidated, known or unknown, concealed or revealed, discovered or undiscovered, actual or potential, direct or indirect, material or immaterial, disputed or undisputed, arising out of, related to, based upon, by reason of, or in any way involving any act, matter, transaction, occurrence, or event before the Effective Date, including but not limited to any and all claims, causes of action and allegations that relate to or arise from the Bankruptcy Case, the U.S. Trustee Filings, the Bankruptcy Disputes, or the relationship between Ms. Freeman and former Judge Jones.

5. **Waiver of Future and Unknown Claims.** Each of the Parties acknowledges that he or it has been advised by his or its attorney(s) concerning, and is familiar with, the provisions of California Civil Code Section 1542, which provides:



A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Each of the Parties acknowledges that he or it may have sustained damages, losses, fees, costs or expenses that are presently unknown and unsuspected, and that such damages, losses, fees, costs or expenses as the Party may have sustained might give rise to additional damages, losses, fees, costs or expenses in the future. Nevertheless, each of the Parties who/which have provided releases herein acknowledges that the releases herein have been negotiated and agreed upon in light of such possible damages, losses, fees, costs or expenses, and each expressly waives any and all rights under California Civil Code Section 1542 and under any other federal or state statute or law of similar effect concerning any potential presently-unknown claims.

6. Bar. The Parties agree that this Agreement may be pleaded as a complete bar to any action or suit before any court or administrative body, with respect to any claim or cause of action under federal, state or other law relating to any possible claim held by the Debtors, Litigation Trustee and the GWG Litigation Trust against JW or any other released parties, except that this Agreement may not be pleaded as a bar to any claims or causes of action that arise in connection with performance, non-performance and/or breach of this Agreement.

7. **Express Waiver of Fraudulent Inducement Claims.**

**THE PARTIES EXPRESSLY WAIVE ANY FRAUDULENT INDUCEMENT CLAIMS RELATED TO THIS AGREEMENT. THE PARTIES EXPRESSLY DISCLAIM RELIANCE UPON ANY FACTS, PROMISES, UNDERTAKINGS, REPRESENTATIONS OR OMISSIONS OF ANY KIND MADE BY ANY OTHER PARTY OR ITS AGENTS, REPRESENTATIVES, OR ATTORNEYS PRIOR TO THE DATE OF EXECUTION OF THIS AGREEMENT WHICH ARE NOT EXPRESSLY SET FORTH OR REFERENCED HEREIN. THE PARTIES ARE RELYING EXCLUSIVELY ON THEIR OWN JUDGMENT IN ENTERING INTO THIS AGREEMENT.**

**MOREOVER, THE PARTIES ALL AGREE, REPRESENT, AND WARRANT THAT: (1) THE TERMS OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE PARTIES' WAIVER OF RELIANCE, WERE NEGOTIATED AND ARE NOT MERE BOILER PLATE; (2) THE PARTIES HAVE SPECIFICALLY DISCUSSED THE ISSUES WHICH ARE THE TOPIC OF THE LAWSUIT AND THIS AGREEMENT; (3) ALL PARTIES ARE REPRESENTED BY COMPETENT COUNSEL; (4) THIS AGREEMENT AND ANY AGREEMENTS RELATING TO THE UNDERLYING LAWSUIT AMOUNT TO AN ARM'S LENGTH TRANSACTION; AND (5) THE**

**PARTIES ARE SOPHISTICATED AND KNOWLEDGEABLE IN BUSINESS MATTERS.**

8. No Admission / Liability Denied. This settlement is made to avoid the uncertainties, annoyance, and expense of further litigation. The payment of the consideration by or on behalf of JW and/or the execution of the Settlement Agreement is not, and is not to be construed, as an admission of liability, which is expressly denied. This Agreement and/or its terms shall not be admissible in any proceeding against any Party, except in any proceeding to approve, construe, interpret or enforce the settlement or any of its terms.

9. Representations and Warranties. The following representations and warranties in this Agreement shall survive its execution and performance.

(a) *Representations and Warranties by the Litigation Trustee.*

- (i) Subject to approval by the Bankruptcy Court or District Court, the Litigation Trustee has all requisite power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein and the execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate and/or partnership action on the part of the GWG Litigation Trust;
- (ii) Subject to approval by the Bankruptcy Court or District Court, the execution, delivery and performance by the Litigation Trustee of this Agreement and the consummation of the transactions contemplated herein will not, with or without the giving of notice or the lapse of time, or both, require any consent, approval, authorization, exemption or waiver, violate any provision of any law, rule, regulation or any order, judgment or decree to which the GWG Litigation Trust may be subject; or conflict with, or result in, a breach or default under any term or condition of any agreement or instrument to which the GWG Litigation Trust is a party or to which the GWG Litigation Trust may be bound;
- (iii) The GWG Litigation Trust is the only entity who, to the Litigation Trustee's knowledge, has any interest in any claims, causes of action, costs or demands herein released and none of such claims, causes of action, costs or demands, nor any part thereof, have been assigned, granted or transferred in any way to any person, persons, entity or entities; and
- (iv) The Litigation Trustee has freely and voluntarily entered into this Agreement and has been fully advised by the GWG Litigation Trust's attorneys concerning its rights and have further been advised by its attorneys as to the terms and effects of this Agreement.



(b) *Representations and Warranties by JW.*

- (i) JW has all requisite power and authority to execute, deliver and perform this Agreement and the transactions contemplated herein and the execution, delivery and performance by it of this Agreement and the consummation of the transactions contemplated herein have been duly authorized by all necessary corporate and/or partnership action on the part of JW;
- (ii) The execution, delivery and performance by JW of this Agreement and the consummation of the transactions contemplated herein will not, with or without the giving of notice or the lapse of time, or both, require any consent, approval, authorization, exemption or waiver, violate any provision of any law, rule, regulation or any order, judgment or decree to which JW may be subject; or conflict with, or result in, a breach or default under any term or condition of any agreement or instrument to which JW is a party to which JW may be bound;
- (iii) JW has freely and voluntarily entered into this Agreement and has been fully advised by its attorneys concerning JW's rights and have further been advised by its attorneys as to the terms and effects of this Agreement.

10. Notice in the Miscellaneous Proceeding. Within three (3) business days after the Effective Date, the Litigation Trustee and JW shall file a joint notice in the miscellaneous proceeding captioned *In re Professional Fee Matters Concerning the Jackson Walker Law Firm*, Case No. 23-00645, pending before the Honorable Chief Judge Rodriguez in the Bankruptcy Court (the "Miscellaneous Proceeding"), attaching a copy of the Final Order and notifying the Honorable Chief Judge Rodriguez of the settlement of the claims related to the Bankruptcy Case. The Parties may file a notice in the Miscellaneous Proceeding in advance of the Approval Order becoming a Final Order informing Chief Judge Rodriguez of the settlement and this Agreement.

11. Retention of Jurisdiction. The Bankruptcy Court or District Court shall retain exclusive jurisdiction over this Agreement and the Approval Order and any disputes or claims related to or arising from the foregoing.

12. Return of Documents / Prohibition on Further Disclosure of Discovery Materials. Within 30 days of the Effective Date, the Litigation Trustee and his counsel, any testifying and consulting experts, any other third-party vendor or consultant engaged by the Litigation Trustee or his counsel, and any employee of any of the foregoing persons or entities shall (a) destroy or return to JW all material in their possession produced by JW in this case designated as "Confidential Information" in accordance with the Protective Order in the Miscellaneous Proceeding or Bankruptcy Case, if any, including Confidential documents and data produced in discovery, deposition transcripts and exhibits, and designated trial exhibits and (b) be prohibited from sharing, producing, or displaying any materials produced by JW in discovery in connection with the Miscellaneous Proceeding or Bankruptcy Case to any third party; *provided, however*, that nothing

in this paragraph shall prohibit or bar the Litigation Trustee from seeking discovery from JW, including the foregoing materials, in other proceedings involving the Litigation Trustee in which a non-party to this Agreement asserts a claim, counterclaim, defense or otherwise raises JW's representation of GWG as an issue in such proceeding.

13. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Texas, except that any conflict of law rule of that jurisdiction that requires reference to the laws of some other jurisdiction must be disregarded.

14. Dispute Resolution. Any dispute, action or proceeding arising out of or relating to this Agreement shall be within the exclusive jurisdiction of the Bankruptcy Court or District Court.

15. Successors and Assigns. This Agreement accrues to the benefit of and is binding on the Parties and their respective successors, successors in interest, and assigns.

16. Headings and Construction. Headings in this Agreement are for convenience and are not to be used in construing this Agreement. This Agreement shall not be construed or interpreted against any Party, either by having drafted this Agreement or otherwise, but shall be construed and interpreted as to give the fullest effect to the releases and undertakings set forth herein.

17. Entire Agreement / No Oral Agreements. The Parties acknowledge that this Agreement constitutes the entire agreement between the Parties in respect of settling the matters and claims as provided herein, and that there are no other oral or written representations not fully expressed in the Agreement in respect of such matters. The Parties have not relied on any facts, statements, or the failure by any Party to make statements or disclose facts, in entering into this Agreement. No extrinsic evidence whatsoever may be introduced in any judicial proceeding involving the construction or interpretation of this Agreement. No waiver, amendment or modification of this Agreement shall be binding unless made in writing and signed by all Parties.

18. Expenses, Fees, and Costs. The Parties shall pay their own costs, expenses, and attorneys' fees incurred in the prosecution, defense, and settlement of this matter, except to the extent such monies are included in amounts paid pursuant to this Agreement.

19. Severability. Should any clause, paragraph, or part of this Agreement be held or declared by a court of competent jurisdiction to be void or illegal for any reason, all other clauses, paragraphs, or parts of this Agreement which can be performed or effective without such illegal clause, paragraph, or part, shall nevertheless remain in full force and effect.

20. Waiver. The failure by any Party to enforce any term or provision of this Agreement shall not constitute a waiver of the right to enforce the same term or provision, or any other term or provision, thereafter. No waiver by any Party of any term or provision of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided in writing.

21. Counterparts. This Agreement may be executed in counterparts and each executed counterpart shall be effective as the original. All faxed, emailed, or electronic signatures affirming this Agreement constitute an original signature.


IN WITNESS WHEREOF, the Parties have entered into this Agreement intending to be bound by their obligations as set forth in this Agreement.

**EXECUTED** in multiple originals on the dates set forth below.

*[Signature blocks on next page]*

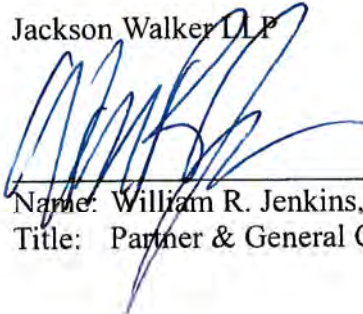
Michael I. Goldberg, solely in his capacity as  
Litigation Trustee of the GWG Litigation Trust

29/04/25  
DATED: \_\_\_\_\_

  
\_\_\_\_\_  
Michael Goldberg (Apr 29, 2025 13:34 EDT)

DATED: 4/29/2025

Jackson Walker LLP

  
\_\_\_\_\_  
Name: William R. Jenkins, Jr.  
Title: Partner & General Counsel

# EXHIBIT B

**Exhibit B**

<b>Settlement Amount</b>	<b>Trustee Counsel Contingency Fee</b>	<b>Gross Distributable Amount (Estimated)</b>
<b><i>Richards Layton</i></b>		
\$ 5,000,000.00	\$ 1,250,000.00	\$ 3,750,000.00
<b><i>Jackson Walker</i></b>		
\$ 405,000.00	\$ 101,250.00	\$ 303,750.00
<b><i>PCA Parties</i></b>		
\$ 1,900,000.00	\$ 475,000.00	\$ 1,425,000.00
	Subtotal	\$ 5,478,750.00
	Less: Litigation Trust Expense Reserve	\$ -
	Notice Costs (Estimated)	\$ (220,000.00)
	Litigation Trustee Success Fee (Est) <sup>1</sup>	\$ (104,303.92)
	<b>Net Distribution to Wind Down Trust (Estimated)</b>	<b>\$ 5,154,446.08</b>

<sup>1</sup> The GWG Litigation Trustee's compensation under the GWG Litigation Trust Agreement includes a success fee comprised of (a) 2% of the net amount available for distribution to the Wind Down Trust Beneficiaries *plus* (b) 2% of the amount of any fees and expenses paid to any experts and/or contingency counsel retained by the Litigation Trustee on behalf of the Litigation Trust ("Success Fee"), less 50% of all monthly compensation paid or payable to the Litigation Trustee. *See* Dkt No. 1910 at Schedule A. The amount included above is the Litigation Trustee's best current estimate of that amount and may be subject to change.



FORMER L BOND HOLDER DISTRIBUTION ESTIMATE (RLF+JW+PCA HIGH CASE)			Two Basis of Distribution Under the Plan to former L Bond Holders			Distribution to Each Class from Lit Proceeds Alone		
NET SETTLEMENT PROCEEDS								
\$ 5,154,446.08								
WDT Interest Series Created by the Plan			Estimated Distribution from Diminution Claim Art. VI.C.ii.					
	Basis of Claim	Amount (WDT Interest)				Distribution		
A1 Indenture Trustee	Indenture Trustee Fees and Costs	\$ -				A1 L Bond	96.50%	\$ 5,035,631.43
	Diminution Claim*	\$ 1,757,260.58	<u>Prepetition L Bond Investment</u>	<u>Percentage of Total WDT Interests</u>	<u>Estimated Distribution</u>	A2 Subordinated	3.27%	\$ 110,975.65
	Total Super Priority Claims	\$ 1,757,260.58	\$ 5,000.00	0.0003%	\$ 5.25	B GUCs	0.23%	\$ 7,839.00
			\$ 10,000.00	0.0006%	\$ 10.50		100.00%	
			\$ 20,000.00	0.0012%	\$ 21.01			
			\$ 50,000.00	0.0030%	\$ 52.52			
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	\$ 3,397,185.50	\$ 100,000.00	0.0060%	\$ 105.05			
WDT Interests sharing pro rata in Settlement Proceeds after A1 Indenture Trustee and Diminution Claim are paid			Estimated Distribution to L Bond Holders Art. VI.C.iii			Estimated Total Distribution to L Bonds		
Series A1	L Bond Claims	\$ 1,672,852,358.00	<u>Prepetition L Bond Investment</u>	<u>Percentage of Total WDT Interests</u>	<u>Estimated Distribution</u>	<u>Prepetition L Bond Investment</u>	<u>Estimated Distribution</u>	
Series A2	LBM Subordinated Claims	\$ 56,627,477.87	\$ 5,000.00	0.0003%	\$ 9.80	\$ 5,000.00	\$ 15.05	
Series B	General Unsecured Claims#	\$ 4,000,000.00	\$ 10,000.00	0.0006%	\$ 19.60	\$ 10,000.00	\$ 30.10	
	Total Interests	\$ 1,733,479,835.87	\$ 20,000.00	0.0012%	\$ 39.19	\$ 25,000.00	\$ 60.20	
			\$ 50,000.00	0.0029%	\$ 97.99	\$ 50,000.00	\$ 150.51	
			\$ 100,000.00	0.0058%	\$ 195.97	\$ 100,000.00	\$ 301.02	
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		
*Balance of Diminution Claim under High Case Scenario (i.e. , \$57.65 million) once other settlement proceeds are applied						0.301%		
#Assumes the settlement with the PCA Parties is approved, which reduces General Unsecured Claims from \$404,000,000 to \$4,000,000								

<b>NET SETTLEMENT PROCEEDS</b>		<b>\$</b>	<b>5,154,446.08</b>
<b>WDT Interest Series Created by</b>			
<b>the Plan</b>	<b><u>Basis of Claim</u></b>	<b><u>Amount (WDT Interest)</u></b>	
A1 Indenture Trustee	Indenture Trustee Fees and Costs	\$	-
	Diminution Claim*	\$	-
	<b>Total Super Priority Claims</b>	<b>\$</b>	<b>-</b>
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	<b>\$</b>	<b>5,154,446.08</b>

WDT Interests sharing pro rata in Settlement Proceeds after A1 Indenture Trustee and Diminution Claim are paid

Series A1	L Bond Claims	\$	1,672,852,358.00
Series A2	LBM Subordinated Claims	\$	56,627,477.87
Series B	General Unsecured Claims#	\$	4,000,000.00
	Total Interests	\$	1,733,479,835.87

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

\*Balance of Diminution Claim under Low Case Scenario (i.e. , \$5 million) once other settlement proceeds are applied  
#Assumes the settlement with the PCA Parties is approved, which reduces General Unsecured Claims from \$404,000,000 to \$4,000,000

Two Basis of Distribution Under the Plan to former L Bond Holders					
Estimated Distribution from Diminution Claim Art. VI.C.ii.					
Prepetition L Bond Investment	Percentage of Total WDT Interests	Estimated Distribution			
\$ 5,000.00	0.0003%	\$	-		
\$ 10,000.00	0.0006%	\$	-		
\$ 20,000.00	0.0012%	\$	-		
\$ 50,000.00	0.0030%	\$	-		
\$ 100,000.00	0.0060%	\$	-		

Estimated Distribution to L Bond Holders Art. VI.C.iii					
Prepetition L Bond Investment	Percentage of Total WDT Interests	Estimated Distribution			
\$ 5,000.00	0.0003%	\$	14.87		
\$ 10,000.00	0.0006%	\$	29.73		
\$ 20,000.00	0.0012%	\$	59.47		
\$ 50,000.00	0.0029%	\$	148.67		
\$ 100,000.00	0.0058%	\$	297.35		

Distribution to Each Class from Lit Proceeds Alone			
		Distribution	
A1 L Bond	96.50%	\$	4,974,172.24
A2 Subordinated	3.27%	\$	168,379.97
B GUCs	0.23%	\$	11,893.87
	100.00%		

Estimated Total Distribution to L Bonds			
Prepetition L Bond Investment	Estimated Distribution		
\$ 5,000.00	\$	14.87	
\$ 10,000.00	\$	29.73	
\$ 25,000.00	\$	59.47	
\$ 50,000.00	\$	148.67	
\$ 100,000.00	\$	297.35	

Percent Distribution on account of the L Bond Claims	0.297%
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# EXHIBIT C

**Exhibit C**

<b>Settlement Amount</b>	<b>Trustee Counsel Contingency Fee</b>	<b>Class Counsel Fee (Maximum)<sup>1</sup></b>	<b>Class Counsel Expense (Maximum)<sup>3</sup></b>	<b>Gross Distributable Amount (Estimated)</b>
<b><i>D&amp;O Defendants</i></b>				
\$ 50,500,000.00	\$ 8,928,400.00	\$ 8,484,000.00	\$ 500,000.00	\$ 33,087,600.00
<b><i>Whitley Penn LLP</i></b>				
\$ 8,500,000.00	\$ 2,125,000.00	\$ -	\$ -	\$ 6,375,000.00
<b><i>Sabes Defendants</i></b>				
\$ 2,300,000.00	\$ 782,000.00	\$ -	\$ -	\$ 1,518,000.00
<b><i>Mayer Brown LLP</i></b>				
\$ 30,000,000.00	\$ 7,500,000.00	\$ -	\$ -	\$ 22,500,000.00
<b><i>Richards Layton</i></b>				
\$ 5,000,000.00	\$ 1,250,000.00	\$ -	\$ -	\$ 3,750,000.00
<b><i>Jackson Walker</i></b>				
\$ 405,000.00	\$ 101,250.00	\$ -	\$ -	\$ 303,750.00
<b><i>PCA Parties</i></b>				
\$ 1,900,000.00	\$ 475,000.00	\$ -	\$ -	\$ 1,425,000.00
Subtotal				\$ 67,534,350.00
Less: Litigation Trust Expense Reserve <sup>2</sup>				\$ (2,500,000.00)
Notice Costs (Estimated)				\$ (703,142.00)
Litigation Trustee Success Fee (Est) <sup>3</sup>				\$ (934,022.50)
<b>Net Distribution to Wind Down Trust (Estimated)</b>				<b>\$ 63,397,185.50</b>

<sup>1</sup> Class Counsel's fees and expenses are subject to approval by the U.S. District Court for the Northern District of Texas (the "District Court") overseeing the putative class action styled *In re GWG Holdings, Inc. Sec. Litig.*, No. 3:22-cv-00410 (the "Class Action"). Under the terms of the settlement agreement, Class Counsel will apply to the District Court for fees not to exceed \$8,484,000 plus reimbursement of expenses not to exceed \$500,000. [Dkt No. 2533-1 at ¶ 22].

<sup>2</sup> This amount represents a reserve by GWG Litigation Trustee to fund reasonably anticipated expenses associated with multiple pending arbitrations and adversary proceedings, in accordance with the terms of the GWG Litigation Trust Agreement. *See* Dkt No. 1910 at §3.4.

<sup>3</sup> The GWG Litigation Trustee's compensation under the GWG Litigation Trust Agreement includes a success fee comprised of (a) 2% of the net amount available for distribution to the Wind Down Trust Beneficiaries *plus* (b) 2% of the amount of any fees and expenses paid to any experts and/or contingency counsel retained by the Litigation Trustee on behalf of the Litigation Trust ("Success Fee"), less 50% of all monthly compensation paid or payable to the Litigation Trustee. *See* Dkt No. 1910 at Schedule A. The amount included above is the Litigation Trustee's best current estimate of that amount and may be subject to change.

<b>NET SETTLEMENT PROCEEDS</b>		
<b>\$ 63,397,185.50</b>		
<b>WDT Interest Series Created by the Plan</b>		
	<b>Basis of Claim</b>	<b>Amount (WDT Interest)</b>
A1 Indenture Trustee	Indenture Trustee Fees and Costs	\$ 2,350,000.00
	Diminution Claim*	\$ 57,650,000.00
	<b>Total Super Priority Claims</b>	<b>\$ 60,000,000.00</b>
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	\$ 3,397,185.50

**WDT Interests sharing pro rata in Settlement Proceeds after A1 Indenture Trustee and Diminution Claim are paid**

Series A1	L Bond Claims	\$ 1,672,852,358.00
Series A2	LBM Subordinated Claims	\$ 56,627,477.87
Series B	General Unsecured Claims#	\$ 4,000,000.00
	<b>Total Interests</b>	<b>\$ 1,733,479,835.87</b>

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

\*Based on discussions, the WDT estimates the range of the Dimunition Claim to be \$5 million to \$57.65 million.  
#Assumes the settlement with the PCA Parties is approved, which reduces General Unsecured Claims from \$404,000,000 to \$4,000,000

<b>Two Basis of Distribution Under the Plan to former L Bond Holders</b>		
<b>Estimated Distribution from Diminution Claim Art. VI.C.ii.</b>		
<b>Prepetition L Bond Investment</b>	<b>Percentage of Total WDT Interests</b>	<b>Estimated Distribution</b>
\$ 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
\$ 100,000.00	0.0060%	\$ 3,446.21

<b>Estimated Distribution to L Bond Holders Art. VI.C.iii</b>		
<b>Prepetition L Bond Investment</b>	<b>Percentage of Total WDT Interests</b>	<b>Estimated Distribution</b>
\$ 5,000.00	0.0003%	\$ 9.80
\$ 10,000.00	0.0006%	\$ 19.60
\$ 20,000.00	0.0012%	\$ 39.19
\$ 50,000.00	0.0029%	\$ 97.99
\$ 100,000.00	0.0058%	\$ 195.97

<b>Distribution to Each Class from Lit Proceeds Alone</b>		
		<b>Distribution</b>
A1 L Bond	96.50%	\$ 60,928,370.86
A2 Subordinated	3.27%	\$ 110,975.65
B GUCs	0.23%	\$ 7,839.00
	<b>100.00%</b>	

<b>Estimated Total Distribution to L Bonds</b>		
<b>Prepetition L Bond Investment</b>	<b>Estimated Distribution</b>	
\$ 5,000.00	\$ 182.11	
\$ 10,000.00	\$ 364.22	
\$ 25,000.00	\$ 728.44	
\$ 50,000.00	\$ 1,821.09	
\$ 100,000.00	\$ 3,642.18	

<b>Percent Distribution on account of the L Bond Claims</b>	<b>3.642%</b>
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NET SETTLEMENT PROCEEDS			\$	63,397,185.50
WDT Interest Series Created by the Plan				
	Basis of Claim	Amount (WDT Interest)		
A1 Indenture Trustee	Indenture Trustee Fees and Costs	\$	2,350,000.00	
	Diminution Claim*	\$	5,000,000.00	
	Total Super Priority Claims	\$	7,350,000.00	
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	\$	56,047,185.50	

WDT Interests sharing pro rata in Settlement Proceeds after A1 Indenture Trustee and Diminution Claim are paid				
Series A1	L Bond Claims	\$	1,672,852,358.00	
Series A2	LBM Subordinated Claims	\$	56,627,477.87	
Series B	General Unsecured Claims#	\$	4,000,000.00	
	Total Interests	\$	1,733,479,835.87	

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

\*Based on discussions, the WDT estimates the range of the Dimunition Claim to be \$5 million to \$57.65 million.  
#Assumes the settlement with the PCA Parties is approved, which reduces General Unsecured Claims from \$404,000,000 to \$4,000,000

<u>Two Basis of Distribution Under the Plan to former L Bond Holders</u>			
Estimated Distribution from Diminution Claim Art. VI.C.ii.			
<u>Prepetition L Bond</u>	<u>Percentage of Total WDT</u>	<u>Estimated</u>	
<u>Investment</u>	<u>Interests</u>	<u>Distribution</u>	
\$ 5,000.00	0.0003%	\$	14.94
\$ 10,000.00	0.0006%	\$	29.89
\$ 20,000.00	0.0012%	\$	59.78
\$ 50,000.00	0.0030%	\$	149.45
\$ 100,000.00	0.0060%	\$	298.89

Estimated Distribution to L Bond Holders					
Art. VI.C.iii					
Prepetition L Bond	Percentage of Total WDT		Estimated		
Investment	Interests		Distribution		
\$ 5,000.00	0.0003%		\$	161.66	
\$ 10,000.00	0.0006%		\$	323.32	
\$ 20,000.00	0.0012%		\$	646.64	
\$ 50,000.00	0.0029%		\$	1,616.61	
\$ 100,000.00	0.0058%		\$	3,233.22	

Distribution to Each Class from Lit Proceeds Alone			
		Distribution	
A1 L Bond	96.50%	\$	59,086,966.85
A2 Subordinated	3.27%	\$	1,830,889.92
B GUCs	0.23%	\$	129,328.73
	100.00%		

Estimated Total Distribution to L Bonds			
Prepetition L Bond	Estimated		
Investment	Distribution		
\$ 5,000.00	\$	176.61	
\$ 10,000.00	\$	353.21	
\$ 25,000.00	\$	706.42	
\$ 50,000.00	\$	1,766.05	
\$ 100,000.00	\$	3,532.11	

Percent Distribution on account of the L Bond Claims	3.532%
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**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:

PROFESSIONAL FEE MATTERS  
CONCERNING THE JACKSON WALKER  
LAW FIRM

Civil Action No. 4:23-cv-04787

**[Proposed] ORDER ON MOTION FOR ENTRY OF ORDER APPROVING  
SETTLEMENT AGREEMENT WITH JACKSON WALKER LLP**

Upon consideration of the Motion for Entry of an Order Approving a Settlement and Compromise Pursuant to Bankruptcy Rule 9019 (the “Motion”),<sup>1</sup> seeking approval of the Proposed Settlement dated as of April 29, 2025, and attached hereto as Exhibit A (the “Proposed Settlement”); 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 such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms have the same meaning as used in the Motion.

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 Proposed Settlement Pursuant to Article IV.E.2 of the Plan.

F. The Proposed Settlement includes releases for claims the Litigation Trustee has asserted against Jackson Walker, which are described in the Motion.

G. The Proposed Settlement and the transactions, compromises, and releases 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 Proposed Settlement and the transactions, compromises, and releases provided therein, and (ii) compelling circumstances for approval of the Proposed Settlement pursuant to Bankruptcy Rule 9019.

H. Based upon the evidence and arguments, this Court has weighed the probability of success in litigation, the complexity of the litigation involved, and the expense, inconvenience, 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.

I. In the absence of the Proposed Settlement, the Litigation Trust faces litigation expense, risk, and delay. Even if the Litigation Trust was successful in litigating its alleged claims, any recovery would not accrue to the benefit of the Litigation Trust for potentially several years. The Proposed Settlement resolves the disputes now without the need for additional and uncertain litigation.

J. The terms of the Proposed Settlement and the transactions, compromises, and releases provided therein were negotiated and agreed to by the Litigation Trust and Jackson Walker, each of whom was represented by competent counsel, in good faith, without collusion, and as a result of arm's-length bargaining.

K. The Proposed Settlement was entered into by the Litigation Trust and Jackson Walker, 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 Proposed Settlement is approved.
2. The Litigation Trust and Jackson Walker are authorized to take such steps and actions as may be necessary or appropriate to implement the terms of the Proposed Settlement 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 Proposed Settlement or this Order.

Dated: \_\_\_\_\_, 2025

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ALIA MOSES  
CHIEF UNITED STATES DISTRICT JUDGE