

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

In re:

GWG HOLDINGS, INC., *et al.*¹

Debtors.

Chapter 11

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

**LITIGATION TRUSTEE'S MOTION FOR ENTRY OF AN ORDER
APPROVING SETTLEMENT AGREEMENT WITH
RICHARDS, LAYTON & FINGER, P.A.**

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

Represented parties should act through their attorney.

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

Michael I. Goldberg, in his capacity as the Trustee of the GWG Litigation Trust, (the “Litigation Trustee”) 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 Richards, Layton & Finger, P.A. (“RLF” and collectively with the Litigation Trustee, the “Settling Parties”), and in support, states as follows.

PRELIMINARY STATEMENT

1. The Litigation Trustee seeks the Court’s approval of the Proposed Settlement, which resolves all claims the GWG Litigation Trust (the “Litigation Trust”) has or may have against RLF in exchange for \$5 million. The Proposed Settlement was the product of lengthy settlement negotiations between RLF and the Litigation Trustee’s respective counsel over the course of several months. After careful consideration, the Litigation Trustee believes that the Proposed Settlement is in the best interests of the Litigation Trust and its ultimate beneficiaries for several reasons.

2. First, the Litigation Trust’s potential claims against RLF are subject to several defenses, including contributory negligence, the *in pari delicto* doctrine, and alleged causation issues. Although the Litigation Trustee believes the claims against RLF have merit, these defenses create litigation risk. Many of these defenses, if established, would be complete bars to liability and result in the Litigation Trust recovering nothing from RLF. In addition, the Litigation Trustee would likely be forced to arbitrate claims against RLF pursuant to an arbitration clause in the firm’s engagement letter with GWG, which injects an additional degree of uncertainty and would leave the Litigation Trustee with very little recourse if the arbitrator were to find in RLF’s favor.

3. Second, even if the Litigation Trustee were able to prove liability and overcome RLF’s defenses, the Litigation Trust’s recoverable damages could still be significantly reduced.

The Litigation Trust's potential claims against RLF involve transactions that also form the basis for claims against other parties, meaning that any recovery against RLF could be reduced by the proportionate responsibility of other culpable actors and/or amounts recovered from other actors. For instance, the Litigation Trustee has already asserted claims against (1) former GWG directors and officers in the adversary proceeding styled *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-03090, (2) Foley & Lardner LLP in the adversary proceeding styled *Goldberg v. Foley & Lardner LLP*, Adv. Pro. No. 24-03199, and (3) Holland & Knight LLP and William Banowsky in the adversary proceeding styled *Goldberg v. Holland & Knight LLP, et al.*, Adv. Pro. No. 25-03064. Each of those cases involves some or all of the same transactions as the Litigation Trustee's claims against RLF. The Litigation Trustee is also investigating potential claims against several other professional firms involved in those same transactions, and may file additional suits in the coming months.

4. Moreover, the Litigation Trustee has settled claims, including against (1) certain former GWG directors and officers; (2) GWG's former auditor, Whitley Penn, LLP; and (3) GWG's former attorneys at Mayer Brown, LLP. Because the claims against those parties also involved some or all of the same transactions as the Litigation Trustee's claims against RLF, any award the Litigation Trustee were to win against RLF might be reduced by amounts recovered from those parties, which total \$91.3 million, or those parties' proportionate responsibility. Given the multitude of potentially culpable parties involved in bringing about the relevant alleged injuries, there is a significant risk that the damages recoverable against RLF could be materially reduced, even if the Litigation Trustee established liability and defeated RLF's other defenses.

5. Third, prosecuting claims against RLF would be a long and expensive process. The potential claims involve complex legal and factual issues, requiring work from consulting and

testifying experts to the tune of hundreds of thousands of dollars in expert fees, if not significantly more. In addition, the Litigation Trust would be responsible for a portion of the arbitration fees, which could reach hundreds of thousands of dollars in a case of this magnitude and complexity. And even if the Litigation Trustee succeeded in arbitration, it would likely be at least a year or more before any recovery flowed to the Litigation Trust and its ultimate beneficiaries.

6. Although it is theoretically possible that the Litigation Trustee could obtain a larger recovery against RLF, doing so would require navigating a minefield of potential litigation risks and incurring potentially millions of dollars in expenses. In light of these considerations, the Litigation Trustee respectfully submits that the Proposed Settlement is fair, reasonable, and in the best interests of the Litigation Trust and its constituents. The \$5 million settlement amount is substantial, takes into account the litigation risk the Litigation Trustee faces, the modest amount of fees GWG paid RLF (less than \$275,000), and the limited scope of RLF's representation of GWG. And when added to the settlements already approved by the Court and other settlements for which the Trustee also is seeking approval,² the Litigation Trustee estimates that total distributions to the Wind Down Trust will be approximately \$63.39 million (as shown on Exhibit C at 1) and total distributions to former GWG L Bond holders will range between approximately \$353.21 to \$364.22 for a \$10,000 pre-petition investment in L Bonds. Accordingly, the Litigation Trustee asks the Court to approve the Proposed Settlement by granting this Motion and entering an order granting the requested relief.

JURISDICTION AND VENUE

7. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the

² The Litigation Trustee is filing motions for approval of settlements with Jackson Walker, LLP and Paul Capital Advisors, LLC contemporaneously with this Motion.

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

BACKGROUND

8. 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.

9. On June 20, 2023, the Court entered its *Findings of Fact, Conclusions of Law, and Order Confirming Debtors’ Further Modified Second Amended Joint Chapter 11 Plan* [Dkt. No. 1952] (the “Confirmation Order”), which confirmed the *Debtors’ Further Modified Second Amended Joint Chapter 11 Plan, submitted by the Debtors, the Bondholder Committee, and L Bond Management, LLC as Co-Proponents* [Dkt. No. 1678] (the “Plan”).

10. The Plan and Confirmation Order established the GWG Wind Down Trust (“Wind Down Trust”) for the purpose of winding down Debtors’ affairs, liquidating the Wind Down Trust assets, and making distributions. The Plan and Confirmation Order also established the GWG Litigation Trust (the “Litigation Trust”) for the purpose of prosecuting or settling certain of Debtors’ causes of action, appointed Michael I. Goldberg as the Litigation Trustee, and transferred

all Retained Causes of Action, among other things, to the Litigation Trust.³ 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).

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

A. The Litigation Trustee’s Claims Against RLF.

12. Following his appointment, the Litigation Trustee began investigating potential claims against Debtors’ former attorneys, including RLF. RLF was retained solely to serve as Delaware counsel to GWG between 2019 and 2022. GWG paid RLF approximately \$275,000 in fees for its work. During that time, RLF was also Delaware counsel to a company with which Debtors became entangled—the Beneficient Company Group L.P. (and collectively with its affiliates, “BEN”), and had been involved in BEN’s formative transactions between 2015 and 2017.

13. In the course of this investigation, the Litigation Trustee and his counsel requested and reviewed RLF’s client file for its representation of GWG, reviewed tens of thousands of

³ The confirmed Plan defines “Retained Causes of Action” to mean “all Avoidance Actions, all Causes of Action set forth on a schedule in the Plan Supplement . . . and any other Causes of Action belonging to the Debtors or their Estates that are not released pursuant to this Plan or other Final Order.” Plan Art. I(A)(163).

documents from GWG, BEN, and third parties, and consulted with retained experts. Based on his investigation, the Litigation Trustee determined that the Litigation Trust had potential claims against RLF (the “Debtors’ Claims”).

14. On March 25, 2024, the Litigation Trustee and RLF entered into a Standstill and Tolling Agreement to toll the statute of limitations, which otherwise would have expired in April 2024. Over the following months, the Litigation Trustee and RLF executed a series of extensions to that agreement to give the parties time to further evaluate and attempt to resolve the Debtors’ Claims.

15. On April 9, 2025, the Litigation Trustee sent RLF a demand letter laying out the Debtors’ Claims, the factual bases therefore, and responses to anticipated counter-arguments. The parties also agreed to extend the Standstill and Tolling Agreement until September 2025 to facilitate discussion, negotiations and a potential mediation.

16. The Litigation Trustee and RLF agreed on a mediator shortly thereafter, but were unable to find a date that worked for the mediator, both parties, and their counsel (which had multiple trials scheduled for the summer of 2025) until late August 2025. In early May 2025, the Litigation Trustee and RLF reserved that late August date but resolved to continue discussing the case through counsel in an attempt to reach resolution in the meantime.

17. Over the following weeks, the Litigation Trustee’s and RLF’s counsel exchanged offers and their respective views of the Debtors’ Claims, possible defenses, and likely damages in a series of phone calls and emails. On June 16, 2025, the Litigation Trustee and RLF reached an agreement in principle to settle the Debtors’ Claims for \$5 million. The parties then negotiated the non-economic terms and form of the settlement before executing the Proposed Settlement as of August 25, 2025. The parties subsequently agreed to extend the deadline in Section 4 of the

Proposed Settlement for the Trustee to file this Rule 9019 Motion so that it could be noticed and heard with other such motions to save the Litigation Trust significant notice costs.

B. The Proposed Settlement.

18. The Proposed Settlement includes the following key terms, provided below in pertinent part:⁴

Payment and Terms of Payment: Pursuant to the terms of the Proposed Settlement, RLF will transfer or cause to be transferred a total of \$5,000,000 United States dollars (U.S. \$5,000,000.00) (the “**Settlement Amount**”) to an account designated by the Litigation Trustee or his counsel, with such designation to be made no later than five (5) business days following the Bankruptcy Court’s entry of an order approving the Rule 9019 Motion. RLF shall transfer or cause to be transferred the Settlement Amount on or before the 21st day after the order approving the Proposed Settlement and granting the Rule 9019 Motion becomes Final.

Mutual Releases: The Litigation Trustee—on behalf of the Litigation Trust, the Debtors, and the Debtors’ bankruptcy estate (collectively, the “**GWG Litigation Trust Releasors**”)—irrevocably releases, acquits, and forever discharges RLF and its past, present and future direct and indirect parents, insurers, subsidiaries, affiliates, and other entities under common control, divisions, predecessors, successors, and assigns, and their respective current and former officers, directors, partners, counsel, associates, shareholders, members, representatives, attorneys, agents and employees, in their official and individual capacities (collectively, “**RLF Released Parties**” and each a “**RLF Released Party**”) from any and all claims, causes of action, duties, obligations, demands, damages, losses or liabilities, that were or can be alleged, can be or are owned or assertable by, or that were or are assigned to the GWG Litigation Trust Releasors, known or unknown, accrued or unaccrued, of any nature whatsoever, that arose from the beginning of time through the Effective Date, including but not limited to, any claim arising out of or relating to the Disputed Matter, GWG, the Debtors, the Representation, the Firm’s actual or alleged representation of any and all directors or officers of GWG, the Bankruptcy Case, and the Firm’s actual or alleged representation of The Beneficient Company Group, L.P. (“**BEN**”), including any affiliates, parents, subsidiaries, past, present and future officers, directors, employees, or agents of BEN.

RLF irrevocably releases, acquits, and forever discharges the GWG Litigation Trust Releasors and any of their past, present and future direct and indirect parents, insurers, subsidiaries, affiliates, and other entities under common control, divisions, predecessors, successors, and assigns, and their respective current and former officers, directors, partners, associates, shareholders, members, representatives, attorneys, agents and employees, in their official and individual capacities from any and all claims, known or unknown, relating

⁴ This summary (including any defined terms therein) 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.

to or arising from the Representation, that arose from the beginning of time through the Effective Date, including without limitation any proof(s) of claim RLF filed in the Bankruptcy Case.

RELIEF REQUESTED

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

BASIS FOR RELIEF REQUESTED

20. Pursuant to section 105(a) of the Bankruptcy Code, a bankruptcy court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a). In addition, the Confirmation Order provides, “[s]ubject to Article XI of the Plan, pursuant to sections 105(a) and 1142 of the Bankruptcy Code, this Court retains exclusive jurisdiction with respect to all matters arising from or related to these Chapter 11 Cases, the Plan, and the implementation of this Confirmation Order, including, without limitation, those matters set forth in Article XI of the Plan.” Confirmation Order ¶ 35.

21. Here, 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, must seek the Bankruptcy Court’s approval for “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.” Plan Art. IV(Q). Because the proposed settlement resolves a dispute that represents more than \$5 million of economic value to the estate and its creditors, the Proposed Settlement requires approval of the Bankruptcy Court after notice and an opportunity for a hearing. Ex. A ¶ 1 (“This

Agreement is contingent upon ... approval of this settlement and entry of an order by the Bankruptcy Court”).

22. Under Bankruptcy Rule 9019(a), a bankruptcy court may, after appropriate notice and a hearing, approve a compromise or settlement so long as the proposed settlement is fair, reasonable, and in the best interest of the estate. *See Official Comm. of Unsecured Creditors v. Moeller (In re Age Ref., Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015). Approval of a compromise is within the sound discretion of the bankruptcy court. *See, e.g., United States v. AWECO, Inc. (In re AWECO, Inc.)*, 725 F.2d 293, 297 (5th Cir. 1984); *Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599, 602–03 (5th Cir. 1980).

23. When evaluating a settlement, the role of the bankruptcy court is not to decide the issues in dispute. *Watts v. Williams*, 154 B.R. 56, 59 (S.D. Tex. 1993). Rather, the bankruptcy court determines whether the settlement as a whole falls within the range of reasonableness and is fair and equitable. *Id.*

24. 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); *Jackson Brewing*, 624 F.2d at 602 (same). 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. Each of these factors weigh in favor of approving the Proposed Settlement.

A. Litigating the Debtors’ Claims Involves Substantial Risk and Uncertainty.

25. The first factor courts in the Fifth Circuit consider—the probability of success—weighs in support of finding the Proposed Settlement is fair and equitable. The Debtors’ Claims are subject to multiple potential defenses, some of which would be a total bar to recovery. And because RLF represented GWG in a limited capacity and for a relatively short period of time, any recovery from RLF may be reduced by money recovered from other culpable parties or those parties’ proportionate responsibility. In light of these risks, the Proposed Settlement is in the best interests of the Litigation Trust and its ultimate beneficiaries.

26. “[I]t 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)).

27. The Litigation Trustee and his counsel have spent months investigating, researching, and evaluating the Debtors’ Claims, RLF’s possible defenses, and the likely magnitude of any recovery against RLF. The Litigation Trustee believes the Litigation Trust has viable claims against RLF including based on RLF’s alleged advice regarding the composition, function, and dissolution of GWG’s Special Committee in 2020 and 2021. The Litigation Trust believes that it may also have a possible claim against RLF for aiding and abetting breaches of fiduciary duty by GWG’s chairman, CFO, and others in connection with a series of transactions between GWG and BEN from July 2020 through March 2021 and a November 2021 “Decoupling” transaction whereby GWG and BEN severed certain ties between the companies.

28. RLF disputes that the Litigation Trust has any viable claims against RLF. The Litigation Trust also has considered that the Debtors' Claims are subject to several possible defenses, including based on contributory negligence, the *in pari delicto* doctrine, and causation issues. Many of these defenses, if successful, would be complete bars to liability, resulting in the Litigation Trust recovering nothing. While the Litigation Trustee believes the Debtors' Claims have merit, the Litigation Trustee also recognizes that the probability of the Debtors' Claims surviving dispositive motions remains subject to risk and uncertainty.

29. These risks are compounded by the fact that, if the Litigation Trustee continued to pursue the Debtors' Claims, he would likely be forced to arbitrate them pursuant to an arbitration clause in RLF's engagement letter with Debtors. Arbitration injects additional uncertainty relative to litigation, whether in an adversary proceeding or otherwise, and would leave the Litigation Trustee with very limited recourse if the arbitrator were to find in RLF's favor.

30. Even if the Litigation Trustee prevailed on the Debtors' Claims, it is unlikely that the Litigation Trust would obtain a larger recovery from RLF. The Litigation Trustee's damages model for the Debtors' Claims is the amount of money GWG transferred to BEN in transactions where it was advised by RLF, approximately \$145 million, less the value of the BEN equity GWG received in return. The value, if any, of that equity will require expert work to quantify. The Litigation Trustee's damages model for his potential aiding and abetting claim includes this amount, plus losses resulting from the Decoupling transaction, which will also require further analysis and expert work to quantify.

31. However, it is highly unlikely that the Litigation Trust could obtain a more significant recovery from RLF. RLF represented GWG in a limited capacity as Delaware counsel for less than three years. Other potentially culpable parties were more involved in the transactions

at issue, such as other law firms that represented GWG more generally, GWG's former directors and officers, and accounting and valuation firms. In addition, many of these parties were involved with GWG over a period far longer than RLF. For instance, Mayer Brown represented GWG from 2017 through the company's bankruptcy. As a result, there is a significant risk that the recoverable damages will be reduced due to proportionate responsibility of other parties. As discussed above, the Litigation Trustee has filed lawsuits against (1) former GWG directors and officers, in the adversary proceeding styled *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-03090; (2) Foley & Lardner LLP, in the adversary proceeding styled *Goldberg v. Foley & Lardner LLP*, Adv. Pro. No. 24-03199; and (3) Holland & Knight LLP and William Banowsky, in the adversary proceeding styled *Goldberg v. Holland & Knight LLP, et al.*, Adv. Pro. No. 25-03064. Each of those cases involves some or all of the same transactions as the Debtor's Claims.

32. In addition, the Litigation Trust's recoverable damages may also be reduced by amounts recovered from other parties. The Litigation Trustee has settled claims for a total of \$91.3 million, including against: (1) certain former GWG directors and officers; (2) GWG's former auditor, Whitley Penn, LLP; and (3) GWG's former attorneys at Mayer Brown, LLP. Those settlements resolved claims concerning some or all of the same transactions as the Litigation Trustee's claims against RLF, and RLF might be entitled to settlement credit for some or all of those settlements.

33. Finally, the Litigation Trustee is investigating claims against other professional firms related to many of the same injuries allegedly caused by RLF. The culpability of these parties in bringing about the relevant injuries and amounts recovered by the Trustee could further reduce the amount of recoverable damages against RLF.

34. In sum, the first factor weighs heavily in favor of approving the Proposed Settlement. Given the risks of litigating the Debtor's Claims, the likely size of an award against RLF, and the possibility that the award would be materially reduced, the Litigation Trustee believes the Proposed Settlement is in the best interests of the Litigation Trust and its ultimate beneficiaries.

B. Litigating the Debtors' Claims Would Likely Cost the Litigation Trust Millions of Dollars.

35. The second factor courts in the Fifth Circuit consider in evaluating whether a compromise is fair and equitable, the "complexity and likely duration of the litigation and any attendant expense, inconvenience and delay," also weighs in favor of approving the Proposed Settlement. *Beach*, 731 F. App'x at 325. Litigating the Debtors' Claims would be a lengthy process and could require the Litigation Trust to expend millions of dollars in fees and costs, with no guarantee that it would ever recoup that money through an award against RLF.

36. First, the Litigation Trust would need to bear significant expenses to litigate the Debtors' Claims even to the summary judgment stage. The Trustee would likely need to retain experts to opine on the relevant standard of care, RLF's professional duties and potential conflicts of interest, and complex valuation issues related to damages, in addition to other potential topics. Fees for those experts to prepare reports, sit for depositions, respond to reports by RLF's experts, and testify at trial would be in the hundreds of thousands of dollars, if not significantly more.

37. The Litigation Trust would also be responsible for a portion of the arbitration fees, which could also reach hundreds of thousands of dollars in a case of this magnitude and complexity. RLF's engagement letter with GWG requires that the arbitrator be a retired judge from the Delaware Court of Chancery or Delaware Supreme Court or a member of the Delaware Bar with more than 20 years of experience. Based on the experience of the Litigation Trustee and his

counsel, arbitrators with that level of experience are very expensive and generally charge well over \$1,000 per hour.

38. Second, arbitrating the Debtors' Claims would be a lengthy process. A recovery, if any, would not accrue to the benefit of the Litigation Trust for at least a year, if not longer. Although RLF's engagement letter with GWG states that disputes are to be resolved pursuant to the Delaware Rapid Arbitration Act, that act only applies if the agreement containing the arbitration clause was signed by all parties. *See* 10 Del. C. § 5803(a)(1). The Trustee has not been able to locate a version of RLF's engagement letter signed by GWG in either the Debtors' files or the documents produced by RLF. Thus, it is not clear whether the Delaware Rapid Arbitration Act and its accelerated timeline would apply to the Debtors' Claims. Statistics published by the American Arbitration Association show that the average domestic commercial arbitration is resolved in approximately one year.⁵ But the Debtors' Claims are more complicated than the average commercial dispute and would likely take longer to resolve.

39. In addition, the requirement in RLF's engagement letter that the arbitrator be a retired judge from the Delaware Court of Chancery, Delaware Supreme Court, or a member of the Delaware Bar with more than 20 years of experience (which requirement would likely be enforceable even if GWG did not formally execute the engagement letter) significantly narrows the pool of possible arbitrators. This could cause arbitration to take even longer due to scheduling and administrative difficulties.

40. Although pre- and post-judgment interest could partially compensate for the delay inherent in any arbitration award, the Litigation Trustee believes that recovering \$5 million now is preferable to recovering a potentially larger but uncertain amount at some point in the future,

⁵ American Arbitration Association, *Measuring the Costs of Delays in Dispute Resolution* (<https://go.adr.org/impactsofdelay.html>).

particularly when that potential future award would require the Litigation Trust to bear significant costs. A certain and more immediate recovery is of particular benefit to the Litigation Trust and its ultimate beneficiaries given the Trust's financial position and current and anticipated expenses. The Proposed Settlement will give the Litigation Trust funding to continue investigating and litigating other Retained Causes of Action. Like the Debtors' Claims, the other Retained Causes of Action are exceedingly complex and resolving them will require significant effort and expense.

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.

41. 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. *Beach*, 731 F. App'x at 325.

42. 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. The Proposed Settlement, 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 Exhibit 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 Exhibit C* at 1) and distributions to former GWG L Bond holders will range between 3.522% and 3.642% (*see Exhibit C* at 2-3). And the amount of the Proposed Settlement, \$5 million, is significantly more than the approximately \$275,000 in fees GWG paid RLF. 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 Trust's ultimate stakeholders.

43. In addition, 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 months of negotiation between counsel for RLF and the Litigation Trustee. 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, RLF participated in the settlement discussions and acted in good faith in reaching the Proposed Settlement.

44. 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.

NOTICE

45. Prior to filing of this Motion, the Litigation Trustee coordinated with the Wind Down Trustee and her advisors and Stretto regarding service. The Litigation Trustee and Wind Down Trustee wish to ensure the broadest possible notice. A Service List was created that includes all parties on the master mailing matrix, including all WDT Interest holders. Further, the service list now includes individual indirect WDT Interest holders identified by the Wind Down Trustee. Service will occur by First Class US Mail on all parties and also by e-mail whenever possible. Stretto will file an affidavit of service with the Service List attached as soon as possible after service is completed. Further, this Motion will be posted on the GWG Trust website.

PRAYER

WHEREFORE, the Litigation Trustee respectfully requests that the Court enter the Order, substantially in the form filed with this Motion, (i) granting this Motion; (ii) approving the

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/ Dylan Jones

William T. Reid, IV
Tex. Bar No. 00788817
S.D. Tex. Bar No. 17074
Nathaniel J. Palmer (admitted *pro hac vice*)
Tex. Bar No. 24065864
Michael J. Yoder (admitted *pro hac vice*)
Tex. Bar No. 24056572
Joshua J. Bruckerhoff
Tex. Bar. No. 24059504
S.D. Tex. Bar No. 1049153
Morgan M. Menchaca
Tex. Bar No. 24103877
S.D. Tex. Bar No. 3697565
Dylan Jones (admitted *pro hac vice*)
Tex. Bar No. 24126834
Emma G. Culotta
Tex. Bar No. 24132034
S.D. Tex. Bar No. 3862661
Taylor A. Lewis (admitted *pro hac vice*)
Tex. Bar No. 24138317
1301 S. Capital of Texas Hwy
Building C, Suite 300
Austin, Texas 78746
(512) 647-6100
wreid@reidcollins.com
npalmer@reidcollins.com
myoder@reidcollins.com
jbruckerhoff@reidcollins.com
mmenchaca@reidcollins.com
djones@reidcollins.com
eculotta@reidcollins.com
tlewis@reidcollins.com

Tarek F.M. Saad (admitted *pro hac vice*)
Tex. Bar No. 00784892
420 Lexington Avenue, Suite 2731
New York, NY 10170
(212) 344-5203
tsaad@reidcollins.com

Counsel for the GWG Litigation Trustee

CERTIFICATE OF SERVICE

I, Dylan Jones, 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/ Dylan Jones

Dylan Jones

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement (“**Agreement**”) is entered into as of August 25, 2025 (the “**Effective Date**”) by and between Michael I. Goldberg, as the Trustee of the GWG Litigation Trust (“**Trust**,” “**Trustee**,” or “**Claimant**”), on the one hand, and Richards, Layton & Finger, P.A. (“**RLF**” or the “**Firm**”), on the other hand. The Claimant and the Firm are referred to herein as the “**Parties**” and individually as a “**Party**.”

WHEREAS, the Firm provided legal services to one or more of GWG Holdings, Inc., GWG Life Settlements, LLC, and their affiliates, parents, subsidiaries, and other entities under common control (collectively with each debtor in the Bankruptcy Case (as defined below), “**GWG**” or the “**Debtors**”)¹ (the “**Representation**”);

WHEREAS, the Debtors filed for Chapter 11 bankruptcy on April 20, 2022 and October 31, 2022 (together, the “**Petition Date**”), in the cases jointly administered and styled, *In re GWG Holdings, Inc.*, No. 22-90032 (the “**Bankruptcy Case**”), in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (as the court having jurisdiction over the Bankruptcy Case, the “**Bankruptcy Court**”);

WHEREAS, the Bankruptcy Court entered an order confirming the Debtors’ Further Modified Second Amended Joint Chapter 11 Plan on June 20, 2023, Dkt. No. 1952, which became effective on August 1, 2023, Dkt. No. 2079, (the “**Confirmed Chapter 11 Plan**”);

WHEREAS, Claimant asserts an entitlement to pursue claims against the Firm under the Debtors’ Confirmed Chapter 11 Plan and contends that the Firm violated duties owed to GWG in connection with the Representation and committed other alleged injurious acts during the course of the Representation (the “**Disputed Matter**”);

WHEREAS, the Firm denies any negligence, wrongdoing, or liability of any kind;

WHEREAS, the Parties to this Agreement participated in settlement communications, and shared written and oral communications for settlement purposes, including settlement offers and demands, with each other in connection with those discussions (the “**Compromise Communications**”); and,

WHEREAS, to avoid the time, cost, distraction, and uncertainty of litigation, and for good and valuable consideration, the sufficiency of which the Parties acknowledge, the Parties accordingly agree as follows:

1. Conditional Settlement. This Agreement is contingent upon, subject to, and will become effective only upon: (a) approval of this settlement and entry of an order by the Bankruptcy Court that grants the Rule 9019 Motion (defined below in Section 4); and (b) that order becoming “**Final**” meaning following the conclusion or expiration of (1) 14 days (as computed in accordance with Fed. R. Bankr. P. 9006) and (2) either (i) the time period for any person or party to timely

¹ The Debtors in the Bankruptcy Case were 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.

appeal, request rehearing, or request modification of the order in whole or in part under Fed. R. Bankr. P. 8002, 8022, or 9023 passes and no such appeal or request to rehear or modify is filed, or (ii) if a timely appeal or request to rehear or modify is filed, then (a) any such appeal or request to rehear or modify has been dismissed with prejudice or (b) the order is affirmed on appeal and is not subject to further timely appellate review. Should the Bankruptcy Court deny the Rule 9019 Motion or not enter an order approving this settlement as required by the preceding sentence, or if for any reason the Bankruptcy Court's approval does not become Final or is reversed, modified, or vacated in subsequent proceedings or appeals, this Agreement shall become null and void.

2. Payment and Terms of Payment. Pursuant to the timing and terms in this Section, the Firm will transfer or cause to be transferred a total of \$5,000,000 United States dollars (U.S. \$5,000,000.00) (the "**Settlement Amount**") to an account designated by the Claimant or his counsel, with such designation to be made no later than five (5) business days following the Bankruptcy Court's entry of an order approving the Rule 9019 Motion (as defined in paragraph 4 below).

The Firm shall transfer or cause to be transferred the Settlement Amount on or before the 21st day after the order approving the settlement and granting the Rule 9019 Motion becomes Final.

The payment of the Settlement Amount will satisfy completely any alleged legal, contractual, tort or other liability to Claimant by the Firm (and any RLF Released Party as defined herein). The payment of the Settlement Amount is not, and is not to be represented as, an admission of liability by the Firm or any RLF Released Party.

3. Releases, Covenant Not to Sue, Prohibited Assignments.

3.1 Release of RLF. Claimant—on behalf of the Trustee, the Trust, the Debtors, and the Debtors' bankruptcy estate (collectively, the "**GWG Litigation Trust Releasors**")—irrevocably releases, acquits, and forever discharges RLF and its past, present and future direct and indirect parents, insurers, subsidiaries, affiliates, and other entities under common control, divisions, predecessors, successors, and assigns, and their respective current and former officers, directors, partners, counsel, associates, shareholders, members, representatives, attorneys, agents and employees, in their official and individual capacities (collectively, "**RLF Released Parties**" and each a "**RLF Released Party**") from any and all claims, causes of action, duties, obligations, demands, damages, losses or liabilities, that were or can be alleged, can be or are owned or assertable by, or that were or are assigned to, Claimant and/or the GWG Litigation Trust Releasors, known or unknown, accrued or unaccrued, of any nature whatsoever, that arose from the beginning of time through the Effective Date, including but not limited to, any claim arising out of or relating to the Disputed Matter, GWG, the Debtors, the Representation, the Firm's actual or alleged representation of any and all directors or officers of GWG, the Bankruptcy Case, and the Firm's actual or alleged representation of The Beneficient Company Group, L.P. ("**BEN**"), including any affiliates, parents,

subsidiaries, past, present and future officers, directors, employees, or agents of BEN.

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

3.3 Prohibition on Assignments. Claimant and the GWG Litigation Trust Releasors covenant not to solicit, accept, take, or receive any assignment of any claims against any RLF Released Party related to or concerning the Representation, the Disputed Matter, or any claims released in Section 3.1 of this Agreement.

3.4 Release of Claimant. The Firm irrevocably releases, acquits, and forever discharges Claimant and the GWG Litigation Trust Releasors and any of their past, present and future direct and indirect parents, insurers, subsidiaries, affiliates, and other entities under common control, divisions, predecessors, successors, and assigns, and their respective current and former officers, directors, partners, associates, shareholders, members, representatives, attorneys, agents and employees, in their official and individual capacities from any and all claims, known or unknown, relating to or arising from the Representation, that arose from the beginning of time through the Effective Date, including without limitation any proof(s) of claim the Firm filed in the Bankruptcy Case. Upon the satisfaction of the conditions in Section 1, the Firm shall be deemed to have withdrawn any and all proofs of claim the Firm filed in the Bankruptcy Case.

3.5 General Release. With respect to any of the claims released hereunder, the GWG Litigation Trust Releasors stipulate and agree that they shall have expressly waived, relinquished and released any and all provisions, rights and benefits conferred by or under Cal. Civ. Code § 1542 or any other similar statute, rule or regulation, that includes language similar to the following:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY

4. Bankruptcy Court Approval. In accordance with the terms of the Confirmed Chapter 11 Plan, this settlement is subject to approval by the Bankruptcy Court. The Parties will cooperate and work in good faith to seek Bankruptcy Court approval pursuant to Federal Rule of Bankruptcy Procedure 9019, including filing a motion to approve the settlement. Claimant will seek approval by filing a motion in substantially similar form to that attached to this Agreement as Exhibit A (the “**Rule 9019 Motion**”). The Rule 9019 Motion asks the Bankruptcy Court to (a) grant the releases described in Section 3.1, (b) prevent and preclude Claimant and the GWG

Litigation Trust Releasors from pursuing any Retained Cause of Action (as defined in the Confirmed Chapter 11 Plan) or any and all other claims that belong to the bankruptcy estate, including any and all claims that were assigned to the Trust as of the date of the entry of the Bankruptcy Court approval order as described in Section 3.2, against any RLF Released Party, and (c) bar Claimant and the GWG Litigation Trust Releasors from taking any assignment of any other claims against any RLF Released Party as described in Section 3.3. The Parties warrant and represent that they have read, reviewed, contributed to, and hereby give their respective approvals for, the Rule 9019 Motion to be filed with the Bankruptcy Court. Claimant shall file the Rule 9019 Motion no later than 21 days after the Effective Date. Claimant will not oppose the Firm seeking an appropriate protective order.

5. Acknowledgement. The Parties acknowledge that this settlement and payment of the Settlement Amount resolves alleged claims with alleged injuries sustained by GWG and the Debtors, including alleged damages, in and among the years 2020 to 2021. The Parties acknowledge that the Settlement Amount resolves claims for damages and separate injuries allegedly suffered by the Debtors among the foregoing years, but the Firm denies both liability and damages alleged by Claimant. For the avoidance of doubt, this Section is not, and should not be represented as, an agreement, concession, or admission by the Firm as to any alleged harm, damages, or liability, nor does it limit in any way the scope of the Releases contained herein.

6. Non-Discovery. To the best of the Firm's knowledge, the Firm turned over its complete client file for the Representation to the Trustee in December 2023 in response to the Trustee's client file request and the parties' related communications. Neither the Trustee nor any GWG Litigation Trust Releasors will seek, through request for client file, subpoena, Rule 2004 request, or otherwise, discovery, documents, or testimony from any RLF Released Party related to, arising from, or in any way concerning GWG, the Representation, the Firm's actual or alleged representation of any and all directors or officers of GWG, the Bankruptcy Case, and/or the Firm's actual or alleged representation of BEN, except in a proceeding to enforce the terms of this Agreement; provided, however, that: (a) the Trustee shall be entitled to cross-notice depositions or otherwise seek testimony from an RLF Released Party if any third party in any other litigation or proceeding in which the Litigation Trust is a party notices a deposition of an RLF Released Party or calls an RLF Released Party at trial; and (b) the Trustee may seek to depose an RLF Released Party if any defendant to claims asserted by the Trustee in any other litigation or proceeding raises a defense based on or implicating advice provided by the Firm in defense of the Trustee's claims against that party. Notwithstanding anything to the contrary in this Section, RLF Released Parties reserve all rights regarding, and are entitled to assert any and all defenses and objections to, any discovery sought by any party or the Trustee pursuant to the preceding sentence. The GWG Litigation Trust Releasors shall not affirmatively seek any corporate representative testimony or discovery from the Firm or any RLF Released Party through Federal Rule of Bankruptcy Procedure 2004, Federal Rule of Bankruptcy Procedure 7030, Federal Rule of Civil Procedure 30(b)(6), or any equivalent rule in state court or arbitration, and may only seek any such testimony to the extent that a third party obtains such representative testimony in any litigation or arbitration in which the Litigation Trust is a party as articulated in subsection (a) of this Section.

7. Protective Order. Claimant will not oppose the Firm seeking an appropriate protective order that would apply prospectively to Claimant in producing to any third-party

documents previously supplied by the Firm to Claimant. To the extent such a protective order is entered, Claimant shall treat and mark documents previously supplied by the Firm as confidential under such protective order, as if the Firm had designated such documents confidential.

8. Confidentiality.

8.1 Non-Disclosure and Confidentiality. The Parties shall treat everything about this Agreement, including the negotiation, terms, and existence of this Agreement, and every Compromise Communication, as confidential, and shall not disclose the same to anyone, or authorize such a disclosure by the Parties' attorneys or agents; provided, however, that disclosure may be made:

- (a) by the Parties to the extent necessary to seek approval of this settlement by the Bankruptcy Court as required by the Confirmed Chapter 11 Plan;
- (b) by Claimant to the extent necessary to address a dispute involving a third party in which the third party claims a settlement credit from this settlement;
- (c) to comply with a court order, legal obligation, or subpoena; and,
- (d) by the Parties to their respective past, present and future directors, officers, partners, members, employees, attorneys, accountants, auditors, insurers, managers, and other representatives of each Party as reasonably necessary for the disclosing Party to conduct its business or affairs; provided, however, that those persons to whom a Party discloses under this subsection are obligated to keep any information disclosed by the disclosing Party confidential.

In the event of a disclosure pursuant to subsections (b) or (c) in the preceding sentence, before disclosing any information, the disclosing Party shall seek a protective order covering such disclosure and the information disclosed shall be treated as confidential to the fullest extent possible under any such protective order to the extent approved by the Bankruptcy Court or any other court or tribunal in which the Trustee prosecutes its claims against any third party, or that issues the court order, legal obligation, or subpoena.

8.2 Statements by Parties and Parties' Agents or Attorneys. No Party, nor any Party's agent or attorney, will make any statement to the press, on the internet, or in any non-privileged forum (other than in seeking Bankruptcy Court approval of the settlement) about the settlement, this Agreement, Compromise Communications, or the Disputed Matter resolved by this Agreement. If a Party or its attorney or agent receives any inquiry about the topics in the preceding sentence, the response shall be that there is no current dispute between the Parties and the person or entity has no further comment, or words to that effect; provided, however,

that in response to any such inquiry, it shall not be breach of this Section for a Party or its attorney to direct the inquiring party to any filings or orders in the Bankruptcy Court. For the avoidance of doubt, the foregoing shall not impair the Parties' rights under section 8.1.

9. Non-Disparagement. Claimant and GWG Litigation Trust Releasors shall not, directly or indirectly, take any action, encourage others to take any action, or authorize, direct, or condone any statement to, disparage or criticize the Firm or any RLF Released Party; provided, however, that this Section shall not prevent the Trustee from fully litigating other claims in which the Firm's legal advice in connection with the Firm's actual or alleged representation of GWG, BEN, or any former directors or officers of GWG, are at issue or raised in the course of litigating such claims, including to the extent necessary for the Trustee to respond to any defense based on or implicating advice provided by the Firm raised by a third party in defense of the Trustee's claims against that third party. Any such response by the Trustee based on the Firm's advice will be subject to a protective order, if approved, in a similar fashion as the procedure described in Section 8.1.

10. Representations and Warranties.

10.1 Claimant and the GWG Litigation Trust Releasors warrant and represent that they are the sole and lawful owners of all right, title, and interest in the claims they released herein, and that they have the power to enter into this Agreement. Claimant represents that it has not assigned to any other entity any claim released herein.

10.2 Each person who signs this Agreement on behalf of a Party (a "**Signatory**") represents and warrants that he or she has actual and express authority to sign this Agreement on behalf of the Party for whom such Signatory has signed this Agreement, and that this Agreement constitutes a valid and binding agreement of such Party, enforceable in accordance with its terms.

10.3 Each Party warrants and represents that neither it nor its counsel on or before the Effective Date disclosed to any entity other than the GWG Litigation Trust Releasors, the GWG Wind Down Trustee, the RLF Released Parties, and the Bankruptcy Court, a Party's insurer, a Party's counsel, or a Party's personnel any term proposed for possible inclusion in the agreement that is embodied in this Agreement.

10.4 The Trustee represents that he has consulted with the GWG Wind Down Trustee as contemplated in the Confirmed Chapter 11 Plan in entering into this Agreement and represents that the GWG Wind Down Trust is not the owner of nor does the GWG Wind Down Trust have any right, title, and/or interest in any claim released herein.

11. General Provisions.

11.1 Interpretation. For this Agreement, unless the context requires otherwise:

- (a) Headings and subheadings are for convenience of reference only and do not affect interpretation.
- (b) Nothing is to be interpreted against a Party solely on the ground that the Party drafted or put forward this Agreement or a relevant part of it.
- (c) The singular includes the plural and vice versa.
- (d) The word “its” will mean “his,” “her,” or “their,” and “it” will mean “he,” “she,” or “them,” as appropriate in context.
- (e) Each of the words “entity” and “person” will include both organizations and natural persons.
- (f) The words “and” and “or” will each mean “and/or.”
- (g) Where a word or phrase is defined, its other grammatical forms have a meaning corresponding to the definition.
- (h) The use of “includes” or “including” is not to be taken as limiting the meaning of the words preceding or following it.
- (i) Any reference to a Party includes the Party’s successors, substitutes, and assigns (and, where applicable, the Party’s legal representatives), and will be binding on and inure to the benefit of such entities.
- (j) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated, or replaced, except to the extent prohibited by this Agreement or that other agreement or document, and includes the recitals, schedules, and annexures to that agreement or document.
- (k) A reference to a law includes a modification or re-enactment of it, a law substituted for it, and a regulation or statutory instrument issued under it.
- (l) An agreement, promise, covenant, undertaking, representation, or warranty on the part of two or more persons binds them jointly and severally.

11.2 Authorship. The Parties have negotiated all of the terms and conditions of this Agreement at arms’ length. Neither Claimant nor the Firm, nor either of their

counsel, shall be considered to be the sole drafter of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement. This Agreement shall be deemed to have been mutually prepared by the Parties and shall not be construed against any of them by reason of authorship. This Agreement shall not be construed strictly against any Party, but only in accordance with its language and express purpose.

11.3 Acknowledgements. Each Party acknowledges that:

- (a) it has read this Agreement and understands its terms and legal effect;
- (b) it has received legal advice of counsel independently of the Firm in the negotiation of this Agreement, and it had the opportunity to ask its counsel questions about the terms of this Agreement;
- (c) the Firm did not represent Claimant in connection with the negotiation of this Agreement;
- (d) it had adequate time and opportunity to make whatever investigation or inquiry it considered necessary and desirable;
- (e) the terms of this Agreement are fair and reasonable;
- (f) it is entering into this Agreement voluntarily, and without any duress or undue influence; and
- (g) it may discover facts different from or in addition to the facts it now knows or believes to be true with respect to the subject matter of this Agreement, and it understands that such discovery will not void or invalidate, or be grounds for noncompliance with, any term of this Agreement.

11.4 Entire Agreement. This Agreement constitutes the complete understanding between the Parties and supersedes any and all prior agreements, promises, representations, memoranda, or inducements concerning the subjects it addresses.

11.5 Non-Reliance. In deciding to enter into this Agreement, the Parties have not relied upon any promise, statement, or agreement other than those expressly set forth in this Agreement, and each Party expressly disclaims any such reliance, and each Party has carefully read and understands the contents of this Agreement.

11.6 No Duties. The Parties are not in any fiduciary, confidential, or other special relationship with one another and owe no duty of disclosure to one another in entering into this Agreement.

11.7 Governing Law. The validity, interpretation, and performance of this Agreement will be governed by the laws of Texas without giving effect to any principles of conflicts of laws that would result in the application of the law of any other jurisdiction.

11.8 Disputes. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, will be determined by arbitration before a single arbitrator or by the Bankruptcy Court to the extent that it retains exclusive jurisdiction over the settlement.

11.8.1 If, and to the extent, the Bankruptcy Court permits disputes to be resolved through arbitration, the Parties will maintain the confidential nature of the arbitration proceeding and the award, except as may be necessary for the Trustee to resolve any settlement credit disputes with third parties as described in Section 8.1(b) above, except as may be necessary to prepare for or conduct the arbitration on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award, or its enforcement, or unless otherwise required by law or judicial decision.

11.8.2 In any arbitration arising out of or related to this Agreement, the arbitrator will award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration. If the arbitrator determines a party to be the prevailing party under circumstances where the prevailing party won on some but not all of the claims and counterclaims, the arbitrator may award the prevailing party an appropriate percentage of the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the arbitration.

11.8.3 In any arbitration arising out of or related to this Agreement, the arbitrator may not award any incidental, indirect, or consequential damages, including damages for lost profits, or any punitive or exemplary damages, and the parties waive any right to recover any such damages.

11.9 Waiver. Any failure by a Party to exercise any right under this Agreement does not operate as a waiver of any right, and the single or partial exercise of any right by that Party does not preclude any other or further exercise of that or any other right by that Party. A waiver is not valid or binding on the Party granting that waiver unless made in writing signed by such Party.

11.10 Severability. If any provision of this Agreement is ruled invalid, unenforceable, or void by any arbitrator, tribunal, or court, this will not affect the enforceability of the other provisions of this Agreement, which will remain in full

force and effect; provided, however, that if for any reason Claimant seeks an order from a court or tribunal to render the releases or terms in Section 3 invalid, unenforceable, or void, and the court or tribunal enters an order declaring those terms invalid, unenforceable, or void, then the Firm's obligations in Section 2 regarding payment of the Settlement Amount shall also be invalid, unenforceable, or void, and to the extent the Firm has already complied with its obligations in Section 2 at the time the court or tribunal enters the order, the amount of the Settlement Amount that has been transferred to Claimant shall be paid back to the Firm by Claimant. All provisions of this Agreement will be effective to the maximum extent permitted by law.

11.11 Counterparts. This Agreement may be signed in any number of counterparts, all of which together are deemed to constitute one and the same document. PDF images of signed counterparts transmitted by email to a Party's counsel will be considered original signed counterparts, provided that receipt of the copies is confirmed by email.

12. Terms Necessary for Settlement. For the avoidance of doubt, the Parties represent and warrant that entry of the terms, including all specified releases, restraints, and injunctions, that are set out in this Agreement, including but not limited to, Sections 3, 6, 10.1, and 10.4, is a necessary condition of their settlement. In particular, the Firm is not willing to agree to the settlement or this Agreement (including its requirement for the payment of the Settlement Amount) without the assurance of "total peace" in relation to any and all claims assertable by Claimant and the GWG Litigation Trust Releasers related to, arising from, or in any way concerning GWG, the Representation, the Firm's actual or alleged representation of any and all directors or officers of GWG, the Bankruptcy Case, and/or the Firm's actual or alleged representation of BEN. The terms of this Agreement are necessary to provide the Firm and RLF Released Parties such "total peace."

13. Contribution. In the event Claimant obtains a final judgment against a non-Party and that non-Party successfully asserts a contribution or third-party claim against any RLF Released Party related to or arising from the subject matter of the Disputed Matter, GWG, the Debtors, the Representation, the Firm's actual or alleged representation of any and all directors or officers of GWG, the Bankruptcy Case, and the Firm's actual or alleged representation of BEN, and a court, arbitrator, or any other tribunal determines that Delaware law applies to such contribution or third-party claim, then Claimant agrees under 10 Del. C. § 6304 to reduce the amount of the judgment for the same injury against any non-Party joint tortfeasors (provided that RLF Released Parties are determined to be joint tortfeasors for such injury) by the greater of (a) the settlement amount determined in the Claimant's action against the non-Party to be allocable to the respective alleged injury or (b) the RLF Released Parties' pro rata or equitable share of the responsibility, if any, for such injury or damages.

14. Notices. Except as otherwise provided herein, any notice, demand, or request of any kind to any Party in connection with this Agreement must be sent by, and will only be deemed to have been duly provided if sent by, prepaid certified U.S. Mail, return receipt requested, addressed as follows:

If to Claimant:

Michael Goldberg
201 East Las Olas Boulevard
Suite 1800
Fort Lauderdale, Florida 33301
michael.goldberg@akerman.com

With a copy, not constituting notice, by email to all of:

William T. Reid, IV
1301 S. Capital of Texas Hwy, Suite C300
Austin, Texas 78746
512.647.6105
wreid@reidcollins.com

Nathaniel J. Palmer
1301 S. Capital of Texas Hwy, Suite C300
Austin, Texas 78746
512.647.6107
npalmer@reidcollins.com

If to the Firm:

Marcos A. Ramos
RICHARDS, LAYTON & FINGER, P.A.
920 N. King Street
Suite 200
Wilmington, DE 19801
302-651-7566
Ramos@RLF.com

Steven J. Fineman
RICHARDS, LAYTON & FINGER, P.A.
920 N. King Street
Suite 200
Wilmington, DE 19801
302-651-7592
Fineman@RLF.com

With a copy, not constituting notice, by email to:

Murray Fogler
FOGLER, O'NEIL & GRAY, LLP
909 Fannin, Suite 1640 Houston, Texas 77010
713.481.1010
mfogler@foglerlaw.com


15. Effective Date. The Effective Date of this Agreement shall be the first date listed above. Upon signing this Agreement, the Parties are hereby bound and this Agreement shall only be voided, terminated, or nonbinding if (and on the date) the Bankruptcy Court enters an order denying the Rule 9019 Motion and disapproves of this settlement, or if for any reason the Bankruptcy Court order approving of this settlement does not become Final.

UNDERSTOOD AND AGREED:

**MICHAEL I. GOLDBERG, AS TRUSTEE
FOR THE GWG LITIGATION TRUST:**

**RICHARDS, LAYTON & FINGER,
P.A.:**

By: Michael I. Goldberg
Title: Trustee




By: Paul N. Heath
Title: President

15. Effective Date. The Effective Date of this Agreement shall be the first date listed above. Upon signing this Agreement, the Parties are hereby bound and this Agreement shall only be voided, terminated, or nonbinding if (and on the date) the Bankruptcy Court enters an order denying the Rule 9019 Motion and disapproves of this settlement, or if for any reason the Bankruptcy Court order approving of this settlement does not become Final.

UNDERSTOOD AND AGREED:

**MICHAEL I. GOLDBERG, AS TRUSTEE
FOR THE GWG LITIGATION TRUST:**

**RICHARDS, LAYTON & FINGER,
P.A.:**


Michael Goldberg (Aug 27, 2025 14:21:53 EDT)

By: Michael I. Goldberg
Title: Trustee

By: Paul N. Heath
Title: President

EXHIBIT B

Exhibit B

Settlement Amount	Trustee Counsel Contingency Fee	Gross Distributable Amount (Estimated)
<i>Richards Layton</i>		
\$ 5,000,000.00	\$ 1,250,000.00	\$ 3,750,000.00
<i>Jackson Walker</i>		
\$ 405,000.00	\$ 101,250.00	\$ 303,750.00
<i>PCA Parties</i>		
\$ 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) ¹	\$ (104,303.92)
	Net Distribution to Wind Down Trust (Estimated)	\$ 5,154,446.08

¹ 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.

[illegible]

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

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%
--	--------

EXHIBIT C

Exhibit C

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

¹ 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].

² 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.

³ 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.

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*	\$	57,650,000.00	
	Total Super Priority Claims	\$	60,000,000.00	
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	
	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				
*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				

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%	\$	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	

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

Estimated Total Distribution to L Bonds				
Prepetition L Bond Investment	Estimated Distribution			
\$ 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		
Percent Distribution on account of the L Bond Claims		3.642%		

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

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%	\$ 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 Investment	Percentage of Total WDT Interests	Estimated 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 Investment		Estimated 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%
--	--------

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

In re:

GWG HOLDINGS, INC., *et al.*¹

Debtors.

Chapter 11

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

**[Proposed] ORDER APPROVING
SETTLEMENT AGREEMENT WITH RICHARDS, LAYTON & FINGER, P.A.**

Upon consideration of the Motion for Entry of an Order Approving a Settlement and Compromise Pursuant to Bankruptcy Rule 9019 (the “Motion”),² seeking approval of the Proposed Settlement dated as of August 18, 2025 between the Litigation Trust and Richards, Layton & Finger, P.A. (“RLF”), 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

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: GWG Holdings, Inc. (2607); GWG Life, LLC (6955); GWG Life USA, LLC (5538); GWG DLP Funding IV, LLC (2589); GWG DLP Funding VI, LLC (6955); and GWG DLP Funding Holdings VI, LLC (6955). The location of Debtor GWG Holdings, Inc.’s principal place of business and the Debtors’ service address is 325 N. St. Paul Street, Suite 2650 Dallas, TX 75201. Further information regarding the Debtors and these chapter 11 cases is available at the website of the Debtors’ claims and noticing agent: <https://donlinrecano.com/gwg>.

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

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

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

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

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

E. The Litigation Trustee has consulted with The Wind Down Trustee regarding the 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 RLF, 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 at least a year, if not longer. 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 RLF, 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 RLF, 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, RLF, and its insurer(s) 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
Houston, Texas

MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE