

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

In re:

GWG HOLDINGS, INC., *et al.*<sup>1</sup>

Debtors.

Chapter 11

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

**LITIGATION TRUSTEE'S MOTION FOR ENTRY OF AN ORDER  
APPROVING SETTLEMENT AGREEMENT WITH  
BAKER TILLY US, LLP**

**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.**

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

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 Baker Tilly US, LLP (“Baker Tilly” 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 Baker Tilly in exchange for \$1.9 million. The Proposed Settlement was the product of lengthy settlement negotiations between Baker Tilly and the Litigation Trustee’s respective counsel over the course of several months and following the initiation of an arbitration proceeding and significant discovery. 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 Baker Tilly are subject to several defenses, including based on the statute of limitations, contributory negligence, the *in pari delicto* doctrine, and causation issues. Although the Litigation Trustee believes the claims against Baker Tilly 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 Baker Tilly. In addition, the Litigation Trustee was required to arbitrate claims against Baker Tilly pursuant to an arbitration clause in the firm’s engagement letter with GWG. Appeal rights from arbitral proceedings are limited and would leave the Litigation Trustee with very little recourse if the arbitrator were to find in Baker Tilly’s favor.

3. Second, even if the Litigation Trustee were able to prove liability and overcome Baker Tilly's defenses, the Litigation Trust's recoverable damages could still be significantly reduced. The Litigation Trust's potential claims against Baker Tilly involve transactions that also form the basis for claims against other parties, meaning that any recovery against Baker Tilly would likely 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, (3) Holland & Knight LLP and William Banowsky in the adversary proceeding styled *Goldberg v. Holland & Knight LLP, et al.*, Adv. Pro. No. 25-03064; and (4) Ankura Consulting Group, LLC in the adversary proceeding styled *Goldberg v. Ankura Consulting Group, LLC*, Adv Pro. No. 26-03090. Each of those cases involves some or all of the same transactions as the Litigation Trustee's claims against Baker Tilly. The Litigation Trustee is also investigating potential claims against several other professional firms involved in those same transactions, and may file additional suits and/or arbitration demands 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; (3) GWG's former attorneys at Mayer Brown, LLP; (4) GWG's Delaware counsel, Richards, Layton & Finger, P.A.; and (5) the recipient of an alleged fraudulent transfer, Paul Capital Advisors, LLC. Because the claims against those parties also involved some or all of the same transactions as the Litigation Trustee's claims against Baker Tilly, any award the Litigation Trustee were to win against Baker Tilly would be subject to reduction based on the amounts recovered from those parties 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 Baker Tilly could be materially reduced, even if the Litigation Trustee established liability and defeated Baker Tilly's other defenses.

5. Third, prosecuting claims against Baker Tilly would be an extended 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 50% of the arbitration fees, which could reach hundreds of thousands of dollars in a case of this magnitude and complexity.

6. Although it is theoretically possible that the Litigation Trustee could obtain a larger recovery against Baker Tilly, doing so would require navigating a minefield of potential litigation risks and incurring 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 \$1.9 million settlement amount is substantial, takes into account the litigation risk the Litigation Trustee faces, and results in more than full disgorgement of the fees GWG paid Baker Tilly for the work on which the Litigation Trustee's claims are based (approximately \$1 million), and the total fees GWG paid to Baker Tilly for all work from 2018 through 2022 (approximately \$1.75 million). And when added to the settlements already approved by the Court, the Litigation Trustee estimates that total distributions to the Wind Down Trust will be approximately \$65 to \$66 million (as shown on **Exhibit C** at 1), resulting in total distributions to former GWG L Bond holders of approximately 3.79% on account

of their prepetition bond holdings (or \$3,790 per \$100,000 in pre-petition bond holdings).<sup>2</sup> 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 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

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<sup>2</sup> This is based on the Successor Wind Down Trustee’s current estimates of certain fees and costs and the diminution claim, which remains subject to further negotiation and is subject to change.

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.<sup>3</sup> 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 of any claim “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 Baker Tilly.**

12. Following his appointment, the Litigation Trustee began investigating potential claims against Debtors’ former accountants and auditors, including Baker Tilly. Baker Tilly audited

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<sup>3</sup> 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).

GWG's financial statements for the year ended December 31, 2018. GWG paid Baker Tilly approximately \$1.05 million in fees for its work on the 2018 audit. GWG paid Baker Tilly approximately \$1.75 million in total fees between 2018 and 2022.

13. In the course of this investigation, the Litigation Trustee and his counsel requested and reviewed certain of Baker Tilly's audit workpapers, reviewed tens of thousands of documents from GWG, a company with which Debtors became entangled—the Beneficient Company Group L.P. (and collectively with its affiliates, "BEN"), and third parties. The Litigation Trustee also consulted with retained accounting and valuation experts. Based on his investigation, the Litigation Trustee determined that the Litigation Trust had potential claims against Baker Tilly (the "Debtors' Claims").

14. On April 17, 2024, the Litigation Trustee and Baker Tilly 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 Baker Tilly discussed the claims and attempted to resolve them on mutually acceptable terms. On June 17, 2024, the Litigation Trustee filed a confidential arbitration against Baker Tilly asserting claims for breach of contract and audit malpractice. The parties mediated the Litigation Trustee's claims in August 2024, but were unable to reach a resolution. On October 2, 2024, the Litigation Trustee filed an amended arbitration demand against Baker Tilly.

15. Baker Tilly sought to dismiss the Trustee's claims as time-barred because Baker Tilly completed the work on which the Litigation Trustee's claims were based (its audit of GWG's 2018 financials) by July 2019 at the latest. Thus, Baker Tilly argued that the Trustee's claims were barred by the two-year statute of limitations for claims against accounting firms under Illinois law.

The Trustee argued, among other things, that Illinois law did not apply and/or that Illinois' discovery rule precluded dismissal on timeliness grounds.

16. In September 2025, the arbitrator, Miles N. Ruthberg, denied Baker Tilly's motion to dismiss based on the limitations defense. Mr. Ruthberg found that Illinois law applied but that the Trustee had pleaded facts that—if taken as true—could support application of the discovery rule. The arbitrator noted that whether the discovery rule would ultimately apply to toll limitations such that the Litigation Trustee could recover from Baker Tilly was a question of fact he would have to answer at summary judgment and/or an evidentiary hearing, where Baker Tilly would face a lower hurdle than on a motion to dismiss. Subsequently, an agreed Case Scheduling Order was entered, and the parties began discovery. The arbitration hearing was scheduled to commence on April 6, 2026.

17. Between October and December 2025, the parties exchanged over 1.1 million documents and took depositions of five witnesses. On December 19, 2025, the Litigation Trustee submitted reports from an accounting expert and a valuation expert.

18. Counsel for the Litigation Trustee and Baker Tilly remained in contact throughout this period and continued to discuss a possible resolution of the case. In late December 2025, the Litigation Trustee and Baker Tilly reached an agreement in principle to settle the Debtors' Claims for \$1.9 million. The parties then negotiated the non-economic terms and form of the settlement before executing the Proposed Settlement as of February 23, 2026.

**B. The Proposed Settlement.**

19. The Proposed Settlement includes the following key terms, provided below in pertinent part:<sup>4</sup>

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<sup>4</sup> 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.

Payment and Terms of Payment: Pursuant to the terms of the Proposed Settlement, Baker Tilly will transfer or cause to be transferred a total of \$1,900,000 United States dollars (U.S. \$1,900,000.00) (the “**Settlement Amount**”) to the Litigation Trustee or his counsel no later than thirty (30) business days after the order approving the Proposed Settlement and granting the Rule 9019 Motion becomes Final.

Mutual Releases: The GWG Litigation Trust, for and on behalf of itself and Debtors, and to the fullest extent that it has authority to do so, on behalf of Debtors’ current and former subsidiaries and affiliates and their respective directors, officers, managers, partners, employees, predecessors, successors, assigns, attorneys, consultants, representatives, licensees, accountants and auditors, insurers and agents (the “**Releasing Trustee Parties**”) releases and forever discharges Baker Tilly and all of their directors, officers, employees, managers, partners, shareholders, members, affiliates, successors, assigns, insurers, agents, and attorneys (the “**Released BT Parties**”) from any and all claims, causes of action, proceedings, obligations, suits, debts, demands, agreements, promises, controversies, liabilities, and damages of any kind whatsoever, including those set forth in the Trustee’s arbitration demand, as amended, whether direct or derivative in nature, individual or on behalf of a class, whether based on federal, state, local, statutory or common law, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, known or unknown which the Releasing Trustee Parties ever had, now have, claim to have, or may in the future have or claim to have, that arise from or relate to the Retained Causes of Action (collectively, the “**Released Trustee Claims**”).

Baker Tilly, for and on behalf of itself, and to the fullest extent that it have authority to do so, on behalf of its current and former subsidiaries and affiliates and their respective directors, officers, managers, partners, employees, predecessors, successors, assigns, attorneys, consultants, representatives, licensees, accountants and auditors, insurers and agents (“**Releasing BT Parties**”), releases and forever discharges the GWG Litigation Trust, the Trustee, Debtors, and all of their directors, officers, employees, managers, partners, shareholders, members, affiliates, successors, assigns, insurers, agents, and attorneys (the “**Released Trustee Parties**”), from any and all claims, causes of action, proceedings, obligations, suits, debts, demands, agreements, promises, controversies, liabilities, and damages of any kind whatsoever, including any unsecured claims in GWG’s bankruptcy, whether direct or derivative in nature, individual or on behalf of a class, whether based on federal, state, local, statutory or common law, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, known or unknown which the Releasing BT Parties ever had, now have, claim to have, or may in the future have or claim to have (collectively, the “**Released BT Claims**”).

### **RELIEF REQUESTED**

20. 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**

21. 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.

22. 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 potentially has an economic value of \$5 million or more, 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”).

23. Under Bankruptcy Rule 9019(a), a bankruptcy court may, after appropriate notice and a hearing, approve a compromise or settlement so long as the proposed settlement is fair, reasonable, and in the best interest of the estate. *See Official Comm. of Unsecured Creditors v. Moeller (In re Age Ref., Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015). 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).

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

25. Courts consider the following factors when evaluating whether the compromise is fair and equitable: (a) the probabilities of success in the litigation, with due consideration for uncertainty in fact and law; (b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay; and (c) all other factors bearing on the wisdom of the compromise. *DeepRock Venture Partners, L.P. v. Beach (In re Beach)*, 731 F. App'x 322, 325 (5th Cir. 2018) (internal citations omitted); *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 weighs in favor of approving the Proposed Settlement.

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

26. 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 a substantial portion of the Litigation Trustee’s alleged damages against Baker Tilly stem from the same source of injury as certain of the Trustee’s separately filed claims, any recovery

from Baker Tilly 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.

27. “[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)).

28. The Litigation Trustee and his counsel have spent months investigating, researching, evaluating, and arbitrating the Debtors’ Claims, Baker Tilly’s possible defenses, and the likely magnitude of any recovery against Baker Tilly. The Litigation Trustee believes the Litigation Trust has viable claims against Baker Tilly for breach of contract and audit malpractice. Baker Tilly disputes that the Litigation Trust has any viable claims against the firm.

29. The Litigation Trust also has considered that the Debtors’ Claims are subject to several possible defenses, including based on the statute of limitations, 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.

30. These risks are compounded by the fact that the Litigation Trustee is required to pursue the Debtors’ Claims in private arbitration pursuant to an arbitration clause in Baker Tilly’s engagement letter with Debtors. Arbitration injects additional uncertainty relative to litigation,

whether in an adversary proceeding or otherwise, and leaves the Litigation Trustee with very limited appellate recourse if the arbitrator were to find in Baker Tilly's favor.

31. Even if the Litigation Trustee prevailed on the Debtors' Claims, it is far from clear that the Litigation Trust would obtain a larger recovery from Baker Tilly than the \$1.9 million settlement amount. The Litigation Trustee's damages model for the Debtors' Claims is the amount of money GWG transferred to BEN (or for BEN's benefit) in transactions following Baker Tilly's audit of GWG, approximately \$200 million, less the value, if any, of the BEN equity GWG received in return.

32. However, it is highly uncertain that the Litigation Trust could obtain a more significant recovery from Baker Tilly. Baker Tilly audited GWG for just one year during the relevant time period and did not specifically advise GWG or its directors regarding the transactions on which the Litigation Trustee's damages model is based or otherwise facilitate those transactions. Other potentially culpable parties were more involved in the transactions at issue, such as law firms that represented GWG and its Special Committees, GWG's former directors and officers, valuation firms, and other firms that audited BEN's financial statements. In addition, many of these parties were involved with GWG over a much longer portion of the relevant time period than Baker Tilly. As a result, there are significant causation issues in the case, as well as a significant risk that the Litigation Trustee's damages would be materially 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; (3) Holland & Knight LLP and William Banowsky, in the adversary proceeding styled *Goldberg v. Holland & Knight LLP, et al.*, Adv. Pro. No. 25-03064;

and (4) Ankura Consulting Group, LLC in the adversary proceeding styled *Goldberg v. Ankura Consulting Group, LLC*, Adv Pro. No. 26-03090. Each of those cases involves some or all of the same transactions as the Debtor's Claims.

33. In addition, the Litigation Trust's recoverable damages may also be reduced by amounts recovered from other parties. The Litigation Trustee has reached multiple settlements, including against: (1) certain former GWG directors and officers;<sup>5</sup> (2) GWG's former auditor, Whitley Penn, LLP; (3) GWG's former attorneys at Mayer Brown, LLP; (4) GWG's Delaware counsel, Richards, Layton & Finger, P.A.; and (5) the recipient of an alleged fraudulent transfer, Paul Capital Advisors, LLC. Those settlements resolved claims concerning some of the same transactions as the Litigation Trustee's claims against Baker Tilly, and Baker Tilly might be entitled to settlement credit for some or all of those settlements.

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

35. 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 Baker Tilly, 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.

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<sup>5</sup> The \$50.5 million settlement with GWG's former directors and officers (and other insureds) also resolved claims brought by a putative class against many of the same parties. *See* Motion for Entry of an Order Approving a Settlement and Compromise Pursuant to Bankruptcy Rule 9019 [Case No. 22-90032, ECF No. 2533].

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

36. 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. Continuing to arbitrate 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 Baker Tilly.

37. The Litigation Trust would need to bear significant expenses to arbitrate the Debtors’ Claims even to the summary judgment stage. In addition to the costs already incurred in preparing expert reports on the relevant standard of care, Baker Tilly’s professional duties, and complex valuation issues related to damages, the Litigation Trust would also bear the cost for those experts to sit for depositions, respond to reports by Baker Tilly’s experts, and testify at an arbitration proceeding. This additional expense would be in the hundreds of thousands of dollars, if not significantly more.

38. The Litigation Trust would also be responsible for 50% of the arbitration fees, which could also reach hundreds of thousands of dollars in a case of this magnitude and complexity, especially following a multi-week arbitration hearing. For instance, the Litigation Trustee has already incurred approximately \$29,000 of arbitration fees.

39. The Litigation Trustee believes that recovering \$1.9 million now is preferable to recovering a potentially larger but uncertain amount at some point in the future, particularly when that potential future award would require the Litigation Trust to bear significant additional 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.**

40. 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.

41. 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 will allow the Litigation Trust to distribute an additional approximately \$1.25 million to the Wind Down Trust after accounting for attorneys' fees and other expenses. *See Exhibit B* at 1. In addition to those settlements already approved by the Court, the Litigation Trustee estimates that total distributions to the Wind Down Trust will be approximately \$65 to \$66 million (*see Exhibit C* at 1) and distributions to former GWG L Bond holders will be approximately 3.79% of their prepetition bond holdings (*see Exhibit C* at 2). And the amount of the Proposed Settlement, \$1.9 million, is significantly more than the approximately \$1,050,000 in fees GWG paid Baker Tilly for the work on which the Litigation Trustee's claims are based. 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.

42. 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 hard-fought arbitration, motion to dismiss practice, discovery, and extensive negotiation between counsel for Baker Tilly 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, Baker Tilly participated in the settlement discussions and acted in good faith in reaching the Proposed Settlement.

43. 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.

**PRAYER**

44. 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:** April 6, 2026

**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  
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  
djones@reidcollins.com  
eculotta@reidcollins.com  
tlewis@reidcollins.com

*Counsel for the GWG Litigation Trustee*

**CERTIFICATE OF SERVICE**

I, Dylan Jones, certify that on April 6, 2026, I caused a true and correct copy of this Motion to be served by the Court's CM/ECF system on all parties entitled to notice. In addition, the Litigation Trustee will coordinate with the Successor Wind Down Trustee and Stretto, the claims and noticing agent, on service of this Motion. Stretto will file an affidavit of service with the Service List attached as soon as possible after service is completed. Finally, the Successor Wind Down Trustee posted this Motion on the GWG website as an additional notice measure for the beneficiaries of the Wind Down Trust.

*/s/ Dylan Jones*

\_\_\_\_\_

Dylan Jones

# **EXHIBIT A**

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “**Agreement**”) is entered into by and among (a) Michael I. Goldberg, as Trustee (“**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 Holdings VI, LLC, and GWG DLP Funding VI, LLC and (b) Baker Tilly US, LLP, including Baker Tilly Advisory Group LP as successor in interest (“**Baker Tilly**” or “**BT**,” and together with the Trustee, the “**Parties**”) as of February 23, 2026 (the “**Execution Date**”).

### BACKGROUND

WHEREAS, on April 20, 2022, 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**”, and 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 in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”);

WHEREAS, on June 20, 2023, the Bankruptcy Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors’ Further Modified Second Amended Joint Chapter 11 Plan (Case No. 22-90032, Docket No. 1952) (the “**Confirmation Order**”), which confirmed the Debtors’ Further Modified Second Amended Joint Chapter 11 Plan, submitted by the Debtors, the Bondholder Committee, and L Bond Management, LLC as Co-Proponents (the “**Plan**”), and on August 1, 2023, the effective date of the Plan occurred;

WHEREAS, the Plan and Confirmation Order established the GWG Wind Down Trust (“**Wind Down Trust**”), for which Tom Howley serves as trustee (“**Wind Down Trustee**”), for the purpose of winding down the business affairs of the Debtors, liquidating the Wind Down Trust assets, and making distributions to the Wind Down Trust interest holders in accordance with the Plan;

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

WHEREAS, on June 17, 2024, the Trustee filed a confidential arbitration proceeding against Baker Tilly asserting claims related to Baker Tilly’s audit of GWG Holdings, Inc.’s financial statements for the year ended December 31, 2018 (the “**Arbitration**”);

WHEREAS, Baker Tilly denies the Trustee’s allegations and claims;

WHEREAS, the Trustee has consulted with the Wind Down Trustee concerning this Agreement and the terms thereof, and the Wind Down Trustee supports the settlement reflected herein; and

WHEREAS, to avoid the uncertainties, annoyance, and expense of litigation, the Parties have agreed, without any Party making any admission to any other Party, to settle all disputes and claims between the Parties.

NOW THEREFORE, in consideration of the mutual promises and statements contained herein and other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Bankruptcy Court Approval. Following the Execution Date, the Trustee shall file a motion (the “**Rule 9019 Motion**”) in the Bankruptcy Court seeking entry of an order (the “**Approval Order**”) authorizing or approving the Agreement, including under Federal Rule of Bankruptcy Procedure 9019. Baker Tilly agrees to reasonably cooperate with the Trustee in seeking Bankruptcy Court approval of the Agreement. The Trustee shall present a draft of the Rule 9019 Motion to counsel for Baker Tilly before filing; provided, however, that Baker Tilly shall not be deemed to have admitted, consented, or acquiesced to any statements or assertions of fact or law contained in the Rule 9019 Motion. The Rule 9019 Motion shall request that the Bankruptcy Court approve this Agreement as a good-faith, arm’s-length compromise, and a fair and equitable resolution of the Trustee’s claims against Baker Tilly and Baker Tilly’s potential claims against the Debtors.

2. Conditional Settlement; Effective Date. This Agreement is contingent upon, subject to, and shall be effective only upon the satisfaction of the following conditions (the “**Effective Date**”): (1) each Party having received a fully executed copy of this Agreement; (2) entry of the Approval Order by the Bankruptcy Court; (3) the Approval Order becoming a “**Final Order,**” meaning (A) fourteen (14) days (as computed in accordance with Federal Rule of Bankruptcy Procedure 9006) have passed from the date of the entry of the Approval Order, and (B) either (i) the time to file a timely appeal under Federal Rule of Bankruptcy Procedure 8002 from the Approval Order has passed and no such timely appeal is filed, or (ii) if a timely appeal is filed, then (a) all timely filed appeals have been dismissed with prejudice or (b) the Approval Order is affirmed on appeal and is not subject to further timely appellate review. The possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or Federal Rule of Bankruptcy Procedure 9024 may be filed with respect to the Approval Order shall not preclude such order from being a Final Order; (4) the Trustee providing written notice to Baker Tilly of the fact that the Approval Order has become a Final Order; and (5) the Trustee providing to Baker Tilly a Form W-9 to support the issuance of the Settlement Payment. If the Bankruptcy Court should deny the Rule 9019 Motion, decline to enter the Approval Order, or if the Approval Order is reversed or vacated in subsequent proceedings or appeals, the Parties shall work in good faith to address the reason(s) for the denial, reversal, or vacatur.

3. Payment Terms. Baker Tilly and/or their insurance carrier(s) will pay or cause to be paid to the GWG Litigation Trust the total sum of one million nine hundred thousand dollars (US \$1,900,000.00) (the “**Settlement Payment**”) as provided herein. The Settlement Payment

shall be paid by check or wire transfer as soon as funds are available following the Effective Date, and not later than thirty (30) calendar days after the Effective Date.

Payment by Baker Tilly and/or their insurance carriers may be made to the following escrow account controlled by Reid Collins & Tsai LLP as counsel for the GWG Litigation Trust:

Broadway National Bank  
1177 Northeast Loop 410  
San Antonio, Texas 78209  
ABA No. 114021933  
Credit Account No. 4100077126  
F/B/O: Reid Collins & Tsai LLP IOLTA

4. Attorneys' Fees and Expenses. The Parties acknowledge and agree that they are solely responsible for paying their respective attorneys' fees and costs incurred in litigating and settling all disputes and claims between the Parties and that neither Party nor their attorney(s) will seek any award of attorneys' fees or costs from the other Party, except as provided herein.

5. Mutual Release. Upon the Effective Date set forth in paragraph 2:

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

(b) Baker Tilly, for and on behalf of itself, and to the fullest extent that it has the authority to do so, on behalf of its current and former subsidiaries and affiliates and their respective directors, officers, managers, partners, employees, predecessors, successors, assigns, attorneys, consultants, representatives, licensees, accountants and auditors, insurers and agents ("**Releasing BT Parties**"), releases and forever discharges the GWG Litigation Trust, the Trustee, Debtors, and all of their directors, officers, employees, managers, partners, shareholders, members, affiliates, successors, assigns, insurers, agents, and attorneys (the "**Released Trustee Parties**"), from any and all claims, causes of action, proceedings, obligations, suits, debts, demands, agreements, promises, controversies, liabilities, and damages of any kind whatsoever, including any unsecured

claims in GWG's bankruptcy, whether direct or derivative in nature, individual or on behalf of a class, whether based on federal, state, local, statutory or common law, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, known or unknown which the Releasing BT Parties ever had, now have, claim to have, or may in the future have or claim to have (collectively, the "**Released BT Claims**").

(c) For the avoidance of doubt, the mutual releases in paragraphs 5(a) and 5(b) explicitly include any and all unknown claims that the Parties have or may in the future have. The Parties thus expressly waive and relinquish all rights and benefits under California Civil Code Section 1542, which states that "[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," and any law of any jurisdiction of similar effect with respect to any claims.

(d) Any allocation or distribution of the Settlement Payment by or to the GWG Litigation Trust, the Trustee, the GWG Wind Down Trust, the Wind Down Trustee, the Wind Down Trust's beneficiaries, litigation counsel or otherwise, shall have no impact on the amount of the Settlement Payment.

(e) Baker Tilly makes no representation, express or implied, regarding the tax consequences of this settlement.

6. No Admission of Liability. The Parties acknowledge that the Settlement Payment was agreed upon as a compromise and final settlement of disputed claims and that payment of the Settlement Payment is not, and may not be construed as, an admission of liability by Baker Tilly and is not to be construed as an admission that Baker Tilly engaged in any negligent, wrongful, tortious, or unlawful activity. Baker Tilly specifically disclaims and denies (a) any liability to the Trustee and (b) engaging in any negligent, wrongful, tortious, or unlawful activity.

7. Use of Baker Tilly Information: The Trustee shall treat documents produced by Baker Tilly and marked as confidential (the "**Confidential Information**") under the Agreed Confidentiality and Protective Order entered in the Arbitration (the "**Protective Order**") as confidential pursuant to the terms of that order. If the Trustee is served with a subpoena, discovery request, or is subject to an order from any litigation, arbitration, regulatory or other proceeding that compels disclosure of any Confidential Information, the Trustee shall promptly notify Baker Tilly. The Trustee also agrees to promptly notify the party who caused the subpoena, discovery request, or order to issue (the "**Requesting Party**") that the requested information is subject to the Protective Order and this Agreement. The Parties shall cooperate in good faith to comply with all reasonable protections sought by Baker Tilly with regard to the Confidential Information and to facilitate the Trustee's compliance with the subpoena, discovery request, or order. The Trustee may only produce Confidential Information to a Requesting Party if the Requesting Party agrees to be bound by (1) the terms of the Protective Order, (2) a protective order containing terms substantially similar to the Protective Order entered in any litigation, arbitration, or regulatory proceeding involving the Requesting Party, or (3) any other reasonable protections requested by Baker Tilly. The Trustee will discard in a secure manner or destroy Baker Tilly's information and

documents, including Confidential Information, immediately following the conclusion of the last adversary proceeding, arbitration, mediation, or pre-suit negotiation related to Debtors.

8. No Disparagement. The Parties agree that they will not make any defamatory or disparaging remarks about the other Party. However, this provision shall not prevent the Trustee on behalf of the GWG Litigation Trust from fully investigating and litigating other actions or claims in which Baker Tilly's work for GWG, BEN, and/or their affiliates is at issue or raised in the course of such proceeding.

9. Choice of Law; Settling Person; Settlement Allocation. This Agreement is governed by and construed in accordance with the laws of the State of Texas without regard to choice-of-law principles. It is the intent of the Parties that Baker Tilly is a "settling person" under Subchapter B of Chapter 33 of the Texas Civil Practice and Remedies Code and any other applicable law concerning contribution among joint tortfeasors and that the Settlement Payment resolves any and all claims held by the Trustee against Baker Tilly. In the event the Trustee obtains a final judgment against any one or more individuals or entities that are not a party to this Agreement (a "**Non-Party**") and such Non-Party successfully asserts a contribution claim against any of the BT Released Parties related to GWG or arising from the subject matter of the Arbitration, then the Trustee agrees to reduce the amount of the judgment for the same injury against such Non-Party in accordance with and as required by applicable law. The Trustee has alleged the Debtors suffered multiple separate injuries in connection with Baker Tilly's audit of GWG Holdings, Inc.'s financial statements for the year ended December 31, 2018, and the settlement reflected in this Agreement resolves the Trustee's alleged claims for such separate injuries. The Trustee reserves any and all rights to present evidence in any future lawsuit, arbitration, or other proceeding as to the appropriate allocation of the Settlement Payment among such alleged injuries.

10. Enforcement. Nothing contained herein will be interpreted as preventing any Party from filing suit to enforce any portion of this Agreement. The Parties consent to the exclusive jurisdiction of the Bankruptcy Court with respect to any disputes between the Parties regarding or arising from this Agreement or the Approval Order. The Parties hereby waive any challenge to the jurisdiction or venue of the Bankruptcy Court with respect to such disputes. The Parties consent to entry of final orders or judgment by the Bankruptcy Court.

11. Entire Agreement. The recitals set forth at the beginning of this Agreement are incorporated by reference and made a part of this Agreement. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations and/or agreements, proposed or otherwise, written or oral, concerning the subject matter hereof. Furthermore, no modification of this Agreement shall be binding unless in writing and signed by each of the parties hereto.

12. Interpretation. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement. The headings within this Agreement are purely for convenience and are not to be used as an aid in interpretation. Moreover, this Agreement shall not be construed against either Party as the author or drafter of the Agreement.

13. Reliance on Own Counsel. In entering into this Agreement, the Parties acknowledge that they have relied upon the legal advice of their respective attorneys, who are the attorneys of their own choosing, that such terms are fully understood and voluntarily accepted by them, and that, other than the consideration set forth herein, no promises or representations of any kind have been made to them by the other Party. The Parties represent and acknowledge that in executing this Agreement they did not rely, and have not relied, upon any representation or statement, whether oral or written, made by the other Party or by that other Party's agents, representatives, or attorneys with regard to the subject matter, basis, or effect of this Agreement or otherwise.

14. Counterparts. This Agreement may be executed in counterparts, and each counterpart, when executed, will have the efficacy of a signed original and may be delivered via mail, email (.pdf), or facsimile, any of which will be deemed an original, and such counterparts will together constitute but one Agreement. The Parties agree that this Agreement may be accepted, executed, or agreed to through the use of an electronic signature and will be binding on the Parties the same as if it were physically executed and the Parties hereby consent to the use of any third-party electronic signature capture service providers as may be chosen by any other Party.

15. 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 email and prepaid certified U.S. Mail, return receipt requested, as follows

If to the GWG Litigation Trust:

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

*and*

Nathaniel J. Palmer  
Dylan Jones  
1301 S. Capital of Texas Hwy, Suite C300  
Austin, TX 78746  
npalmer@reidcollins.com  
djones@reidcollins.com

If to Baker Tilly:

Sara Norval, Assistant General Counsel  
Baker Tilly US, LLP

205 Michigan Ave, Chicago, IL 60601  
sara.norval@bakertilly.com


*and*

Ron Hauben  
Dechert LLP  
Three Bryant Park  
1095 Avenue of the Americas  
New York, NY 10036-6797  
ron.hauben@dechert.com


16. Authority to Execute Agreement. By signing below, each Party warrants and represents that the person signing this Agreement on its behalf has authority to bind that Party and that the Party's execution of this Agreement is not in violation of any by-law, covenants, and/or other restrictions placed upon them by their respective entities.

*(Signature page follows)*

**AGREED TO:**

By:   
Theresa Meiners  
Chief Risk Officer and General Counsel  
Baker Tilly US, LLP  
theresa.meiners@bakertilly.com

*Baker Tilly US, LLP*

By:  Michael I. Goldberg (Feb 23, 2026 15:40:53 EST)  
Michael I. Goldberg  
201 East Las Olas Boulevard, Suite 1800  
Fort Lauderdale, Florida 33301  
michael.goldberg@akerman.com

*Trustee, GWG Litigation Trust*






# 2026-02-23 GWG BT Settlement (Execution Copy)

Final Audit Report

2026-02-23

Created:	2026-02-23
By:	Dylan Jones (djones@reidcollins.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAASIrRuYWfN-YBUJ_G6Gq-9caEc3nBLnR_

## "2026-02-23 GWG BT Settlement (Execution Copy)" History

-  Document created by Dylan Jones (djones@reidcollins.com)  
2026-02-23 - 8:30:54 PM GMT
-  Document emailed to Michael Goldberg (michael.goldberg@akerman.com) for signature  
2026-02-23 - 8:30:58 PM GMT
-  Email viewed by Michael Goldberg (michael.goldberg@akerman.com)  
2026-02-23 - 8:40:27 PM GMT
-  Document e-signed by Michael Goldberg (michael.goldberg@akerman.com)  
Signature Date: 2026-02-23 - 8:40:53 PM GMT - Time Source: server
-  Agreement completed.  
2026-02-23 - 8:40:53 PM GMT

# **EXHIBIT B**

<b>Settlement Amount</b>	<b>LT Counsel Fee</b>	<b>Gross Distributable Amount (Est.)</b>
RLF		
\$ 5,000,000.00	\$ 1,250,000.00	\$ 3,750,000.00
Baker Tilly		
\$ 1,900,000.00	\$ 646,000.00	\$ 1,254,000.00
PCA		
\$ 1,900,000.00	\$ 475,000.00	\$ 1,425,000.00
	Subtotal	\$ 6,429,000.00
	Less: LT Litigation Reserve	\$ -
	Notice Costs (Est.)	\$ (250,000.00)
	LT Success Fee (Est)	\$ (105,051.60)
	<b>Net Distribution to Wind Down Trust</b>	<b>\$ 6,073,948.40</b>

**FORMER L BOND HOLDER DISTRIBUTION ESTIMATE (RLF+BT+PCA)**

<b>NET SETTLEMENT PROCEEDS</b>	<b>\$ 6,073,948.40</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
	\$ -
	Diminution Claim*
	\$ -
	<b>Total Super Priority Claims</b>
	<b>\$ -</b>
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders
	<b>\$ 6,073,948.40</b>

<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%	\$ -
\$ 10,000.00	0.0006%	\$ -
\$ 20,000.00	0.0012%	\$ -
\$ 50,000.00	0.0030%	\$ -
\$ 100,000.00	0.0060%	\$ -

<b>Distribution to Each Class from Lit Proceeds Alone</b>		
		<b>Distribution</b>
A1 L Bond	96.45%	\$ 5,858,136.08
A2 Subordinated	3.26%	\$ 198,302.90
B GUCs	<del>0.29%</del>	\$ 17,509.42
	<b>100.00%</b>	

<b>WDT Interests sharing pro rata in Settlement Proceeds after A1 Indenture Trustee and Diminution Claim are paid</b>	
Series A1	L Bond Claims
	\$ 1,672,852,358.00
Series A2	LBM Subordinated Claims
	\$ 56,627,477.87
Series B	General Unsecured Claims#
	\$ 5,000,000.00
	<b>Total Interests</b>
	<b>\$ 1,734,479,835.87</b>

<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%	\$ 17.51
\$ 10,000.00	0.0006%	\$ 35.02
\$ 20,000.00	0.0012%	\$ 70.04
\$ 50,000.00	0.0029%	\$ 175.09
\$ 100,000.00	0.0058%	\$ 350.19

<b>Estimated Total Distribution to L Bonds</b>		
<b>Prepetition L Bond Investment</b>		<b>Estimated Distribution</b>
\$ 5,000.00	\$	17.51
\$ 10,000.00	\$	35.02
\$ 20,000.00	\$	70.04
\$ 50,000.00	\$	175.09
\$ 100,000.00	\$	350.19

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

\*Assumes Super Priority Claims are paid in full from prior settlement proceeds based on WDT estimates

#Assumes the settlement with the PCA Parties is approved, which reduces General Unsecured Claims from \$404,000,000 to \$5,000,000

<b>Percent Distribution on account of the L Bond Claims</b>	<b>0.350%</b>
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# **EXHIBIT C**

Settlement Amount	LT Counsel Fee & Expenses	Class Counsel Fee	Class Expenses	Gross Distributable Amount (Est.)
				<b>Net Distribution to WDT (Est)</b>

**F I N A N C I A L S T A T E M E N T**

**NET SETTLEMENT PROCEEDS**

**\$ 65,880,642.70**

**WDT Interest Series Created by the Indenture**

	<u>Category of Claim</u>	<u>Amount (WDT Interest)</u>
A1 Indenture Trustee	Indenture Trustee Fees and Costs	\$ 2,350,000.00
	Diminution Claim*	<b>\$ 60,000,000.00</b>
	<b>Total Senior Claims</b>	<b>\$ 62,500,000.00</b>
	Available Settlement Proceeds for A1, A2 and B WDT Interest Holders	<b>\$ 5,064,642.70</b>

**Estimated Distribution to Senior Bondholders**

<b>Estimated Distribution from Diminution Claim Art. 10.C.ii.</b>			
<u>Repetition Level</u>	<u>Interest Rate</u>	<u>Total WDT</u>	<u>Estimated Distribution</u>
\$ 5,000.00	0.0003%	\$	179.33
\$ 10,000.00	0.0006%	\$	358.67
\$ 20,000.00	0.0012%	\$	717.34
\$ 50,000.00	0.0030%	\$	1,793.34
\$ 100,000.00	0.0060%	\$	3,586.69

**Distribution to Each Class from Litigation Proceeds Alone**

	<u>Percentage</u>	<u>Distribution</u>
A1 L Bond	96.45%	\$ 63,405,196.09
A2 Subordinated	3.26%	\$ 115,268.79
B GUCs	0.29%	\$ 10,177.81
	<b>100.00%</b>	

**WDT Interests arising 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#	\$ 5,000,000.00
	<b>Total Interests</b>	<b>\$ 1,734,479,835.87</b>

**Estimated Distribution to Subordinated Bondholders Art. 10.C.iii**

<u>Repetition Level</u>	<u>Interest Rate</u>	<u>Total WDT</u>	<u>Estimated Distribution</u>
\$ 5,000.00	0.0003%	\$	10.18
\$ 10,000.00	0.0006%	\$	20.36
\$ 20,000.00	0.0012%	\$	40.71
\$ 50,000.00	0.0029%	\$	101.78
\$ 100,000.00	0.0058%	\$	203.56

**Estimated Total Distribution to Subordinated Bondholders**

<u>Repetition Level</u>	<u>Estimated Distribution</u>
\$ 5,000.00	\$ 189.51
\$ 10,000.00	\$ 379.02
\$ 20,000.00	\$ 758.05
\$ 50,000.00	\$ 1,895.12
\$ 100,000.00	\$ 3,790.24

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

\* This amount presents the WDT's current estimate of the Diminution Claim, but is subject to further negotiations.  
 #Assumes the settlement with the PCA Parties is approved, which reduces General Unsecured Claims from \$404,000,000 to \$5,000,000

**Estimated Distribution on Amount of L and Claims**

**\$ 70**