

United States Bankruptcy Court
Southern District of Texas

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

ENTERED

June 09, 2026

Nathan Ochsner, Clerk

In re:

GWG HOLDINGS, INC., *et al.*¹

Debtors.

Chapter 11

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

ORDER ON MOTION FOR ENTRY OF ORDER APPROVING SETTLEMENT

[Relates to ECF No. 2751]

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 October 1, 2025, between the GWG Litigation Trust and Paul Capital Advisors, L.L.C., Paul Capital Partners VIII-A, L.P., Paul Capital Partners VIII-B, L.P., Paul Capital Partners VIII-C, L.P., Paul Capital Partners VIII Holdings, Paul Capital Partners IX, L.P., and Paul Capital Town Street Partners, L.P. (collectively, the “PCA Parties”), 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Settlement”); and upon consideration of the evidence admitted and all objections, if any, to the Motion having been withdrawn, resolved, or overruled on the merits; and this Court having considered the legal and factual bases for the relief requested in the Motion; and upon all of the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;

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

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

IT IS HEREBY FOUND AND DETERMINED THAT:

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

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. The matters raised in the Motion are core proceedings pursuant to 28 U.S.C. § 157(b)(2).

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 with prejudice for actual or potential claims the GWG Litigation Trust, the Litigation Trustee, and/or the Debtors have against the PCA Parties, which are described more fully in the Proposed Settlement.

G. The Proposed Settlement includes releases with prejudice for actual or potential claims the PCA Parties have against the GWG Litigation Trust, the Litigation Trustee, and the

Debtors, including Proofs of Claim Nos. 3506, 3507, and 3508, filed by the PCA Parties against the Debtors, which are described more fully in the Proposed Settlement.³

H. The Proposed Settlement and the transactions, compromises, and releases provided therein are reasonable and appropriate under the circumstances, and the GWG 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.

I. 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 GWG Litigation Trust, and should be approved in all respects.

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

K. The terms of the Proposed Settlement and the transactions, compromises, and releases provided therein were negotiated and agreed to by the GWG Litigation Trust and the PCA

³ The PCA Parties filed Proofs of Claim Nos. 3506, 3507, and 3508 against GWG Holdings, Inc., GWG Life, LLC, and GWG Life USA, LLC, respectively, asserting claims against the Debtors for \$400,000,000.00 plus other unknown or unliquidated damages.

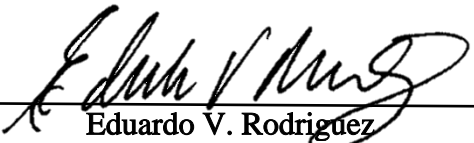
Parties, each of whom was represented by competent counsel, in good faith, without collusion, and as a result of arm's-length bargaining.

L. The Proposed Settlement was entered into by the GWG Litigation Trust and the PCA Parties, 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 GWG Litigation Trust, the PCA Parties, and their 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 PCA Parties' New Series B WDT Interests are hereby cancelled, and no further action is required by any party to effectuate such cancellation.
4. The terms and conditions of this Order shall be effective and enforceable upon its entry.
5. This Court retains jurisdiction with respect to all matters arising from or related to the Proposed Settlement or this Order.

Signed: Tuesday, June 09, 2026


Eduardo V. Rodriguez
Chief United States Bankruptcy Judge