

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

IN RE: . Chapter 11  
WASHINGTON MUTUAL, INC., .  
*et al.*, . Case No. 08-12229 (MFW)  
. (Jointly Administered)  
. .  
Debtors. . April 23, 2009  
. 10:30 a.m.  
. (Wilmington)  
. .

TRANSCRIPT OF PROCEEDINGS  
BEFORE THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY COURT JUDGE

APPEARANCES:

For the Debtor: Brian S. Rosen, Esq.  
Weil, Gotshal & Manges, LLP  
For the Committee: Scott L. Alberino, Esq.  
Fred S. Hodara, Esq.  
Akin, Gump, Strauss, Hauer &  
Feld, LLP

VIA TELEPHONE:

For FTI Consulting: Steven D. Simms  
FTI Consulting.  
For McKee Nelson: Kevin Otero, Esq.  
McKee Nelson, LLP

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1 THE CLERK: All rise. You may be seated.

2 THE COURT: Good morning.

3 MR. ROSEN: Good morning, Your Honor. Brian Rosen,  
4 Weil, Gotshal & Manges on behalf of Washington Mutual and on  
5 this day also on behalf of Weil, Gotshal & Manges. Your  
6 Honor, there were two items on the calender today. The first  
7 item is a motion for the Debtors to enter into an engagement  
8 letter with Towers Perrin. Based upon conversations, Your  
9 Honor, that we have had with the US Trustee and Towers Perrin  
10 as late as this morning, we are going to be withdrawing that  
11 application. Previously we had done something pursuant to  
12 the ordinary course retention of Towers Perrin, and we're  
13 going to be looking into moving forward with them in the same  
14 light. Instead of doing this motion and retention. So we  
15 will be withdrawing that application this morning.

16 THE COURT: All right.

17 MR. ROSEN: Your Honor, the next item on the  
18 calendar are the interim fee applications of the respective  
19 professionals. Your Honor, I could run through them, but I  
20 think the Court has the benefit of that, and I'd guess  
21 instead, Your Honor, I would merely note that there have been  
22 no objections that have been interposed, but I assume the  
23 Court might have a question or two about some of the  
24 applications. And I thought we could go through Q&A with the  
25 Court. If the Court would like to do it.

1 THE COURT: That's probably the fastest way to do  
2 it.

3 MR. ROSEN: Okay, Your Honor. Then I'll step aside  
4 and let you call up whoever you'd like to speak with.

5 THE COURT: Since this is the first interim fee  
6 applications, I'll just give, in large part, my general  
7 comment about what they look like, and to the extent that  
8 there are some problems I have, I'm just going to encourage  
9 counsel to do better in the future. With respect to  
10 Richards, Layton & Finger I had no problems at all with their  
11 fee application. I think it complies with our Local Rules  
12 and the requirements of the Code and national rules. With  
13 respect to Weil Gotshal, there are a number of mathematical  
14 errors, but again, they're not significant, so I'm just going  
15 to ask you to check those in the future. Some of the  
16 descriptions of services are light. I note that it is in  
17 general not bankruptcy counsel, but other, what appear to be  
18 other professionals at the firm, and I'll just ask that - -  
19 and I'll give you an example. Review documents. At least  
20 identify what the topic or the reason for the review of the  
21 documents is. There was one issue. Ah. One issue on travel  
22 time specifically. It appears that several people went to  
23 Seattle I assume on the same flight, but they all billed  
24 different times. So if - -

25 MR. ROSEN: It might have been, Your Honor - - the

1 reason is not the flight time, but rather whether it's non-  
2 working travel or travel. To the extent that someone does  
3 work during the flight, that's billed separately than non-  
4 working travel. Someone may have slept for an hour, and  
5 someone may have slept for a half hour. And that could be a  
6 for instance. But I will check on that.

7 THE COURT: Yeah. Check on that. And I'm just  
8 going to give you the, the date or the, let's see if I can  
9 give you the page. It's on Project Sonic. The dates range  
10 from December 9<sup>th</sup> through the 19<sup>th</sup>. Some of them identify it  
11 as non-working travel. Others just say travel. And it's  
12 unclear that the working travel was backed out. So if you  
13 could just - -

14 MR. ROSEN: We'll do that.

15 THE COURT: - - as I, as is usual in this District,  
16 to separate that out and bill non-working travel at half  
17 time, but travel at - -

18 MR. ROSEN: Absolutely. And we do, Your Honor, have  
19 a work code to reflect that.

20 THE COURT: Okay. All right. That was the only  
21 question, then, on Weil Gotshal specifically. Davis, Wright,  
22 & Tremaine I had no problems with. Gibson, Dunn & Crutcher  
23 was fine. Akin Gump, I had one question on associate meals.  
24 Now let me see if I can find - - I guess it was in the next  
25 binder. What is their policy with respect to associate

1 meals?

2 MR. ALBERINO: Hello, Your Honor. Scott Alberino  
3 from Akin Gump. Our policy with associate meals is to the  
4 extent somebody is working on a matter after 7:30, we  
5 typically will allow associates to bill meals to clients.  
6 And we generally tell them to keep the meal bills below \$25  
7 per person.

8 THE COURT: Because it appears on December 12<sup>th</sup>  
9 there's a line entry for \$554, \$71, \$37. I don't know if  
10 there were a lot of associates working that day, or one just  
11 went wild.

12 MR. ALBERINO: Your Honor, just, number one, there  
13 are, there are associates working in multiple offices. So  
14 each of them, if they were to pay, if they were to submit for  
15 a meal, it would show up separately, it would show separately  
16 on the expense line item. Also, you know, there are certain,  
17 you know, certain on line ordering systems where if there are  
18 multiple people working on the case in one office, you know,  
19 you'll have a, say for example a \$75 meal charged to four  
20 people. But we're happy to take a look at that and see if  
21 that, if there's any error there.

22 THE COURT: Yeah. If you could look at all of them.  
23 Because on December 19<sup>th</sup> there's a \$400. On January 16<sup>th</sup>,  
24 there's \$720. And there's a lot of other associate meals it  
25 looks like.

1           MR. HODARA: Your Honor, we will - - it's Fred  
2 Hodara. We'll certainly check that. I'm noticing December  
3 19 was actually an in person meeting. So one other  
4 possibility is that for some reason these were coded as  
5 associated lunches, but were actually in person catered  
6 meetings. But we'll check the detail on all of those dates.

7           THE COURT: All right.

8           MR. HODARA: Thank you.

9           THE COURT: Thank you. Check January 30<sup>th</sup> also.  
10 There are - -

11          MR. HODARA: Yes, Your Honor.

12          THE COURT: - - a lot of them, and one is almost  
13 \$1000. All right. FTI Consulting. FTI Consulting, the  
14 concern I have is with respect to the air travel on a, on  
15 11/3, three different professionals traveled to Seattle, and  
16 their air fair ranged from \$675 to \$1600. And the third was  
17 at \$13 hundred. So if there could be an explanation as to  
18 why that air travel - - and while they were in Seattle, it  
19 appears that their hotels ranged from \$465 - - excuse me.  
20 \$367 to \$786. So I'd like an explanation as to why that is,  
21 that is so.

22          MR. SIMMS (Telephonic): Your Honor, it's Steven  
23 Simms from FTI on the line. I will check into that to get  
24 you - - I do believe it's possible with the hotel, knowing  
25 that as an example, if it's the trip I'm thinking of, myself,

1 who was there, may have been there for one day, and others  
2 were there for more than one day. So it could be multiple  
3 day hotel stay. And I'll find out and we'll identify that  
4 clearly. But - -

5 THE COURT: Okay.

6 MR. SIMMS (Telephonic): - - I don't believe there  
7 would be any charge that would be at that level. So we will  
8 check, because we were all at the same hotel. And - -

9 THE COURT: Well - -

10 MR. SIMMS (Telephonic): - - as for the air fare, I  
11 will also check on the reasoning, and get back on that.

12 THE COURT: All right. Well it seems that you  
13 spent, you said one day? Well - -

14 MR. SIMMS (Telephonic): I don't, I think I was  
15 there for one evening, if I recall. If it was, if it's the  
16 trip I'm thinking of.

17 THE COURT: Well there was one where you spent three  
18 nights and charged 465, but somebody else spent two nights  
19 and charged 786, so.

20 MR. SIMMS (Telephonic): Okay. I will check on  
21 that.

22 THE COURT: If you can check that. All right.  
23 Grant Thornton is fine. Except - - let me think. Is that  
24 Grant Thornton? No, Grant Thornton is fine. With respect to  
25 McKee Nelson, and Sherman & Sterling, Perkins Cole, and John

1 Wolfe, I didn't get the unredacted fee applications. So I  
2 can't decide any of those. McKee Nelson, it appears that  
3 there are just redactions for issues 2 and 3. But again, the  
4 Court needs to know what exactly counsel was working on.

5 MR. OTERO (Telephonic): Your Honor, this is Kevin  
6 Otero from McKee Nelson. We'll definitely get that to you.

7 THE COURT: Okay. And also for McKee Nelson, I am  
8 going to disallow a sum. I'm going to disallow \$8,128.50,  
9 because it appears that that was for running conflicts checks  
10 and otherwise preparing your retention application which I  
11 don't normally approve payment from - -

12 MR. OTERO (Telephonic): Understood.

13 THE COURT: - - from the estate. And if you could  
14 explain what, who the law clerks are. It appears you have  
15 several law clerks at - -

16 MR. OTERO (Telephonic): Absolutely, Your Honor.  
17 One of our law clerks is an LLM graduate from Georgetown Law  
18 and practiced prior to coming to the states in England.

19 THE COURT: All right. So they are attorneys?

20 MR. OTERO (Telephonic): Correct.

21 THE COURT: Okay. All right. Then no problem with  
22 that. All right. Those were my only issues, then, for those  
23 firms. With respect to Miller & Chevalier and Simpson  
24 Thacher, I had no problems with their fee applications. All  
25 right.



1           MR. ROSEN: Your Honor, then with respect to  
2 process, we can obviously provide the Court with a modified  
3 order that would delete, at this point in time, the McKee,  
4 Sherman, Perkins, and Wolfe applications until you have an  
5 opportunity to get those unredacted versions. With respect  
6 to those where you've raised some questions, I'm not sure how  
7 you'd like us to proceed. We can get back to you with  
8 respect to those, or we could have an order entered, and to  
9 the extent that there are issues, we could have those taken  
10 care of in the next applications, and have those reflected  
11 there. Which is what I think the firms would prefer. But  
12 obviously your, it's your decision.

13           THE COURT: Well let's do the latter. That's fine.

14           (The remainder of the page is intentionally left blank.)

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1           MR. ROSEN: Okay. So then we'll present you with  
2 another order, then, just redacting those four points out.  
3 Those four firms out. And we'll get that over to you this  
4 afternoon.

5           THE COURT: Okay.

6           MR. ROSEN: Thank you very much, Your Honor. I  
7 believe that concludes this morning's calendar, then.

8           THE COURT: All right. We'll stand adjourned.

9           MR. ROSEN: Have a nice day.

10          THE COURT: You too.

11          (Whereupon at 10:46 a.m. the hearing in this matter was  
12 concluded for this date.)

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18           I, Jennifer Ryan Enslin, approved transcriber for  
19 the United States Courts, certify that the foregoing is a  
20 correct transcript from the electronic sound recording of the  
21 proceedings in the above entitled matter.

22

23          /s/Jennifer Ryan Enslin  
24 Jennifer Ryan Enslin  
25 43 Bay Boulevard  
Newark, DE 19702  
(302) 836-1905

April 29, 2009

**UNITED STATES BANKRUPTCY COURT**  
**District of Delaware**

**In Re:**

Washington Mutual, Inc.  
1301 Second Avenue  
Seattle, WA 98101  
EIN: 91-1653725

**Chapter: 11**

*Case No.:* 08-12229-MFW

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