EXHIBIT C

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

THE FEDERAL DEPOSIT INSURANCE CORPORATION, as RECEIVER of WASHINGTON MUTUAL BANK, Plaintiff, v. KERRY K. KILLINGER, STEPHEN J. ROTELLA, DAVID C. SCHNEIDER, LINDA C. KILLINGER, and ESTHER T. ROTELLA, Defendants.	No.: 2:11-cv-00459-MJP

DECLARATION OF LAYN R. PHILLIPS

I, LAYN R. PHILLIPS, declare as follows:

1. I am providing this Declaration in my capacity as the mediator in connection with the settlement of the claims asserted by the FDIC in this Action against Defendants Kerry K. Killinger, Stephen J. Rotella, David C. Schneider, Linda C. Killinger and Esther T. Rotella ("Defendants").

2. I am a former Federal Judge, currently employed as a litigation partner with the firm of Irell & Manella LLP, and separately employed as a mediator and arbitrator. I am based in the firm's Newport Beach, California office. I am a member of the bars of Oklahoma, Texas, California and the District of Columbia, as well as the U.S. Courts of Appeals for the Ninth and Tenth Circuits and the Federal Circuit.

3. I earned my Bachelor of Science in Economics as well as my J.D. from the University of Tulsa. I also completed two years of L.L.M. work at Georgetown University Law Center in the area of economic regulation of industry. After serving as an antitrust prosecutor and an Assistant United States Attorney in Los Angeles, California, I was nominated to serve as a United States Attorney in Oklahoma, and did so for approximately four years.

4. I personally tried many cases and oversaw the trials of numerous other cases as a United States Attorney. While serving as a United States Attorney, I was nominated to serve as a District Judge for the Western District of Oklahoma. During my tenure as a Federal Judge, I presided over trials in all three districts of the state (Northern, Western and Eastern) and sat by designation on the United States Court of Appeals for the Tenth Circuit. I also presided over cases in Texas, New Mexico and Colorado. While on the bench, I presided over a total of more than 140 federal trials. I left the federal bench in 1991 and joined Irell & Manella shortly thereafter.

5. In addition to litigating, I devote a considerable amount of my professional time to serving as a mediator and arbitrator in connection with large, complex cases such as this. I have successfully mediated numerous complex commercial cases, including dozens of securities class action cases as well as several actions brought by the FDIC against both officers and directors.

6. The parties in this Action contacted me in early 2011, shortly before the FDIC filed its complaint, with a joint request that I attempt to mediate a resolution of the FDIC's claims. I agreed to do so, and in February 2011 was able to commence mediation proceedings

among the parties and representatives of the Defendants' directors and officers ("D&O") insurance policies. The issues concerning the FDIC's claims and the parties' and insurers' positions were very complex and required numerous in-person and telephonic mediation sessions with me over the course of approximately nine months. Specifically, I conducted mediation sessions with the FDIC and Defendants and the Defendants' insurers on February 18, March 22 and 23, May 4 and 5, May 17 and 18, May 24, June 30, and October 9. I also held dozens of telephonic conversations with counsel for each of the parties as well as the Defendants' D&O insurers both before and after almost every mediation session over the nine months of the process. Furthermore, at my direction, all of the parties submitted detailed mediation statements to me early in the mediation process.

7. Because the parties submitted their mediation statements and arguments in the context of a confidential mediation process pursuant to Federal Rule of Evidence 408, I cannot reveal their content. I can say, however, that the arguments and positions by all involved with the mediation process were the product of much hard work, and they were complex and highly adversarial. Moreover, the advocacy that I witnessed by counsel for all parties in their statements and during our numerous in-person and telephonic mediations was of the highest caliber. After reviewing the written mediation statements and witnessing the initial in-person sessions in February and March, I believed this would be a difficult and adversarial process through which all involved would hold strong to their convictions that they had the better legal and substantive arguments. My beliefs were ultimately confirmed by the length, number, and intensity of the negotiation sessions that were required to reach an agreement in principle to settle this Action.

8. In addition to their written submissions, during the mediation sessions, counsel for the various parties made substantive presentations regarding various aspects of the case. These presentations included detailed discussions of the evidence regarding both liability and potential damages issues. Certain of these presentations were made to me and to opposing

counsel, others were made only to me, and others were made with both adverse lawyers and certain clients present. There were also separate and lengthy sessions with the many insurance representatives and their counsel who attended the sessions. The process was extremely difficult not only in terms of the complexity of the legal, procedural, and substantive issues involved, but also by the significant number of parties and lawyers involved.

9. A significant complication in the mediation process was the directors and officers ("D&O") insurance policies which represented a material source for recovery from the Defendants, against whom the FDIC claimed significant damages. I understood from the outset that the D&O policies were being depleted through defense of this Action as well as by the defense costs and settlements in the other MDL actions previously pending before this Court and filed elsewhere, and that the plaintiffs in those actions and other potential claimants also asserted claims of substantial damages that implicated the same insurance policies.

10. Another significant complication was the potential contributions by the individual Defendants to any settlement. The negotiations and discussions concerning whether and how the individuals would personally contribute to any settlement were particularly complex, especially given the eventual agreed-upon structure of contributions that implicated issues and parties in the Washington Mutual, Inc. ("WMI") bankruptcy proceeding.

11. With these issues in mind, during the February and March 2011 mediation sessions, I heard presentations from the various parties regarding their positions, and I engaged in numerous discussions with counsel for both sides in an effort to find common ground between the parties' respective positions. Little progress was made in the early in-person sessions in February and March, and the parties were unable to resolve their dispute at that time.

12. Between the initial mediation sessions in February and March 2011 and the subsequent in-person sessions in May 2011, I communicated regularly with counsel for the FDIC and the various defendants and D&O insurers, and the parties agreed to engage in further settlement discussions in May. In fact, in May 2011 alone, the parties participated in four in-

person mediation sessions with me, with the defendants' insurers participating in some of these sessions. Although the parties continued to make substantial progress towards a settlement and were close to reaching an agreement in principle to settle the Action by the end of June, the parties were unable to complete a settlement before the defendants filed motions to dismiss on July 1.

13. After the defendants filed their motions to dismiss, the mediation process stalled for several months before the parties agreed to resume settlement discussions. After numerous telephone conversations and emails exchanged between the parties, the Defendants' insurers, and me, all of the parties and the Defendants' D&O insurers agreed to attend another in-person mediation on Sunday, October 9. Ultimately, following additional intense and hard-fought negotiations, these parties reached an agreement in principle to settle this Action in the early evening that Sunday. However, even after the parties had reached their agreements-in-principle to settle this Action, they contacted me several times to seek my input on issues that arose during the preparation of the Term Sheet reflecting the settlement, as well as the final settlement papers.

14. I cannot delve into the specifics regarding each party's positions during the mediation process. However, I can say that there were many complex issues that required careful analysis and creative solutions, particularly given the interplay with issues in the WMI bankruptcy. I can also attest that the negotiations were fully at arm's length, with no collusion at all. The settlement that was reached was the result of many months of difficult and intense negotiations among numerous parties, their counsel, and the Defendants' D&O insurers.

15. As a former Federal Judge, I both recognize and respect that the issues regarding the fairness and reasonableness of the settlement are this Court's to decide. Having been intimately involved in the settlement process, though, I thought the Court might be interested and find it useful to have my observations in that regard. Based on my experience as a litigator, a mediator, and a former Federal Judge, I believe the settlement represents a recovery and outcome that is reasonable and fair for the FDIC as Receiver for Washington Mutual Bank and the

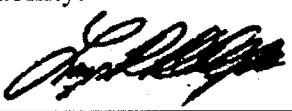
Defendants, particularly given the finite assets available to satisfy any judgment against the Defendants.

16. Prior to filing this suit, the FDIC had entered into a "Global Settlement Agreement" with WMI and other parties, as a result of which the FDIC obtained highly significant value including, per FDIC statements, $125 million from WMI in exchange for the release of the FDIC's claims against the former WaMu directors other than Kerry Killinger and other WaMu officers. As part of the Global Settlement Agreement, the FDIC agreed to judgment and settlement reduction provisions by which WMI would not have to pay anything further as a result of any FDIC lawsuits against non-released WaMu directors and officers, such as Messrs. Killinger, Rotella, and Schneider. Because Messrs. Killinger, Rotella, and Schneider retained certain indemnification rights from WMI, there was a risk that any judgment the FDIC might obtain against Messrs. Killinger, Rotella, and Schneider would have to be indemnified by WMI. Thus, unless insurance was available to pay any such judgment, the FDIC's Global Settlement Agreement with WMI may have resulted in the FDIC's having to reduce any judgment it ultimately obtained against Messrs. Killinger, Rotella, or Schneider to zero. In addition, had the parties not settled, the available D&O insurance likely would have been severely depleted or eliminated in its entirety by the time of trial (which had been set for September 2013), due to the potential settlement of competing claims on the D&O insurance policies and defense costs. Based on all of the above, and what I learned confidentially during the mediation regarding the personal assets of the Defendants, I believe that it was in the FDIC's interests to settle at this time for $39.575 million cash obtained from the D&O policies, together with cash payments from Defendants of $425,000 and their agreement to pay the FDIC an additional cash amount based upon the amounts Defendants actually receive, after tax, from certain of their claims pending in the WMI Chapter 11 proceedings (with a $24.7 million pre-tax face value), rather than to take the case further toward trial and risk getting far less or nothing at all. I further believe it was in the best interests of all of the parties that they avoid the burdens

and risks associated with taking this case to trial and that they agree upon each of the settlements now before the Court.

17. Lastly, the advocacy on both sides of the case was outstanding. The principal attorneys working on this case for the FDIC from the law firm of Reed Smith, and the FDIC's in-house counsel, exhibited great effort, creativity, and zeal in their work. Similarly, the advocacy from counsel representing the Defendants, Simpson Thacher & Bartlett LLP and Wilson Sonsini Goodrich & Rosati LLP, was of the highest caliber. All counsel displayed the highest level of professionalism in carrying out their duties on behalf of their respective clients. The settlement is a direct result of all counsels' experience, reputation and ability.

Dated: February 22, 2012



Layn R. Phillips