

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Release ("Agreement") is made this 31st day of January, 2013 by, between and among the following undersigned Parties: the Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R"), and Devon McDowell ("McDowell"); both of whom are parties in a case captioned *FDIC as Receiver for AmTrust Bank v. Michael Hodge, et al.*, Case No. 09-CV-3234 in the United States District Court for the Eastern District of New York ("The Litigation").

RECITALS

WHEREAS, in July, 2009, AmTrust Bank ("AmTrust") initiated The Litigation against numerous borrowers, its closing attorney James Carroll ("Carroll"), mortgage broker, Link One Mortgage Bankers, LLC, and other individuals and entities alleged to be involved in a purported mortgage fraud scheme concerning twenty (20) loans including claims for conspiracy and fraud against McDowell arising from his actions in obtaining a mortgage loan from AmTrust;

WHEREAS, The Litigation includes claims related to a mortgage loan ("The Mortgage Loan") made by AmTrust for the purported purchase of the property located at b)(6) Street, Saint Albans, New York ("The Property") by McDowell;

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision and, pursuant to 12 U.S.C. § 1821(c), the Federal Deposit Insurance Corporation was appointed receiver. In accordance with 12 U.S.C. § 1821(d), the FDIC-R succeeded to all rights, titles, powers, and privileges of AmTrust, including those with respect to its assets and all of AmTrust's claims, demands, and causes of action, including those claims asserted in The Litigation and all claims related to The Property;

WHEREAS, McDowell has denied any wrongdoing in connection with The Litigation and The Property;

WHEREAS, McDowell has provided the FDIC-R with a sworn affidavit and other financial materials to demonstrate that he has limited means from which to pay a judgment;

WHEREAS, the FDIC-R has relied upon the accuracy of the information provided by McDowell regarding his financial condition as a material condition for entering this Settlement Agreement;

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to end their disputes arising out of and related to The Litigation and The Property and avoid further costs and risks associated with The Litigation and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree, each with each other, as follows:

Section I. Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, McDowell has agreed to pay the FDIC-R the sum of Twelve Thousand Nine Hundred Sixty-Six Dollars (\$12,966.00) (the "Settlement Payments").

B. Immediately upon execution of this Agreement, McDowell shall deliver the first Four Thousand Dollars of the Settlement Payments to the FDIC-R by check transmitted pursuant to the FDIC-R's written instructions.

C. No later than February 28, 2013, McDowell shall deliver the second payment of Four Thousand Dollars (\$4,000.00) of the Settlement Payments to the FDIC-R by check transmitted pursuant to the FDIC-R's written instructions.

D. No later than July 31, 2013, McDowell shall deliver the third payment of Two

Thousand Five Hundred Dollars (\$2,500.00) of the Settlement Payments to the FDIC-R by check transmitted pursuant to the FDIC-R's written instructions.

E. No later than December 31, 2013, McDowell shall deliver the remaining Two Thousand Four Hundred Sixty-Six Dollars (\$2,466.00) of the Settlement Payments to the FDIC-R by check transmitted pursuant to the FDIC-R's written instructions.

Section 2. Confession of Judgment.

A. As an additional essential covenant and condition to this Agreement, McDowell has agreed to execute and deliver to the FDIC-R an Affidavit of Confession of Judgment, confessing judgment in the FDIC-R's favor for the entire unpaid balance of The Mortgage Loan in the amount of Five Hundred Thirty-Nine Thousand Nine Hundred Forty-Six Dollars and Thirty-One Cents (\$539,946.31).

B. In the event that McDowell fails to make either payment listed in Section 1 above by the applicable deadline, McDowell shall be in default of this Agreement and the FDIC-R shall have the right to obtain a Confession of Judgment against McDowell in the full amount of the unpaid balance of The Mortgage Loan.

C. If the Settlement Payments, or any portion thereof, are not received by the FDIC-R within the deadlines stated in Section 1 of the Agreement, interest upon any unpaid portion of the Settlement Payments will accrue at a rate of 6% per annum commencing on the 31st day after the payments were due.

D. Without waiving any other rights that the FDIC-R may have, in the event that the Settlement Payments, including all accrued interest as may be applicable, are not received by the dates specified in Section 1 of this Agreement, then the FDIC-R shall have the right, in its sole discretion, to enforce this Agreement, and McDowell shall be responsible for the Settlement

Payments, and all fees, including attorney fees, incurred by the FDIC-R in enforcing this Agreement.

Section 3. McDowell's Transfer of Title to the Property to the FDIC-R.

A. As an essential covenant and condition to this Agreement, McDowell agrees to execute and deliver to the FDIC-R a deed transferring all of his interest, rights, and title to The Property to the FDIC-R in the form and according to the instructions provided to him by the FDIC-R.

Section 4. McDowell's Agreement to Cooperate.

A. As an essential covenant and condition to this Agreement, McDowell agrees to provide a sworn statement to the FDIC-R regarding the persons, entities, and events involved in The Litigation.

B. McDowell further agrees to cooperate fully with the FDIC-R in the ongoing Litigation and any further litigation related to the persons, entities, and events involved in The Litigation, including, if necessary, testifying regarding the persons, entities, and events involved in The Litigation.

Section 5. Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties, the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against McDowell.

Section 6. Mutual Releases.

A. Release of McDowell by the FDIC-R.

Effective upon receipt of the initial payment of Four Thousand Dollars (\$4,000) of the Settlement Payments, the signed confession of judgment, and the executed deed as specified in Sections 1A, 2, and 3 above, the FDIC-R hereby releases and discharges McDowell, his insurers,

representatives, successors, assigns and attorneys, from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that arise from or relate to The Litigation.

B. Release of the FDIC-R by McDowell.

Effective simultaneously with the release in Section 6A above, McDowell, on his own behalf, and on behalf of his heirs, executors, administrators, representatives, assigns, insurers, and attorneys hereby releases and discharges the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to The Litigation.

C. Express Reservation of Releases by the FDIC-R.

Notwithstanding any other provision, by this Agreement, the FDIC-R does not release and expressly preserves fully and to the same extent as if the Agreement had not been executed, any rights, claims or causes of action against any other party in the Litigation not expressly released by this Agreement.

Section 7. Representations and Acknowledgements.

A. No Admission of Liability. The Parties each acknowledge and agree that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims and that this Agreement is not an admission of, or evidence of, any liability of any of them regarding any claim.

B. Execution in Counterparts. This Agreement may be executed in counterparts by facsimile or electronically mailed signatures which shall have the same force and effect as original signatures and such counterparts, when taken together, shall constitute one single and binding Agreement.

C. Choice of Law. This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the laws of the State of New York.

D. Binding Effect. Each of the undersigned persons represents and warrants that they are a Party hereto or are authorized to sign this Agreement on behalf of a Party, and that they have the full power and authority to bind such Party to each and every provision of this Agreement. This Agreement shall be binding upon and inure to the benefit of the undersigned Parties and their respective heirs, executors, administrators, representatives, successors, assigns, and attorneys.

E. Specific Representations, Warranties, and Disclaimer. McDowell acknowledges that in determining to settle the claims released herein, the FDIC-R reasonably and justifiably relied upon the accuracy of financial information provided by McDowell. If McDowell failed to disclose, or misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, McDowell agrees to cooperate fully with the FDIC-R to transfer his interest in the asset to the FDIC-R. Moreover, if McDowell has failed to disclose or materially misstated any interest, legal, equitable, or beneficial, in any asset, the FDIC-R in its sole discretion, may exercise one or more or all of the following remedies: (a) the FDIC-R may declare the release granted to McDowell as null and void; (b) the FDIC-R may sue McDowell for damages, an injunction, and specific performance for the breach of this Agreement; and (c) the FDIC-R may seek to vacate any dismissal order and reinstate the FDIC-R's claims against McDowell. McDowell agrees that if he has intentionally failed to disclose, or materially misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, McDowell consents to the reinstatement of the FDIC-R's claims and waives any statute of limitations defense that would bar any of the FDIC-R's claims against him.

F. Entire Agreement and Amendments. This Agreement constitutes the entire agreement and understanding between and among the undersigned Parties concerning the matters set forth herein. This Agreement may not be amended or modified except by another written instrument signed by the parties to be bound thereby, or by their respective authorized attorneys or other representatives.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

Date: 2/8/2013

[Redacted Signature Box]

(b)(6)

Devon McDowell

Date: 01/31/13

[Redacted Signature Box]

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