

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made by, between, and among the following undersigned parties:

The Plaintiff Federal Deposit Insurance Corporation as Receiver for Century Bank, Federal Savings Bank, Sarasota, Florida ("FDIC-R"), and Barry W. Florescue ("Florescue"), John P. O'Neill ("O'Neill"), Stanley Kreitman ("Kreitman"), Charles W. Miersch ("Miersch"), and James M. Nickerson ("Nickerson") (collectively the "Settling Defendants"). Individually, the FDIC-R and the Settling Defendants may be referred to herein as "Party" and collectively as "Parties".

RECITALS

WHEREAS:

Prior to November 13, 2009, Century Bank, Federal Savings Bank, ("Bank") was a depository institution organized and existing under the laws of Florida;

On November 13, 2009, the Office of Thrift Supervision ("OTS") closed the Bank 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 the Bank, including those with respect to its assets.

Among the assets to which the FDIC-R succeeded were all of the Bank's claims, demands, and causes of action against its former directors, officers, and employees arising from the performance, nonperformance, and manner of performance of their respective functions, duties and acts as directors, officers, and employees of the Bank.

On November 9, 2012, the FDIC-R filed a complaint for money damages against the Settling Defendants, each of whom served at various times as a director and/or officer of the

Bank. Those claims for damages are now pending in the United States District Court for the Middle District of Florida, Tampa Division, in *Federal Deposit Insurance Corporation, as Receiver for Century Bank, Federal Savings Bank v. Barry M. Florescue, et al.*, Case No. 8:12-cv-02547-JSM-TBM ("D&O Action"). The Settling Defendants have denied any and all allegations of negligence, gross negligence, or liability of any kind in the D&O Action.

The Settling Defendants were issued a director and officer liability policy for the period February 5, 2007, to February 5, 2010 ("Policy"), which insured the directors and officers of the Bank according to the terms, provisions, and conditions of the Policy. The Settling Defendants asserted claims for coverage under the Policy.

The undersigned Parties acknowledge this is a settlement of disputed claims and defenses and deem it in their best interests to enter into this Agreement to avoid the uncertainty and expense of further litigation.

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

SECTION I: Payment to FDIC-R

A. As an essential covenant and condition to this Agreement, on or before twenty-one (21) calendar days following December 29, 2014, the Settling Defendants, jointly and severally, agree to pay to the FDIC-R the sum of Five Million and 00/100 dollars (\$5,000,000.00) ("the Settlement Payment").

B. The Settling Defendants shall deliver the Settlement Payment to the FDIC-R by direct wire transfer into an account designated by the FDIC-R by notice to the attorneys for the Settling Defendants.

C. If the FDIC-R does not receive the Settlement Payment in full on or before January 19, 2015, then the FDIC-R, in its sole discretion, shall have the right at any time prior to receipt of the Settlement Payment in full (including all accrued interest) to:

1. Extend the period of time for the Settlement Payment, including interest accruing from the date determined by subsection A above, through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(a)(3); or

2. Enforce this Agreement, in which event the Settling Defendants agree to jurisdiction in United States District Court in Florida and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement; or

3. Terminate the Agreement, move to vacate any dismissal order, to which the Settling Defendants agree to consent, and re-institute an action on the FDIC-R's claims. The Settling Defendants further agree to waive any defense based on any statute of limitations that would bar any of the FDIC-R's claims and waive all objections, defenses, claims or counterclaims, and covenant and agree not to assert any objections, defenses, claims or counterclaims that did not exist or were otherwise unavailable as of the date this Agreement was fully executed; and/or

4. Seek any other relief available to it in law or equity.

Any extension of time under Section I.C.1 for delivery of the Settlement Payment or acceptance of a portion of the Settlement Payment shall not prejudice the FDIC-R's rights to take any of the actions set forth in Section I.C.2 through I.C.4 at any time prior to receipt of Settlement Payment (including all accrued interest) in full.

SECTION II: Stipulation and Dismissal

Within ten business days after the latter of (1) full execution of this Agreement by all of the Parties, and (2) receipt of the Settlement Payment, plus any accrued interest, the FDIC-R shall file a Joint Motion for Dismissal with Prejudice, executed by the attorneys for all Parties hereto, along with a proposed Agreed Order of Dismissal with Prejudice, in the forms attached hereto as Exhibit A, in the D&O Action.

SECTION III: Releases

A. The FDIC-R's Releases.

Upon receipt of the Settlement Payment in full and except as provided in Section III.C., the FDIC-R, for itself and its successors and assigns, hereby releases and discharges the Settling Defendants, and their respective heirs, executors, trustees, administrators, representatives, insurers, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R, that arise from or relate to, the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties and actions as officers and/or directors of the Bank including without limitation the claims alleged, or that could have been alleged, in the D&O Action.

B. The Settling Defendants' Release.

Effective simultaneously with the release granted in Section III.A. above, the Settling Defendants, on behalf of themselves individually, and their respective heirs, executors, trustees, administrators, agents, representatives, attorneys, insurers, successors, and assigns, hereby release and discharge the FDIC-R, and its employees, officers, directors, representatives, attorneys, successors and assigns, from any and all claims, demands, obligations, damages,

actions, and causes of action, direct or indirect, in law or in equity, that arise from or relate to, the Bank or to the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties and actions as officers and/or directors of the Bank including without limitation the claims alleged, or that could have been alleged, in the D&O Action.

C. Exceptions from Releases by FDIC-R.

1. Notwithstanding any other provision of this Agreement, the FDIC-R does not release, and expressly preserves fully and to the same extent as if this Agreement had not been executed, any claims or causes of action:

a. Against the Settling Defendants or any other person or entity for liability, if any, incurred as the maker, endorser or guarantor of any promissory note or indebtedness payable or owed by them to FDIC-R, the Bank, other financial institutions, or any other person or entity, including without limitation any such claims acquired by FDIC-R as successor in interest to the Bank or any person or entity other than Bank; and

b. Against any person or entity not expressly released by the FDIC-R in this Agreement, including but not limited to attorney Mark J. Longo, the law firm of Block & Longo, P.C. (f/k/a Block Colucci & Longo, P.C.), and their insurer(s).

2. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing, or compromising the jurisdiction and authority of the Federal Deposit Insurance Corporation, in the exercise of its supervisory or regulatory authority or to diminish its ability to institute administrative enforcement or other proceedings seeking removal, prohibition, or any other relief it is authorized to seek pursuant to its supervisory or regulatory authority against any person.

3. Notwithstanding any other provision of this Agreement, this Agreement does not purport to waive, or intend to waive, any claims that could be brought by the United States through the Department of Justice, the United States Attorney's Office for any federal judicial district, or any other department or agency of the United States as defined by 18 U.S.C. § 6. In addition, the FDIC-R specifically reserves the right to seek court-ordered restitution pursuant to the relevant provisions of the Mandatory Victims Restitution Act, 18 U.S.C. §§ 3322 and 3663 et. seq., if appropriate.

D. Express Reservation of Rights of Bond Carrier.

1. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall release or prejudice the rights of St. Paul Mercury Insurance or any other underwriter of any financial institution bond, fidelity bond, or banker's blanket bond on which the Bank is an insured, to bring any claims by way of subrogation to the claims of the FDIC-R, against (a) any directors, officers, or employees of the Bank, including but not limited to the Settling Defendants, in their capacities as directors, officers, or employees of the Bank or in any other capacity, or (b) any other individual or entity.

2. Nothing herein shall be construed to admit the existence of, or to establish, any claim or cause of action on the part of St. Paul Mercury Insurance or any other bond underwriter by way of subrogation to claims of the FDIC-R, that would not exist had this Agreement not been executed.

SECTION IV: Waiver of Dividends and Proceeds from Litigation

To the extent, if any, that Settling Defendants are or were shareholders of the Bank or its holding company and by virtue thereof are or may be entitled to a dividend, payment, or other distribution upon resolution of the receivership of the Bank or proceeds in any litigation that has

been or could be brought against the Federal Deposit Insurance Corporation in any capacity or against the United States based on or arising out of, in whole or in part, the closing of the Bank, or any alleged acts or omissions by the Federal Deposit Insurance Corporation in any capacity, the United States government, or any agency or department of the United States government in connection with the Bank, its conservatorship, or receivership, Settling Defendants hereby knowingly assign to the FDIC-R any and all rights, titles, and interest in and to any and all such dividends, payments, or other distributions, or proceeds.

SECTION V: Representations and Acknowledgements

A. Authorized Signatories. All of the undersigned persons represent and warrant that they are Parties hereto or are authorized to sign this Agreement on behalf of the respective 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, trustees, administrators, representatives, successors and assigns.

B. Advice of Counsel. Each Party hereby acknowledges that he, she, or it has consulted with and obtained the advice of counsel prior to executing this Agreement, and that this Agreement has been explained to that Party by his or her counsel.

SECTION VI: Reasonable Cooperation

A. The Parties agree to cooperate in good faith to effectuate all the terms and conditions of this Agreement, including doing, or causing their agents and attorneys to do, whatever is reasonably necessary to effectuate the signing, delivery, execution, filing, recording, and entry, of any documents necessary to conclude the D&O Action, and to otherwise perform the terms of this Agreement.

B. The Settling Defendants agree to cooperate fully with the FDIC-R in connection with any action required under this Agreement. Such cooperation shall consist of:

1. Producing all documents requested by the FDIC-R, without the necessity of subpoena, as determined by the FDIC-R, in its sole discretion, to be relevant to the Bank;
2. Appearing as requested by the FDIC-R at reasonable times and places for interviews regarding facts, as determined by the FDIC-R in its sole discretion, to be relevant to the Bank;
3. Testifying as requested by the FDIC-R, without the necessity of a subpoena, in any matter relevant to the Bank, as determined by the FDIC-R;
4. Signing truthful affidavits, regarding any matter, as determined by the FDIC-R in its sole discretion, to be relevant to the Bank.

SECTION VII: Other Matters

A. No Admission of Liability. The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute the settlement and compromise of disputed claims and defenses, that this Agreement is not an admission or evidence of liability or infirmity by any of them regarding any claim or defense, and that the Agreement shall not be offered or received in evidence by or against any Party except to enforce its terms.

B. Execution in Counterparts. This Agreement may be executed in counterparts by one or more of the Parties and all such counterparts when so executed shall together constitute the final Agreement, as if one document had been signed by all Parties; and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding the Parties subscribed thereto upon the execution by all Parties to this 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 Florida.

D. Notices. Any notices required hereunder shall be sent by registered mail, first class, return receipt requested, and by email, to the following:

If to the FDIC-R:

Barbara Slott Pegg, Counsel
Federal Deposit Insurance Corporation
3501 N. Fairfax Dr. B7062
Arlington, VA 22226
Telephone: (703) 516-5273

(b)(6)

And

Charles B. Lee
Miller & Martin PLLC
Volunteer Building
832 Georgia Avenue, Suite 1000
Chattanooga, TN 37402
Telephone: (423) 756-6600

(b)(6)

If to the Settling Defendants:
Barry M. Florescue
Charles W. Miersch

John E. Johnson
Christopher L. Decort
Johnson & Cassidy, P.A.
324 S. Hyde Park Avenue, Ste.. 325
Tampa, Florida 33606
Telephone: (813) 699-4859
Facsimile: (813) 235-0462

(b)(6)

(b)(6)

And

Ross A. Nabatoff
Brand Law Group
923 Fifteenth Street, N.W.
Washington, D.C. 20005
Telephone: (202) 662-9700
Facsimile: (202) 737-7565

(b)(6) _____ [Redacted]

If to the Settling Defendants:
Stanley Kreitman
James Nickerson

Charles Wachter, Esq.
Charles L. Stutts, Esq.
Anthony J. Palermo, Esq.
Holland & Knight, LLP
100 N. Tampa Street, Ste. 4100
Tampa, Florida 33602
Telephone: (813) 227-8500

(b)(6) _____ [Redacted]
(b)(6) _____ [Redacted]
(b)(6) _____ [Redacted]

If to the Settling Defendant:
John O'Neill

Martin B. Woods
Stearns Weaver, et al.
200 E. Las Olas Blvd., Ste. 2100
Fort Lauderdale, Florida 33301
Telephone: (954) 462-9500

(b)(6) _____ [Redacted]

E. Entire Agreement and Amendments. This Agreement constitutes the entire agreement and understanding between and among the undersigned Parties concerning the matters set forth herein and supersedes any prior agreements or understandings. This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing signed by the Parties bound thereby, or by their respective authorized attorney(s), or other representative(s).

F. Titles and Captions. All section titles and captions contained in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

G. No Confidentiality. The undersigned Parties acknowledge that this Agreement shall not be confidential and will be disclosed pursuant to the Federal Deposit Insurance Corporation's applicable policies, procedures, and other legal requirements.

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

FEDERAL DEPOSIT INSURANCE
CORPORATION AS RECEIVER FOR CENTURY
BANK, FEDERAL SAVINGS BANK

(b)(6) Date: Dec. 27, 2014

By:
Barbara Slott Pegg
TITLE: Counsel for Plaintiff
PRINT NAME: Barbara Slott Pegg

Date: _____

SETTLING DEFENDANT:
BY: _____
Barry M. Florescue
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:
BY: _____
Charles W. Miersch
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:
BY: _____
Stanley Kreitman
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:
BY: _____
James M. Nickerson
TITLE: _____
PRINT NAME: _____

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FEDERAL DEPOSIT INSURANCE
CORPORATION AS RECEIVER FOR CENTURY
BANK, FEDERAL SAVINGS BANK

(b)(6)

Date: Dec. 29, 2014

By:

Barbara Slott Pegg
TITLE: Counsel for Plaintiff
PRINT NAME: Barbara Slott Pegg

Date: Dec 30, 2014

SETTLING DEFENDANT:

BY:

Barry W. Florescue
TITLE: _____
PRINT NAME: Barry W. Florescue

(b)(6)

Date: _____

SETTLING DEFENDANT:

BY: _____

Charles W. Miersch
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:

BY: _____

Stanley Kreitman
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:

BY: _____

James M. Nickerson
TITLE: _____
PRINT NAME: _____

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FEDERAL DEPOSIT INSURANCE
CORPORATION AS RECEIVER FOR CENTURY
BANK, FEDERAL SAVINGS BANK

(b)(6) Date: Dec. 19, 2014

By:
Barbara Slott Pegg
TITLE: Counsel for Plaintiff
PRINT NAME: Barbara Slott Pegg

Date: _____

SETTLING DEFENDANT:
BY: _____
Barry M. Florescue
TITLE: _____
PRINT NAME: _____

(b)(6) Date: January 5, 2015

SETTLING DEFENDANT:
BY:
Charles W. Miersch
TITLE: _____
PRINT NAME: CHARLES W. MIERSCH

Date: _____

SETTLING DEFENDANT:
BY: _____
Stanley Kreitman
TITLE: _____
PRINT NAME: _____

Date: _____


SETTLING DEFENDANT:
BY: _____
James M. Nickerson
TITLE: _____
PRINT NAME: _____

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FEDERAL DEPOSIT INSURANCE
CORPORATION AS RECEIVER FOR CENTURY
BANK, FEDERAL SAVINGS BANK


(b)(6) Date: Dec. 27, 2014

By: 
Barbara Slott Pegg
TITLE: Counsel for Plaintiff
PRINT NAME: Barbara Slott Pegg



Date: _____

SETTLING DEFENDANT:
BY: _____
Barry M. Florescue
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:
BY: _____
Charles W. Miersch
TITLE: _____
PRINT NAME: 

Date: Dec 30 2014

SETTLING DEFENDANT:  (b)(6)
BY:  (b)(6)
Stanley Kreitman
TITLE: _____
PRINT NAME: Stanley Kreitman

Date: _____

SETTLING DEFENDANT:
BY: _____
James M. Nickerson
TITLE: _____
PRINT NAME: _____

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FEDERAL DEPOSIT INSURANCE
BANK, FEDERAL SAVINGS BANK

(b)(6) Date: Nov. 19 1984

BY:
DARWIN STOUT
TITLE: Counsel for Plaintiff
PRINT NAME: DARWIN STOUT

Date: _____

SETTLING DEFENDANT:
BY: _____
Barry M. Blaresque
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:
BY: _____
Charles W. Miersch
TITLE: _____
PRINT NAME: _____

Date: _____

SETTLING DEFENDANT:
BY: _____
GAILLY NICKERSON
TITLE: _____
PRINT NAME: _____

(b)(6) Date: 08. Jan. 15

SETTLING DEFENDANT:
BY:
James M. Nickerson
TITLE: _____
PRINT NAME: _____

Date: 1-6-75

SETTLING DEFENDANT: as of

BY:

(b)(6)

John P. O'Neill

TITLE:

PRINT NAME: John P. O'Neill