

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of this 12th day of September 2013, by, between, and among the following undersigned parties:

The Federal Deposit Insurance Corporation ("FDIC"), as receiver of Republic Federal Bank, N.A. ("FDIC-R") and Marcos Ackerman, Mark Aledda, James Angleton, Walter Cook, Rafael Diaz, Jimmy R. Forrest, Alan L. Freeman, Oscar Gaetan, Marvin D. Lando, Ronnie Martinez, and Daniel Schwartz (collectively the "Settling Individuals"), and Chartis Specialty Insurance Company (f/k/a American International Specialty Lines Insurance Company) ("Chartis Specialty" or the "Insurance Company") (individually, the FDIC-R, the Settling Individuals and the Insurance Company may be referred to herein as "Party" and collectively as the "Parties").

RECITALS

WHEREAS:

1. Prior to December 11, 2009, Republic Federal Bank, N.A. ("Bank") was a depository institution organized and existing under the laws of the United States;
2. On December 11, 2009, the Bank was closed by the Office of the Comptroller of the Currency ("OCC") and pursuant to 12 U.S.C. § 1821(c), the FDIC-R 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;
3. Among the assets to which the FDIC-R succeeded were any and all of the Bank's claims, demands, and causes of actions 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 and/or officers of the Bank. On July 22, 2010, the FDIC-R gave notice of its intent to assert claims against Marcos Ackerman, Walter Cook, Rafael Diaz, Alan L. Freeman, Oscar Gaetan, Marvin D. Lando, and Daniel Schwartz, and thereafter, between October 16, 2012 and October 30, 2012, the FDIC-R gave notice of its intent to assert claims

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against Mark Aledda, James Angleton, Jimmy R. Forrest, and Ronnie Martinez. Each of the Settling Individuals served at various times as a director and/or an officer of the Bank:

4. Chartis Specialty issued Management and Professional Liability Policy No. [redacted] (b)(4) [redacted] for the Policy Period July 27, 2009 to July 27, 2010 (the "Policy"), which insured the directors and officers of the Bank according to the terms, provisions and conditions of the Policy. The Settling Individuals have made claims under the Policy. At the time Chartis Specialty was presented with the claims made by the FDIC-R against the Settling Individuals, Chartis Specialty reserved its rights under the Policy for claims asserted by the FDIC against the Settling Individuals:

5. Each of the Settling Individuals disputes and otherwise denies any wrongdoing or liability of any kind for any and all claims made against him by the FDIC-R.

6. The undersigned Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, and expense of 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

A. As an essential covenant and condition to this Agreement, the Settling Individuals and Chartis Specialty, collectively, agree that the FDIC be paid the sum of \$3.3 million (the "Settlement Funds"). Upon the execution of an original, or originals in counterpart, of this Agreement by each of the undersigned Parties to this Agreement, by the later of September 20, 2013, or seven calendar days after this Agreement is signed by the FDIC-R (the "Due Date"), Chartis Specialty shall pay and deliver the Settlement Funds to FDIC by check drawn upon a depository institution acceptable to FDIC.

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B. In the event that the Settlement Funds are not delivered to the FDIC by the Due Date, interest shall accrue on all unpaid amounts at the rate of 5 percent per annum from the Due Date.

C. In addition, and without waiving any other rights that the FDIC-R may have, in the event that all Settlement Funds are not received by the FDIC-R by the Due Date, then, the FDIC-R, in its sole discretion, shall have the right at any time prior to receipt of all Settlement Funds to declare this Agreement null and void, shall have the right to extend this Agreement for any period of time until it receives all Settlement Funds, and/or shall have the right to enforce this Agreement against the Settling Individuals, in which event the Settling Individuals agree to jurisdiction in United States District Court for the Southern District of Florida and agree to pay all of the FDIC-R's reasonable attorney's fees expended in enforcing the terms of this Agreement. Any decision by the FDIC-R to extend the terms of this Agreement shall not prejudice its rights to declare this Agreement null and void at any time prior to receipt of all Settlement Funds or to enforce the terms of this Settlement Agreement.

SECTION II: Releases

A. Release of Settling Individuals by FDIC-R.

Effective upon receipt in full of the Settlement Funds plus any accrued interest described in SECTION I above, and except as provided in PARAGRAPH II.H. below, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges each of the Settling Individuals and their respective heirs, executors, administrators, representatives, 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 were raised or could have been raised by the FDIC-R which arise from or relate to, the performance, nonperformance, or manner of performance of the Settling Individuals' respective functions, duties and actions as officers and/or directors of the Bank.

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B. Release of FDIC by the Settling Individuals.


Effective simultaneously with the release granted in PARAGRAPH II.A. above, the Settling Individuals, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge FDIC-R, and its employees, officers, directors, representatives, 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 Individuals' respective functions, duties and actions as officers and/or directors of the Bank.

C. Release by Settling Individuals of Each Other.

Effective simultaneously with the releases granted in Paragraph II.B. above, the Settling Individuals, and their respective heirs, executors, administrators, representatives, successors and assigns, hereby release and discharge each other 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 performance, nonperformance, or manner of performance of their respective functions, duties and actions as officers and/or directors of the Bank.

D. Release of Chartis Specialty by FDIC-R.

Effective simultaneously with the releases granted in Paragraphs II.A. and II.B. above, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Chartis Specialty, its parents, subsidiaries, affiliates and reinsurers, and their respective employees, officers, directors, agents, representatives, 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 Policy and the claims asserted against the Settling Individuals. The FDIC-R agrees that any interest it may have under the Policy is extinguished.

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E. Release of Chartis Specialty by Settling Individuals.

Effective simultaneously with the releases granted in Paragraphs H.A. and H.B. above, the Settling Individuals, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge Chartis Specialty, its parents, subsidiaries, affiliates and reinsurers, and their respective employees, officers, directors, agents, representatives, successors and assigns, from any and all claims, demands, obligations, damages, actions and causes of action, direct or indirect, in law or in equity, known or unknown, including claims for "bad faith" or unfair claims handling practices, that arise from or relate to the Policy. The Settling Individuals agree that any interest they may have under the Policy is extinguished.

F. Release of FDIC-R by Chartis Specialty.

Effective simultaneously with the release granted in Paragraph H.D. above, Chartis Specialty, for itself and its successors and assigns, and on behalf of its parents, subsidiaries, affiliates and reinsurers, and their successors and assigns, hereby releases and discharges FDIC-R, and its employees, officers, directors, agents, representatives, 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 Policy.

G. Release of Settling Individuals by Chartis Specialty.

Effective simultaneously with the releases granted in Paragraph H.E. above, Chartis Specialty, for itself and its successors and assigns, and on behalf of its parents, subsidiaries, affiliates, and reinsurers, and their successors and assigns, hereby releases and discharges each of the Settling Individuals, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, from any and all claims, demands, obligations, damages,

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actions, and causes of action, direct or indirect, in law or in equity, that arise from or relate to the Policy.

II. Express Reservations From Releases By FDIC-R.

1. 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 claims or causes of action:

a. against the Settling Individuals 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 claims acquired by FDIC as successor in interest to the Bank or any person or entity other than the Bank;

b. against any person or entity not expressly released in this Agreement; and

c. which are not expressly released in Paragraphs II.A. or II.D. above.

2. Notwithstanding any other provision, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing or compromising the jurisdiction and authority of the FDIC in the exercise of its supervisory or regulatory authority or to diminish its ability to institute administrative enforcement proceedings seeking removal, prohibition or any other administrative enforcement action

3. Notwithstanding any other provision, this Agreement does not purport to waive, or intend to waive, any claims which could be brought by the United States through either the Department of Justice, the United States Attorney's Office for the Southern District of Florida or any other federal judicial district. In addition, the FDIC-R specifically reserves the right to seek court ordered restitution pursuant to the relevant provisions of the Victim and Witness Protection Act, 18 U.S.C. §§ 3663 et. seq., if appropriate.

SECTION IV: Waiver of Dividends

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To the extent, if any, that Settling Individuals are or were shareholders of the Bank and by virtue thereof are or may have been entitled to a dividend, payment, or other pro rata distribution upon resolution of the receivership of the Bank, they hereby knowingly assign to the FDIC any and all rights, titles and interest in and to any and all such dividends, payments or other pro rata distributions.

SECTION V: Representations and Acknowledgements

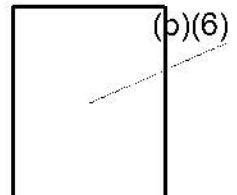
A. No Admission of Liability. The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute the settlement and compromise of disputed claims, and that this Agreement is not an admission or evidence of liability by any of them regarding any claim.

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

C. 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 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, administrators, representatives, successors and assigns.

D. 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.

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. This Agreement may not be amended or modified except by another written instrument signed by the Party or Parties to be bound thereby, or by their respective authorized attorney(s) or other representative(s).

F. Specific Representations Warranties and Disclaimer. The Settling Individuals expressly acknowledge that in determining to settle the claims released here, the FDIC-R has reasonably and justifiably relied upon the accuracy of financial information in the financial disclosures submitted. The Settling Individuals severally, but not jointly, swear and affirm that all financial information in their financial disclosures prepared by them and provided to the FDIC-R was true and accurate at the time of submission. If, in the financial disclosure, a Settling Individual has failed to disclose any material 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 releases granted to the Settling Individual in question null and void; (b) the FDIC-R may retain the Settlement Funds; (c) the FDIC-R may sue the Settling Individual for damages, an injunction, and specific performance for the breach of this Agreement; and (d) the FDIC-R may seek to reinstate the FDIC-R's claims against the Settling Individual. Each Settling Individual agrees that if in any of their financial disclosures failed to disclose any material interest, legal, equitable, or beneficial, in any asset, that Settling Individual waives any statute of limitations that would bar any of the FDIC-R's claims against the Settling Individual.

G. Reasonable Cooperation. The undersigned 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 perform the terms of this Agreement.

H. Advice of Counsel. Each Party hereby acknowledges that it has consulted with and obtained the advice of counsel prior to executing this Agreement, and that this

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Agreement has been explained to that Party by his or her counsel.

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

(b)(6)

Date: 09/12/2013

BY

TITLE: Counsel

PRINT NAME: Steven E. Smith

Date: _____

MARCOS ACKERMAN, as an Individual

Date: _____

MARK ALEDDA, as an Individual

Date: _____

JAMES ANGLETON, as an Individual

Date: _____

WALTER COOK, as an Individual

Agreement has been explained to that Party by his or her counsel.

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

Date: _____

BY:

TITLE: Counsel

PRINT NAME: Steven E. Smith

Date: _____

MARCOS ACKERMAN, as an Individual

(b)(6)

[Redacted Signature]

Date: _____

MARK ALEDDA, as an Individual

Date: _____

JAMES ANGLETON, as an Individual

Date: _____

WALTER COOK, as an Individual

Agreement has been explained to that Party by his or her counsel.

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

Date: _____

BY:

TITLE: Counsel

PRINT NAME: Steven E. Smith

Date: _____

MARCOS ACKERMAN, as an Individual

Date: 9/6/13

MARK ALI DDA, as an Individual

(b)(6)

Date: _____

JAMES ANGLETON, as an Individual

Date: _____

WALTER COOK, as an Individual

Agreement has been explained to that Party by his or her counsel.

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

Date: _____

BY:

TITLE: Counsel

PRINT NAME: Steven E. Smith

Date: _____

MARCOS ACKERMAN, as an Individual

Date: _____

MARK ALEDDA, as an Individual

Date: _____

JAMES ANGLETON, as an Individual

(b)(6)

By: _____

Date: _____

WALTER COOK, as an Individual

Agreement has been explained to that Party by his or her counsel.

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

Date: _____

BY:

TITLE: Counsel

PRINT NAME: Steven E. Smith

Date: _____

MARCOS ACKERMAN, as an Individual

Date: _____

MARK AL EDDA, as an Individual

Date: _____

JAMES ANGLETON, as an Individual

Date: SEPT. 9, 2013

WALTER COOK, as an Individual

(b)(6)



Date: _____

RAFAEL DIAZ, as an Individual

Date: _____

JIMMY R. FORREST, as an Individual

Date: _____

ALAN L. FREEMAN, as an Individual

Date: _____

OSCAR GAETAN, as an Individual

Date: _____

MARVIN D. LANDO, as an Individual

Date: _____

RONNIE MARTINEZ, as an Individual

Date: _____

DANIEL SCHWARTZ, as an Individual

Date: 9/12/83

RAFAEL DIAZ, as an Individual



Date: _____

JIMMY R. FORREST, as an Individual

Date: _____

ALAN L. FREEMAN, as an Individual

Date: _____

OSCAR GAETAN, as an Individual

Date: _____

MARVIN D. LANDO, as an Individual

Date: _____

RONNIE MARTINEZ, as an Individual

Date: _____

DANIEL SCHWARTZ, as an Individual

(b)(6)

Date: _____

RAFAEL DIAZ, as an Individual

Date: 9/8/13

JIMMY R. FORREST, as an Individual

(b)(6)



Date: _____

ALAN L. FREEMAN, as an Individual

Date: _____

OSCAR GAETAN, as an Individual

Date: _____

MARVIN D. LANDO, as an Individual

Date: _____

RONNIE MARTINEZ, as an Individual

Date: _____

DANIEL SCHWARTZ, as an Individual

Date: _____

RAFAEL DUAZ, as an Individual

Date: _____

JIMMY R. FORREST, as an Individual

Date: _____

ALAN T. FREEMAN, as an Individual

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Date: _____

OSCAR GAETAN, as an Individual

Date: _____

MARVIN D. LANDOL, as an Individual

Date: _____

RONNIE MARTINEZ, as an Individual

Date: _____

DANIEL SCHWARZ, as an Individual

Date: _____

RAFAEL DIAZ, as an Individual

Date: _____

JIMMY R. FORREST, as an Individual

Date: _____

ALAN L. FREEMAN, as an Individual

Date: *9/7/2013*

OSCAR GAETAN, as an Individual

(b)(6)



Date: _____

MARVIN D. LANDO, as an Individual

Date: _____

RONNIE MARTINEZ, as an Individual

Date: _____

DANIEL SCHWARTZ, as an Individual

Date: _____

RAFAEL DIAZ, as an Individual

Date: _____

JIMMY R. FORREST, as an Individual

Date: _____

ALAN L. FREEMAN, as an Individual

Date: _____

OSCAR GAETAN, as an Individual

Date: _____

MARVIN D. LANDO, as an Individual

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Date: _____

RONNIE MARTINEZ, as an Individual

Date: _____

DANIEL SCHWARTZ, as an Individual

Date: _____

RAFAEL DIAZ, as an Individual

Date: _____

JIMMY R. FORREST, as an Individual

Date: _____

ALAN L. FREEMAN, as an Individual

Date: _____

OSCAR GAETAN, as an Individual

Date: _____

MARVIN D. LANDO, as an Individual

Date: 4/6/2013

RONNIE MARTINEZ, as an Individual

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Date: _____

DANIEL SCHWARTZ, as an Individual

(b)(6)



CHARTIS CLAIMS, INC. ON BEHALF OF
CHARTIS SPECIALTY INSURANCE COMPANY

Date: _____

BY:

TITLE:

PRINT NAME:

_____:

A/G Claims
CHARTIS CLAIMS, INC. ON BEHALF OF
CHARTIS SPECIALTY INSURANCE COMPANY

(b)(6)

Date: *9/10/13*

BY:

TITLE: *VP*

PRINT NAME: *EDWARD DRUMMOND*