

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made as of this 16th day of September, 2013, by, between, and among the following undersigned parties: The Federal Deposit Insurance Corporation as Receiver of Lincoln Park Savings Bank (“FDIC-R”), on the one hand, and James J. Kane III, Edward J. Kane, George R. Laarveld, Matthew A. Barone, Edgar K. Collison III, Brian McCaskey, Timothy L. McCue, James Munroe, Thomas Tyrrell, and Cynthia Thys (collectively, the “Settling Parties” and individually, a “Settling Party”), on the other hand. The FDIC-R and the Settling Parties may be referred to individually herein as a “Party,” and collectively as the “Parties.”

RECITALS

WHEREAS:

1. Prior to April 23, 2010, Lincoln Park Savings Bank, Chicago, Illinois (“LPSB” or “Bank”), was a mutually owned savings and loan organized and existing under the laws of the State of Illinois, and its principal place of business was located at 1946 West Irving Park Road, Chicago, Illinois 60613;

2. On April 23, 2010, LPSB was closed by the Illinois Department of Financial and Professional Regulation, and pursuant to 12 U.S.C. § 1821(c), the FDIC was appointed Receiver. In accordance with 12 U.S.C. § 1821(d)(2)(A)(i), FDIC-R succeeded to all of the Bank’s rights, titles, powers, and privileges, including those with respect to its assets;

3. Among the assets to which FDIC-R succeeded were any and all of LPSB’s claims, demands, and causes of action against its former directors, officers and/or employees

arising from the performance, non-performance, and manner of performance of their respective functions, duties, and acts as directors, officers and/or employees of the Bank;

4. By letters dated December 2, 2010 and December 4, 2012, FDIC-R asserted claims against the Settling Parties (the "FDIC-R Claims"). The Settling Parties deny any wrongdoing and/or misconduct and deny any liability for the FDIC-R Claims. FDIC-R denies the validity of any defense that has or could have been asserted by the Settling Parties;

5. Effective as of October 31, 2012, the Parties entered into a Tolling Agreement ("Tolling Agreement"), which, among other things, tolled the running of any applicable statutes of limitation or other periods of limitation on FDIC-R's claims to and including July 31, 2013 (the period between October 31, 2012 and July 31, 2013, inclusive, is hereinafter referred to as the "Tolling Period"); and

6. On July 10, 2013, the Parties mediated the FDIC-R Claims and reached a settlement in principle, subject to further documentation and a to be agreed upon settlement agreement. This Agreement reflects the Parties' settlement, in connection with which the Parties make no admission of liability. The 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-R

A. Settlement Funds. As an essential covenant and condition to this Agreement, the Settling Parties shall cause payment to be made to FDIC-R in the sum of Two Million Four Hundred Thousand Dollars (\$2,400,000.00) (“Settlement Funds”) in full and complete settlement of all claims, including the FDIC-R Claims, that have been or could be made by FDIC-R or LPSB against the Settling Parties relating to their positions as directors, officers and/or employees of LPSB and the performance, non-performance, or manner of performance of their respective functions, duties, and actions as directors, officers and/or employees of LPSB.

B. Delivery of Agreement and Payment of Settlement Funds. Within thirty-five calendar days of the date counsel for the Settling Parties receives (a) a fully executed copy of this Agreement (that is, a copy of the Agreement executed by each and every Party), which must occur on or before September 16, 2013, (b) a form W-9 Request for Taxpayer Identification Number and Certification, which must occur on or before September 18, 2013, and (c) appropriate wiring instructions (the 35th calendar day after same is hereinafter referred to as the “Payment Date”), the Settling Parties shall cause the sum of \$2,400,000.00 to be wired to FDIC-R, according to instructions provided by the FDIC-R’s counsel, Kathleen R. Pasulka-Brown, Esq., Pugh, Jones & Johnson, P.C.

C. Remedies for Non-Payment of Settlement Funds. In the event the Settlement Funds are not received in full by FDIC-R on or before the Payment Date, interest shall accrue on all unpaid amounts from the Payment Date until the date finally paid, inclusive, at the rate of one-year U. S. Treasury bills as reported in the WALL STREET JOURNAL at the end of the last quarter immediately preceding the date of this Agreement.

In the event the Settlement Funds are not received in full by FDIC-R on or before the Payment Date, then FDIC-R, in its sole discretion, shall have the right to: (i) enforce this Agreement against the Settling Parties, in which event the Settling Parties agree to jurisdiction in the United States District Court for the Northern District of Illinois; or (ii) extend this Agreement for any period of time until it receives the Settlement Funds in full (including all accrued interest); or (iii) declare this Agreement null and void and sue on any and all claims the FDIC-R had as if this Agreement had never been executed, in which case the Settling Parties consent to jurisdiction in the United States District Court for the Northern District of Illinois and agree that: (i) any Statutes of Limitation (as described in the Tolling Agreement) applicable to any such claims shall be tolled and extended from the date of this Agreement to and including fifteen (15) business days (“fifteen-day period”) after this Agreement is declared null and void; and (ii) they shall not assert any statute of limitations defense in such suit if suit is filed within said fifteen-day period.

SECTION II: Releases

A. Releases by FDIC-R. Effective upon receipt in full of the Settlement Funds, and except as provided in Paragraph II.C below, FDIC-R, for itself and its employees, officers, directors, administrators, representatives, agents, successors and assigns, hereby fully, finally, and generally releases and discharges each Settling Party, and all of their respective heirs, executors, administrators, representatives, attorneys, agents, successors, assigns, and insurers from the FDIC-R Claims and any and all claims, demands, obligations, damages, fees, costs, actions, and causes of action, whether known or unknown, whether accrued, inchoate, liquidated, contingent, actual or asserted, direct or indirect, whether in law, equity, or otherwise, including

but not limited to any violation of any state or federal statute, rule or regulation, or in equity, belonging to FDIC-R and/or LPSB, whether asserted or not, that arise from or relate to their respective positions as directors, officers and/or employees of LPSB, or the performance, non-performance, or manner of performance of their respective functions, duties, and actions as directors, officers and/or employees of LPSB.

B. Releases by Settling Parties of FDIC-R. Effective simultaneously with the release granted in Paragraph II.A above, the Settling Parties, each on behalf of himself/herself individually and for each of his/her respective heirs, executors, administrators, agents, representatives, successors, and assigns, hereby fully, finally, and generally release and discharge FDIC-R and its employees, officers, directors, administrators, representatives, attorneys, agents, successors, and assigns from any and all claims, demands, obligations, damages, fees, costs, actions, and causes of action, direct or indirect, whether in law, equity, or otherwise, that arise from or relate to the FDIC-R Claims and/or the Settling Parties' positions as directors, officers and/or employees of LPSB, or the performance, non-performance, or manner of performance of their respective functions, duties, and actions as directors, officers and/or employees of LPSB.

C. Express Reservations from Releases by FDIC-R.

1. Notwithstanding any other provision of this Agreement, FDIC-R does not release, and expressly preserves fully and to the same extent as existed before FDIC-R entered into this Agreement, any claims or causes of action:

- (a) Against each of the Settling Parties and 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 any of them

(collectively, the “Indebtedness Claims”) to FDIC-R, the Bank, other financial institutions that are insured by the Federal Deposit Insurance Corporation, including, without limitation, any Indebtedness Claims acquired by FDIC-R, as successor in interest to the Bank or any person or entity other than Bank;

- (b) Against any person or entity not expressly released in Paragraph II.A of this Agreement; and
- (c) Against the Settling Parties or any other person or entity for liability relating to any breach of this Agreement or any breach of that certain Confidentiality and Non-Disclosure Agreement executed by counsel for FDIC-R, counsel for the Settling Parties, and counsel for the Settling Parties’ insurer and effective June 25, 2013.

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 diminishing its ability to institute administrative enforcement proceedings seeking removal, prohibition, or any other administrative enforcement action.

3. Notwithstanding any other provision of this Agreement, this Agreement does not purport to waive, or intend to waive, any claims which could be brought by the United States through the Department of Justice, the United States Attorney’s Office for the Northern District of Illinois, or by any other government agency. In addition, 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 III: Waiver of Dividends

To the extent, if any, that any of the Settling Parties was a shareholder of the Bank, and by virtue thereof, is or may have been entitled to a dividend, payment, or other distribution upon resolution of the receivership of the Bank, such Settling Parties hereby assign to FDIC-R any and all right, title, and interest in and to any and all such dividends, payments, or other distributions.

SECTION IV: Representations and Covenants

A. No Assignment of Claims. FDIC-R represents that it (i) succeeded to all of LPSB's rights, titles, powers, and privileges, including those with respect to its assets; (ii) the assets to which FDIC-R, as Receiver, succeeded included any and all of LPSB's claims, demands, and causes of actions against LPSB's former directors, officers, and employees arising from such person's position as a director, officer or employee of LPSB, including such claims related to the performance, non-performance, and manner of performance of their respective functions, duties, and acts as directors, officers and/or employees of LPSB; and (iii) has not transferred or assigned any claim or cause of action that it has held or may have ever held or owned against any of the Settling Parties.

B. No Admission of Liability. The Settling Parties expressly deny the claims FDIC-R asserted against them. Each Party acknowledges and agrees 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 or of the validity of any defense to such claim.

C. Execution in Counterparts. This Agreement may be executed in counterparts by one or more of the Parties hereto, 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 subscribing thereto upon the execution by all Parties to this Agreement. Facsimile or e-mailed signatures shall be considered the same as originals.

D. Binding Effect. Each of the undersigned persons represents and warrants that he or she is a Party hereto, or is authorized to sign this Agreement on behalf of the respective Party, and that he or she has the capacity and the full power and authority to bind such Party to each and every provision of this Agreement. Each Party represents and warrants that he, she or it intends to carry out the obligations 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.

E. 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 Illinois without regard to the choice of law principles of federal law and/or Illinois law.

F. Entire Agreement and Amendments. This Agreement constitutes the entire agreement and understanding between FDIC-R and the Settling 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). The parties agree that if any provision of this Agreement or any application thereof is held to be invalid, the invalidity shall not affect other provisions or applications of this Agreement, without prejudice to any Party's rights at law and/or in equity to establish otherwise.

G. Specific Representations, Warranties and Disclaimer. Each Settling Party expressly: (i) acknowledges that in determining to settle the claims released herein, FDIC-R reasonably and justifiably relied upon the accuracy of each Settling Parties' initial Personal Financial Statement; and (ii) represents that his/her initial Personal Financial Statement was materially accurate as of the date it was sworn. If, in his/her initial Personal Financial Statement, any Settling Party failed to disclose any material interest, legal, equitable, or beneficial, in any material asset, such Settling Party agrees to cooperate fully with FDIC-R to transfer his interest in said asset to FDIC-R and to sign any and all documents necessary to transfer his/her interest therein to FDIC-R. In addition, if any Settling Party's initial Personal Financial Statement, did not disclose any material interest, legal, equitable, or beneficial, in any material asset, FDIC-R, in its sole discretion, may exercise one or more or all of the following additional remedies:

- (1) FDIC-R may declare the release granted to any such Settling Party as null and void, to which declaration such Settling Party shall consent;
- (2) FDIC-R may retain the Settlement Funds and the Settling Party waives his/her right to seek full or partial repayment or reimbursement of the Settlement Funds from FDIC-R pursuant to any claim or theory; and/or

(3) FDIC-R may sue such Settling Party for damages, an injunction, and specific performance for the breach of this Agreement.

In the event FDIC-R declares the release granted to any such Settling Party to be null and void pursuant to this Paragraph V.G, FDIC-R may sue on any and all claims FDIC-R had or may have had against such Settling Party before FDIC-R entered into this Agreement, in which case such Settling Party agrees to jurisdiction in the United States District Court for the Northern District of Illinois and agrees: (i) to the tolling of any Statutes of Limitations (as described in the Tolling Agreements) applicable to such claims from the date of this Agreement to and including fifteen (15) business days after this Agreement is declared null and void as to such Settling Party; and (ii) he/she has waived and by this Agreement waives his/her right to assert any statute of limitations defense based on the Tolling Period described in the Tolling Agreement.

H. 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 reasonably necessary to perform the terms of this Agreement.

I. Advice of Counsel. The Parties hereby acknowledge that they have read this Settlement and Release Agreement, that they have had the opportunity to consult with and obtain the advice of counsel prior to executing this Agreement, and to have this Agreement explained to them by counsel.

J. Notices. Any notices relating to or arising out of this Agreement shall be in writing sent by e-mail and registered or certified mail, return receipt requested, shall be deemed

delivered when received by the Party to whom the notice is sent, and shall be addressed as follows:

To FDIC-R:

Kathleen R. Pasulka-Brown
Pugh, Jones & Johnson, P.C., Ste. 3400
180 S. LaSalle Street
Chicago, IL 60601

(b)(6)

and

Patrick M. McGuirk
Counsel, Professional Liability Unit
FDIC Legal Division
Room VS-B7004
3501 Fairfax Drive
Arlington, VA 22226-3500

To James J. Kane III, Edward J. Kane, George R. Laarveld,
Matthew A. Barone, Edward K. Collison III, Brian McCaskey,
Timothy L. McCue, James Munroe, Thomas Tyrrell, and Cynthia Thys

Eugene Schlitz
The Coleman Law Firm
77 W. Wacker Drive, 48th Floor
Chicago, IL 60601

K. Recitals. The recitals are incorporated herein and made a part of this Agreement.

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 of Lincoln Savings Bank

By: _____
Printed Name: _____
Title: _____
Date: _____

(b)(6) ~~JAMES J. KANE, III~~

Date: 9-18-13

EDWARD J. KANE

Date: _____

MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

Date: _____

TIMOTHY L. McCUE

Date: _____

THOMAS TYRELL

Date: _____

CYNTHIA THYS

Date: _____

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By: _____
Printed Name: _____
Title: _____
Date: _____

JAMES J. KANE, III

Date: _____

EDWARD J. KANE

(b)(6)

Date: 9-12-2013

MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

Date: _____

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Date: _____

EDWARD J. KANE

Date: _____

MATTHEW A. BARONE

(b)(6) _____
Date: 9/13/2013

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

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Title: _____
Date: _____

JAMES J. KANE, III

Date: _____

EDWARD J. KANE

Date: _____

MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: *Sept. 11, 2013*

(b)(6)

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

Date: _____

TIMOTHY L. McCUE

Date: _____

THOMAS TYRELL

Date: _____

CYNTHIA THYS

Date: _____

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Title: _____
Date: _____

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Date: _____

EDWARD J. KANE
Date: _____

MATTHEW A. BARONE
Date: _____

GEORGE R. LAARVELD
Date: _____

EDGAR K. GOLLISON, III
Date: _____

(b)(6)

BRIAN McCASKEY
Date: _____

JAMES MUNROE
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TIMOTHY L. McCUE
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Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY
 (b)(6)
Date: 09/11/13 Y

JAMES MUNROE

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TIMOTHY L. McCUE

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Title: _____
Date: _____

JAMES J. KANE, III

Date: _____

EDWARD J. KANE

Date: _____

MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MENROE

Date: 09-10-13

TIMOTHY L. McCUE

Date: _____

THOMAS TYRELL

Date: _____

CYNTHIA THYS

Date: _____

(b)(6)

[Redacted Signature]

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FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of Lincoln Savings Bank

By: _____
Printed Name: _____
Title: _____
Date: _____

JAMES J. KANE, III

Date: _____

EDWARD J. KANE

Date: _____

MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

Date: _____

TIMOTHY L. McCUE

Date: 9-12-13 (b)(6)

THOMAS TYRELL

Date: _____

CYNTHIA THYS

Date: _____

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Date: _____

EDWARD J. KANE

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MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

Date: _____

TIMOTHY L. McCUE

Date: _____

THOMAS EXRELL

Date: _____

CYNTHIA THYS

Date: _____

(b)(6)

[Redacted Signature]

[Handwritten Signature]

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Title: _____
Date: _____

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EDWARD J. KANE

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MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

Date: _____

TIMOTHY L. McCUE

Date: _____

THOMAS TYRELL

Date: _____

CYNTHIA THYS _____

Date: 9-11-2013 (b)(6)

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FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of Lincoln Savings Bank

(b)(6)

By:
Printed Name: Patrick M. McGwirk
Title: Counsel
Date: 9/16/2013

JAMES J. KANE, III

Date: _____

EDWARD J. KANE

Date: _____

MATTHEW A. BARONE

Date: _____

GEORGE R. LAARVELD

Date: _____

EDGAR K. COLLISON, III

Date: _____

BRIAN McCASKEY

Date: _____

JAMES MUNROE

Date: _____

TIMOTHY L. McCUE

Date: _____

THOMAS TYRELL

Date: _____

CYNTHIA THYS

Date: _____