

LIMS Mr
DIF / Mortgage Fraud

RECEIVED
R 12/22/09

ENTERED
12/23/09

CAUSE NO. 08-03625-C

FEDERAL DEPOSIT INSURANCE CORPORATION, as the duly appointed receiver for WASHINGTON MUTUAL BANK, f/k/a WASHINGTON MUTUAL BANK, FA,	§	IN THE DISTRICT COURT
	§	
	§	
	§	
Plaintiff,	§	
	§	
vs.	§	DALLAS COUNTY, TEXAS
	§	
LANDAMERICA AMERICAN TITLE COMPANY, d/b/a AMERICAN TITLE COMPANY and NANCY J. CARROLL, ESQ.,	§	
	§	
	§	
Defendants.	§	68TH JUDICIAL DISTRICT

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between the Federal Deposit Insurance Corporation, as the duly appointed receiver for Washington Mutual Bank, f/k/a Washington Mutual Bank, FA (the "FDIC"), LandAmerica American Title Company d/b/a American Title Company ("American Title"), and Nancy J. Carroll, Esq. ("Carroll"), effective as of the date last acknowledged below.

WITNESSETH:

WHEREAS, Washington Mutual Bank, f/k/a Washington Mutual Bank, FA ("Washington Mutual") issued a \$1.44 million home mortgage loan (the "Loan") to

David and Nancy Stoller (the "Stollers") arising out of their purchase of a residence in Frisco, Texas (the "Property") on or around October 28, 2003; and

WHEREAS, Carroll, an attorney, closed the transaction and purchased title services from American Title, and American Title issued a mortgagee's policy of title insurance to Washington Mutual on behalf of Lawyers Title Insurance Company (the "Policy"); and

WHEREAS, the Stollers defaulted on the Loan and later claimed their signatures on some or all of the Loan documents were forged (the "Signatures"); and

WHEREAS, the Stollers filed suit against Washington Mutual, American Title, and several others relating to the Loan in the 416th Judicial District Court of Collin County, Texas (the "Underlying Litigation"); and

WHEREAS, during the Underlying Litigation, Washington Mutual foreclosed and purchased the Property at foreclosure (the "Foreclosure"), and later sold it to a third-party; and

WHEREAS, the Stollers defaulted or non-suited all defendants but Washington Mutual and proceeded to trial against Washington Mutual in the Underlying Litigation, and secured a judgment against Washington Mutual that, among other things, cancelled the Loan and otherwise rescinded the transaction (the "Judgment"); and

WHEREAS, Washington Mutual filed suit against American Title and Carroll in the 68th Judicial District Court of Dallas County, Texas, Cause No. 08-03625-C, styled *Washington Mutual Bank, f/k/a Washington Mutual Bank, FA v. LandAmerica American Title Company d/b/a American Title Company and Nancy J. Carroll, Esq.* (the

“Lawsuit”), alleging that Washington Mutual suffered damages as a result of Carroll’s closing of the Loan transaction, and that American Title, as the purported principal of Carroll, was liable for Carroll’s conduct; and

WHEREAS, American Title denied Washington Mutual’s claims and asserted cross-claims against Carroll; and

WHEREAS, during the Lawsuit, Washington Mutual failed and the FDIC became its duly appointed receiver and the substituted plaintiff in the Lawsuit; and

WHEREAS, the parties, in order to avoid the expense, inconvenience, and uncertainties of further litigation, and without the admission of liability on the part of any party, the same being expressly denied, desire to settle and resolve the controversies between them in the Lawsuit; and

NOW, THEREFORE, in consideration of the promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, it is hereby **AGREED** that all claims asserted or assertable by the FDIC against American Title and Carroll are released subject to the terms herein, and shall be settled and compromised upon the following terms:

I. Payment. American Title shall pay the FDIC the total sum of TWO-HUNDRED AND SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$275,000.00) (the “Settlement Amount”) on or before 5:00 p.m. CST on December 15, 2009, by delivering a check to the FDIC’s counsel, Cheryl Diaz, which sum is accepted by the FDIC in full settlement of all disputed claims.

II. Promissory Note and Agreed Judgment. Carroll agrees to pay American Title the total sum of TWO-HUNDRED AND FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00) in accordance with the terms and provisions set forth in the promissory note attached as Exhibit "1" hereto (the "Promissory Note"), which Carroll agrees to sign (in the exact form and substance) and deliver to American Title. Carroll's obligations under the Promissory Note shall be secured by an Agreed Judgment in the exact form and substance as is attached hereto as Exhibit "2" (the "Agreed Judgment"). The Agreed Judgment will be submitted for entry by the Court. American Title agrees not to take any action to abstract, execute or levy upon, seek to collect, or enforce the Agreed Judgment so long as Carroll makes the required payments described in the Promissory Note. Carroll agrees that she will not appeal the Agreed Judgment and waives all rights to do so.

III. Default. In the event Carroll fails to make any of the required payments required under the Promissory Note by their respective due dates, American Title may abstract, execute or levy upon, seek to collect, and enforce the Agreed Judgment by any and all lawful means. If a check is dishonored, Carroll will be considered in default of this Agreement and American Title may abstract, execute or levy upon, seek to collect, and enforce the Agreed Judgment. Any payments made prior to the date the Agreed Judgment is entered will be credited against the then accrued balance of the Agreed Judgment.

IV. Release of Agreed Judgment. Provided that Carroll timely makes all payments described in the Promissory Note and has not defaulted on her payment obligations,

American Title will release the Agreed Judgment by providing one original Release of Agreed Judgment in the exact form and substance as is attached hereto as Exhibit "3" save and except the insertion of dates to properly recognize the date the Agreed Judgment is entered by the Court.

V. Release by FDIC. The FDIC, for itself, its past and present parent companies, subsidiaries, affiliates, predecessors, successors, insurers, reinsurers, shareholders, officers, directors, employees, agents, representatives, attorneys, consultants, assigns, and Washington Mutual RELEASES, ACQUITS; AND FOREVER DISCHARGES American Title and its respective past and present parent companies, subsidiaries, affiliates, predecessors, successors, insurers, reinsurers, shareholders, officers, directors, employees, agents, representatives, attorneys, consultants, and assigns, and Carroll, her heirs, assigns and representatives, and her legal representatives from any and all claims, rights, demands, debts, liabilities, controversies, or causes of action, known or unknown, asserted or unasserted, liquidated or unliquidated, fixed or contingent, of any nature whatsoever arising out of or relating to (1) the Loan; (2) the Stollers; (3) the Property; (4) the Policy; (5) the Signatures; (6) the Underlying Litigation; (7) the Foreclosure; (8) the Judgment; (9) any and all claims asserted or assertable by FDIC and Washington Mutual against American Title and Carroll in the Lawsuit, including, but not limited to, claims in contract or in tort, under statutory or common law, at law or in equity, for actual, multiple, or punitive damages, interest, attorneys' fees, or court costs; and (10) any act, transaction, or occurrence prior to the date of this Agreement pertaining to the specific subject matter of this Agreement.

VI. Release by American Title and Carroll. American Title, itself and for its legal representatives, attorneys, successors, past and present parent companies, subsidiaries, affiliates, predecessors, successors, insurers, reinsurers, shareholders, officers, directors, employees, agents, representatives, attorneys, consultants, and assigns and Carroll, for herself, her heirs, assigns and representatives RELEASE, ACQUIT, AND FOREVER DISCHARGE the FDIC and Washington Mutual, their respective legal representatives, attorneys, successors, past and present parent companies, subsidiaries, affiliates, predecessors, successors, insurers, reinsurers, shareholders, officers, directors, employees, agents, representatives, attorneys, consultants, and assigns from any and all claims, rights, demands, debts, liabilities, controversies, or causes of action, known or unknown, asserted or unasserted, liquidated or unliquidated, fixed or contingent, of any nature whatsoever arising out of or relating to (1) the Loan; (2) the Stollers; (3) the Property; (4) the Policy; (5) the Signatures; (6) the Underlying Litigation; (7) the Foreclosure; (8) the Judgment; and (9) any act, transaction, or occurrence prior to the date of this Agreement pertaining to the specific subject matter of this Agreement.

VII. Representation Regarding Ownership of Claims. The parties represent and warrant that they own and have not sold, assigned, conveyed or otherwise transferred any rights, benefits, or claims released in the Agreement.

VIII. Dismissal. Upon the full execution and delivery of this Agreement, the parties agree to submit the Agreed Order of Partial Dismissal attached hereto as Exhibit "4." Such dismissal shall not include American Title's claims against Carroll. The Agreed

Judgment against Carroll will be submitted for entry after entry of the Agreed Order of Partial Dismissal.

IX. Careful Review and Understanding of Agreement. The parties represent to each other that they have carefully read this Agreement and understand its terms and conditions, and that they have had ample opportunity to consult with legal counsel of their choice and have not relied on any representations or statements of each other or each other's counsel.

X. Binding Effect. It is understood and agreed that this Agreement shall be binding upon and inure to the benefit of the parties, their legal representatives, attorneys, agents, and assigns.

XI. Severability. If any portion or portions of this Agreement may be held by a court of competent jurisdiction to conflict with any federal, state, or local law, and as a result such portion or portions are declared to be invalid and of no force and effect in such jurisdiction, all remaining provisions of this Agreement shall otherwise remain in full force and effect and be construed as if such invalid portion or portions had not been included herein.

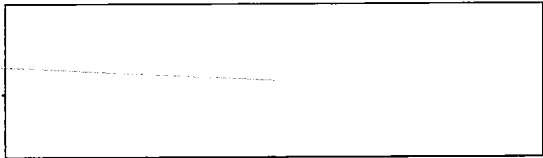
XII. Choice of Law. The parties agree that this Agreement shall be construed and enforced under the laws of the State of Texas, and performable in Dallas County, Texas.

XIII. No Other Agreements. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between them. This Agreement cannot be changed or terminated orally. All representations and promises made by any party to

another, whether in writing or orally, are understood by the parties to be merged into this Agreement.

IN WITNESS WHEREOF, the FDIC, American Title, and Carroll have executed this Agreement on the dates acknowledged below.

NANCY J. CARROLL, ESQ.



(b)(6)

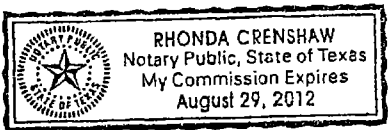
STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Nancy J. Carroll, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1 day of December 2009.



(b)(6)



Notary Public, the State of Texas

RHONDA CRENSHAW
Printed Name of Notary

My Commission Expires: 8/29/12

(b)(6)

LANDAMERICA AMERICAN
TITLE COMPANY

[Redacted signature box]

By: ELIZABETH C. MCGINITY
Its: SR VICE PRESIDENT

ILLINOIS

STATE OF ~~NEBRASKA~~ §

§

COUNTY OF COOK §

BEFORE ME, the undersigned Notary Public, on this day personally appeared LandAmerica American Title Company, by ELIZABETH MCGINITY SR V.P., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 16th day of December, 2009.

(b)(6)

[Redacted signature box]

Notary Public, the State of Nebraska IL

Ellen Ruth Sube

Printed Name of Notary

My Commission Expires: 5/7/12



FEDERAL DEPOSIT INSURANCE CORPORATION, as the duly appointed receiver of WASHINGTON MUTUAL BANK, f/k/a WASHINGTON MUTUAL BANK, FA

(b)(6)

[Redacted box]

By: *M. J. [Signature]*
Its: COUNSEL

STATE OF _____ §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned Notary Public, on this day personally appeared the Federal Deposit Insurance Corporation, by _____, its _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of December, 2009.

Notary Public, the State of _____

Printed Name of Notary

My Commission Expires: _____

See Attached Acknowledgment

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

On 12/17/2009 before me, Ariana L Rambuyan
(Here insert name and title of the officer)

personally appeared Mary Lynne Wilkins

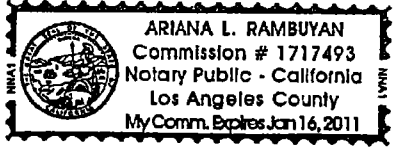
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)



(b)(6)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Settlement Agreement
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

CAPACITY CLAIMED BY THE SIGNER

Individual (s)

Corporate Officer

(Title)

Partner(s)

Attorney-in-Fact

Trustee(s)

Other Counsel

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, - is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

RECEIVED
RIT/LS/ID

LIMS Mr [redacted]
DIP/Atty M/P

ENTERED
1/22/10

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 21st day of January, 2010, by, between, and among the following undersigned parties:

The Plaintiff Federal Deposit Insurance Corporation, as receiver of Washington Mutual Bank, of Henderson, Nevada ("FDIC"), and Lathrop and Gage LLP, f/k/a Lathrop & Gage LC, ("Lathrop & Gage") and Stephen M. Schoenbeck (collectively the "Defendants") (the FDIC, and the Individual Defendants may be referred to herein as "Party" and collectively as the "Parties").

[redacted] (b)(2)

RECITALS

WHEREAS:

Prior to September 25, 2008, Washington Mutual Bank ("Bank") was a depository institution organized and existing under the laws of Nevada.

On September 25, 2008, the Bank was closed by the Office of Thrift Supervision and pursuant to 12 U.S.C. § 1821(c), the FDIC was appointed receiver. In accordance with 12 U.S.C § 1821(d), the FDIC as receiver succeeded to all rights, titles, powers and privileges of the Bank, including those with respect to its assets, and specifically the claims in this Petition and Complaint.

Among the assets to which the FDIC as receiver succeeded were any and all of the Bank's claims, demands, and causes of actions against its former directors, officers, employees accountants, attorneys and any other person or persons employed or retained by the Bank arising from the performance, nonperformance and manner of performance of their respective functions, duties and acts on behalf of the Bank and it is the sole owner of all of these claims.

A petition for damages ("Petition") against the Defendants, arising out of their capacity as former attorneys retained by the Bank, was initially filed on December 29, 2006, by the Bank in the State Circuit Court of the City of St. Louis, Missouri, bearing cause number 0622-CC07273 The Petition was later removed to the United States District Court for the Eastern District of Missouri, on December 30, 2008, where it is now pending. *FDIC v. Lathrop & Gage*.

[redacted] (b)(6)

LC and Stephen M. Schoenbeck, bears cause number 4:08-CV-2033-FRB. Said Petition arose out of certain alleged acts or omissions of the Defendants as alleged in the Petition and amendments thereto and in other pleadings. The Defendants have denied liability to the FDIC. The undersigned parties deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, 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

A. As an essential covenant and condition to this Agreement, the Defendants agree to pay the FDIC the sum of SEVEN MILLION FOUR HUNDRED THOUSAND (\$7,400,000) U.S. dollars ("the Settlement Funds"). The Settlement Funds shall be delivered to the FDIC and its counsel by direct wires transferred into accounts designated by the FDIC.

SECTION II: Stipulation and Dismissal

Upon execution of this Agreement by each of the undersigned Parties and receipt of the Settlement Funds, the FDIC shall dismiss the action pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV-02033-FRB. The undersigned parties agree to enter a stipulation providing that the dismissal set forth above shall be with prejudice, with each party to bear its own costs as these were originally incurred.

SECTION III: Releases

A. Release of Individual Settling Defendants by FDIC.

Effective upon payment of the Settlement Funds and dismissal of the action described in SECTIONS I and II above, the FDIC, for itself, its predecessors in interest, and its successors and assigns, hereby releases and discharges each of the Defendants and their respective present and former heirs, executors, administrators, agents, insurers, members, partners, employees, attorneys, representatives, successors and assigns, from any and all claims, demands, obligations, damages (actual and punitive), actions, and causes of action, direct or indirect, in law or in equity

(whether matured or unmatured, known or unknown, accrued or unaccrued), belonging to the FDIC, that arise from or relate to, the performance, nonperformance, or manner of performance of the Defendants' respective functions, duties and actions as attorneys for the Bank, including without limitation the causes of action alleged in the case pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV-02033-FRB.

B. Release of the FDIC by the Defendants.

Effective simultaneously with the release granted in PARAGRAPH III A above, the Defendants, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge the FDIC and its employees, officers, directors, attorneys, representatives, successors and assigns, from any and all claims, demands, obligations, damages (actual and punitive), actions and causes of action, direct or indirect, in law or in equity (whether matured or unmatured, known or unknown, accrued or unaccrued), belonging to the Defendants that arise from or relate to, the Bank or to the performance, nonperformance, or manner of performance of the Defendants' respective functions, duties and actions as attorneys for the Bank or that arise from or relate to the action pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV02033-FRB.

C. Express Reservations From Releases By FDIC.

1. Notwithstanding any other provision, by this Agreement, the FDIC 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 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, 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 Bank;

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

c which are not expressly released in Paragraphs III.A.

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 which may arise by operation of law, rule or regulation.

3. Notwithstanding any other provision, this Agreement does not purport to waive, or intend to waive, any claims which could be brought by any governmental entity other than the FDIC-Receiver for Washington Mutual Bank

SECTION IV: 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 Missouri.

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. 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 conclude the action pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV-02033-FRB, and to otherwise perform the terms of this Agreement.

G. 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 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 –
As Receiver for Washington Mutual Bank

(b)(6)

Date: January 21, 2010

By:

[Redacted Signature Box]

Leonard J. DePasquale, Counsel
FDIC-As Receiver for Washington Mutual Bank

(b)(6)

[Redacted Box]

(b)(6)

Date: January 21, 2010

LATHROP & GAGE LLP

By:

[Redacted Signature]

Joel B. Voran, Chief Executive Officer
Lathrop & Gage, LLP

Date: January __, 2010

STEPHEN M. SCHOENBECK

By:

Stephen M. Schoenbeck

Date: January __, 2010

LATHROP & GAGE LLP

By:

Joel B. Voran, Chief Executive Officer
Lathrop & Gage, LLP


Date: January 21, 2010

STEPHEN M. SCHOENBECK

By:

Stephen M. Schoenbeck

(b)(6)

 **received**
6/3/10

 **ENTERED**
6/3/10

LIMS M-

(b)(2)

RELEASE OF ALL CLAIMS

(b)(2)

IN CONSIDERATION of the payment to the Federal Deposit Insurance Corporation as receiver for Washington Mutual Bank, the sum of **Eighteen Thousand dollars (\$18,000)**, the receipt of which is hereby acknowledged, the undersigned, being of lawful age, does hereby release and forever discharge American Equity Financial Group, Inc. and United States Liability Insurance Company, and their officers, employees, principals, shareholders, executors, administrators, agents, predecessors, successors, insurers, attorneys, and assigns from any and all actions, causes of action, claims, demands, damages, costs, and expenses on account of, or in any way growing out of, any and all known and unknown damages relating to a certain mortgage loan paid by Washington Mutual Bank to Resource Title, Inc. that occurred on or about May 2, 2007, which claims are detailed in Cause No. 2007 L 008485 filed in the Circuit Court of Cook County, State of Illinois and entitled Federal Deposit Insurance Corporation as receiver for Washington Mutual Bank v. Resource Title, Inc., et al.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that the above-named sum paid is the sole consideration of this release, and in making this release and agreement it is understood and agreed that the undersigned relies upon the undersigned's own judgment, belief, and knowledge of the nature, extent and duration of any damages or injuries, and that the undersigned has not been influenced to any extent whatsoever in making this release by any representations or statements regarding said damages or injuries, or regarding any other matters made by the persons, firms or corporations who are hereby released, or by any person or persons representing them.

IT IS FURTHER UNDERSTOOD AND AGREED that the above payment is made in the compromise of a doubtful and disputed claim, and that the payment is not to be construed as an admission of any liability therefore, such liability having been expressly denied.

IT IS FURTHER UNDERSTOOD AND AGREED that this Release shall not in any way affect or release the obligations of Resource Title, Inc., Cesar Gaitan, and/or any other person or entity who may be liable for the allegations raised and damages claimed in the above-described lawsuit.

THIS RELEASE contains the ENTIRE AGREEMENT between the parties hereto, and the terms of this release are contractual in nature and not a mere recital.

THIS RELEASE shall be construed, interpreted and applied in accordance with the laws of the State of Illinois.

THE UNDERSIGNED REPRESENTS that it has read this release, and that it has been represented or has had an opportunity to be represented by independent counsel of its own choice throughout all negotiations which preceded the execution of this release, and to consult with counsel concerning the provisions, their meanings and effect, that it understands this release and the consequences of executing this release, and hereby acknowledges that its execution of this

release is a knowing and voluntary act with the intention of being legally bound.

WITNESS my hand and seal this 21 day of April, 2010.

(b)(6)



Federal Deposit Insurance Corporation, as
Receiver for Washington Mutual Bank

Mary L. Calkins

This instrument was acknowledged before me on _____, 2010 by
_____.

* See Attached

NOTARY PUBLIC

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

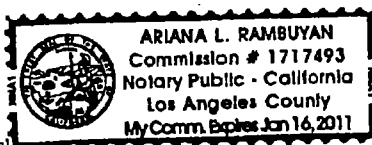
On April 21, 2010 before me, Ariana L. Rambuyan
(Here insert name and title of the officer)

personally appeared Mary L. Calkins

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they- is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary)
- Securely attach this document to the signed document

DESCRIPTION OF THE ATTACHED DOCUMENT

Release of All Claims

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages 1 Document Date 4/21/10

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer

(Title)

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other Counsel

(b)(6)

SETTLEMENT AGREEMENT AND RELEASES

This Settlement Agreement and Releases (the "Settlement Agreement") is between the Federal Deposit Insurance Corporation, solely in its capacity as Receiver for Washington Mutual Bank (the "Receiver"), Resource Title Inc. ("Resource Title"), Pawel "Paul" Wcislo ("Wcislo"), Cesar Gaitan ("Gaitan"), and Title Industry Assurance Company, R.R.G. ("TIAC"). All of the aforementioned named entities and individuals may be, from time to time herein, referred to as the "Parties."

RECITALS

A. Resource Title provided owners and lenders with real estate closing, loan closing, title and escrow services in connection with the purchase, sale, financing, and re-financing of real estate. Gaitan and Wcislo were shareholders, officers, directors and/or employees of Resource Title and conducted and were responsible for the day to day activities of Resource Title. Under an Issuing Agency Agreement between Resource Title and Tigor Title Insurance Company ("Tigor"), Resource Title received and processed applications for title insurance and issued policies of title insurance as Tigor's agent. On April 9, 2007, Tigor terminated the Agency Agreement and the Illinois Department of Financial and Professional Regulation revoked Resource Title's license to operate as a title agent.

B. Washington Mutual Bank ("Washington Mutual") filed a lawsuit in the Law Division of the Circuit Court of Cook County, Illinois now captioned *The Federal Deposit Insurance Corporation, solely in its capacity as receiver of Washington Mutual Bank v. Resource Title, Inc., et al.*, No. 07-L-8485 (the "Lawsuit"). The Lawsuit was filed against Resource Title, Gaitan, and American Equity Financial Group, Inc. The Lawsuit alleges that, on May 2, 2007, Washington Mutual wired over \$120,000 in loan funds (the "Hernandez Loan") to

Resource Title for a loan closing that Resource Title was not, in fact, handling, and that Resource Title and Gaitan ignored Washington Mutual's subsequent demands to return those funds and instead misappropriated those funds for their own use. The Lawsuit asserts a claim for unjust enrichment against Resource Title and a claim for violation of the Business Corporation Act of 1933 against Gaitan. The claim against American Equity Financial Group, Inc. was previously dismissed pursuant to a settlement (the "American Equity Settlement").

C. On July 1, 2010, the Court in the Lawsuit entered default judgments in favor of the Receiver and against Resource Title and Gaitan (the "Judgments").

(b)(4) D. TIAC issued Abstractors, Title Insurance Agents and Escrow Agents Professional Liability Insurance Policy Number [redacted] for the policy period May 2, 2006 through May 2, 2007 (the "2006-07 Policy"). TIAC issued Abstractors, Title Insurance Agents and Escrow Agents Professional Liability Insurance Policy Number [redacted] for the policy period May 2, 2007 through May 2, 2008 (the "2007-08 Policy"). On June 24, 2008, TIAC rescinded the 2007-08 Policy based on Resource Title's failure to update its application with material information. TIAC filed a declaratory judgment action in the Chancery Division of the Circuit Court of Cook County, Illinois captioned *Title Industry Assurance Co., R.R.G. v. Resource Title, Inc., et al.*, No. 08-CH-43386 (the "Declaratory Judgment Action"). The Declaratory Judgment Action seeks confirmation of TIAC's rescission of the 2007-08 Policy, a declaratory judgment that no coverage is provided for the Lawsuit, and also a declaratory judgment based on other coverage issues relating to both the 2006-07 and 2007-08 Policies regarding various claims involving Ticor.

E. On April 21, 2010, Resource Title, Gaitan, Wcislo, TIAC, and Ticor entered into a settlement with respect to, among other things, those claims in the Declaratory Judgment

Action involving Tigor (the "Tigor Settlement"). Nothing in this Settlement Agreement is intended to expand, limit, amend, or otherwise modify any of the terms of the Tigor Settlement or any of the documents executed in connection with the Tigor Settlement.

F. The Parties desire to settle and compromise the obligations, disputes, and claims asserted, or which could have been asserted, in the Lawsuit or the Declaratory Judgment Action, and which have not previously been resolved by the American Equity Settlement or the Tigor Settlement.

NOW THEREFORE, in consideration of the mutual promises and undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Receiver, Resource Title, Gaitan, Wcislo, and TIAC hereby agree as follows:

AGREEMENT

1. This Settlement Agreement represents a compromise and is not to be construed either as an admission of wrongdoing by Resource Title, Wcislo, Gaitan, or the Receiver, or as an admission by TIAC that any coverage is provided to Resource Title, Wcislo, or Gaitan under the 2006-07 or 2007-08 Policies or as an admission by the Receiver that coverage does not exist for Resource Title, Wcislo, or Gaitan under the 2006-07 or 2007-08 Policies. This Settlement Agreement is made solely to resolve and settle the disputes alleged, or which could have been alleged, in the Lawsuit or the Declaratory Judgment Action, and which have not previously been resolved by the American Equity Settlement or the Tigor Settlement.

I. Settlement Payment

2. Within thirty days after execution of this Settlement Agreement by all of the Parties, TIAC shall cause to be tendered a lump sum payment of \$25,000 to the Receiver (the

"Settlement Payment"). The Receiver agrees to accept \$25,000 as full and final satisfaction of all claims against Resource Title and Gaitan in the Lawsuit, and all claims in the Declaratory Judgment Action.

II. Agreement Not to Enforce the Judgments

3. The Receiver agrees to accept the Settlement Payment as full and final satisfaction of the Judgments. The Receiver will take no action to enforce, record, or assign the Judgments, and will not attempt to collect any funds from Resource Title, Gaitan, or TIAC pursuant to the Judgments. Counsel for the Receiver shall execute the Satisfaction of Judgments, which is attached hereto as Exhibit 1. Within 10 days after the receipt of the Settlement Payment by the Receiver, counsel for the Receiver shall file the executed Satisfaction of Judgments with the Court.

III. Dismissal of the Declaratory Judgment Action

4. Contemporaneous with the execution of this Settlement Agreement, counsel for TIAC, the Receiver, Weislo, Gaitan, and Resource Title shall execute the Stipulation of Dismissal of the Declaratory Judgment Action, which is attached hereto as Exhibit 2. Within 10 days after the receipt of the Settlement Payment by the Receiver, counsel for TIAC shall file the executed Stipulation of Dismissal with the Court and cause all remaining claims in the Declaratory Judgment Action to be dismissed, with prejudice and without costs.

IV. Releases

5. The Receiver, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against Gaitan and Resource Title, including any of its past, present, or

future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance.

6. The Receiver, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, assigns, and members, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action, and (4) the 2006-07 and 2007-08 Policies. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. The release contained herein is not intended to be and is not a general release by the Federal Deposit Insurance Corporation of TIAC since there may be other transactions or business dealings between the Federal Deposit Insurance Corporation and TIAC, known or unknown, arisen or not yet arisen, that do not relate to, connect

with or arise out of the dispute with Resource Title or Gaitan, the 2006-07 Policy, the 2007-08 Policy, the subject matter of the Lawsuit or the subject matter of the Declaratory Judgment Action.

7. Gaitan and Resource Title, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, unconditionally release, acquit, extinguish, and forever discharge any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against the Receiver, including any of its past, present, or future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance.

8. Gaitan, Wcislo, and Resource Title, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, unconditionally release, acquit, extinguish, and forever discharge any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, assigns, and members, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which

could have been asserted, in the Lawsuit, including the manner in which those claims were handled, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action relating to the Hernandez Loan, the Lawsuit, or Washington Mutual. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. This Release does not, in any way, affect TIAC's position that the 2007-08 Policy has been rescinded, nor does it alter, modify, or in any way limit any term of either the settlement agreement executed in connection with the Tigor Settlement, or the Confirmation of Rescission and Policy Release executed by TIAC, Resource Title, Wcislo, and Gaitan in connection with the Tigor Settlement.

9. TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, members, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against the Receiver, including any of its past, present, or future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action, (4) the 2006-07 and 2007-08 Policies. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. The release contained herein is not intended to be and is not a general release by TIAC of the Federal Deposit Insurance Corporation since there may be other

transactions or business dealings between TIAC and the Federal Deposit Insurance Corporation, known or unknown, arisen or not yet arisen, that do not relate to, connect with or arise out of the dispute with Resource Title or Gaitan, the 2006-07 Policy, the 2007-08 Policy, the subject matter of the Lawsuit or the subject matter of the Declaratory Judgment Action.

10. TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, members, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against Wcislo, Gaitan and Resource Title, including any of its past, present, or future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action relating to the Hernandez Loan, the Lawsuit, or Washington Mutual. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. This Release does not, in any way, affect TIAC's position that the 2007-08 Policy has been rescinded, nor does it alter, modify, or in any way limit any term of either the settlement agreement executed in connection with the Ticor Settlement, or the Confirmation of Rescission and Policy Release executed by TIAC, Resource Title, Wcislo, and Gaitan in connection with the Ticor Settlement.

V. Additional Provisions

11. The Recitals set forth above are made a part of the Agreement portion of this Settlement Agreement and this Settlement Agreement shall be construed in conformity with the Recitals.

12. This Settlement Agreement shall be binding upon and shall inure to the benefit of, and its provisions shall in all respects apply to, the Parties hereto and their respective heirs, representatives, successors and assigns.

13. If any provision of this Settlement Agreement shall in any way be or become in violation of or prohibited by valid applicable laws, judgments, decrees, or public policy of any applicable jurisdiction, such provision, if severable from other provisions in this Settlement Agreement, shall be, as to the applicable jurisdiction only, ineffective and void solely to the extent of such violation or prohibition, but shall in no way invalidate or otherwise affect any of the remaining provisions of this Settlement Agreement, which shall remain effective.

14. The Parties warrant that the persons executing this Settlement Agreement on their behalf are fully authorized and empowered under their governing instruments and resolutions to enter into the terms and conditions of this Settlement Agreement and to execute the same on behalf of each of the Parties.

15. This Settlement Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. This Settlement Agreement shall become effective upon signature by all of the Parties to this Settlement Agreement.

16. No statements, promises or representations have been made by any Party to any other Party, or are relied upon, and no consideration has been or is offered, promised, expected or held out, other than as stated in this Settlement Agreement. No conditions precedent to the effectiveness of this Settlement Agreement exist which have not been satisfied. There are no other oral or written agreements concerning the matters contained in this Settlement Agreement other than the agreements and documents specifically referenced herein. All prior agreements, discussions and negotiations have been and are merged and integrated into, and superseded by, this Settlement Agreement, except that this Settlement Agreement does not in way modify or supersede any term of the American Equity Settlement or the Ticor Settlement.

17. The Parties acknowledge that they have read and understand this Settlement Agreement and that this Settlement Agreement may not be altered, modified or changed in any manner except by a writing duly executed by all Parties to this Settlement Agreement.

18. This Settlement Agreement shall be governed and construed in accordance with the laws of the State of Illinois. The Parties agree that any action to enforce this Settlement Agreement shall be brought in the Circuit Court of Cook County, Illinois or the United States District Court for the Northern District of Illinois, Eastern Division.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have duly executed this Settlement Agreement as

set forth below.

(b)(6)

[Redacted Signature]

FOR THE FDIC, SOLELY IN ITS CAPACITY AS
RECEIVER FOR WASHINGTON MUTUAL
BANK

ITS: COUNSEL

Subscribed and sworn to before me this
25 day of October, 2010.

(b)(6)

[Redacted Signature]

Notary Public (b)(6)
My commission expires: 1/16/2011



FOR TITLE INDUSTRY ASSURANCE
COMPANY, R.R.G.

ITS: _____

Subscribed and sworn to before me this
_____ day of _____, 2010.

Notary Public
My commission expires:

FOR RESOURCE TITLE, INC.

ITS: _____

Subscribed and sworn to before me this
_____ day of _____, 2010.

Notary Public
My commission expires:

PAWEL "PAUL" WCISLO

Subscribed and sworn to before me this
_____ day of _____, 2010.

Notary Public

My commission expires:

CESAR GAITAN

Subscribed and sworn to before me this
_____ day of _____, 2010.

Notary Public

My commission expires:

SETTLEMENT AGREEMENT AND RELEASES

This Settlement Agreement and Releases (the "Settlement Agreement") is between the Federal Deposit Insurance Corporation, solely in its capacity as Receiver for Washington Mutual Bank (the "Receiver"), Resource Title Inc. ("Resource Title"), Pawel "Paul" Wcislo ("Wcislo"), Cesar Gaitan ("Gaitan"), and Title Industry Assurance Company, R.R.G. ("TIAC"). All of the aforementioned named entities and individuals may be, from time to time herein, referred to as the "Parties."

RECITALS

A. Resource Title provided owners and lenders with real estate closing, loan closing, title and escrow services in connection with the purchase, sale, financing, and re-financing of real estate. Gaitan and Wcislo were shareholders, officers, directors and/or employees of Resource Title and conducted and were responsible for the day to day activities of Resource Title. Under an Issuing Agency Agreement between Resource Title and Tigor Title Insurance Company ("Tigor"), Resource Title received and processed applications for title insurance and issued policies of title insurance as Tigor's agent. On April 9, 2007, Tigor terminated the Agency Agreement and the Illinois Department of Financial and Professional Regulation revoked Resource Title's license to operate as a title agent.

B. Washington Mutual Bank ("Washington Mutual") filed a lawsuit in the Law Division of the Circuit Court of Cook County, Illinois now captioned *The Federal Deposit Insurance Corporation, solely in its capacity as receiver of Washington Mutual Bank v. Resource Title, Inc., et al.*, No. 07-L-8485 (the "Lawsuit"). The Lawsuit was filed against Resource Title, Gaitan, and American Equity Financial Group, Inc. The Lawsuit alleges that, on May 2, 2007, Washington Mutual wired over \$120,000 in loan funds (the "Hernandez Loan") to

Resource Title for a loan closing that Resource Title was not, in fact, handling, and that Resource Title and Gaitan ignored Washington Mutual's subsequent demands to return those funds and instead misappropriated those funds for their own use. The Lawsuit asserts a claim for unjust enrichment against Resource Title and a claim for violation of the Business Corporation Act of 1933 against Gaitan. The claim against American Equity Financial Group, Inc. was previously dismissed pursuant to a settlement (the "American Equity Settlement").

C. On July 1, 2010, the Court in the Lawsuit entered default judgments in favor of the Receiver and against Resource Title and Gaitan (the "Judgments").

(b)(4) D. TIAC issued Abstractors, Title Insurance Agents and Escrow Agents Professional Liability Insurance Policy Number [REDACTED] for the policy period May 2, 2006 through May 2, 2007 (the "2006-07 Policy"). TIAC issued Abstractors, Title Insurance Agents and Escrow Agents Professional Liability Insurance Policy Number [REDACTED] for the policy (b)(6) period May 2, 2007 through May 2, 2008 (the "2007-08 Policy"). On June 24, 2008, TIAC rescinded the 2007-08 Policy based on Resource Title's failure to update its application with material information. TIAC filed a declaratory judgment action in the Chancery Division of the Circuit Court of Cook County, Illinois captioned *Title Industry Assurance Co., R.R.G. v. Resource Title, Inc., et al.*, No. 08-CH-43386 (the "Declaratory Judgment Action"). The Declaratory Judgment Action seeks confirmation of TIAC's rescission of the 2007-08 Policy, a declaratory judgment that no coverage is provided for the Lawsuit, and also a declaratory judgment based on other coverage issues relating to both the 2006-07 and 2007-08 Policies regarding various claims involving Ticor.

E. On April 21, 2010, Resource Title, Gaitan, Weislo, TIAC, and Ticor entered into a settlement with respect to, among other things, those claims in the Declaratory Judgment

Action involving Tigor (the "Tigor Settlement"). Nothing in this Settlement Agreement is intended to expand, limit, amend, or otherwise modify any of the terms of the Tigor Settlement or any of the documents executed in connection with the Tigor Settlement.

F. The Parties desire to settle and compromise the obligations, disputes, and claims asserted, or which could have been asserted, in the Lawsuit or the Declaratory Judgment Action, and which have not previously been resolved by the American Equity Settlement or the Tigor Settlement.

NOW THEREFORE, in consideration of the mutual promises and undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Receiver, Resource Title, Gaitan, Wcislo, and TIAC hereby agree as follows:

AGREEMENT

1. This Settlement Agreement represents a compromise and is not to be construed either as an admission of wrongdoing by Resource Title, Wcislo, Gaitan, or the Receiver, or as an admission by TIAC that any coverage is provided to Resource Title, Wcislo, or Gaitan under the 2006-07 or 2007-08 Policies or as an admission by the Receiver that coverage does not exist for Resource Title, Wcislo, or Gaitan under the 2006-07 or 2007-08 Policies. This Settlement Agreement is made solely to resolve and settle the disputes alleged, or which could have been alleged, in the Lawsuit or the Declaratory Judgment Action, and which have not previously been resolved by the American Equity Settlement or the Tigor Settlement.

I. Settlement Payment

2. Within thirty days after execution of this Settlement Agreement by all of the Parties, TIAC shall cause to be tendered a lump sum payment of \$25,000 to the Receiver (the

"Settlement Payment"). The Receiver agrees to accept \$25,000 as full and final satisfaction of all claims against Resource Title and Gaitan in the Lawsuit, and all claims in the Declaratory Judgment Action.

II. Agreement Not to Enforce the Judgments

3. The Receiver agrees to accept the Settlement Payment as full and final satisfaction of the Judgments. The Receiver will take no action to enforce, record, or assign the Judgments, and will not attempt to collect any funds from Resource Title, Gaitan, or TIAC pursuant to the Judgments. Counsel for the Receiver shall execute the Satisfaction of Judgments, which is attached hereto as Exhibit 1. Within 10 days after the receipt of the Settlement Payment by the Receiver, counsel for the Receiver shall file the executed Satisfaction of Judgments with the Court.

III. Dismissal of the Declaratory Judgment Action

4. Contemporaneous with the execution of this Settlement Agreement, counsel for TIAC, the Receiver, Wcislo, Gaitan, and Resource Title shall execute the Stipulation of Dismissal of the Declaratory Judgment Action, which is attached hereto as Exhibit 2. Within 10 days after the receipt of the Settlement Payment by the Receiver, counsel for TIAC shall file the executed Stipulation of Dismissal with the Court and cause all remaining claims in the Declaratory Judgment Action to be dismissed, with prejudice and without costs.

IV. Releases

5. The Receiver, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against Gaitan and Resource Title, including any of its past, present, or

future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance.

6. The Receiver, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, assigns, and members, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action, and (4) the 2006-07 and 2007-08 Policies. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. The release contained herein is not intended to be and is not a general release by the Federal Deposit Insurance Corporation of TIAC since there may be other transactions or business dealings between the Federal Deposit Insurance Corporation and TIAC, known or unknown, arisen or not yet arisen, that do not relate to, connect

with or arise out of the dispute with Resource Title or Gaitan, the 2006-07 Policy, the 2007-08 Policy, the subject matter of the Lawsuit or the subject matter of the Declaratory Judgment Action.

7. Gaitan and Resource Title, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, unconditionally release, acquit, extinguish, and forever discharge any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against the Receiver, including any of its past, present, or future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance.

8. Gaitan, Weislo, and Resource Title, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, and assigns, unconditionally release, acquit, extinguish, and forever discharge any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, assigns, and members, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which

could have been asserted, in the Lawsuit, including the manner in which those claims were handled, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action relating to the Hernandez Loan, the Lawsuit, or Washington Mutual. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. This Release does not, in any way, affect TIAC's position that the 2007-08 Policy has been rescinded, nor does it alter, modify, or in any way limit any term of either the settlement agreement executed in connection with the Ticor Settlement, or the Confirmation of Rescission and Policy Release executed by TIAC, Resource Title, Wcislo, and Gaitan in connection with the Ticor Settlement.

9. TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, members, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against the Receiver, including any of its past, present, or future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action, (4) the 2006-07 and 2007-08 Policies. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. The release contained herein is not intended to be and is not a general release by TIAC of the Federal Deposit Insurance Corporation since there may be other

transactions or business dealings between TIAC and the Federal Deposit Insurance Corporation, known or unknown, arisen or not yet arisen, that do not relate to, connect with or arise out of the dispute with Resource Title or Gaitan, the 2006-07 Policy, the 2007-08 Policy, the subject matter of the Lawsuit or the subject matter of the Declaratory Judgment Action.

10. TIAC, including any of its past, present and future parents, subsidiaries, affiliates, predecessors, successors, members, and assigns, unconditionally releases, acquits, extinguishes, and forever discharges any right, cause of action, or claim of any kind or nature whatsoever, known or unknown, against Wcislo, Gaitan and Resource Title, including any of its past, present, or future parents, subsidiaries, affiliates, predecessors, successors, and assigns, together with and all of its former and present officers, directors, representatives, agents, attorneys, and employees, in any way relating to: (1) the Hernandez Loan, (2) the claims asserted, or which could have been asserted, in the Lawsuit, and (3) the claims asserted, or which could have been asserted, in the Declaratory Judgment Action relating to the Hernandez Loan, the Lawsuit, or Washington Mutual. This release includes, but is not limited to, any claim for compensatory or punitive damages, attorneys' fees, costs, interest, and any other legal or equitable remedy, whether based upon common law or any federal, state, or local statute or ordinance. This Release does not, in any way, affect TIAC's position that the 2007-08 Policy has been rescinded, nor does it alter, modify, or in any way limit any term of either the settlement agreement executed in connection with the Tigor Settlement, or the Confirmation of Rescission and Policy Release executed by TIAC, Resource Title, Wcislo, and Gaitan in connection with the Tigor Settlement.

V. Additional Provisions

11. The Recitals set forth above are made a part of the Agreement portion of this Settlement Agreement and this Settlement Agreement shall be construed in conformity with the Recitals.

12. This Settlement Agreement shall be binding upon and shall inure to the benefit of, and its provisions shall in all respects apply to, the Parties hereto and their respective heirs, representatives, successors and assigns.

13. If any provision of this Settlement Agreement shall in any way be or become in violation of or prohibited by valid applicable laws, judgments, decrees, or public policy of any applicable jurisdiction, such provision, if severable from other provisions in this Settlement Agreement, shall be, as to the applicable jurisdiction only, ineffective and void solely to the extent of such violation or prohibition, but shall in no way invalidate or otherwise affect any of the remaining provisions of this Settlement Agreement, which shall remain effective.

14. The Parties warrant that the persons executing this Settlement Agreement on their behalf are fully authorized and empowered under their governing instruments and resolutions to enter into the terms and conditions of this Settlement Agreement and to execute the same on behalf of each of the Parties.

15. This Settlement Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. This Settlement Agreement shall become effective upon signature by all of the Parties to this Settlement Agreement.

16. No statements, promises or representations have been made by any Party to any other Party, or are relied upon, and no consideration has been or is offered, promised, expected or held out, other than as stated in this Settlement Agreement. No conditions precedent to the effectiveness of this Settlement Agreement exist which have not been satisfied. There are no other oral or written agreements concerning the matters contained in this Settlement Agreement other than the agreements and documents specifically referenced herein. All prior agreements, discussions and negotiations have been and are merged and integrated into, and superseded by, this Settlement Agreement, except that this Settlement Agreement does not in way modify or supersede any term of the American Equity Settlement or the Ticor Settlement.

17. The Parties acknowledge that they have read and understand this Settlement Agreement and that this Settlement Agreement may not be altered, modified or changed in any manner except by a writing duly executed by all Parties to this Settlement Agreement.

18. This Settlement Agreement shall be governed and construed in accordance with the laws of the State of Illinois. The Parties agree that any action to enforce this Settlement Agreement shall be brought in the Circuit Court of Cook County, Illinois or the United States District Court for the Northern District of Illinois, Eastern Division.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have duly executed this Settlement Agreement as set forth below.

FOR THE FDIC, SOLELY IN ITS CAPACITY AS
RECEIVER FOR WASHINGTON MUTUAL
BANK

ITS: _____

Subscribed and sworn to before me this
_____ day of _____, 2010.

Notary Public
My commission expires:



FOR TITLE INDUSTRY ASSURANCE
COMPANY, R.R.G.

ITS: EV

Subscribed and sworn to before me this
2nd day of November, 2010.

Notary Public
My commission expires:

JUDY M. HILTON
NOTARY PUBLIC
DISTRICT OF COLUMBIA
My Commission Expires June 30, 2012

FOR RESOURCE TITLE, INC.

ITS: _____

Subscribed and sworn to before me this
_____ day of _____, 2010.

Notary Public
My commission expires:

IN WITNESS WHEREOF, the Parties have duly executed this Settlement Agreement as set forth below.

FOR THE FDIC, SOLELY IN ITS CAPACITY AS
RECEIVER FOR WASHINGTON MUTUAL
BANK

ITS: _____

Subscribed and sworn to before me this
_____ day of _____, 2010.

Notary Public
My commission expires:

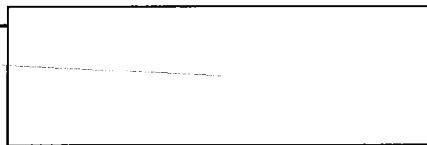
FOR TITLE INDUSTRY ASSURANCE
COMPANY, R.R.G.

ITS: _____

Subscribed and sworn to before me this
_____ day of _____, 2010.

(b)(6)

Notary Public
My commission expires:



FOR RESOURCE TITLE, INC.

ITS: _____

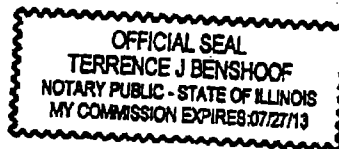
Subscribed and sworn to before me this
6th day of NOVEMBER, 2010.

(b)(6)

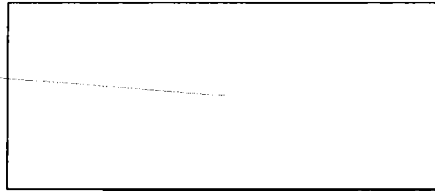


Notary Public
My commission expires: 7/27/13

(b)(6)



(b)(6)



PAWEL "PAUL" WCISLO

Subscribed and sworn to before me this
6th day of NOVEMBER, 2010.

(b)(6)



Notary Public



My commission expires: 7/27/13

(b)(6)



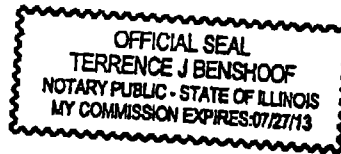
CESAR GAITAN

Subscribed and sworn to before me this
6th day of NOVEMBER, 2010.

(b)(6)



Notary Public



My commission expires: 7/27/13

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made as of this day of September, 2011, by, between, and among the following undersigned parties:

(1) The Plaintiff, Federal Deposit Insurance Corporation, acting as receiver of Washington Mutual Bank, N.A. (“FDIC-Receiver”) and (2) the Defendants, the Law Office of Robert Jay Gumenick, P.C., Robert Jay Gumenick (collectively the “Gumenick Defendants”), Chicago Title Insurance Company (“Chicago”), Fidelity National Title Insurance Company (“Fidelity”) (collectively Chicago and Fidelity may be referred to as the “Title Insurance Companies”), and Jerome Shapiro (“Shapiro”), and (3) America Guarantee and Liability Insurance Company (“AGLIC”) (individually, the FDIC-Receiver, the Gumenick Defendants, Shapiro, the Title Insurance Companies, and AGLIC may be referred to herein as “Party” and collectively as the “Parties”).

RECITALS

WHEREAS:

Prior to September 25, 2008, Washington Mutual Bank, NA (“Bank”) was a depository institution organized and existing under the laws of the State of Utah.

On September 25, 2008, the Bank was closed by the Office of Thrift Supervision and the FDIC was appointed receiver. In accordance with 12 U.S.C. § 1821(d), the FDIC-Receiver 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-Receiver succeeded were any and all of the Bank’s claims, demands, and causes of actions against its former professionals.

On or about December 22, 2009, the FDIC-Receiver applied to the Court to be included as a plaintiff in the cause of action previously asserted by JPMorgan Chase Bank, N.A., relative

(b)(4) _____ to commercial loan number (the "Norwood Loan"). Those claims for damages are now pending in the United States District Court for the Southern District of New York, in The Federal Deposit Insurance Corporation v. Gumenick, et al., Docket No. 08-02154 (the "Action").

The FDIC-Receiver alleged, among other things, that the Gumenick Defendants were negligent related to the representation of the Bank for the Norwood Loan.

The FDIC-Receiver alleged that the Title Insurance Companies were committed to issue a title insurance policy for the Norwood Loan (the "Policy").

Gumenick alleged, by way of third-party complaint against Chicago, that Chicago was liable for the alleged negligence of its agent, Successful Title Agency, LLC.

Further, the FDIC-Receiver alleged Shapiro was liable under other various theories of damages.

The Gumenick Defendants, Shapiro, and the Title Insurance Companies have denied liability in the Action.

The Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, 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 Parties agree, each with the other, as follows:

SECTION I: Payment to FDIC-Receiver

A. As an essential covenant and condition to this Agreement, AGLIC agrees to pay directly to the FDIC-Receiver, on behalf of its insured, the total sum of \$1,360,000.00 ("the Settlement Funds"). Upon the execution of the Agreement by all parties, AGLIC shall deliver to the FDIC-Receiver within three (3) business days a check payable to the Federal Deposit Insurance Corporation for the full amount of the Settlement Funds.

B. In the event that (1) by September 30, 2011, the Gumenick Defendants and AGLIC have not executed the Agreement and represented in writing that the check for the Settlement Funds is in the possession of their counsel for prompt tender to the FDIC-Receiver, or (2) the Settlement Funds are not tendered to the FDIC-Receiver within three (3) business days of the execution of the Agreement by all Parties, interest shall accrue on all unpaid amounts of the Settlement Funds at the rate of 5% per annum from September 30, 2011 until the date of payment.

C. In addition, and without waiving any other rights that the FDIC-Receiver may have, in the event that the Settlement Funds (including all accrued interest) are not received by the FDIC-Receiver on or before September 30, 2011, then, with respect to the Party, or Parties, that fail to deliver their share of the Settlement Funds only (the "Non-Delivering Parties"), the FDIC-Receiver, in its sole discretion, shall have the right at any time prior to receipt of all Settlement Funds (including all accrued interest) 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 (including all accrued interest), and/or shall have the right to enforce this Agreement against the Non-Delivering Parties, in which event the Non-Delivering Parties agree to jurisdiction in Federal District Court in the Southern District of New York and agree to pay all of the FDIC-Receiver's reasonable attorney's fees expended in enforcing the terms of this Agreement. Any decision by the FDIC-Receiver to extend the terms of this Agreement or to accept a portion of the Settlement Funds shall not prejudice its rights to declare this Agreement null and void with respect to the Non-Delivering Parties, at any time prior to receipt of all Settlement Funds (including all accrued interest) or to enforce the terms of this Settlement Agreement; provided however, that in the event the FDIC-Receiver declares this Agreement

null and void, the FDIC-Receiver will return all amounts paid to it under this Agreement by the Non-Delivering Parties.

SECTION II: Stipulation of Dismissal

Upon execution of this Agreement by each of the Parties, and receipt of the Settlement Funds, plus any accrued interest, the FDIC-Receiver shall dismiss the Action, as it relates to the Gumenick Defendants, the Title Insurance Companies, and Shapiro. The Parties agree to enter a stipulation providing that the dismissal of the Action shall be with prejudice, with each party to bear its own costs as these were originally incurred.

SECTION III: Releases

A. Release of the Gumenick Defendants and AGLIC by FDIC-Receiver.

Effective upon receipt in full of the Settlement Funds plus any accrued interest, and dismissal described in Sections I and II above, and except as provided in Paragraph III.H. below, the FDIC-Receiver, for itself and its successors and assigns, hereby releases and discharges the Gumenick Defendants and AGLIC, 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-Receiver, that arise from or relate to, the performance, nonperformance, or manner of performance of the Gumenick Defendants' respective functions, duties and actions related to the Norwood Loan, including without limitation, the causes of action alleged in the Action.

B. Release of FDIC-Receiver by the Gumenick Defendants and AGLIC

Effective simultaneously with the release granted in Paragraph III.A. above, the Gumenick Defendants and AGLIC, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge the FDIC-Receiver, 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 Gumenick Defendants' respective functions, duties and actions related to the Norwood Loan.

C. Release of Shapiro by the FDIC-Receiver

Effective upon receipt in full of the Settlement Funds plus any accrued interest, and dismissal described in Sections I and II above, and except as provided in Paragraph III.H. below, the FDIC-Receiver, for itself and its successors and assigns, hereby releases and discharges Shapiro, his 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-Receiver, that arise from or relate to, the performance, nonperformance, or manner of performance of Shapiro's respective functions, duties and actions related to the Norwood Loan, including without limitation, the causes of action alleged in the Action.

D. Release of FDIC-Receiver by Shapiro

Effective simultaneously with the release granted in Paragraph III.C. above, Shapiro, on behalf of himself individually, and his respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge the FDIC-Receiver, 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 Shapiro's respective functions, duties and actions related to the Norwood Loan or otherwise, including without limitation, the causes of action alleged in the Action.

E. Release by the Gumenick Defendants, Shapiro, and the Title Insurance Companies of Each Other.

Effective simultaneously with the releases granted in Paragraph III.A-D above, the Gumenick Defendants, Shapiro, and the Title Insurance Companies and their respective heirs, executors, administrators, representatives, successors and assigns, hereby release and discharge each other, their 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 performance, nonperformance, or manner of performance of their respective functions, duties and actions related to or in connection with all causes of action that were or that could have been alleged in the Action concerning the Norwood Loan.

F. Release of the Title Insurance Companies by FDIC-Receiver.

Effective upon receipt in full of the Settlement Funds plus any accrued interest and dismissal described in Sections I and II above, and except as provided in Paragraph III.H below, the FDIC-Receiver, for itself and its successors and assigns, hereby releases and discharges the Title Insurance Companies, their 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 Action or any commitments or policies of any kind and any closing service letters that were issued by or on behalf of the Title Insurance Companies in connection with the Norwood Loan. The FDIC-Receiver agrees that any interest it may have under such commitments, policies or closing service letters related solely to the Norwood Loan is extinguished.

G. Release of FDIC-Receiver by the Title Insurance Companies.

Effective simultaneously with the release granted in Paragraph III.F above, the Title Insurance Companies, for themselves and their successors and assigns, and on behalf of their parents, subsidiaries, affiliates and reinsurers, and their successors and assigns, hereby releases and discharges FDIC-Receiver, 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 Action or any commitments or policies of any kind and any closing service letters that were issued by or on behalf of the Title Insurance Companies in connection with the Norwood Loan.

H. Express Reservations From Releases By FDIC-Receiver.

1. Notwithstanding any other provision, by this Agreement, the FDIC-Receiver 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 Gumenick Defendants, AGLIC, Shapiro and the Title Insurance Companies 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 the FDIC-Receiver, the Bank, other financial institutions, or any other person or entity, including without limitation, any claims acquired by the FDIC-Receiver 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 this Agreement; and

c. which are not expressly released in Paragraphs III.A, C or F 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-Receiver 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 which may arise by operation of law, rule or regulation.

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, or in any federal judicial district. In addition, the FDIC-Receiver 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: The Dwek Bankruptcy

In the event that the FDIC-Receiver is paid in full on the Norwood Loan (including all principal, accrued interest, attorneys fees and costs, and interest thereon) (the "Loan Amount"), the FDIC-Receiver agrees that should it receive distributions in the bankruptcy proceedings of Solomon Dwek, Case No.: 07-11757 (the "Dwek Bankruptcy") in excess of the Loan Amount (the "Excess Distributions"), the FDIC-Receiver shall send to AGLIC all such Excess Distributions within thirty (30) business days of its receipt of such Excess Distributions. The FDIC-Receiver may, in its sole discretion, elect to direct the Liquidating Trustee in the Dwek Bankruptcy to send the Excess Distribution directly to AGLIC.

SECTION V: Representations and Acknowledgements

A. No Admission of Liability. The 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 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, applicable state law.

E. Entire Agreement and Amendments. This Agreement constitutes the entire agreement and understanding between and among the 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 parties expressly acknowledge that in determining to settle the claims released here, the FDIC-Receiver has reasonably and justifiably relied upon the accuracy of financial information in the affidavits submitted. If, in their affidavits the settling parties have failed to disclose any material interest, legal, equitable, or beneficial, in any material asset, the FDIC-Receiver in its

sole discretion, may exercise one or more or all of the following remedies within the statute of limitations period applicable to FDIC-Receiver under 12 U.S.C. §1821(d)(14)(A)(ii)(1) after the date this Agreement is executed: (a) the FDIC-Receiver may declare the releases granted to the settling parties as null and void, but only as to the breaching and non-disclosing settling party or parties; (b) the FDIC-Receiver may retain the Settlement Funds; (c) the FDIC-Receiver may sue the breaching and non-disclosing settling party or parties for damages, an injunction, and specific performance for the breach of this agreement; and (d) the FDIC-Receiver may seek to vacate any dismissal order and reinstate the FDIC-Receiver's claims against the breaching and non-disclosing settling party or parties. The settling parties agree that if, in their affidavits, they have failed to disclose any material interest, legal, equitable, or beneficial, in any material asset, the settling parties consent to the reinstatement of FDIC-Receiver's claims against the breaching and non-disclosing settling party or parties.

G. Reasonable Cooperation.

1. 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 Action and to otherwise perform the terms of this Agreement.

2. Further, the Defendants agree to cooperate fully with the FDIC-Receiver in connection with any action required under this Agreement. Any such cooperation that involves any out of pocket costs is subject to reasonable reimbursement by the FDIC-Receiver pursuant to its internal guidelines and policy for such reimbursement. Such cooperation shall consist of:

a. producing all documents requested by the FDIC-Receiver , without the necessity of subpoena, as determined by the FDIC, in its sole discretion, to be relevant to the Bank so long as it relates to the subject matter of the Action or the Norwood Loan;

b. making themselves available upon request by the FDIC-Receiver at reasonable times and places for interviews regarding facts, as determined by the FDIC-Receiver in its sole discretion, to be relevant to the Bank so long as it relates to the subject matter of the Action or the Norwood Loan;

c. appearing to testify, upon request by the FDIC-Receiver, in any matter determined by the FDIC-Receiver in its sole discretion, to be related to the Bank, without the necessity of subpoena so long as it relates to the subject matter of the Action or the Norwood Loan;

d. signing truthful affidavits upon request by the FDIC-Receiver, regarding any matter, as determined by the FDIC-Receiver in its sole discretion, to be relevant to the Bank so long as it relates to the subject matter of the Action or the Norwood Loan.

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

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.

Date: ^{October} ~~September~~ 3 2011

FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver to Washington Mutual Bank

(b)(6)

BY: _____
TITLE: Counsel for the FDIC-Receiver
PRINT NAME: Leonard J. DePasquale

LAW OFFICES OF ROBERT JAY GUMENICK, PC

(b)(6)

Date: September ___ 2011

By: _____
Name: _____
Title: _____

Date: September ___ 2011

By: _____
ROBERT JAY GUMENICK:
(b)(6)

CHICAGO TITLE INSURANCE COMPANY

Date: September ___ 2011

By: _____
Name: _____
Title: _____

FIDELITY NATIONAL TITLE INSURANCE
COMPANY

Date: September ___ 2011

By: _____
Name: _____
Title: _____

AMERICA GUARANTEE AND LIABILITY
INSURANCE COMPANY

Date: September ___ 2011

By: _____
Name: _____
Title: _____

By: _____
JEROME SHAPIRO

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.

Date: September ___ 2011

FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver to Washington Mutual Bank

BY: _____

TITLE: Counsel for the FDIC-Receiver

PRINT NAME: Leonard J. DePasquale

LAW OFFICES OF ROBERT JAY GUMENICK

Date: September ___ 2011

By: _____

Name: _____

Title: _____

Date: September ___ 2011

By: _____

ROBERT JAY GUMENICK:

CHICAGO TITLE INSURANCE COMPANY

(b)(6)

Date: *Oct* September *4* 2011

By: _____

Name: *VINCENT J SHARKEY JR*

Title: *SENIOR VICE PRESIDENT*

FIDELITY NATIONAL TITLE INSURANCE
COMPANY

(b)(6)

Date: *Oct* September *4* 2011

By: _____

Name: *VINCENT J SHARKEY JR*

Title: *SENIOR VICE PRESIDENT*

AMERICA GUARANTEE AND LIABILITY
INSURANCE COMPANY

Date: September ___ 2011

By: _____

Name: _____

Title: _____

By: _____

JEROME SHAPIRO

7138425v1

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.

Date: ^{October} September 3 2011

FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver to Washington Mutual Bank

(b)(6)

BY:

TITLE: Counsel for the FDIC-Receiver

PRINT NAME: Leonard J. DePasquale

LAW OFFICES OF ROBERT JAY GUMENICK

Date: September ___ 2011

By: _____

Name: _____

Title: _____

Date: September ___ 2011

By: _____

ROBERT JAY GUMENICK:

CHICAGO TITLE INSURANCE COMPANY

Date: September ___ 2011

By: _____

Name: _____

Title: _____

FIDELITY NATIONAL TITLE INSURANCE
COMPANY

Date: September ___ 2011

By: _____

Name: _____

Title: _____

AMERICA GUARANTEE AND LIABILITY
INSURANCE COMPANY

(b)(6)

Date: ^{October} September 12, 2011

By:

Name: Jean Flora Nacchio

Title: Claims Counsel

By: _____

JEROME SHAPIRO

7138425v1

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.

Date: ^{October} ~~September~~ 3 2011

FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver to Washington Mutual Bank

(b)(6)

BY: _____

TITLE: Counsel for the FDIC-Receiver

PRINT NAME: Leonard J. DePasquale

LAW OFFICES OF ROBERT JAY GUMENICK

Date: September ___ 2011

By: _____

Name: _____

Title: _____

Date: September ___ 2011

By: _____

ROBERT JAY GUMENICK:

CHICAGO TITLE INSURANCE COMPANY

Date: September ___ 2011

By: _____

Name: _____

Title: _____

FIDELITY NATIONAL TITLE INSURANCE
COMPANY

Date: September ___ 2011

By: _____

Name: _____

Title: _____

AMERICA GUARANTEE AND LIABILITY
INSURANCE COMPANY

(b)(6)

Date: ^{October} ~~September~~ 13 2011

By: _____

Name: Jean Flora Nacchio

Title: Claims Counsel

By: _____

JEROME SHAPIRO

7138425v1

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.

Date: September ___ 2011

FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver to Washington Mutual Bank

BY: _____
TITLE: Counsel for the FDIC-Receiver
PRINT NAME: Leonard J. DePasquale

LAW OFFICES OF ROBERT JAY GUMENICK

Date: September ___ 2011

By: _____
Name:
Title:

Date: September ___ 2011

By: _____
ROBERT JAY GUMENICK;

CHICAGO TITLE INSURANCE COMPANY

Date: September ___ 2011

By: _____
Name:
Title:

FIDELITY NATIONAL TITLE INSURANCE
COMPANY

Date: September ___ 2011

By: _____
Name:
Title:

AMERICA GUARANTEE AND LIABILITY
INSURANCE COMPANY

October 28
Date: ~~September~~ ___ 2011

By: _____
Name:

(b)(6)

JEROME SHAPIRO

(b)(6)

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Settlement Agreement") is entered into and made effective as of the _____ day of August 2011 ("Effective Date"), by and between FEDERAL DEPOSIT INSURANCE CORPORATION as Receiver for WASHINGTON MUTUAL BANK ("FDIC-R"), ROD HAMMERSLEY/PRESIDIO ("HAMMERSLEY/PRESIDIO"), PRESIDIO APPRAISAL SERVICES, INC. ("PRESIDIO"). The FDIC-R and HAMMERSLEY/PRESIDIO may hereinafter be referred to individually as a "Party" or collectively as the "Parties".

1. RECITALS

1.1 In September of 2004, KASHIFI purchased the two adjoining parcels (4 Sol Brae Way and 2 Sol Brae Way) for \$1,250,000. On May 24, 2007, KASHIFI entered into a Purchase & Sale Agreement with Hassen Al Reyes for 4 Sol Brae Property. Al Reyes agreed to buy the 4 Sol Brae Property for \$1.9 million. Al Reyes applied for and obtained two loans from Washington Mutual Bank totaling \$1,709,810. The FDIC-R alleges that HAMMERSLEY/PRESIDIO prepared an appraisal of the 4 Sol Brae Property (the "Hammersley Appraisal") to be used by the lender in connection with the mortgage finance transaction. Hammersley alleges that he prepared an appraisal of 2 Sol Brae Way and 4 Sol Brae Way, which is reflected in the Hammersley Appraisal.

1.2 On May 24, 2007, KASHIFI entered into a Purchase & Sale Agreement to sell the 2 Sol Brae Property to Mohamad Al-Akkad. Al-Akkad agreed to purchase this unimproved lot for \$870,000. Royal Kirkland prepared an appraisal of the 2 Sol Brae Property. The appraisal was submitted to IndyMac Bank FSB as part of the mortgage finance transaction. In reliance on the appraisal and additional information, IndyMac Bank, FSB funded a loan to Al-Akkad in the amount of \$696,000.

1.3 No payments were made on the loans. The loans went into default and were foreclosed.

1.4 On or about April 30, 2010, the FDIC-R filed a lawsuit entitled FEDERAL DEPOSIT INSURANCE CORPORATION as Receiver for INDYMAC BANK, F.S.B., and FEDERAL DEPOSIT INSURANCE CORPORATION as Receiver for WASHINGTON MUTUAL BANK vs. ROYAL KIRKLAND, an individual; ACCURATE APPRAISAL SERVICES, type of entity unknown; ; DAVID A. KASHIFI, an individual; ROD HAMMERSLEY, an individual; PRESIDIO APPRAISAL SERVICES, INC., a California corporation, and DOES 1 through 15, inclusive, Case No. 10-03286-GAF (PjWx) (hereinafter "Action").

1.5 The Action alleged that HAMMERSLEY/PRESIDIO breached the contract and made negligent misrepresentations in the Hammersley Appraisal, and that KASHIFI intended to defraud the lenders in connection with the sale of the 2 Sol Brae and 4 Sol Brae Property.

SETTLEMENT AGREEMENT

Page 2 of 7

1.6 Hammersley/Presidio dispute and deny the FDIC-R's claims in the Action.

1.7 The Parties desire and have agreed to settle all claims relating to the Action.

2. AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties, intending to be legally bound, agree as follows:

2.1 **Recitals.** The Recitals set forth above are incorporated into the body of this Settlement Agreement as though fully set forth herein.

2.2 **Payment to the FDIC-R by Hammersley/Presidio.** Payment of One Hundred Twenty-Five Thousand Dollars and no/cents (\$125,000.00) shall be paid on behalf of Hammersley/Presidio to the FDIC-R. Payment shall be made payable to "Mortgage Recovery Law Group Trust Account."

2.3 Within 5 business days of the FDIC-R's counsel's receipt of the settlement funds, the FDIC-R shall file a stipulation for dismissal of the Action with prejudice as to Hammersley/Presidio.

2.4 Upon the FDIC-R's receipt of the settlement payment, the FDIC-R agrees to remove its claim relating to the Hammersley Appraisal from the lawsuit entitled *FDIC as Receiver for Washington Mutual Bank v. LSI, Case No. SACV11-706JST(MLGx)* (the "LSI Lawsuit"). The Parties agree the FDIC-R shall remove its claim in the LSI Lawsuit relating to the Hammersley Appraisal only and the FDIC-R is not prevented from pursuing claims relating to any other appraisals in the LSI Lawsuit or any other matter.

2.5 The Parties shall bear their own costs and attorneys' fees incurred in the Action.

2.6 Each Party agrees that Section 664.6 of the Code of Civil Procedure of the State of California shall apply to this Settlement Agreement and requests that the court retain jurisdiction over the Parties to enforce this Settlement Agreement.

3. RELEASE

3.1 **Known and Unknown Claims.** The FDIC-R, Hammersley, Presidio acknowledge and agree that the release they give to each other upon executing this Settlement Agreement applies to all claims for injuries, damages, or losses

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of any type or nature (whether those injuries, damages, or losses are known or unknown, foreseen or unforeseen, patent or latent) which they may have against each other arising from or in conjunction with the Action relating to the 2 Sol Brae and 4 Sol Brae Property, and the Hammersley Appraisal.

3.2 The Parties hereby expressly waive application of *California Civil Code §1542* as it relates to the Action. The Parties certify that they have read and understood the following provisions of *California Civil Code §1542* which states in pertinent part as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

3.3 The Parties understand and acknowledge that the significance and consequence of their waiver of *California Civil Code §1542* is that even if either Party should eventually suffer additional damages arising from or in conjunction with the Action relating to the 2 Sol Brae and 4 Sol Brae Property and the Hammersley Appraisal or any facts or circumstances related to the Action relating to the 2 Sol Brae and 4 Sol Brae Property and the Hammersley Appraisal, that Party will not be able to make any claim against any other Party for those damages. Furthermore, each Party acknowledges that they consciously intend these consequences even as to claims for damages that may exist as of the date of this release relating to the Action, but which that Party does not know exists, and which, if known, would materially affect that Party's decision to execute this release, regardless of whether that Party's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

3.4 Except for the rights, duties, and obligations set forth in this Settlement Agreement, the Parties each hereby fully, finally, and forever release and discharge the other Parties, and any and all of its respective, employees, brokers, investors, members, partners, joint venturers, independent contractors, attorneys, accountants, insurers, agents, investors, representatives, officers, directors, and any corporation, partnership or limited liability company which was or is at any time the parent or wholly owned subsidiary of such entity, and any such corporation's, partnership's or limited liability company's officers, directors, employees and/or agents, or any corporation, partnership or limited liability company which was or is an affiliate of such entity by virtue of common ownership or control, and any such corporation's, partnership's or limited liability company's, officers, directors, employees and/or agents of and from any and all actions, causes of action, claims, demands, damages, debts, losses, costs, expenses, attorney fees or other liabilities of every kind and nature whatsoever, whether legal or equitable and whether known or unknown, arising out of, resulting from, or relating to, in any manner,

SETTLEMENT AGREEMENT

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to any damages, loss, or liability arising from or in conjunction with the Action relating to the 2 Sol Brae and 4 Sol Brae Property, and the Hammersley Appraisal.

3.5 Notwithstanding any other provision of this Settlement Agreement, the FDIC-R does not release, and expressly preserves fully and to the same extent as if the Settlement Agreement had not been executed any claims against HAMMERSLEY/PRESIDIO arising out of any other transactions or appraisals (other than set forth in the Action) and arising out of any other existing or failed financial institutions other than WASHINGTON MUTUAL BANK, FA.

3.6 Notwithstanding any other provision, by this Settlement Agreement, the FDIC-R does not release, and expressly preserves fully and to the same extent as if the Settlement Agreement had not been executed, any action taken by any other federal agency. In addition, this Settlement 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 or the United States Attorney's Office in any 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.

4. MISCELLANEOUS

4.1 **Conditions of Execution.** Each Party acknowledges and warrants that its execution of this Settlement Agreement is free and voluntary.

4.2 **No Admission.** It is agreed that no Party hereto admits liability or wrongdoing of any nature, and that this Settlement Agreement is made as a compromise of disputed claims.

4.3 **Fair Meaning.** The Parties hereto further agree that the language of all parts of this Settlement Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the Parties.

4.4 **Governing Law.** The Parties agree to submit to the Courts of the City and County of Los Angeles, California, for any dispute arising out of this Settlement Agreement, or related thereto, and consent to the jurisdiction of said Courts and further agree that any and all matters of dispute shall be adjudicated, governed and controlled under California law.

4.5 **Attorneys Fees and Costs.** Should any action be commenced to enforce, interpret, or seek damages, injunctive relief, or specific performance for violation of this Settlement Agreement, the prevailing party shall, in addition to any other available relief,

SETTLEMENT AGREEMENT

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be entitled to an award of reasonable attorney's fees and litigation expenses incurred in the prosecution or defense of the action, including any appeal.

4.6 Severability. The Parties hereto agree that if any provision of this Settlement Agreement is declared by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby, and such illegal or invalid part, term or provision shall be deemed not to be part of this Settlement Agreement.

4.7 Binding Effect. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors, and assigns.

4.8 Review and Understanding. The Parties have entered into this Settlement Agreement voluntarily, having fully read and fully understood the meaning and effect of all of its terms and provisions, and fully understanding its and their costs and risks. Each of the Parties has consulted with legal counsel concerning this Settlement Agreement and has conducted such inquiry as they deem necessary and advisable prior to entering into this Settlement Agreement. The Parties enter into this Settlement Agreement understanding that facts or other circumstances may exist which are presently unknown or undisclosed, or which are different from or other than those which they believe to be the case, and the Parties voluntarily assume all risks attendant to such unknown, undisclosed, different, or additional facts or other circumstances.

4.9 Number. Whenever applicable, the singular shall include the plural, and the plural shall include the singular.

4.10 Counterparts/Execution. This Settlement Agreement may be executed in one or more counterparts, all of which shall form a single agreement. A Party's signature on this Settlement Agreement by facsimile or e-mail shall be valid and effective for all purposes as an original signature, provided, however, that the original signature shall be produced upon request.

4.11 Waiver. No term or condition of this Settlement Agreement shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Settlement Agreement, except by written instruments signed by the Party charged with the waiver or estoppel. No written waiver shall be deemed a continuing waiver unless specifically stated therein, and the written waiver shall operate only as to the specific term or condition waived, and not for the future or as to any other act than that specifically waived.

SETTLEMENT AGREEMENT

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4.12 **Headings.** The headings of paragraphs herein are intended solely for the convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Settlement Agreement.

4.13 **Subsequent Agreements.** The Parties agree that, upon the reasonable request of the other Party, they shall execute, acknowledge, and deliver any additional instruments or documents that may reasonably be required to carry out the intentions of this Settlement Agreement, including such instruments as may be required by the laws of any jurisdiction, now in effect or hereinafter enacted, that may affect the rights of the Parties as between themselves or others with respect to their rights and obligations created by this Settlement Agreement.

4.14 **Entire Agreement.** The Parties hereto further agree and promise that this Settlement Agreement sets forth the entire agreement between and among the Parties and fully supersedes any and all prior negotiations, agreements or understandings made between or among the Parties. This Settlement Agreement shall not be modified except in a writing signed by the Parties or their authorized representatives.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Settlement Agreement as of the date set forth in the opening paragraph of this Settlement Agreement.

DATED: November 28, 2011
APPROVED AS TO FORM

KEENEY WAITE & STEVENS

(b)(6) _____
By:

Mary M. Best
Todd F. Stevens

Attorneys for Defendants,
ROD HAMMERSLEY/PRESIDIO and
PRESIDIO APPRAISAL SERVICES, INC.

DATED: November 28, 2011

PRESIDIO APPRAISAL SERVICES, INC.

(b)(6) _____
By:

ROD HAMMERSLEY/PRESIDIO

APPRAISER

Title

SETTLEMENT AGREEMENT

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DATED: November 28, 2011

ROD HAMMERSLEY

By: (b)(6)
ROD HAMMERSLEY

DATED: November 29, 2011
APPROVED AS TO FORM

ANDERSON, McPHARLIN & CONNERS LLP

(b)(6)
By:
VANESSA H. WIDENER
Attorneys for Plaintiffs, ✓
FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver for WASHINGTON MUTUAL BANK

DATED: November 18, 2011

FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver for WASHINGTON MUTUAL BANK

By: (b)(6)
Signature
Richard S. Gill, Counsel
Type/Print Name and Title

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 30th day of December, 2011, by, between, and among the following undersigned parties:

(1) Federal Deposit Insurance Corporation, acting as receiver of Washington Mutual Bank, N.A. ("FDIC-Receiver") and (2) Coast Capital Group, Inc. ("CCG") (individually, the FDIC-Receiver, and CCG may be referred to herein as "Party" and collectively as the "Parties").

RECITALS

WHEREAS:

Prior to September 25, 2008, Washington Mutual Bank, NA ("Bank") was a depository institution organized and existing under the laws of the State of Utah.

On September 25, 2008, the Bank was closed by the Office of Thrift Supervision and the FDIC was appointed receiver. In accordance with 12 U.S.C. § 1821(d), the FDIC-Receiver 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-Receiver succeeded were any and all of the Bank's claims, demands, and causes of action related to Bank contracts.

On or about July 5, 2011, the FDIC-Receiver sent a demand letter to CCG alleging breach of the Mortgage Broker Agreement entered into by the Bank, Long Beach Mortgage Company (the Bank's subsidiary), and CCG on or about July 21, 2005 (the "Broker Agreement"). The demand letter sought repayment of certain yield spread premium payments made by the Bank to CCG under the Broker Agreement.

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 Parties agree, each with the other, as follows:

SECTION I: Payment to FDIC-Receiver

A. As an essential covenant and condition to this Agreement, and without admission of liability, CCG agrees to pay directly to the FDIC-Receiver, the total sum of one-hundred ninety-five thousand dollars and no/cents (\$195,000.00) (the "Settlement Funds"). Upon the execution of the Agreement by all Parties, CCG shall direct wire transfer the full amount of the Settlement Funds into the following designated account:

BANK: Federal Home Loan Bank of

(b)(2),(b)(4)

ROUTING #:

(b)(2),(b)(4)

FOR CREDIT TO: FDIC National Liquidation Account

ACCOUNT #:

(b)(2),(b)(4)

OBI: FIN Washington Mutual Bank, Henderson, NV

(b)(2)

CONTACT: Len DePasquale; 703-562-2063; Professional Liability (37100);

DIF Fund

B. In the event that the Settlement Funds are not tendered to the FDIC-Receiver by January 13, 2012, interest shall accrue on all unpaid amounts of the Settlement Funds at the rate of 5% per annum from January 13, 2012 until the date of payment.

C. In addition, and without waiving any other rights that the FDIC-Receiver may have, in the event that the Settlement Funds (including all accrued interest) are not received by the FDIC-Receiver on or before January 13, 2012, then, the FDIC-Receiver, in its sole discretion, shall have the right at any time prior to receipt of all Settlement Funds (including all accrued interest) 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 (including all accrued interest), and/or shall have the right to enforce this Agreement against CCG, in which event the CCG agrees to jurisdiction in Federal District Court in the Central District of California and agrees to pay all of the FDIC-Receiver's reasonable attorney's fees expended in enforcing the terms of this Agreement. Any decision by the FDIC-Receiver to extend the terms of this Agreement or to accept a portion of the Settlement Funds shall not prejudice its rights to declare this Agreement null and void at any time prior to receipt of all Settlement Funds (including all accrued interest) or to enforce the terms of this Settlement Agreement; provided however, that in the event the FDIC-Receiver declares this Agreement null and void, the FDIC-Receiver will return all amounts paid to it under this Agreement by CCG.

SECTION II: Releases

A. Release of CCG by FDIC-Receiver.

Effective upon receipt in full of the Settlement Funds plus any accrued interest, and except as provided in Paragraph II.D. below, the FDIC-Receiver, for itself and its successors and assigns, hereby releases and discharges CCG and its respective employees, officers, directors, heirs, executors, administrators, representatives, successors and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, known or unknown, in law or in equity, belonging to the FDIC-Receiver, that arise from or relate to the performance, nonperformance, or manner of performance of CCG's functions, duties and actions related to repayment of yield spread premiums under the Broker Agreement.

B. Release of FDIC-Receiver by CCG

Effective simultaneously with the release granted in Paragraph II.A. above, CCG, on behalf of itself individually, and its respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby releases and discharges the FDIC-Receiver, 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, known or unknown, in law or in equity, that arise from or relate to the performance, nonperformance, or manner of performance of the Bank's or CCG's respective functions, duties and actions related to repayment of yield spread premiums under the Broker Agreement.

C. Waiver of Unknown Claims

The Parties acknowledge that, subsequent to the execution of this Agreement, they may discover facts or claims that are presently unexpected, unknown or unforeseen that arise from or relate to the Bank or to the performance, nonperformance, or manner of performance of CCG's respective functions, duties and actions related to repayment of yield spread premiums under the Broker Agreement. The parties acknowledge the existence of Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Parties hereby knowingly and voluntarily waive the provisions of Section 1542 and any and all rights and benefits conferred by any statute, regulation, or principle of common law or civil law of the United States, of any state, commonwealth, territory, or other jurisdiction thereof, or of any foreign country or other foreign jurisdiction, which is similar, comparable, or equivalent to Section 1542.

D. Express Reservations From Releases By FDIC-Receiver.

1. Notwithstanding any other provision, by this Agreement, the FDIC-Receiver 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 CCG 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 the FDIC-Receiver, the Bank, other financial institutions, or any other person or entity, including without limitation, any claims acquired by the FDIC-Receiver 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 this Agreement; and
 - c. which are not expressly released in Paragraph II.A 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 which may arise by operation of law, rule or regulation.
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 or the United States Attorney's Office in any federal judicial district. In addition, the FDIC-Receiver 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: Representations and Acknowledgements

- A. No Admission of Liability. The 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 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, California state law.
- E. Entire Agreement and Amendments. This Agreement constitutes the entire agreement and understanding between and among the 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. Reasonable Cooperation.

1. 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 perform the terms of this Agreement.

2. Further, CCG agrees to cooperate fully with the FDIC-Receiver in connection with any action required under this Agreement. Any such cooperation that involves any reasonable out of pocket costs will be reimbursed by the FDIC-Receiver pursuant to its internal guidelines and policy for such reimbursement. Such cooperation shall consist of:

a. producing additional copies of CCG's records relating to the subject matter of the Broker Agreement. CCG represents and warrants that it has already produced to the FDIC-Receiver all of its records relating to the subject matter of the Broker Agreement;

b. making themselves available upon request by the FDIC-Receiver at reasonable times and places for interviews regarding facts, as determined by the FDIC-Receiver in its sole discretion, to be relevant to the Bank so long as it relates to the subject matter of the Broker Agreement;

c. appearing to testify, upon request by the FDIC-Receiver, in any matter determined by the FDIC-Receiver in its sole discretion, to be related to the Bank, without the necessity of subpoena so long as it relates to the subject matter of the Broker Agreement;

d. signing truthful affidavits upon request by the FDIC-Receiver, regarding any matter, as determined by the FDIC-Receiver in its sole discretion, to be relevant to the Bank so long as it relates to the subject matter of the Broker Agreement.

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

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

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.

Date: December 30 2011

FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver to Washington Mutual Bank

(b)(6)

BY:

Name: *Emily G. Sommers*

Title: *Supervisory Counsel*

COAST CAPITAL GROUP, INC.

(b)(6)

Date: December 30 2011

By

Name: *Christian D. Salceda*

Title: *President*