

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") are made this _____ day of _____ 2012 by, between and among the following undersigned Parties: the Plaintiff, Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R") and the Defendant NMR Advantage Abstract, Ltd. ("NMR"), parties in a case captioned *FDIC as Receiver for AmTrust Bank v. Malik, et al.*, Case No: 1:09-CV-04805 (E.D.N.Y.) ("The Litigation").

RECITALS

WHEREAS, In November, 2009, AmTrust Bank ("AmTrust") initiated The Litigation against its closing attorney Pankaj Malik, and Malik & Associates, P.C. (the Malik Defendants") several of its mortgage brokers, and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers, including claims against NMR related to the issuance of title insurance and title commitments for such mortgages and the failure to file mortgages and deeds;

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

WHEREAS, NMR has denied the allegations asserted against it for breach of contract, breach of fiduciary duty, and negligence; and

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

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

Section 1: Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, Chartis Insurance, Inc. as insurer for NMR agrees to pay the FDIC-R the sum of Two-Hundred Fifty Thousand Dollars (\$250,000.00) (the "Settlement Funds") to be paid within 60 days of the date of this Agreement on behalf of NMR. The Settlement Funds shall be made payable to FDIC as Receiver for

(b)(4) AmTrust Bank, account number [redacted] and sent to counsel for FDIC-R at P.O. Box 971774, Dallas, Texas 75397-1774; or, for overnight delivery to: JPMorgan Chase (TX1-0006), Attn: FDIC Receivership Lock Box #971774, 14800 Frye Road, 2nd Floor, Fort Worth, Texas 76155. The Parties further agree that the Settlement Funds shall be allocated to the losses

(b)(6) sustained by the FDIC-R for the [redacted] loan for the property located at [redacted] (b)(6)

(b)(6) [redacted]

B. Without waiving any other rights that FDIC-R may have, in the event that the Settlement Funds, including all accrued interest as may be applicable, are not paid to the FDIC-R by NMR in the respective amounts described above, and within 60 days of the execution of this Agreement, then the FDIC-R shall have the right to enforce this Agreement before Magistrate

Judge Azrack in connection with her continuing role in the settlement of this matter in connection with The Litigation.

Section 2: Agreement to Cooperate.

A. As an essential covenant and condition to this Agreement, NMR agrees to make available a corporate representative, knowledgeable about the Loan and to provide a (b)(6) sworn statement to the FDIC-R regarding the persons, entities, and events involved in that transaction and The Litigation.

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

C. FDIC_R agrees not to cooperate with or assist the Malik Defendants in any manner to pursue indemnification or other claims pending or asserted in the Litigation against NMR, its agents, principals, or employees..

Section 3: Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties and upon receipt of the Settlement Funds by the FDIC-R in the amount specified in Section 1 above from NMR the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against NMR. A stipulation of dismissal with prejudice as to these claims shall be prepared by the FDIC-R and executed by NMR within 30 days after receipt of the Settlement Funds by the FDIC-R from NMR.

Section 4: Mutual Releases.

A. Release of NMR by the FDIC-R.

Effective upon payment of the Settlement Funds in the amount specified in Section 1 above, the FDIC-R hereby releases and discharges NMR, its agents, employees, insurers, representatives, successors, assigns and attorneys, and Chartis Insurance Inc., from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that: (i) were asserted in The Litigation; or (ii) arise out of any loan for which the Malik Defendants served as a closing attorney for AmTrust Bank.

B. Release of the FDIC-R by NMR.

Effective simultaneously with the release in Section 3A above, NMR on its own behalf, and on behalf of its insurers, representatives, successors, assigns and attorneys hereby releases and discharges the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to the Litigation, including but not limited to any rights of subrogation.

C. Express Reservation of Releases By The FDIC-R.

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

- i. Against any other party in the Litigation not expressly released by this Agreement; and
- ii. Which are not expressly released in Section 4A, above.

Section 5: Representations and Acknowledgments

A. No Admission of Liability. The undersigned Parties each acknowledge and agree

that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims not previously defined and that this Agreement is not an admission or evidence of any liability of 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 person represents and warrants that they are a Party hereto or are authorized to sign this Agreement on behalf of a Party, and that they have the full power and authority to bind such Party to each and every provision of this Agreement. This Agreement shall be binding upon and inure to the benefit of the undersigned Parties and their respective heirs, executors, administrators, representatives, successors, assigns, insurers, and attorneys.

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 New York.

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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

F. 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 representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

(b)(6)

Date:

6/26/12

[Redacted Signature Box]

NMR Advantage Abstract, Ltd.

Date:

6/25/12

By:

[Redacted Signature Box]

(b)(6)