

FULL AND COMPLETE RELEASE AND SETTLEMENT AGREEMENT

1.00 **PARTIES:**

- 1.01 The parties to this Full and Complete Release and Settlement Agreement are as follows:
- a.) Federal Deposit Insurance Corporation as Receiver for Downey Savings and Loan Association, F.A. (hereinafter referred to as "FDIC"); and
 - b.) ABSOLUTE LOANS, INC. (hereinafter referred to as "ABSOLUTE").

2.00 **RECITALS:**

This Full and Complete Release and Settlement Agreement (hereinafter "AGREEMENT") is made with reference to the following facts:

2.01 Disputes have arisen between FDIC and ABSOLUTE regarding the issuance of a certain loan by Downey Federal Savings and Loan Association, F.A. to one Walter Bell, which loan was procured by Walter Bell through ABSOLUTE (hereinafter "THE LOAN"). Those disputes are set forth in that certain matter entitled *Federal Deposit Insurance Corporation etc., v. Absolute Loans, Inc.*, bearing Case No. 30-2008-00103351, on file in the Superior Court of the State of California, County of Orange, which lawsuit is hereinafter referred to as the SAID CIVIL ACTION.

2.02 The Plaintiff and the Defendants in SAID CIVIL ACTION have engaged in discovery, investigation, and settlement discussions, and are aware of the matters alleged in said action and the factual basis for the allegations and denials thereof. The records, files and pleadings in SAID CIVIL ACTION are incorporated herein by this reference not for the truth of the matters alleged therein but merely to state more fully the nature of the dispute that is the subject of this AGREEMENT.

2.03 The parties to this AGREEMENT desire to terminate all claims by and between them, and resolve their differences, completely and forever, including the right of any other claim, cause of action, rights, demands and damages, whether at law or in equity, whether as alleged in SAID CIVIL ACTION or otherwise, and the parties hereto enter into this AGREEMENT.

3.00 **RELEASE:**

3.01 For and in consideration of the foregoing, the payment to FDIC on behalf of ABSOLUTE the sum of TWENTY FOUR THOUSAND and NO/100 DOLLARS (\$24,000.00), and for other good and valid consideration the receipt of which is hereby acknowledged, FDIC, on its own behalf and on behalf of its administrators, officers, directors, shareholders, employees, predecessors in interest and successors in interest (hereinafter RELEASORS) do hereby release ABSOLUTE and its agents, representatives, predecessors, successors, officers (specifically including but not limited to Kevin McGill), directors, employees, and insurance carriers, and it and their attorneys, (hereinafter "RELEASEES"), fully and completely from all liabilities, actions, suits, debts, dues, damages, claims, causes of action, clauses for relief, obligations, agreements, judgments, costs, contracts, promises, expenses, and demands of every kind or nature whatsoever, in law or in equity, relating in any way whatsoever to the matters alleged in said civil action, or which could have been alleged in said civil action, that arise out of or relate to THE LOAN procured by Walter Bell or the real

property securing that loan, located at 4117 Cornelia Way, North Highlands, California 95660.

3.02 RELEASORS specifically waive the benefits of the provisions of § 1542 of the California Civil Code, and any other similar law or laws of California or other states, territories or jurisdictions. Said § 1542 of the California Civil Code provides:

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

Notwithstanding the foregoing, the parties agree that this AGREEMENT is a release of all claims, or potential claims, arising out of or relating to THE LOAN, only, and that this AGREEMENT does not release any claims or potential claims arising out of or relating to other loans made by Downey Savings and Loan Assoc., F.A., and /or other loans made or originated by other financial institutions.

4.00 REPRESENTATIONS AND WARRANTIES:

The parties hereto represent and warrant as follows:

4.01 RELEASORS authorize the settlement as set forth in this AGREEMENT and further authorize the payments specified in Paragraph 3.01 above to be by check payable to FEDERAL DEPOSIT INSURANCE CORPORATION, said payment to be made within forty five (45) days of transmittal of a fully executed copy of this AGREEMENT to counsel for RELEASEES.

4.02 RELEASORS have made such investigation of the facts pertaining to this settlement and this AGREEMENT, and all matters pertaining thereto, as he, she and it have independently deemed necessary and appropriate, and each specifically represent that they do not rely upon any statement, representation, or promise of RELEASEE in executing this AGREEMENT or making the settlement provided for herein, except for the promise to pay the money set forth in Paragraph 3.01 above.

4.03 RELEASORS have received independent legal advice from counsel with respect to the advisability of making the settlement and release provided for herein, with respect to the advisability of executing this AGREEMENT, and with respect to the meaning of California Civil Code § 1542.

4.04 This AGREEMENT contains the entire agreement between the parties hereto, and the terms of this AGREEMENT are contractual and not a mere recital.

4.05 This AGREEMENT effects the settlement of claims which are denied and contested and nothing contained herein shall be used as evidence of, or be construed as an admission by any person, firm or entity hereby released of, any liability of any kind to any other person, firm or entity. RELEASEES deny any liability in connection with any claim and intend hereby solely to avoid the annoyance and expense of additional litigation.

4.06 All parties hereto shall each pay for their own legal fees, costs and other expenses relating to the SAID CIVIL ACTION, and all claims and matters released by this AGREEMENT.

4.07 The terms of this AGREEMENT have been drawn by mutual cooperation of the Parties hereto and shall not be construed for or against any Party by reason of its participation or lack of participation in drafting this AGREEMENT.

4.08 The person executing this AGREEMENT below represents and warrants that he has been duly authorized to execute this AGREEMENT.

4.09 This AGREEMENT shall be binding upon and shall inure to the benefit of the respective parties hereto, and upon their respective heirs, administrators, successors, assigns, insurers and each of them.

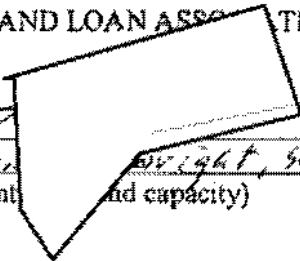
4.10 FDIC agrees that the SAID CIVIL ACTION shall be dismissed with prejudice, each party to bear his, her or its own costs.

4.11 This AGREEMENT shall be effective the date this settlement was announced on the record first written below.

DATED: February 18, 2010

FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.

By:


Kevin
(Print) *Overight Section Chief*
(and capacity)


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APPROVED AS TO FORM AND CONTENT

DATED: February 18, 2010

ROBERTSON + THOMMARSON, LLP

By:


JON R. ROBERTSON, ESQ., Attorneys for
FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.

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