

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made by, between, and among the following undersigned parties:

The Federal Deposit Insurance Corporation as Receiver for Colonial Bank (“FDIC-R-COL”); the Federal Deposit Insurance Corporation as Receiver for AmTrust Bank (“FDIC-R-AMT”) (collectively, FDIC-R-COL and FDIC-R-AMT may be referred to as the “FDIC Parties”); Diana Pearl, an individual doing business as Pearl Appraisal Services (“Pearl”); Dominic Dublino (“Dublino”); Angela Rekis (“Rekis”); Real Estate Valuation Services, LLC and Carol Jones (“Jones”) (Pearl, Dublino, Rekis, and Jones may be referred to collectively as the “Settling Defendants”); and Navigators Insurance Company (“Navigators” or “Insurer”) (each of the parties identified above may be referred to individually herein as “Party” and collectively as the “Parties”).

RECITALS

WHEREAS:

Prior to August 14, 2009, Colonial Bank (“Colonial”) was a depository institution organized and existing under the laws of Alabama.

On August 14, 2009, the Alabama State Banking Department closed Colonial 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-COL succeeded to all rights, titles, powers, and privileges of Colonial, including those with respect to its assets.

Among the assets to which the FDIC-R-COL asserts that it succeeded were Colonial’s claims, demands, and causes of action that are the subject of the “Pearl Action,” which is described and defined below.

Prior to December 4, 2009, AmTrust Bank (“AmTrust”) was a depository institution organized and existing under the laws of the United States.

On December 4, 2009, AmTrust was closed by the Office of Thrift Supervision (“OTS”) 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-AMT succeeded to all rights, titles, powers, and privileges of AmTrust, including those with respect to its assets.

Among the assets to which the FDIC-R-AMT succeeded were AmTrust's claims, demands, and causes of action that are the subject of the "Dublino Action," "Rekis Action," and "Jones Action," which are defined and described below.

On August 10, 2012, the FDIC-R-COL filed a complaint for money damages against Pearl. Those claims for damages are now pending in the United States District Court for the Middle District of Florida in *Federal Deposit Insurance Corporation as Receiver for Colonial Bank v. Pearl*, Case No. 8:12-cv-01813-JSM-TBM ("Pearl Action"). Pearl has denied liability in the Pearl Action.

Navigators issued to Pearl an errors and omissions insurance policy numbered (b)(4) for the policy period June 24, 2011 to June 24, 2012 ("Pearl Policy"). Pearl sought coverage under the Pearl Policy for the Pearl Action. Navigators agreed to retain counsel to represent Pearl's interests in the Pearl Action, subject to a full and complete reservation of its rights under the Pearl Policy. Additionally, on November 6, 2013, Navigators filed a declaratory judgment action against Pearl and FDIC-R-COL seeking a declaration of its rights and obligations under the Pearl Policy with regard to the claims asserted by the FDIC-R-COL in the Pearl Action. That action is now pending in the United States District Court for the Middle District of Florida in *Navigators Insurance Company v. Pearl, et al.*, Case No. 8:13-cv-02834-MSS-EAJ ("Pearl Declaratory Action"). An actual controversy exists regarding Navigators' entitlement to relief in the Pearl Declaratory Action.

On December 3, 2012, the FDIC-R-AMT filed a complaint for money damages against Dublino. Those claims for damages are now pending in the United States District Court for the Central District of California in *Federal Deposit Insurance Corporation as Receiver for AmTrust Bank v. Dublino, et al.*, Case No. 5:12-cv-02121-TJH-OP ("Dublino Action"). Dublino has denied liability in the Dublino Action.

Navigators issued to Dublino an errors and omissions insurance policy numbered

(b)(4) [redacted] for the policy period June 25, 2012 to June 25, 2013 (“Dublino Policy”).

Dublino sought coverage for the Dublino Action under the Dublino Policy. Navigators agreed to retain counsel to represent Dublino’s interests in the Dublino Action, subject to a full and complete reservation of its rights under the Dublino Policy. Additionally, on November 18, 2013, Navigators filed a declaratory judgment action against Dublino and FDIC-R-AMT seeking a declaration of its rights and obligations under the Dublino Policy with regard to the claims asserted by the FDIC-R-AMT in the Dublino Action. That action is now pending in the United States District Court for the Central District of California in *Navigators Insurance Company v. Dublino, et al.*, Case No. EDCV 13-2110-GAF-SPx (“Dublino Declaratory Action”). An actual controversy exists regarding Navigators’ entitlement to relief in the Dublino Declaratory Action.

On December 3, 2012, the FDIC-R-AMT filed a complaint for money damages against Rekis. Those claims for damages are now pending in the United States District Court for the District of Nevada in *Federal Deposit Insurance Corporation as Receiver for AmTrust Bank v. Rekis*, Case No. 2:12-cv-02061 (“Rekis Action”). Rekis has denied liability in the Rekis Action.

Navigators issued to Rekis an errors and omissions insurance policy numbered

(b)(4) [redacted] for the policy period September 30, 2012 to September 30, 2013 (“Rekis Policy”).

Rekis sought coverage for the Rekis Action under the Rekis Policy. Navigators agreed to retain counsel to represent Rekis’ interests in the Rekis Action, subject to a full and complete reservation of its rights under the Rekis Policy. Additionally, on November 14, 2013, Navigators filed a declaratory judgment action against Rekis and FDIC-R-AMT seeking a declaration of its rights and obligations under the Rekis Policy with regard to the claims asserted by the FDIC-R-AMT in the Rekis Action. That action is now pending in the United States District Court for the District of Nevada in *Navigators Insurance Company v. Rekis, et al.*, Case No. 2:13-cv-02101-JAD-VCF (“Rekis Declaratory Action”). An actual controversy exists regarding Navigators’ entitlement to relief in the Rekis Declaratory Action.

On December 3, 2012, the FDIC-R-AMT filed a complaint for money damages against Jones. Those claims for damages are now pending in the United States District Court for the District of Nevada in *Federal Deposit Insurance Corporation as Receiver for AmTrust Bank v. Real Estate Valuation Services, LLC, et al.*, Case No. 2:12-cv-02057 (“Jones Action”). Jones has denied liability in the Jones Action.

(b)(4) Navigators issued to Jones an errors and omissions insurance policy numbered for the policy period August 1, 2011 to August 1, 2012 (“Jones Policy”). Jones sought coverage for the Jones Action under the Jones Policy. Navigators agreed to retain counsel to represent Jones’ interests in the Jones Action, subject to a full and complete reservation of its rights under the Jones Policy. Additionally, on November 14, 2013, Navigators filed a complaint for declaratory relief against Jones and FDIC-R-AMT seeking a declaration of its rights and obligations under the Jones Policy with regard to the claims asserted by the FDIC-R-AMT in the Jones Action. That action is now pending in the United States District Court for the District of Nevada in *Navigators Insurance Company v. Real Estate Valuation Services, LLC, et al.*, Case No. 2:13-cv-02102-GMN-PAL (“Jones Declaratory Action”). An actual controversy exists regarding Navigators’ entitlement to relief in the Jones Declaratory Action.

The undersigned Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty 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 Parties

A. As an essential covenant and condition to this Agreement, on or before thirty (30) calendar days following the date on which this Agreement has been executed by all of the Parties, Navigators agrees to pay the FDIC Parties the sum of three hundred ninety-two thousand dollars (\$392,000.00) (“the Settlement Payment”).

B. Navigators shall cause the Settlement Payment to the FDIC Parties to be delivered by wire transfer into the Mortgage Recovery Law Group's Trust Account.

In the event that the Settlement Payment is not delivered to the FDIC Parties (or the FDIC Parties' counsel) by thirty (30) calendar days following the date on which this Agreement is executed by all of the Parties, interest shall accrue on all unpaid amounts at the rate of 5% per annum from thirty (30) calendar days following the date on which this Agreement has been executed by all of the Parties until the date of payment.

C. If the FDIC Parties do not receive the Settlement Payment in full on or before the date determined by subsection A above, then the FDIC Parties, in their sole discretion, shall have the right at any time prior to receipt of the Settlement Payment in full (including all accrued interest) to:

1. Extend the period of time for the Settlement Payment, including interest accruing from the date determined by subsection A above, through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(a)(3); or

2. Enforce this Agreement, in which event Settling Defendants and Insurer agree to jurisdiction in United States District Court for the Central District of California and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement; or

3. Terminate the Agreement, move to vacate any dismissal order, to which the Settling Defendants and Insurer agree to consent and re-institute actions on each of the FDIC Parties' claims. The Settling Defendants and Insurer further agree to waive any defense based on any statute of limitations that would bar any of the FDIC Parties' claims and waive all objections, defenses, claims or counterclaims, and covenant and agree not to assert any objections, defenses, claims or counterclaims that did not exist or were otherwise unavailable as of the date this Agreement was fully executed; and/or

4. Seek any other relief available to it in law or equity.

Any extension of time under Section I.C.1 for delivery of the Settlement Payment or acceptance of a portion of the Settlement Payment shall not prejudice the FDIC Parties' rights to take any of the actions set forth in Section I.C.2 through I.C.4 at any time prior to receipt of Settlement Payment (including all accrued interest) in full.

SECTION II: Stipulation and Dismissal

Within ten (10) business days after the latter of (1) full execution of this Agreement by all of the Parties, and (2) FDIC Parties' receipt of the Settlement Payment, plus any accrued interest, the Parties shall file stipulations of dismissal, with prejudice, in the Pearl Action, Pearl Declaratory Action, Dublino Action, Dublino Declaratory Action, Rekis Action, Rekis Declaratory Action, Jones Action, and Jones Declaratory Action (collectively referred to herein as the "Actions").

SECTION III: Releases

A. The FDIC Parties' Releases.

1. Upon receipt of the Settlement Payment in full and except as provided in Section III.D., the FDIC-R-COL, for itself and its successors and assigns, hereby releases and discharges:

a. Pearl, and her respective heirs, executors, trustees, administrators, representatives, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R-COL, that arise from or relate to the causes of action alleged in the Pearl Action.

b. Insurer, its parents, subsidiaries, affiliates and reinsurers, and their respective employees, officers, directors, agents, representatives, successors, and assigns, from any and all claims, demands, obligations, damages, actions and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R-COL, that arise from or relate to the causes of action alleged in the Pearl Action and Pearl Declaratory Action.

2. Upon receipt of the Settlement Payment in full and except as provided in Section III.D., the FDIC-R-AMT, for itself and its successors and assigns, hereby releases and discharges:

a. Dublino, and his respective heirs, executors, trustees, administrators, representatives, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R-AMT, that arise from or relate to the causes of action alleged in the Dublino Action.

b. Rekis, and her respective heirs, executors, trustees, administrators, representatives, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R-AMT, that arise from or relate to the causes of action alleged in the Rekis Action.

c. Carol Jones, and her respective heirs, executors, trustees, administrators, representatives, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R-AMT, that arise from or relate to the causes of action alleged in the Jones Action.

d. Real Estate Valuation Services, LLC, and its respective heirs, executors, trustees, administrators, representatives, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R-AMT, that arise from or relate to the causes of action alleged in the Jones Action.

e. Insurer, its parents, subsidiaries, affiliates and reinsurers, and their respective employees, officers, directors, agents, representatives, successors and assigns, from any and all claims, demands, obligations, damages, actions and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R-AMT, that arise from or relate to the

causes of action alleged in the Dublino Action, Dublino Declaratory Action, Rekis Action, Rekis Declaratory Action, Jones Action or Jones Declaratory Action.

B. The Settling Defendants' Releases.

Effective simultaneously with the release granted in Section III.A. above, the Settling Defendants, on behalf of themselves and their respective heirs, executors, trustees, administrators, agents, representatives, attorneys, successors, and assigns, hereby release and discharge the FDIC Parties, and their employees, officers, directors, representatives, attorneys, 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 causes of action alleged in the Actions.

C. The Insurer's Release.

Effective simultaneously with the releases granted in Section III.A above, Insurer, for itself and its successors and assigns, and on behalf of its parents, subsidiaries, affiliates and reinsurers, and their successors and assigns, hereby releases and discharges the FDIC Parties, and its employees, officers, directors, agents, representatives, attorneys, 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 causes of action alleged in the Actions.

D. Exceptions from Releases by FDIC Parties.

1. Notwithstanding any other provision of this Agreement, the FDIC Parties do not release, and expressly preserve fully and to the same extent as if this Agreement had not been executed, any claims or causes of action:

a. Against the Settling 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-R-COL, FDIC-R-AMT, Colonial, AmTrust, other financial institutions, or any other person or entity, including without limitation any such claims acquired by FDIC-R-COL as successor in interest to Colonial, FDIC-R-AMT as

successor in interest to AmTrust, or any person or entity other than Colonial and/or AmTrust;
and

b. Against any person or entity not expressly released by the FDIC Parties in this Agreement.

2. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing, or compromising the jurisdiction and authority of the Federal Deposit Insurance Corporation in the exercise of its supervisory or regulatory authority or to diminish its ability to institute administrative enforcement or other proceedings seeking removal, prohibition, or any other relief it is authorized to seek pursuant to its supervisory or regulatory authority against any person.

3. Notwithstanding any other provision of this Agreement, this Agreement does not purport to waive, or intend to waive, any claims that could be brought by the United States through the Department of Justice, the United States Attorney's Office for any federal judicial district, or any other department or agency of the United States as defined by 18 U.S.C. § 6. In addition, the FDIC Parties specifically reserve the right to seek court-ordered restitution pursuant to the relevant provisions of the Mandatory Victims Restitution Act, 18 U.S.C. §§ 3322 and 3663 et. seq., if appropriate.

SECTION IV: Representations and Acknowledgements

A. Authorized Signatories. All of the undersigned persons represent and warrant that they are Parties 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, trustees, administrators, representatives, successors and assigns.

B. Advice of Counsel. Each Party hereby acknowledges that he, she, or 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.

SECTION V: Reasonable Cooperation

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 Actions and to otherwise perform the terms of this Agreement.

SECTION VI: Other Matters

A. No Admission of Liability. Each of the undersigned Parties acknowledges and agrees that the matters set forth in this Agreement constitute the settlement and compromise of disputed claims and defenses; that this Agreement is not an admission or evidence of liability or infirmity by any of them regarding any claim or defense; and that the Agreement shall not be offered or received in evidence by or against any Party except to enforce its terms.

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

C. Choice of Law. This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the substantive laws of the State of California without application of its choice of law rules.

D. Notices. Any notices required hereunder shall be sent by registered mail, first class, return receipt requested, and by email, to the following:

If to the FDIC Parties: Michael Delbick, Mortgage Recovery Law Group, 700 N. Brand Blvd., Suite 830, Glendale, California 91203; Phone: (818) 630-7900; Email:

(b)(6)

If to Navigators: Richard Simpson, Wiley Rein LLP, 1776 K Street NW, Washington,

(b)(6) DC 20006; (202) 719-7314; Email:

If to Pearl: Matthew Garnett, Vernis & Bowling, 1346 S. Fort Harrison Avenue, Clearwater, Florida 33756; (727) 443-3377; Email: [REDACTED] (b)(6)

If to Dublino: Michael Parker, Harbin & McCarron, 1801 E. Parkcourt Place, Building O, Santa Ana, California, 92701; (714) 550-5500; Email: [REDACTED] (b)(6)

If to Rekis: Michael Stoberski, Olson, Cannon, Gormley, Angulo & Stoberski, 9950 W. Cheyenne Ave., Las Vegas, Nevada 89129; (702) 384-4012; Email: [REDACTED] (b)(6)

If to Jones: Michael Stoberski, Olson, Cannon, Gormley, Angulo & Stoberski, 9950 W. Cheyenne Ave., Las Vegas, Nevada 89129; (702) 384-4012; Email: [REDACTED] (b)(6)

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 and supersedes any prior agreements or understandings. This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing signed by the Parties bound thereby, or by their respective authorized attorney(s), or other representative(s).

F. Titles and Captions. All section titles and captions contained in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

G. No Confidentiality. The undersigned Parties acknowledge that this Agreement shall not be confidential and will be disclosed pursuant to the Federal Deposit Insurance Corporation's applicable policies, procedures, and other legal requirements.

[THIS SPACE IS LEFT 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: 6/5/14

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR COLONIAL BANK

BY: (b)(6)

TITLE: COUNSEL, Legal Division, FDIC

PRINT NAME: THOMAS J. O'BRIEN

Date: 6/5/2014

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR AMTRUST BANK

BY: (b)(6)

TITLE: Counsel, Legal Division

PRINT NAME: Samuel B. Lutz

Date: _____

NAVIGATORS INSURANCE COMPANY

BY: _____

TITLE: _____

PRINT NAME: _____

Date: _____

DIANA PEARL, AN INDIVIDUAL DOING BUSINESS
AS PEARL APPRAISAL SERVICES

BY: _____

PRINT NAME: _____

Date: _____

DOMINIC DUBLINO

BY: _____

PRINT NAME: _____

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 COLONIAL BANK

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR AMTRUST BANK

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

NAVIGATORS INSURANCE COMPANY

Date: 5/13/14

BY: (b)(6)

TITLE: Claims Counsel

PRINT NAME: Christina R. Kornylo

Date: _____

DIANA PEARL, AN INDIVIDUAL DOING BUSINESS
AS PEARL APPRAISAL SERVICES

BY: _____

PRINT NAME: _____

Date: _____

DOMINIC DUBLINO

BY: _____

PRINT NAME: _____

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 COLONIAL BANK

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR AMTRUST BANK

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

NAVIGATORS INSURANCE COMPANY

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

Date: *5-5-2014*

DIANA PEARL, AN INDIVIDUAL DOING BUSINESS
AS PEARL APPRAISAL SERVICES

BY:



(b)(6)

PRINT NAME: *DIANA PEARL*

Date: _____

DOMINIC DUBLINO

BY: _____

PRINT NAME: _____

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 COLONIAL BANK

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

FEDERAL DEPOSIT INSURANCE CORPORATION AS
RECEIVER FOR AMTRUST BANK

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

NAVIGATORS INSURANCE COMPANY

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

DIANA PEARL, AN INDIVIDUAL DOING BUSINESS
AS PEARL APPRAISAL SERVICES

Date: _____

BY: _____

PRINT NAME: _____

Date: 4-30-14

DOMINIC DUBLINO

(b)(6)

BY:

PRINT NAME: Dominic James Dublino

Date: _____

ANGELA REKIS

BY: _____

PRINT NAME: _____

Date: _____

REAL ESTATE VALUATION SERVICES, LLC

BY: _____

TITLE: _____

PRINT NAME: _____

Date: _____

CAROL JONES

BY: _____

PRINT NAME: _____

PRINT NAME: _____

Date: 5/13/14

ANGELA REKIS

(b)(6)

BY: 

PRINT NAME: ANGELA REKIS

Date: _____

REAL ESTATE VALUATION SERVICES, LLC

BY: _____

TITLE: _____

PRINT NAME: _____

Date: _____

CAROL JONES

BY: _____

PRINT NAME: _____

Date: _____

ANGELA REKIS

BY: _____

PRINT NAME: _____

Date: 6/4/2014

REAL ESTATE VALUATION SERVICES, LLC

BY: (b)(6)

TITLE: Owner

PRINT NAME: CAROL JONES

Date: 6/4/2014

CAROL JONES

BY: (b)(6)

PRINT NAME: CAROL JONES