

SETTLEMENT AND RELEASE AGREEMENT

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

The Plaintiff Federal Deposit Insurance Corporation as Receiver for Crescent Bank & Trust Company ("FDIC-R"), and J. Donald Boggus, Jr., Charles R. Fendley, John S. Dean, Sr., Ryker J. Lowe, and Richard M. Zorn (collectively the "Settling Defendants") (individually, the FDIC-R and the Settling Defendants may be referred to herein as "Party" and collectively as the "Parties").

RECITALS

WHEREAS:

Prior to July 23, 2010, Crescent Bank & Trust Company ("Bank") was a depository institution organized and existing under the laws of the state of Georgia.

On July 23, 2010, the Georgia Department of Banking and Finance closed the Bank 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.

Among the assets to which the FDIC-R succeeded were all of the Bank's claims, demands, and causes of action against the Bank's former directors, officers, and employees arising from the performance, nonperformance, and manner of performance of their respective functions, duties, and acts as directors, officers, and employees of the Bank.

On July 19, 2013, the FDIC-R filed a complaint for money damages against the Settling Defendants, each of whom served at various times as a director and/or officer of the Bank. Those claims for damages are now pending in the United States District Court for the Northern District of Georgia in *Federal Deposit Insurance Corporation, as Receiver for Crescent Bank & Trust Company v. J. Donald Boggus, Jr., Charles Fendley, John S. Dean, Sr., Ryker J. Lowe, and Richard M. Zorn*, No. 2:13-cv-162-WCO ("D&O Action").

The Settling Defendants deny all liability in the D&O Action.

The Bank carried a directors' and officers' liability policy for the period August 11, 2007, through August 11, 2009. The Settling Defendants asserted claims for coverage under the policy.

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-R

A. As an essential covenant and condition to this Agreement, on or before ten (10) business days following the date on which both (i) all Parties have executed this Agreement and exchanged a fully executed copy of this Agreement with each other, and (ii) the FDIC-R has provided to the Settling Defendants all necessary payment instructions and a completed Form W-9, the Settling Defendants shall cause their insurer to pay the FDIC-R the sum of five million, two hundred fifty-eight thousand, two hundred sixty-nine dollars and twenty three cents (\$5,258,269.23) ("the Settlement Payment").

B. The Settlement Payment to the FDIC-R shall be made by direct wire transfer into an account designated by the FDIC-R. The FDIC-R shall provide all necessary payment instructions no later than five days after full execution of this Agreement by all Parties.

C. Subject to and without waiving the requirements set forth in Section I.A above, if the FDIC-R does not receive the Settlement Payment on or before the date determined by Section I.A above, then the FDIC-R, in its sole discretion, shall have the right at any time prior to receipt of the Settlement Payment to:

1. Extend the period of time for the Settlement Payment; or
2. Enforce this Agreement, in which event the Settling Defendants agree to jurisdiction in the United States District Court for the Northern District of Georgia; or

3. Terminate the Agreement, return any settlement funds paid pursuant to this Agreement, and proceed with the D&O Action; 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-R's 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 the Settlement Payment in full.

SECTION II: Stipulation and Dismissal

Within ten business days after the latter of (1) full execution of this Agreement by all of the Parties, and (2) receipt of the Settlement Payment, the FDIC-R shall file a stipulation of dismissal with prejudice, executed by the attorneys for all Parties hereto, in the form attached hereto as Exhibit A, in the D&O Action.

SECTION III: Releases

A. The FDIC-R's Releases.

Upon receipt of the Settlement Payment in full as provided in Section I, and except as provided in Section III.C, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges the Settling Defendants and their 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, that arise from or relate to the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties, and actions as officers and/or directors of the Bank, including without limitation the D&O Action and all matters alleged or asserted in the D&O Action.

B. The Settling Defendants' Release.

Effective simultaneously with the release granted in Section III.A above, the Settling Defendants, on behalf of themselves individually, and their respective heirs, executors, trustees, administrators, agents, representatives, attorneys, successors, and assigns, hereby release and

discharge the FDIC-R, and its 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 Bank or to the performance, nonperformance, or manner of performance of the Settling Defendants' respective functions, duties, and actions as officers and/or directors of the Bank, including without limitation the D&O Action and all matters alleged or asserted in the D&O Action.

C. Exceptions from Releases by FDIC-R.

1. Notwithstanding any other provision of this Agreement, the FDIC-R does not release, and expressly preserves 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 the FDIC-R, the Bank, other financial institutions, or any other person or entity, including without limitation any such claims acquired by FDIC-R as successor in interest to the Bank or any person or entity other than Bank; and

b. Against any person or entity not expressly released by the FDIC-R 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 diminishing 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-R specifically reserves 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: Waiver of Dividends and Proceeds from Litigation

To the extent, if any, that Settling Defendants are or were shareholders of the Bank or its holding company and by virtue thereof are or may be entitled to a dividend, payment, or other distribution upon resolution of the receivership of the Bank or proceeds in any litigation that has been or could be brought against the Federal Deposit Insurance Corporation in any capacity or against the United States based on or arising out of, in whole or in part, the closing of the Bank, or any alleged acts or omissions by the Federal Deposit Insurance Corporation in any capacity, the United States government, or any agency or department of the United States government in connection with the Bank, its conservatorship, or receivership, Settling Defendants hereby knowingly assign to the FDIC-R any and all rights, titles, and interest in and to any and all such dividends, payments, other distributions, and proceeds.

SECTION V: 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 VI: 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 D&O Action and to otherwise perform the terms of this Agreement.

SECTION VII: Other Matters

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 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 the laws of the State of Georgia.

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-R:

John C. Letteri
Counsel, Federal Deposit Insurance Corporation
3501 Fairfax Drive
Arlington, Virginia 22226

and

Antony S. Burt
Schiff Hardin LLP
233 S. Wacker Drive, Suite 6600
Chicago, Illinois 60606

If to the Settling Defendants:

Ryan Scarborough
Williams & Connolly LLP
725 Twelfth Street, N.W.,
Washington, DC 20005
Counsel for Defendants Boggus and Fendley

and

Barry D. Hovis
Musick, Peeler & Garrett, LLP
601 California Street, Suite 1250
San Francisco, California 94108
Counsel for Defendants Dean, Lowe, and Zorn

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 nothing in this Agreement prohibits the FDIC-R or the Settling Defendants from disclosing its terms.

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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 CRESCENT BANK & TRUST
COMPANY

(b)(6)

Date: 10.28.2015

BY: 


TITLE: Counsel
PRINT NAME: John C. Letteri

Date: _____

J. DONALD BOGGUS, JR.


(b)(6)

Date: _____


CHARLES R. FENDLEY

(b)(6)

Date: _____


JOHN S. DEAN, SR.

Date: _____

RYKER J. LOWE

Date: _____

RICHARD M. ZORN

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 CRESCENT BANK & TRUST COMPANY

Date: _____

BY: _____

TITLE: Counsel
PRINT NAME: John C. Letteri

Date: _____

J. DONALD BOGGUS, JR.

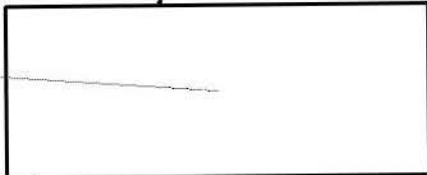
Date: _____

CHARLES R. FENDLEY

Date: 10/27/2015

JOHN S. DEAN, SR.

(b)(6)



Date: _____

RYKER J. LOWE

Date: _____

RICHARD M. ZORN

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 CRESCENT BANK & TRUST
COMPANY

Date: _____

BY: _____

TITLE: Counsel
PRINT NAME: John C. Letteri

Date: _____

J. DONALD BOGGUS, JR.

Date: _____

CHARLES R. FENDLEY

Date: _____

JOHN S. DEAN, SR.

Date: 20-OCT-2015

RYKER J. LOWE

(b)(6)



Date: _____

RICHARD M. ZORN

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 CRESCENT BANK & TRUST
COMPANY

Date: _____

BY: _____

TITLE: Counsel
PRINT NAME: John C. Letteri

Date: _____

J. DONALD BOGGUS, JR.

Date: _____

CHARLES R. FENDLEY

Date: _____

JOHN S. DEAN, SR.

Date: _____

RYKER J. LOWE

Date: 10-21-2015

RICHARD M. ZORN

(b)(6)

[Redacted Signature]