

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Settlement Agreement") is entered into and made effective as of the _____ day of October 2011 ("Effective Date"), by and between FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR INDYMAC BANK, F.S.B. ("FDIC-R"), and Gonzalo Gonzalez ("GONZALEZ"). The FDIC-R and GONZALEZ may hereinafter be referred to individually as a "Party" or collectively as the "Parties".

1. RECITALS

1.1 On or about February 8, 2011, the FDIC-R filed a lawsuit entitled FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR INDYMAC BANK, F.S.B. vs. AMERICAN SIGNATURE FUNDING, INC.; AMERICAN SIGNATURE ESCROW; STARS AND STRIPES REALTY, INC. dba RE/MAX SIGNATURE PROPERTIES; BRADLEY SCOTT KESSEL; WILLIAM LENOCKER; GONZALO GONZALEZ; CHRISTOPHER YOSHIYUKI TAKAGAKI; GENTARO KURIHARA, individually and as trustee for the Kurihara Family Trust; THE KURIHARA FAMILY TRUST DATED FEBRUARY 1, 2007, and DOES 1 through 10, inclusive, Case No. SACV11-00231-DOC (MLGx) (hereinafter "Action").

1.2 The Action alleged that on June 7, 2007, IndyMac Bank, FSB ("IndyMac") funded a loan to _____ in the principal amount of \$242,750 ("_____ loan") for her purchase of the real property located at _____ Norco, CA ("_____ Property"); and that on July 2, 2007, IndyMac made two loans to _____ totaling \$1,045,000 ("_____ Loans") which were secured by the real property located at _____ Corona, CA ("_____ Property"). The Action alleged that defendants participated in a property flipping scheme relating to the _____ Property and _____ Property and concealed facts which were crucial to IndyMac's decisions to fund the loans. The Action alleged the borrowers defaulted on the loans within the first few months resulting in damages to the FDIC of more than \$1,183,549.29.

1.3 GONZALEZ disputes and denies the FDIC's claims in the Action.

1.4 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.

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2.2 Payment to the FDIC-R by GONZALEZ. Payment of Sixty Five Thousand Dollars and no/cents (\$65,000.00) shall be paid on behalf of GONZALEZ to the FDIC-R. Payment shall be made by wire transfer made payable to "Mortgage Recovery Law Group Trust Account," Account Number: [REDACTED] Routing Number: [REDACTED] (b)(4) Reference: American Signature Settlement. The payment shall be made as follows: \$25,000 paid on or before November 30, 2011; and \$2,000 per month for 20 months beginning December 15, 2011 and continuing on the 15th of each month until paid in full.

2.3 Concurrently with the signing and delivery of this Settlement Agreement, GONZALEZ shall execute a Stipulation for Entry of Judgment in the amount of One Hundred Ten Thousand Dollars and no cents (\$110,000.00) in the form attached hereto as Exhibit 1. The Stipulation for Entry of Judgment incorporates by reference the Judgment (Pursuant to Stipulation), attached to the Stipulation as Exhibit A (the "Judgment"). Both the Stipulation and Judgment are incorporated by reference herein and their terms made a part of this Settlement Agreement. The Judgment shall be non-dischargeable in bankruptcy. The Stipulation and Judgment shall be held in trust by FDIC-R's attorneys of record and shall not be filed unless GONZALEZ breaches this Settlement Agreement, including any of the payments required by paragraph 2.2 above and fails to timely cure said breach pursuant to paragraph 2.5 after receiving notice of default as provided in paragraph 2.4. The Judgment (Pursuant to Stipulation) shall not be entered so long as GONZALEZ performs under the terms of this Settlement Agreement with respect to making the payments required by paragraph 2.2 above.

2.4 In the event GONZALEZ defaults by failing to make a timely payment to FDIC-R as set forth in paragraphs 2.2 above, FDIC-R shall give written notice of the default and notice of its intent to enter Judgment (Pursuant to Stipulation) to GONZALEZ and his counsel via either U.S. mail, email or facsimile as follows: (1) Gonzalez at [REDACTED] Santa Barbara, CA 93105; and (2) M. Stephen Cho at 10535 Foothill Blvd. #460, Rancho Cucamonga, CA 91730, fax 909-581-1332.

2.5 GONZALEZ shall have ten (10) business days from receipt of the notice of default to cure the default. If GONZALEZ fails to cure the default within ten (10) business days, FDIC-R shall retain all consideration it received, and it may, in its sole discretion, seek to enter the Judgment against GONZALEZ and enforce said Judgment against GONZALEZ. Judgment may be entered by ex parte application (without testimony or trial and GONZALEZ further waive the right to a court and/or jury trial) with notice given to GONZALEZ and M. Stephen Cho by either mail, email or facsimile listed in paragraph 2.4 above.

2.6 Within five (5) business days of FDIC-R's counsel's receipt of the fully executed Settlement Agreement and Stipulation for Entry of Judgment, FDIC-R's counsel shall file a request for dismissal of the entire Action against GONZALEZ with prejudice.

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

2.8 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 and, if necessary, the Judgment (Pursuant to Stipulation).

3. **RELEASE**

3.1 **Known and Unknown Claims.** The FDIC-R and GONZALEZ 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 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.

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 its 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, 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 and Stipulation for Entry of Judgment, the Parties each hereby fully, finally, and forever release and discharge the other Parties, and any and all of its respective employees (including _____, 1-800- BROKER), brokers,

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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, to any damages, loss, or liability arising from or in conjunction with the Action.

3.5 Notwithstanding any other provision of this Settlement Agreement and Stipulation for Entry of Judgment, 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 GONZALEZ (including [REDACTED] 1-800-BROKERS) arising out of any other transactions (other than set forth in the Action) and arising out of any other existing or failed financial institutions other than INDYMAC BANK, FSB.

3.6 Notwithstanding any other provision, by this Settlement Agreement and Stipulation for Entry of Judgment, 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 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. However, FDIC agrees and consents to an application of any and all sums paid pursuant to this settlement agreement as an offset to restitution.

4. MISCELLANEOUS

4.1 Conditions of Execution. Each Party acknowledges and warrants that its execution of this Settlement Agreement and Stipulation for Entry of Judgment is free and voluntary.

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4.2 No Admission. It is agreed that no Party hereto admits liability or wrongdoing of any nature, and that this Settlement Agreement and Stipulation for Entry of Judgment 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 and Stipulation for Entry of Judgment 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 Orange, California, for any dispute arising out of this Settlement Agreement and Stipulation for Entry of Judgment, 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 and Stipulation for Entry of Judgment, the prevailing party shall, in addition to any other available relief, 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 or Stipulation for Entry of Judgment 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 or Stipulation for Entry of Judgment.

4.7 Binding Effect. This Settlement Agreement and Stipulation for Entry of Judgment 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 and Stipulation for Entry of Judgment 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 Stipulation for Entry of Judgment and has conducted such inquiry as they deem necessary and advisable prior to entering into this Settlement Agreement and Stipulation for Entry of Judgment. The Parties enter into this Settlement Agreement and Stipulation for Entry of Judgment 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

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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 and Stipulation for Entry of Judgment may be executed in one or more counterparts, all of which shall form a single agreement. A Party's signature on this Settlement Agreement and Stipulation for Entry of Judgment 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 and Stipulation for Entry of Judgment shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Settlement Agreement and Stipulation for Entry of Judgment, 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.

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 and Stipulation for Entry of Judgment.

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 and Stipulation for Entry of Judgment, 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 and Stipulation for Entry of Judgment.

4.14 Entire Agreement. The Parties hereto further agree and promise that this Settlement Agreement and Stipulation for Entry of Judgment 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 and Stipulation for Entry of Judgment shall not be modified except in a writing signed by the Parties or their authorized representatives.

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

DATED: November 30, 2011
APPROVED AS TO FORM

SHEASBY, CHO & MIDDLETON, L.L.P.

By: 

(b)(6)

M. Stephen Cho

Attorneys for Defendant,
GONZALO GONZALEZ

DATED: November 30, 2011

By: 

(b)(6)

GONZALO GONZALEZ

DATED: November _____, 2011
APPROVED AS TO FORM

ANDERSON, McPHARLIN & CONNERS LLP

By: _____
VANESSA H. WIDENER

Attorneys for Plaintiff,
FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR INDYMAC
BANK, F.S.B.

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SHEASBY, CHO & MIDDLETON, L.L.P.

By: _____
M. Stephen Cho
Attorneys for Defendant,
GONZALO GONZALEZ


DATED: November _____, 2011

By: _____
GONZALO GONZALEZ

DATED: November 30, 2011
APPROVED AS TO FORM

ANDERSON, McPHARLIN & CONNERS LLP

(b)(6)

By: 
VANESSA H. WIDENER
Attorneys for Plaintiff,
FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR INDYMAC
BANK, F.S.B.

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DATED: ^{December 5, 2011} ~~November~~ _____, 2011

FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR INDYMAC
BANK, F.S.B.

By: (b)(6)
Signature

Sarah S. Dunham Counsel

Type/Print Name and Title