

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") are made this 11/7/13 Day of April 2013 by, between and among the undersigned parties: the Plaintiff, Federal Deposit Insurance Corporation, solely in its capacity as receiver for Amtrust Bank ("FDIC-R") (which does not include the Federal Deposit Insurance Corporation, generally or in any other capacity, nor does it include agencies and departments of the United States government, including, without limitation, the United States Department of Justice) and the defendant Nicholas Pellegrini (which includes the Law Office of Nicholas Pellegrini) ("Pellegrini") parties in the case captioned FDIC as Receiver for Amtrust Bank v. Malik, et.al. Case NO. 1:09-CV-04805 in the United States District Court for the Eastern District of New York ("The Litigation").

RECITALS

WHEREAS, In November 2009, Amtrust Bank ("Amtrust") initiated The Litigation against its closing agent, several of its mortgage brokers, and other individuals and entities alleged to be involved in a purported mortgage fraud scheme;

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, Pellegrini denies the allegations asserted against him The Litigation and contends that he has committed no wrongdoing and is fully prepared to successfully defend The Litigation ; and

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. Pellegrini and/or his insurer agree to pay the FDIC-R the sum of Fifty Thousand Dollars (\$50,000.00) (the "Settlement Funds") to be paid within 30 days of both the execution of this Agreement and the Stipulation of Dismissal by each of the undersigned parties.

B. As provided in Section 1A. above, Pellegrini or his insurer shall deliver the Settlement Funds in a check made payable to FDIC as Receiver for AmTrust Bank, account number [REDACTED] (b)(4) by mailing it to the FDIC, as Receiver for AmTrust Bank at P.O. Box 971774, Dallas, TX 75397-1774; or for overnight deliver to JPMorgan Chase (TX1-0006), Attn: FDIC Receivership Lock Box [REDACTED] (b)(4) 14800 Frye Rd., 2nd Floor, Fort Worth, TX 76155.

C. Without waiving any other rights that FDIC-R may have, in the event that the Settlement Funds, , are not paid to the FDIC-R by Pellegrini and/or his insurer within 30 days of the execution of both this Agreement and the Stipulation of Dismissal by all parties, then the FDIC-R shall have the right, in its sole discretion, prior to the delivery of any delinquent payment by Pellegrini and/or his insurer to declare this Agreement null and void, extend this Agreement for the period of time until the FDIC-R receives all of the Settlement Funds and/or enforce this Agreement. The Parties further acknowledge and consent to the jurisdiction of Magistrate Judge Azrack for enforcement of this Agreement in connection with her continuing role overseeing settlement negotiations related to The Litigation.

Section 2: Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties, the FDIC-R shall dismiss with prejudice all of its claims in The Litigation against Pellegrini. A Stipulation of Dismissal as to these claims shall be prepared and executed by the FDIC-R and Pellegrini. Within thirty (30) days of Pellegrini's receipt of the executed Stipulation of Discontinuance of the Litigation with Prejudice, Pellegrini and/or his insurer shall deliver the Settlement Funds in the manner described in Section 1B of this Agreement. Thereafter, Pellegrini shall file the Stipulation of Dismissal, provided, however, that Pellegrini shall defer filing the Stipulation of Dismissal and agree not to file such until after the Pellegrini and/or his insurer has delivered the Settlement Funds to the FDIC-R.

Section 3: Mutual Releases.

A. Release of Pellegrini by the FDIC-R.

Effective upon payment of the Settlement Funds the FDIC-R hereby releases and discharges Pellegrini, his insurers, representatives, successors, assigns and attorneys, 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 were asserted in The Litigation.

B. Release of the FDIC-R by Pellegrini.

Effective simultaneously with the release in Section 3A above, Pellegrini on his own behalf, and on behalf of his 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 solely 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. Against Pellegrini which are not expressly released in Section 3A, above.

Section 4: 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 and that this Agreement is not an admission or evidence of any liability of any of them regarding any claim nor is it to be construed as such..

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 persons 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 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.

E. Authority. Each party expressly represents that they have the authority to enter into this Agreement.

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.

(b)(6)

Date:

4/13/2013

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

[Redacted Signature Box]

By: Patrick M. McGuirk

(b)(6)

Date:

3/4/13

Nicholas Pellegrini

[Redacted Signature Box]

(Signature)