

# SULLIVAN & CROMWELL LLP

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September 23, 2014

Via FedEx

Federal Deposit Insurance Corporation,  
Receiver of Washington Mutual Bank, Henderson, Nevada,  
1601 Bryan Street, Suite 1701,  
Dallas, Texas 75201.

Attention: Regional Counsel (Litigation Branch) &  
Deputy Director (DRR - Filed Operations Branch)

Re: Indemnification Obligations

Dear Sirs:

We refer to the Purchase and Assumption Agreement Whole Bank, dated as of September 25, 2008 (the "Agreement") by and among the Federal Deposit Insurance Corporation in its corporate capacity ("FDIC Corporate") and as receiver ("FDIC Receiver" and, together with FDIC Corporate, "FDIC") and JPMorgan Chase Bank, N.A. (together with its subsidiaries and affiliates, "JPMC") relating to the resolution of Washington Mutual Bank, Henderson, Nevada ("WMB"). This letter supplements our prior indemnification notices and provides you with written notice of an additional matter for which JPMC is entitled to indemnification under Section 12.1 of the Agreement.

The additional matters that give rise to JPMC's indemnity rights are:

- (a) *Union Central Life Insurance Company, et al. v. Credit Suisse First Boston Mortgage Securities Corp., et al.*, Case No. 1:11-cv-02890-GBD-JCF, in the Southern District of New York. Enclosed for your convenience is a copy of the complaint.
- (b) *Watertown Savings Bank v. Bank of America Corp., et al.*, Index No. 651399-2012, in the Supreme Court of the State of New York,

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County of New York. Enclosed for your convenience is a copy of the Summons with Notice.

- (c) Litigation threatened by the [REDACTED] and certain affiliates, which was settled before a lawsuit was filed.
- (d) Litigation threatened by [REDACTED] and certain affiliates, which was settled before a lawsuit was filed.
- (e) Litigation threatened by the [REDACTED], which was settled before a lawsuit was filed. This is also the subject of the recent lawsuit filed by the [REDACTED] Attorney General based on identical claims, which [REDACTED] has since moved to nonsuit with respect to JPMC and its affiliates due to JPMC's settlement agreement with [REDACTED]. This litigation is the subject of a separate letter to you.
- (f) Litigation threatened by the [REDACTED], which was settled before a lawsuit was filed.
- (g) Litigation threatened by [REDACTED] and certain affiliates, which was settled before a lawsuit was filed.
- (h) Litigation threatened by [REDACTED] and certain affiliates, which was settled before a lawsuit was filed.

In each of these matters, the plaintiffs or potential plaintiffs asserted or threatened to assert causes of action based on, *inter alia*, alleged misstatements and omissions of material fact by various entities, including WMB subsidiaries WaMu Capital Corp., Washington Mutual Mortgage Securities Corp., WaMu Asset Acceptance Corp., and/or Long Beach Securities Corp. in connection with residential mortgage-backed securities underwritten or issued by those entities prior to the Agreement. JPMC, in order to mitigate potential losses and liability, settled these matters.

JPMC is advising you that the amount of these settlements, as well as any costs or expenses JPMC incurred in the process of settling and defending against these claims, are subject to indemnification pursuant to Section 12.1 of the Agreement. Subsection 12.1(a)(4) of the Agreement plainly provides that JPMC is entitled to indemnification from the FDIC for "claims based on any action or inaction prior to Bank Closing of . . . any *Subsidiary or Affiliate of the Failed Bank*, or the directors, officers, employees or agents as such of *such Subsidiary or Affiliate*." To the extent

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JPMC has incurred costs associated with defending, litigating, or otherwise settling claims or has otherwise suffered losses as a result of the acts or omissions of former WMB subsidiaries, these costs are indemnifiable under Section 12.1 of the Agreement.

Furthermore, there may be additional matters in which claims are asserted against WMB subsidiaries relating to the actions or inactions of WMB, its subsidiaries and affiliates, and directors, officers, employees, and agents of WMB and its subsidiaries and affiliates prior to the Agreement that give rise to JPMC's indemnity rights and are subject to indemnification pursuant to Section 12.1 of the Agreement.

As you are aware from previous correspondence notifying you of the FDIC's indemnification obligations in other matters, the matters identified in this letter are not intended to be exhaustive or to constitute a statement that no other facts have or may come to our attention that could result in claims for which indemnification is provided, and we reserve the right to supplement this notice as additional facts or circumstances may arise.

Sincerely,

Robert A. Sacks

(Enclosures)

cc: Lawrence N. Chanen  
Joanna Jagoda  
Annette C. Rizzi  
(JPMorgan Chase Bank, N.A.)  
(Via Email without enclosures)

Richard Osterman  
David Gearin  
✓ Kathryn Norcross  
(Federal Deposit Insurance Corporation)  
(Via FedEx with enclosures)

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