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SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made as of this 21st day of January, 2010, by, between, and among the following undersigned parties:

The Plaintiff Federal Deposit Insurance Corporation, as receiver of Washington Mutual Bank, of Henderson, Nevada ("FDIC"), and Lathrop and Gage LLP, f/k/a Lathrop & Gage LC, ("Lathrop & Gage") and Stephen M. Schoenbeck (collectively the "Defendants") (the FDIC, and the Individual Defendants may be referred to herein as "Party" and collectively as the "Parties").

[redacted]
(b)(2)

RECITALS

WHEREAS:

Prior to September 25, 2008, Washington Mutual Bank ("Bank") was a depository institution organized and existing under the laws of Nevada.

On September 25, 2008, the Bank was closed by the Office of Thrift Supervision and pursuant to 12 U.S.C. § 1821(c), the FDIC was appointed receiver. In accordance with 12 U.S.C § 1821(d), the FDIC as receiver succeeded to all rights, titles, powers and privileges of the Bank, including those with respect to its assets, and specifically the claims in this Petition and Complaint.

Among the assets to which the FDIC as receiver succeeded were any and all of the Bank's claims, demands, and causes of actions against its former directors, officers, employees accountants, attorneys and any other person or persons employed or retained by the Bank arising from the performance, nonperformance and manner of performance of their respective functions, duties and acts on behalf of the Bank and it is the sole owner of all of these claims.

A petition for damages ("Petition") against the Defendants, arising out of their capacity as former attorneys retained by the Bank, was initially filed on December 29, 2006, by the Bank in the State Circuit Court of the City of St. Louis, Missouri, bearing cause number 0622-CC07273 The Petition was later removed to the United States District Court for the Eastern District of Missouri, on December 30, 2008, where it is now pending. *FDIC v. Lathrop & Gage*.

[redacted]
(b)(6)

LC and Stephen M. Schoenbeck, bears cause number 4:08-CV-2033-FRB. Said Petition arose out of certain alleged acts or omissions of the Defendants as alleged in the Petition and amendments thereto and in other pleadings. The Defendants have denied liability to the FDIC. The undersigned parties deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, 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

A. As an essential covenant and condition to this Agreement, the Defendants agree to pay the FDIC the sum of SEVEN MILLION FOUR HUNDRED THOUSAND (\$7,400,000) U.S. dollars ("the Settlement Funds"). The Settlement Funds shall be delivered to the FDIC and its counsel by direct wires transferred into accounts designated by the FDIC.

SECTION II: Stipulation and Dismissal

Upon execution of this Agreement by each of the undersigned Parties and receipt of the Settlement Funds, the FDIC shall dismiss the action pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV-02033-FRB. The undersigned parties agree to enter a stipulation providing that the dismissal set forth above shall be with prejudice, with each party to bear its own costs as these were originally incurred.

SECTION III: Releases

A. Release of Individual Settling Defendants by FDIC.

Effective upon payment of the Settlement Funds and dismissal of the action described in SECTIONS I and II above, the FDIC, for itself, its predecessors in interest, and its successors and assigns, hereby releases and discharges each of the Defendants and their respective present and former heirs, executors, administrators, agents, insurers, members, partners, employees, attorneys, representatives, successors and assigns, from any and all claims, demands, obligations, damages (actual and punitive), actions, and causes of action, direct or indirect, in law or in equity

(whether matured or unmatured, known or unknown, accrued or unaccrued), belonging to the FDIC, that arise from or relate to, the performance, nonperformance, or manner of performance of the Defendants' respective functions, duties and actions as attorneys for the Bank, including without limitation the causes of action alleged in the case pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV-02033-FRB.

B. Release of the FDIC by the Defendants.

Effective simultaneously with the release granted in PARAGRAPH III A above, the Defendants, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge the FDIC and its employees, officers, directors, attorneys, representatives, successors and assigns, from any and all claims, demands, obligations, damages (actual and punitive), actions and causes of action, direct or indirect, in law or in equity (whether matured or unmatured, known or unknown, accrued or unaccrued), belonging to the Defendants that arise from or relate to, the Bank or to the performance, nonperformance, or manner of performance of the Defendants' respective functions, duties and actions as attorneys for the Bank or that arise from or relate to the action pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV02033-FRB.

C. Express Reservations From Releases By FDIC.

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

a. against the 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, the Bank, other financial institutions, or any other person or entity, including without limitation any claims acquired by FDIC as successor in interest to the Bank or any person or entity other than Bank;

b. against any person or entity not expressly released in this Agreement; and

c which are not expressly released in Paragraphs III.A.

2. Notwithstanding any other provision, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing or compromising the jurisdiction and authority of the FDIC in the exercise of its supervisory or regulatory authority or to diminish its ability to institute administrative enforcement proceedings seeking removal, prohibition or any other administrative enforcement action which may arise by operation of law, rule or regulation.

3. Notwithstanding any other provision, this Agreement does not purport to waive, or intend to waive, any claims which could be brought by any governmental entity other than the FDIC-Receiver for Washington Mutual Bank

SECTION IV: Representations and Acknowledgements

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 that this Agreement is not an admission or evidence of liability by any of them regarding any claim.

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 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, administrators, representatives, successors and assigns.

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 Missouri.

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 party or parties to be bound thereby, or by their respective authorized attorney(s) or other representative(s).

F. Reasonable Cooperation. The undersigned 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 action pending in the United States District Court for the Eastern District of Missouri and bearing Cause Number 4:08-CV-02033-FRB, and to otherwise perform the terms of this Agreement.

G. 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.

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 Washington Mutual Bank

(b)(6)

Date: January 21, 2010

By:

[Redacted Signature Box]

Leonard J. DePasquale, Counsel
FDIC-As Receiver for Washington Mutual Bank

(b)(6)

(b)(6)

Date: January 21, 2010

LATHROP & GAGE LLP

By:

[Redacted Signature]

Joel B. Voran, Chief Executive Officer
Lathrop & Gage, LLP

Date: January __, 2010

STEPHEN M. SCHOENBECK

By:

Stephen M. Schoenbeck

Date: January __, 2010

LATHROP & GAGE LLP

By:

Joel B. Voran, Chief Executive Officer
Lathrop & Gage, LLP

Date: January 21, 2010

STEPHEN M. SCHOENBECK

By:

Stephen M. Schoenbeck

(b)(6)