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Page 65

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9/28/09

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT AND RELEASE ("Settlement Agreement" or "Agreement") is entered into on this date by THE FEDERAL DEPOSIT INSURANCE CORPORATION, as receiver for DOWNEY SAVINGS AND LOAN ASSOCIATION (hereinafter referred to as the "FDIC"), and KEVIN LAWRENCE (hereinafter referred to as "Defendant" or "Lawrence"). The FDIC and Lawrence hereinafter are referred to jointly as the "Parties."

(b)(2)

RECITALS

A. WHEREAS, on July 3, 2008, the FDIC's predecessor in interest, Downey Savings and Loan Association, filed a Complaint for breach of contract, negligence, fraud, and other counts which is currently pending in the Superior Court of the State of California, County of Orange, Case No. 30-2008-00108873 (the "Action"), alleging that it sustained damages as a result of the actions and omissions of Lawrence in his performance of an appraisal (the "Appraisal") of real property located at 3592 Coral Haven Court, Perris, California. The exact form and substance of the FDIC's allegations are set forth in the complaint (the "Complaint") on file in the Action, and Lawrence denies them in their entirety; and

B. WHEREAS, on or about September 2, 2008, Lawrence filed a cross-complaint (the "Cross-complaint") for indemnity in the Action against Lenny Pechner, Nations First Lending, Inc., Oluwaseye Osinfolarin, and Oluwaremi Osinfolarin; and

C. WHEREAS, the Parties hereto each recognize that further litigation among themselves will require substantial time, effort and expense; and

D. WHEREAS, the Parties hereto wish to resolve all claims, disputes and complaints which may have arisen among them, and wish to reduce to writing the terms of their agreement and release;

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. MUTUAL RELEASE AND DISCHARGE

In consideration of the obligations undertaken by the parties herein, the FDIC and Lawrence hereby completely and mutually release and forever discharge each other, and their present and future officers, directors, stockholders, attorneys, agents, servants, representatives, employees, parent companies, subsidiaries, affiliates, partners, predecessors and successors in interest, insurers, and

SETTLEMENT AGREEMENT AND RELEASE
PAGE 2

assigns and all other persons, firms, or corporations with whom any of the former have been, are now or may hereafter be affiliated, of and from any and all past, present or future claims, demands, obligations, actions, causes of action, wrongful death claims, damages, costs, losses of services, expenses and compensation of any nature whatsoever, whether based on a tort, contract or other theory of recovery, which either party now has, or which may hereafter accrue or otherwise be acquired, either personally or in a representative capacity, on account of, relating to, or in any way arising out of the Appraisal, or which are the subject of the Action, including, without limitation, any and all known or unknown claims for injury or damage to persons or property of any kind whatsoever, or which have resulted or may result from the alleged acts or omissions of the other, whether alleged in the Complaint, or otherwise, for which either party has or may assert any claim or cause of action at any time prior to the execution of this Settlement Agreement. This Release shall be a fully binding and complete settlement between the FDIC and Lawrence, their assigns and successors, save only the executory provisions of this Settlement Agreement.

2. CONSIDERATION

In consideration of the mutual releases set forth above, the FDIC and Lawrence hereby agree as follows:

- a. Lawrence shall pay the sum of five-thousand dollars (\$5,000.00) to the FDIC within ten (10) days of the FDIC's execution of this Agreement. Said payment shall be made via check made payable to the "Federal Deposit Insurance Corporation" and delivered to the FDIC's counsel of record in the Action.
- b. Upon clearance of the settlement draft referenced in subparagraph "a" above, the FDIC shall dismiss its Complaint against Lawrence with prejudice, and a conformed copy of the FDIC's request for dismissal shall be provided to Lawrence's counsel of record in the Action. The foregoing dismissal with prejudice will be as to Lawrence only and shall not affect the FDIC's claims against any other parties to the Action.

SETTLEMENT AGREEMENT AND RELEASE
PAGE 3

- c. Following his counsel's receipt of the conformed request for dismissal referenced in subparagraph "b" above, Lawrence shall dismiss his Cross-complaint in the Action without prejudice.

3. **ATTORNEYS' FEES**

Each of the Parties hereto shall bear his, her or its own attorneys' fees and costs arising in connection with the Action, this Settlement Agreement and any of the matters and documents referred to herein, and all related matters, except as identified in paragraph 7 below.

4. **GENERAL RELEASES**

The Parties hereby acknowledge and agree that the Releases set forth in Paragraph 1 are general releases and further expressly waive and assume the risk of any and all claims for damages which exist as of this date, but of which either party does not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect their decision to enter into this Settlement Agreement. Specifically, each of the Parties expressly waives any and all rights under Section 1542 of the California Civil Code, which provides 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.

The Parties further agree to accept the performances specified herein as a complete compromise of matters involving disputed issues of law and fact and assume the risk that the facts or law may be otherwise than they may believe. It is understood and agreed by the Parties that this settlement is a compromise of doubtful and disputed claims, and that nothing herein is to be construed as an admission of liability on the part of any party.

SETTLEMENT AGREEMENT AND RELEASE
PAGE 4

5. **WARRANTY OF CAPACITY TO EXECUTE AGREEMENT**

The FDIC and Lawrence each represent and warrant that no other person or entity has or has had any interest in the claims, demands, obligations, or causes of action referred to in this Settlement Agreement, except as otherwise set forth herein, and that each of them has the sole right and exclusive authority to execute this Settlement Agreement and receive the sums specified in it, and that each of them has not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations, or causes of action referred to in this Settlement Agreement.

6. **ENTIRE AGREEMENT AND SUCCESSORS IN INTEREST**

This Settlement Agreement contains the entire agreement between the Parties with regard to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each.

7. **SUBSEQUENT ATTORNEYS' FEES**

(a) In the event that any party should bring any action, suit, or other proceeding against another party, contesting the validity of this Agreement, or attempting to rescind, negate, modify or reform this Agreement, any of the terms or provisions hereof, or any of the matters referred to herein, the non-prevailing party shall pay to the prevailing party all of such party's actual attorneys' fees incurred in each and every such action, suit, or other proceeding, including any and all appeals or petitions therefrom.

(b) In the event that any action, suit or other proceeding is instituted to remedy, prevent or obtain relief from a breach of this Settlement Agreement, or arising out of a breach of this Agreement, the prevailing party shall recover all of such party's attorneys' fees incurred in each and every such action, suit, or other proceeding, including any and all appeals or petition therefrom.

(c) As used herein, attorneys' fees shall be deemed to mean the full and actual cost of any legal services actually performed in connection with the matters involved, calculated on the basis of the usual fees charged by the attorneys performing such services and shall not be limited to "reasonable attorneys' fees" as defined in any statute, case or rule of court.

SETTLEMENT AGREEMENT AND RELEASE
PAGE 5

8. INTEGRATION

This Settlement Agreement constitutes a single, integrated written agreement expressing the entire agreement of the Parties hereto relative to the subject matter hereof. No covenants, agreements, representations or warranties of any kind have been made by any persons hereto, except as specifically set forth in this Settlement Agreement. All prior discussions and negotiations have been, and are, merged and integrated into, and are superseded by, this Settlement Agreement.

9. SEVERABILITY

In the event that any provision of this Settlement Agreement should be held to be void, voidable, or unenforceable, the remaining portions hereof shall remain in full force and effect.

10. EXECUTION IN COUNTERPARTS

This Settlement Agreement may be executed and delivered in two or more counterparts, each of which when so executed and delivered shall be an original, but such counterparts together shall constitute but one and the same instrument.

11. SURVIVAL OF WARRANTIES AND REPRESENTATIONS

The warranties and representations of this Settlement Agreement are deemed to survive the closing hereof.

12. MATERIALITY OF ALL TERMS

The Parties expressly acknowledge and agree that each and every term and condition of this Settlement Agreement is a material part of their agreement, and constitutes a material part of the bargained-for consideration which has induced the FDIC and Lawrence to enter into this Agreement.

13. REPRESENTATION OF COMPREHENSION OF DOCUMENT

In entering into this Settlement Agreement, the FDIC and Lawrence represent that they have had the opportunity to rely upon the legal advice of their attorneys, who are the attorneys of their own choice and that they have had the opportunity to have the terms of this Settlement

SETTLEMENT AGREEMENT AND RELEASE
PAGE 6

Agreement completely read and explained to them by their attorneys, and that those terms are fully understood and voluntarily accepted.

14. NOTICES

All notices required hereunder, if any, shall be given in writing to each party in care of his/her/its undersigned counsel or upon parties without counsel. The provisions of California Code of Civil Procedure section 1013 are incorporated herein and shall apply to all such notices. The parties agree that notices given pursuant to this Settlement Agreement may be served by facsimile transmission as described in Code of Civil Procedure section 1013(c).

15. GOVERNING LAW

This Settlement Agreement shall be construed and interpreted in accordance with the laws of the State of California.

16. ADDITIONAL DOCUMENTS

All Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement Agreement.

17. EFFECTIVENESS

This Settlement Agreement shall become effective following execution by the persons designated hereafter.

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SETTLEMENT AGREEMENT AND RELEASE
PAGE 7

**CAUTION: BY YOUR SIGNATURE HEREAFTER, YOU
ACKNOWLEDGE YOU HAVE READ AND CONSENT TO ALL TERMS CONTAINED
IN THIS SEVEN-PAGE, SEVENTEEN-PARAGRAPH SETTLEMENT AGREEMENT.**

Dated: _____, 2009

KEVIN LAWRENCE

THE FEDERAL DEPOSIT INSURANCE
CORPORATION

(b)(6)

Dated: August 31, 2009

By _____

Kevin W. Wheelwright
Its: *Counsel - Section Chief*
Professional Liability &
Financial Crimes Section