

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Release ("Agreement") is made this 17th day of August, 2012 by, between and among the following undersigned Parties: the Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R"), and Jordan S. Katz ("Katz") and Law Offices of Jordan S. Katz, P.C. ("Katz, PC").

RECITALS

WHEREAS, in August, 2008, AmTrust Bank ("AmTrust") initiated litigation against numerous borrowers, its closing attorney Dean Reskakis ("Reskakis"), its mortgage broker, The Mortgage Zone Inc., and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers in a case captioned *FDIC, as Receiver for AmTrust Bank v. The Mortgage Zone Inc., et al.*, Case No: 2:08-CV-03369 (E.D.N.Y.) ("The Litigation").

WHEREAS, The Litigation includes claims related to a mortgage loan made by AmTrust for the purported purchase of the property located at in Howard Beach, NY (b)(6) ("The Property") by Nicola Hurry ("Hurry");

WHEREAS, on June 16, 2009, the United States District Court for the Eastern District of New York granted AmTrust an equitable lien (the "Lien") on The Property.

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 AmTrust, including those with respect to its assets and all of AmTrust's claims, demands, and causes of action, including those claims related to The Property;

WHEREAS, the FDIC-R represents and warrants that it is the current holder of the promissory note and mortgage executed by Hurry in connection with the mortgage loan and that neither the promissory note nor the mortgage have been assigned, sold, tendered, transferred, pledged or the like;

WHEREAS, in connection with the mortgage loan to Hurry for the purchase of The Property, Reskakis made an unsolicited deposit of \$211,067.05 into Katz, PC's bank account (the "Disbursement Funds"), even though neither Katz, PC nor Katz had anything whatsoever to do with Hurry's purchase of the property;

WHEREAS, neither Katz, PC nor Katz are parties to The Litigation;

WHEREAS, Katz and Katz, PC have denied any wrongdoing in connection with The Property and the Disbursement Funds;

WHEREAS, the FDIC-R has provided Katz, PC with written documentation of the Disbursement Funds and requested that Katz, PC return in full the Disbursement Funds to the FDIC-R;

WHEREAS, Katz, PC has acknowledged receipt of the Disbursement Funds;

WHEREAS, Katz, PC has retained an expert to perform a forensic examination of Katz, PC's account where the Disbursement Funds were deposited for the purpose of determining if the Disbursement Funds were or were not validly transferred out of the Katz, PC account (the "Forensic Examination"); and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to enter into this Agreement concerning disputes arising out of and related to the Disbursement Funds.

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:

1. Within one week of the complete execution and delivery of this Agreement, Katz, PC shall return the Disbursement Funds in the amount of \$211,067.05 payable to and delivered to the FDIC-R by direct wire transfer into an account designated by FDIC-R, or by certified or cashier's check drawn upon a depository institution acceptable to FDIC-R and mailed to: counsel for FDIC-R at P.O. Box 971774, Dallas, Texas 75397-1774; or, for overnight delivery to: JPMorgan Chase (TX1-0006), Attn: FDIC Receivership Lock Box #971774, 14800 Frye Road, 2nd Floor, Fort Worth, Texas 76155 (hereafter, the "Katz PC Payment").

2. If the Katz PC Payment is not made within one week of the complete execution and delivery of this Agreement, this Agreement shall be deemed cancelled, void and of no force or effect.

3. Release of Katz and Katz PC by the FDIC-R. Effective upon the receipt of the Disbursement Funds by the FDIC-R, the FDIC-R hereby releases and discharges Katz, Katz, PC, (the "Releasees") and each of their constituent members, principals, partners, heirs, executors, administrators, successors and assigns from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity, which the FDIC-R ever had, now has, or hereafter can, shall or may have against the Releasees for any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this Agreement limited to the claims which arise from or related to 1306 Myrtle Avenue, Howard Beach, New York and/or the

unsolicited deposit of \$211,067.05 by Dean Reskakis into the bank account of Katz, PC. This Agreement does not release any other person or entity other than Releasees nor does this Agreement release any claims other than the claims identified herein.

4. Release of the FDIC-R by Katz and Katz PC. Effective simultaneously with the release in Section 3 above, Katz and Katz PC, on their own behalves, and on behalf of their heirs, executors, administrators, representatives, assigns, insurers, and attorneys, hereby release and discharge 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 from or relate to The Property or the Disbursement Funds, except that the FDIC-R is not released from any claim by Katz and/or Katz PC against FDIC-R which is based upon the FDIC-R's breach of any of FDIC-R's representations and warranties made in this Agreement.

5. No Admission of Liability. The 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 of, or evidence of, any liability of any of them regarding any claim.

6. Execution in Counterparts. This Agreement may be executed in counterparts by facsimile or electronically mailed signatures which shall have the same force and effect as original signatures and such counterparts, when taken together, shall constitute one single and binding Agreement.

7. 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.

8. 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.

9. For the period of seven days, from the date when this Agreement becomes effective to the date that the Katz PC Payment is made, or if not made, the date when this Agreement is canceled, FDIC-R shall not commence any action or like proceeding against Katz and/or Katz, PC.

10. The "WHEREAS" provisions of this Agreement are contractual obligations and are not merely recitals.

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.

Federal Deposit Insurance Corporation, as Receiver for AmTrust Bank

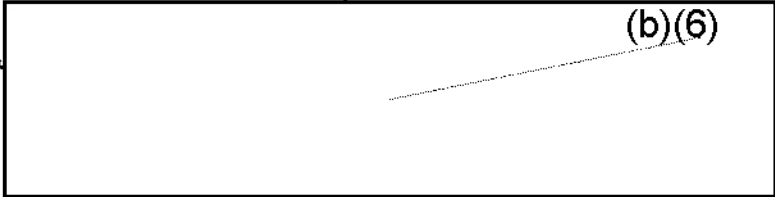
(b)(6)

Date: 8/7/2012



COMMONWEALTH OF VIRGINIA
COUNTY OF ARLINGTON

On 7 AUG, 2012, before me personally came Patrick M. McGinnis counsel to the Federal Deposit Insurance Company, to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.



(b)(6)



Jordan S. Katz

Date _____

Jordan S. Katz, Esq.
Personally and on Behalf of the Law Office of
Jordan S. Katz, P.C.

STATE OF _____
COUNTY OF _____

On _____, 2012, before me personally came _____, personally and on behalf of the Law Office of Jordan S. Katz, P.C., to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.

Notary

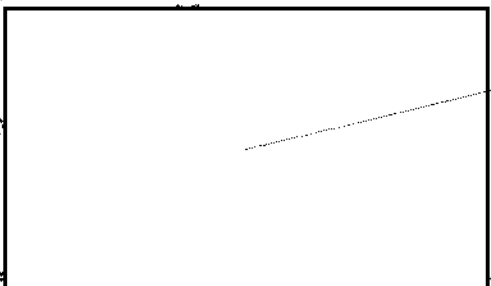
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as Receiver for AmTrust Bank

Date: _____

STATE OF _____
COUNTY OF _____

On _____, 2012, before me personally came _____, an officer of Federal Deposit Insurance Company, to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.


Jor  (b)(6)

Date 8/13/12

Jordan S. Katz, Esq.
Personally and on Behalf of the Law Office of
Jordan S. Katz, P.C.

STATE OF New York
COUNTY OF Suffolk

On 8-13, 2012, before me personally came Jordan S. Katz, personally and on behalf of the Law Office of Jordan S. Katz, P.C., to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.

 (b)(6)

LISA BAGLIONE
Notary Public, State of New York
No. 01646171758
Qualified in Suffolk County
Commission Expires July 31, 2013