

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

1. **PARTIES**: The parties to this Settlement Agreement (“Agreement”) are Plaintiff FEDERAL DEPOSIT INSURANCE CORPORATION as Receiver for Downey Savings & Loan Association, F.A. (“FDIC”) on the one hand, and Defendant IMPERIAL MORTGAGE SERVICES, INC. and MARK HELLER (collectively referred to as “Imperial”), on the other hand. The FDIC and IMPERIAL are sometimes herein collectively referred to as the “Parties.”

2. **RECITALS**: This Agreement is made with reference to the following facts:

2.1 Certain claims (the “Claims”) arose between the Parties concerning a residential loan (the “Loan”) that was made by Downey Savings and Loan Association, F.A. to

(b)(4), (b)(6) [redacted] in or about January 2006 in the principal amount of \$544,000 and secured by a deed of trust on real property (the “Property”) located at [redacted] Roseville, (b)(4), (b)(6) California 95678. The Loan defaulted, resulting in a loss to Downey which the FDIC seeks to (b)(6) recover.

2.2 The Claims subsequently became the subject of a Complaint (“Complaint”) entitled FDIC v. Williams, et al, Case No. 30-2008-00106791, filed in the Orange County Superior Court (the “Action”) on May 16, 2008.

2.3 Imperial was served with the Summons and Complaint in the Action. Mark Heller was and is a principal and the president of Imperial.

2.4 The Parties have agreed to resolve the Claims being alleged by the FDIC against Imperial pursuant to the terms stated in this Agreement.

2.5 By this Agreement, the Parties intend to settle and dispose of, fully and completely, any and all claims, demands, causes of action, obligations, damages, and liabilities that arise out of or relate to the Loan, the Property, the Action, and the Claims alleged therein by the FDIC against Imperial.

3. **NO ADMISSION RE MERITS OF CLAIMS**: The Parties agree that nothing in this Agreement, and no performance under this Agreement, shall be construed as an admission by either Party of the validity or invalidity of the Claims alleged in the Action against Imperial. The Parties agree that this Agreement is entered into for the purpose of convenience and to compromise the disputed Claims alleged in the Action.

4. **SETTLEMENT TERMS**: The Parties agree to the following settlement terms:

4.1 Imperial shall pay to the FDIC the total amount of five-thousand dollars (\$5,000.00), as follows: (a) four-thousand dollars (\$4,000.00) shall be paid to the FDIC within ten (10) days of the FDIC’s execution of this Agreement, and (b) one-thousand dollars (\$1,000.00) shall be paid to the FDIC within sixty (60) days thereafter. The foregoing payments

shall be made payable to the "Robertson + Thommarson, LLP Client Trust Account" for the benefit of the FDIC.

4.2 Following the FDIC's receipt of good funds for all of the foregoing settlement payments, the FDIC shall file a dismissal with prejudice of Imperial from the Action.

5. **MUTUAL RELEASE:**

5.1 In consideration of the Settlement terms as set forth in Paragraph 4 above, and all other promises, covenants and consideration provided for herein, the Parties agree that, except as to such rights or claims as may be created by this Agreement, they hereby covenant not to sue each other again on the Claims, and the Parties acknowledge full and complete satisfaction of, and hereby release, remise, and forever discharge each other, including their respective officers, directors, affiliated companies, agents, servants, representatives, spouse, heirs, successors or predecessors in interest, assignees, attorneys, employees and contractors of and from any and all Claims, demands, counts, obligations, agreements, damages, liabilities, losses, costs and expenses of any kind, in law or in equity, whether known or unknown, that either Party now holds, or has ever held against the other, that arise out of or are in any way connected with, the Loan, the Property, the Action, and the Claims alleged in the Action. No release or settlement is made with respect to any claims arising out of or relating to any other loan or transaction involving Imperial, Downey Savings and Loan Association, or the FDIC.

5.2 This Agreement shall be binding on the Parties and on their respective officers, directors, affiliated companies, agents, servants, representatives, spouse, heirs, successors or predecessors in interest, assignees, attorneys, employees and contractors and shall inure to the benefit of said Parties, and each of them.

6. **ATTORNEYS' FEES:** In the event that any action is brought to enforce or interpret this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees in addition to any other relief to which the prevailing party may be entitled.

7. **REPRESENTATIONS AND WARRANTIES:** The Parties represent, warrant, and agree as follows:

7.1 Each of the Parties has received or had the opportunity to seek their own independent legal advice with respect to the advisability of executing this Agreement. The Parties acknowledge that they have executed this Agreement without fraud, duress, or undue influence. The Parties affirm that they have read this Agreement and understand the contents hereof.

7.2 No Party, nor any agent or attorney of any Party, has made any statement, representation, or promise to any other Party regarding any facts which the Party has then relied upon in entering into this Agreement, and the Parties here each affirm that they have not relied

upon any statement, representation or promise by any other Party, or of any agent or attorney for another Party, in executing this Agreement, or in making the settlement provided for herein, except as is expressly represented or promised in this Agreement.

7.3 None of the Parties have heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the Claims that are alleged in the Action.

7.4 Each Party agrees to execute any additional documents as reasonably convenient, necessary or desirable to carry out the provisions of this Agreement.

8. **MISCELLANEOUS:**

8.1 This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereto shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

8.2 This Agreement constitutes a single, integrated written contract expressing the entire agreement of the Parties. This Agreement may only be modified in a writing signed by all the Parties. This Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties to this Agreement.

8.3 The provisions of this Agreement are contractual and not mere recitals. The Agreement shall be considered severable, such that if any provision or part of the Agreement is ever held invalid under any law or ruling, that provision or part of the Agreement shall remain in force and effect to the extent allowed by law, and all other provisions or parts shall remain in full force and effect.

8.4 This Agreement may be executed in counterparts and shall be effective on the date (the "Effective Date") first executed by any one of the Parties hereto if so executed in counterparts. An authenticated copy of this Agreement can be used for any purpose for which the original may be used.

DATED: 8-10, 2011

[Redacted Signature Box]

MARK HELLER

DATED: 8-10, 2011

IMPERIAL MORTGAGE SERVICES, INC.

By: [Redacted Signature Box]

Its: Mark Heller

(b)(6)

[Additional Signature on Next Page]

(b)(6)

DATED: _____, 2011

FEDERAL DEPOSIT INSURANCE
CORPORATION as Receiver for
Downey Savings & Loan Association, F.A.
By: _____
Its: _____