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## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of this 30th day of March 2012, by, between, and among the Federal Deposit Insurance Corporation as Receiver for IndyMac Bank, F.S.B. ("FDIC-R"), and Boris Frenkel (sued erroneously as "Boris Frankel"), an individual and doing business as Appraisal Choice (referred to herein as "Appraiser") (individually, the FDIC-R and Appraiser may be referred to herein as a "Party" and collectively as the "Parties").

### WHEREAS:

FDIC-R represents that prior to July 11, 2008, IndyMac Bank, F.S.B. ("IndyMac" or the "Bank"), was a depository institution organized and existing under the laws of the United States. FDIC-R further represents that on July 11, 2008, the Office of Thrift Supervision closed the Bank and appointed the Federal Deposit Insurance Corporation as its receiver. FDIC represents that in accordance with 12 U.S.C. § 1821(d), the FDIC-R succeeded to all rights, titles, powers, and privileges of the Bank, including those with respect to its assets.

FDIC-R initiated a lawsuit on July 5, 2011, against Appraiser entitled *Federal Deposit Insurance Corporation, as Receiver for IndyMac Bank, F.S.B. v. Boris Frankel, et al.*, Case No. C11-03279, currently pending in the United States District Court, Northern District of California, San Jose Division (the "Lawsuit"). FDIC-R's July 5, 2011 complaint in the Lawsuit references one appraisal (the "Appraisal") completed under the name "Appraiser Choice" for Hilltop Mortgage, Inc. and signed by Alexander Furman for the real property located at 2311 Sirrah Way, Greenfield, California 93927 (the "Property"). FDIC-R's complaint in the Lawsuit also references a loan ultimately purchased by IndyMac and secured by the Property: a mortgage loan in the amount of \$560,000.00 to (referred to herein as the "Loan").

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A dispute has arisen with respect to claims by the FDIC-R against Appraiser for damages arising from the over-valuation of the Property (hereinafter any and all present and future claims by the FDIC-R against Appraiser arising from losses set forth in the Lawsuit are referred to as the "Claims"). The Parties engaged in settlement negotiations as a result of the Claims. The Parties now deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, and expense of 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-R.**

A. As an essential covenant and condition to this Agreement, on or before thirty (30) days following the date the FDIC-R executes this agreement, Appraiser shall pay the FDIC-R the total sum of \$65,000.00 (the "Settlement Payment"). The Settlement Payment shall be made by check made payable to "Mortgage Recovery Law Group Client Trust Account."

B. The Parties agree to the jurisdiction of the federal court in California for the purposes of enforcing this Agreement. The Parties further agree that the prevailing party in any dispute enforcing this Agreement shall be entitled to reasonable attorney fees and costs. Any extension of time for delivery of the Settlement Payment shall not prejudice the FDIC-R's right to take other action or seek any relief during or after such period of extension, including the right to bring an action to enforce the Agreement, or declare the Agreement null and void.

**SECTION II: Releases.**

Each Party acknowledges that this Agreement applies to all claims for injuries, damages, or losses of any type or nature (whether those injuries, damages, or losses are known or

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unknown, foreseen or unforeseen, patent or latent) which each Party may have against the other Party arising from the Claims. Each Party hereby expressly waives application of *California Civil Code §1542* and any other similar statute or rule.

Each Party certifies that they have read and understood the following provisions of *California Civil Code §1542*, which states in pertinent part 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.

Each Party understands and acknowledges that the significance and consequence of its waiver of *California Civil Code §1542* is that even if any Party should eventually suffer additional damages arising out of the Claims, the claims and causes of action that were or could have been asserted relating to the Claims, or any facts or circumstances related to the Claims, that Party will not be able to make any claim against the other Party for those damages. Furthermore, each Party acknowledges that it consciously intends these consequences even as to claims for damages that may exist as of the date of this release but which that Party does not know exists, and which, if known, would materially affect that Party's decision to execute this release, regardless of whether that Party's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

A. The FDIC-R's Release.

Upon receipt of the Settlement Payment, plus any accrued interest, and except as provided in PARAGRAPH II.C., below, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Appraiser and its officers, directors, representatives, heirs, executors, administrators, successors and assigns, from any and all claims, demands, contracts, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity

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belonging to the FDIC-R, arising out of or relating to the facts and circumstances giving rise to the Claims.

B. Appraiser's Release.

Effective simultaneously with the release in PARAGRAPH II.A. above, Appraiser, on behalf of itself, and its respective employees, officers, directors, representatives, heirs, executors, administrators, successors and assigns, hereby releases and discharges the FDIC-R, and its employees, officers, directors, representatives, successors and assigns, from any and all claims belonging to Appraiser, arising out of or relating to the facts and circumstances alleged by the Claims.

C. Exceptions to Release by FDIC-R.

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

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

b. against any person or entity not expressly released by the FDIC-R in this Agreement; or

c. against Defendant Alexander Furman individually and dba Real World ("Furman"), including claims against Furman arising from the Appraisal or Lawsuit.; or

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2. Notwithstanding any other provision of this Agreement, nothing herein limits, waives, releases, diminishes or compromises the jurisdiction and authority of the Federal Deposit Insurance Corporation in the exercise of its supervisory or regulatory authority to institute administrative enforcement or other proceedings seeking removal, prohibition, civil penalties, restitution or other relief it is authorized to seek pursuant to its supervisory or regulatory authority against any person, or which may arise by operation of law, rule, or regulation.

3. Notwithstanding any other provision of this Agreement, this Agreement does not waive any claims which could be brought by the United States through the Department of Justice, the United States Attorney's Office for any federal judicial district. In addition, the FDIC-R specifically reserves the right to seek court ordered restitution pursuant to the relevant provisions of the Victim and Witness Protection Act, 18 U.S.C. § 3663, et. seq., if appropriate.

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### **SECTION III: Insolvency.**

A. Insolvency.

Appraiser warrants as to payments made by him or on his behalf that at the time of such payment, he is not insolvent nor will the payment made by or on his behalf render him insolvent within the meaning and/or for the purposes of the United States Bankruptcy Code. This warranty is made by Appraiser and not by his counsel.

B. Preferences.

In the event that the FDIC-R is required to return any portion of the Settlement Payment due to a final order by a court that the transfer of the Settlement Payment or any portion thereof constituted a preference, voidable preference, fraudulent transfer or similar transaction, then, in

its sole discretion, the FDIC-R may, without waiver of any other rights it may have in law or equity, pursue any of the rights and remedies set forth in paragraph II(C) above, and/or otherwise permitted by law.

**SECTION IV: Severability**

1. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the rest of the Agreement shall remain in full force and effect to the greatest extent permitted by law and shall in no other way be affected, impaired or invalidated.

**SECTION V: Notices.**

Any notices required hereunder shall be sent by registered mail, first class, return receipt requested, and may also be sent by email, to the following:

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If to the FDIC-R:

Paul Levin  
Mortgage Recovery Law Group  
700 North Brand Boulevard, Suite 830  
Glendale, California 91203

(b)(4),(b)(6)



If to Appraiser:

Peter Catalanotti  
Manning & Kass, Ellrod, Ramirez, Trester LLP  
One California Street, Suite 1100  
San Francisco, California 94111

(b)(4),(b)(6)



**SECTION VI: Other Matters.**

A. No Admission of Liability.

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The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute the settlement and compromise of disputed claims and defenses, that this Agreement is not an admission or evidence of liability or infirmity by any of them regarding any claim or defense, and that the Agreement shall not be offered or received in evidence by or against any Party hereto, except to enforce its terms.

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.

All of the undersigned persons represent and warrant 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, attorneys, successors and assigns.

D. Entire Agreement.

This Agreement constitutes the entire agreement and understanding between and among the undersigned Parties concerning the matters set forth herein and supersedes any prior agreements or understandings. No representations, warranties or inducements have been made to or relied on by any Party concerning this Agreement and its exhibits other than those contained therein.

E. Amendments.

This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing by the Party or Parties bound thereby, or by their respective authorized attorney(s) or other representative(s).

F. Specific Representations, Warranties and Disclaimer.

FDIC-R acknowledges that Appraiser Alexander Furman admits to being the sole creator of the appraisal that is the subject of the litigation. FDIC-R further acknowledges that Boris Frenkel has consistently maintained under oath that he did not participate in creating the appraisal that is the subject matter of the FDIC-R's action and that Mr. Furman did so without input or permission from Mr. Frankel. The FDIC-R pursued Mr. Furman separately in the referenced litigation.

G. Reasonable Cooperation.

1. 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 perform the terms of this Agreement.

2. Further, Appraiser agrees to cooperate fully with the FDIC-R in connection with any action required under this Agreement. Any such cooperation that involves any out of pocket costs is subject to reasonable reimbursement by the FDIC-R pursuant to its internal guidelines and policy for such reimbursement. Such cooperation shall consist of:

- a. producing all documents relevant to the Appraisal, Claims or Lawsuit requested by the FDIC-R, without the necessity of subpoena/
- b. making himself available upon request by the FDIC-R at reasonable times and places for interviews



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regarding facts relevant to the Appraisal, Claims or Lawsuit;

c. appearing to testify, upon request by the FDIC-R related to the Appraisal, Claims or Lawsuit without the necessity of subpoena;

d. signing truthful affidavits upon request by the FDIC-R, regarding any matter relevant to the Appraisal, Claims or Lawsuit.

H. Choice of Law.

This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the internal laws of the State of California, without regard to its conflicts of laws.

I. Advice of Counsel.

Each Party hereby acknowledges that he or 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 its counsel.

J. Title and Captions.

All section titles and captions contained in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

K. Authorship/Construction.

This Agreement sets forth terms and agreements jointly negotiated by the Parties. It is expressly agreed that this Agreement shall not be construed for or against any party by reason of which party drafted it.

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.

**Plaintiff FDIC as Receiver for  
IndyMac Bank, F.S.B.**

**Defendant Boris Frankel**

(b)(6)

By:

By: \_\_\_\_\_

Name: Richard S. Gilk

Date: \_\_\_\_\_

Title: Counsel

Date: 5-7-12

**Approved as to form:**

**Mortgage Recovery Law  
Group, LLP**

**Manning & Kass  
Ellrod, Ramirez, Trester LLP**

By: \_\_\_\_\_  
Michael H. Delbick  
Attorneys for Plaintiff Federal  
Deposit Insurance Corporation as  
Receiver for IndyMac Bank, F.S.B.

By: \_\_\_\_\_  
Peter C. Catalanotti  
Attorneys for Defendant Boris  
Frenkel (erroneously sued as Boris  
Frankel)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Plaintiff FDIC as Receiver for  
IndyMac Bank, F.S.B.**

(b)(6)

By: \_\_\_\_\_

[Redacted Signature]

Name: Richard S. Gill

Title: Counsel

Date: 5-7-12

**Defendant Boris Frankel**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved as to form:**

**Mortgage Recovery Law  
Group, LLP**

(b)(6)

By: \_\_\_\_\_

[Redacted Signature]

Michael H. Delbick  
Attorneys for Plaintiff Federal  
Deposit Insurance Corporation as  
Receiver for IndyMac Bank, F.S.B.

Date: 5/7/12

**Manning & Kass  
Ellrod, Ramirez, Trester LLP**

By: \_\_\_\_\_

Peter C. Catalanotti  
Attorneys for Defendant Boris  
Frenkel (erroneously sued as Boris  
Frankel)

Date: \_\_\_\_\_

**Plaintiff FDIC as Receiver for  
IndyMac Bank, F.S.B.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Defendant Boris Frankel**

By:  (b)(6)  
Date: 05/06/12

**Approved as to form:**

**Mortgage Recovery Law  
Group, LLP**

By: \_\_\_\_\_  
Michael H. Delbick  
Attorneys for Plaintiff Federal  
Deposit Insurance Corporation as  
Receiver for IndyMac Bank, F.S.B.  
Date: \_\_\_\_\_

**Manning & Kass  
Ellrod, Ramirez, Trester LLP**

By:  (b)(6)  
Peter C. Catalanotti  
Attorneys for Defendant Boris  
Frenkel (erroneously sued as Boris  
Frankel)  
Date: 5/7/12