

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made by, between, and among the following undersigned parties:

The Plaintiff Federal Deposit Insurance Corporation as Receiver for IndyMac Bank, F.S.B. (“FDIC-R”), and Royal Pacific Funding Corporation a/k/a Royal Pacific Funding Corp. d/b/a/ Pacificbanc Mortgage (“Defendant”), (individually, the FDIC-R and Defendant may be referred to herein as “Party” and collectively as the “Parties”).

RECITALS

WHEREAS:

Prior to July 11, 2008, IndyMac Bank, F.S.B. (“Bank”) was a depository institution organized and existing under the laws of the United States;

On July 11, 2008, the Office of Thrift Supervision closed the Bank 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 the Bank, including those with respect to its assets.

Among the assets to which the FDIC-R succeeded were certain of the Bank’s claims, demands, and causes of action against closing agents and title insurance companies;

On June 26, 2014, the FDIC-R filed a complaint for money damages against Defendant. This claim for damages is now pending in the United States District Court for the Central District of California in *Federal Deposit Insurance Corporation as Receiver for IndyMac Bank, F.S.B., v. Royal Pacific Funding Corporation a/k/a Royal Pacific Funding Corp. d/b/a/ Pacificbanc Mortgage*, Case Number 8:14-cv-00983-RSWL-DFM (the “Action”). Defendant has denied liability in the Action.

The undersigned Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty 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-R

A. As an essential covenant and condition to this Agreement, Defendant agrees to pay the FDIC-R the sum of \$350,000 ("the Settlement Payment"), as follows:

1. \$60,000 payable on or before November 1, 2015; and
2. \$290,000 payable in installments of \$10,000 per month for 29 months beginning December 1, 2015 and continuing on the first day of each month thereafter.

B. Defendant shall deliver the Settlement Payment to the FDIC-R by direct wire transfer into an account designated by FDIC-R by notice to the attorneys for the Defendant or by certified or cashier's check drawn upon a depository institution acceptable to FDIC-R and made payable to Mortgage Recovery Law Group Client Trust Account.

In the event that the Settlement Payment is not delivered to the FDIC-R (or its counsel) within ten (10) days of its due date as set forth in Paragraph I(A), above, interest shall accrue on all unpaid amounts at the rate of 5% per annum from the date the missing payment is first due until the date of payment. However, if said Settlement Funds are not delivered to the FDIC-R as a result of the FDIC-R's failure to execute this Agreement, no interest shall accrue until five days after the FDIC-R executes the Agreement.

C. In the event Defendant is in default of the terms of this agreement the FDIC-R then the FDIC-R, in its sole discretion, shall have the right at any time prior to receipt of the Settlement Payment in full (including all accrued interest) to proceed as set forth below. Default shall be defined as Defendant failing to make any payment on its due date and, after Plaintiff has given written notice to Defendant, Defendant fails to cure said non-payment within ten (10) business days after such notice. In such event FDIC-R shall be entitled to:

:

1. Extend the period of time for the Settlement Payment, including interest accruing from the date determined by subsection B above, through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(a)(3); or

2. Enforce this Agreement, in which event the Defendant agrees to jurisdiction in United States District Court in the Central District of California and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement; or

3. Terminate the Agreement, move to vacate any dismissal order, to which the Defendant agrees to consent, and re-institute an action on the FDIC-R's claims. The Defendant further agrees to waive any defense based on any statute of limitations that would bar any of the FDIC-R's claims and waive all objections, defenses, claims or counterclaims, and covenant and agree not to assert any objections, defenses, claims or counterclaims that did not exist or were otherwise unavailable as of the date this Agreement was fully executed; and/or

4. Seek any other relief available to it in law or equity.

Any extension of time under Section I.C.1 for delivery of the Settlement Payment or acceptance of a portion of the Settlement Payment shall not prejudice the FDIC-R's rights to take any of the actions set forth in Section I.C.2 through I.C.4 at any time prior to receipt of Settlement Payment (including all accrued interest) in full.

SECTION II: Stipulations and Dismissal

Within ten (10) business days of the execution of this Agreement, the Parties agree to execute a Stipulation for Entry of Judgment for the total Settlement Payment due, less payments already made, which will be filed if Defendant defaults and thereafter fails to cure any installment payment as set forth in Section 1C above. If Defendant defaults and then fails to cure any installment payment, Plaintiff may seek to enforce the Judgment in the United States District Court for the Central District of California on an *ex parte* basis ten (10) days after the date of any default, subject to the Federal Rules of Civil Procedure and the Local Rules of the United States District Court for the Central District of California. However, the Parties agree that Defendant

shall have a grace period of ten (10) days in which to cure the default and Plaintiff agrees not to file any request until the grace period lapses.

Within ten (10) business days after (1) full execution of this Agreement by all of the Parties, and (2) receipt of the entire Settlement Payment (*i.e.*, receipt of the last installment payment as set forth in Section I(A)(2), above) plus any accrued interest, or as otherwise ordered by the Court, the FDIC-R shall file the stipulation of dismissal with prejudice, executed by the attorneys for all Parties hereto, in the Action.

SECTION III: Releases

A. The FDIC-R's Releases.

Upon receipt of the Settlement Payment in full and except as provided in Section III.C., the FDIC-R, for itself and its successors and assigns, hereby releases and discharges the Defendant and its respective heirs, executors, trustees, administrators, representatives, successors, and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R, that arise from or relate to the causes of action alleged in the Action.

B. The Defendant's Release.

Effective simultaneously with the release granted in Section III.A. above, the Defendant, on behalf of itself individually, and its respective heirs, executors, trustees, administrators, shareholders, officers, directors, agents, representatives, attorneys, successors, and assigns, hereby releases and discharges the FDIC-R, and its employees, officers, directors, representatives, attorneys, successors and assigns, from any and all claims, demands, obligations, damages, actions, and causes of action, direct or indirect, in law or in equity, that arise from or relate to the causes of action alleged in the Action.

C. Exceptions from Releases by FDIC-R.

I. 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 the Defendant 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 such claims acquired by FDIC-R as successor in interest to the Bank or any person or entity other than Bank; and

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

2. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be construed or interpreted as limiting, waiving, releasing, or compromising the jurisdiction and authority of the Federal Deposit Insurance Corporation in the exercise of its supervisory or regulatory authority or to diminish its ability to institute administrative enforcement or other proceedings seeking removal, prohibition, or any other relief it is authorized to seek pursuant to its supervisory or regulatory authority against any person.

3. Notwithstanding any other provision of this Agreement, this Agreement does not purport to waive, or intend to waive, any claims that could be brought by the United States through the Department of Justice, the United States Attorney's Office for any federal judicial district, or any other department or agency of the United States as defined by 18 U.S.C. § 6. In addition, the FDIC-R specifically reserves the right to seek court-ordered restitution pursuant to the relevant provisions of the Mandatory Victims Restitution Act, 18 U.S.C. §§ 3322 and 3663 *et. seq.*, if appropriate.

SECTION IV: Representations and Acknowledgements

A. Authorized Signatories. All of the undersigned persons represent and warrant that they are Parties 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, trustees, administrators, representatives, successors and assigns.

B. Advice of Counsel. Each Party hereby acknowledges that he, she, 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 her counsel.

SECTION V: Reasonable Cooperation

A. The 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 and to otherwise perform the terms of this Agreement.

SECTION VI: Other Matters

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 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 except to enforce its terms.

B. Execution in Counterparts. This Agreement may be executed in counterparts by one or more of the Parties and all such counterparts when so executed shall together constitute the final Agreement, as if one document had been signed by all Parties; and each such counterpart, upon execution and delivery, shall be deemed a complete original, binding the Parties subscribed thereto upon the execution by all Parties to this Agreement.

C. 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 California.

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

If to the FDIC-R:

Michael H. Delbick, Esq.
Mortgage Recovery Law Group
700 N. Brand Blvd., Suite 830
Glendale, California 91203
(818) 630-7901

If to the Defendant:

Randall K. Johnson
Johnson & Associates
100 Bayview Circle, Suite 3200
Newport Beach, CA 92660
(949) 851-6993

With a copy to:

Royal Pacific Funding Corporation
3070 Bristol Street, Suite 400
Costa Mesa, CA 92626

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

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


G. No Confidentiality. The undersigned Parties acknowledge that this Agreement shall not be confidential and will be disclosed pursuant to the Federal Deposit Insurance Corporation's applicable policies, procedures, and other legal requirements.

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 INDYMAC BANK, F.S.B.

(b)(6)

Date: 9/28/15

BY: 

TITLE: Counsel

PRINT NAME: Richard S. Geiff

ROYAL PACIFIC FUNDING CORPORATION a/k/a
ROYAL PACIFIC FUNDING CORP. d/b/a/
PACIFICBANC MORTGAGE

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

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 INDYMAC BANK, F.S.B.

Date: _____

BY: _____

TITLE: _____

PRINT NAME: _____

ROYAL PACIFIC FUNDING CORPORATION a/k/a
ROYAL PACIFIC FUNDING CORP. d/b/a/
PACIFICBANC MORTGAGE

(b)(6)

Date: 9/30/15

BY: 

TITLE: president

PRINT NAME: Sam Saliman