

**SETTLEMENT AND RELEASE AGREEMENT**

This Settlement and Release Agreement (“Agreement”) is made as of this \_\_ day of January 2014, by, between, and among the following undersigned parties:

The Plaintiff Federal Deposit Insurance Corporation as receiver for AmTrust Bank (“FDIC-R”) and Saraga & Lipshy, P.A. (the “Settling Defendant”). (Individually, the FDIC-R and the Settling Defendant may be referred to herein as “Party” and collectively as the “Parties.”)

**RECITALS**

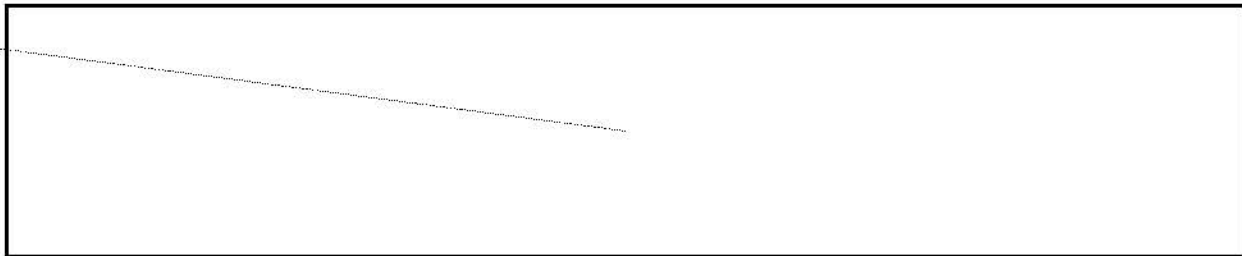
WHEREAS:

Prior to December 4, 2009, AmTrust Bank (“Bank”) was a depository institution organized and existing under the laws of the United States;

On December 4, 2009, the Bank was closed by the Office of Thrift Supervision and pursuant to 12 U.S.C. § 1821(c), the FDIC-R was appointed receiver. In accordance with 12 U.S.C. § 1821(d), the FDIC-R, as receiver, 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 as receiver succeeded were any and all of the Bank's claims, demands, and causes of actions, including the claims which are the subject of this Agreement;

(b)(4)



On November 30, 2012, the FDIC-R filed a complaint for money damages against the Settling Defendant. Those claims for damages are now pending in the United States District Court for the Southern District of Florida in *Federal Deposit Insurance Corporation as Receiver for AmTrust Bank v. Saraga & Lipshy, P.A.*, Case No. 13-80322-CV-

MIDDLEBROOKS/BRANNON (the "Action"). The Settling 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, trouble, 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**

A. As an essential covenant and condition to this Agreement, the Settling Defendant agrees to pay the FDIC-R the sum of \$255,000 ("the Settlement Funds").

B. Upon the execution of an original, or originals in counterpart, of this Agreement by each of the undersigned Parties to this Agreement, but no later than twenty-five (25) days after the execution and delivery of this Agreement by all the Parties, the Settlement Funds shall be delivered to FDIC-R counsel, Welbaum Guernsey, 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.

In the event that the Settlement Funds are not delivered to the FDIC-R (or its counsel) on or before twenty-five days after the execution and delivery of this Agreement by all the Parties, interest shall accrue on all unpaid amounts at the rate of 5% per annum from twenty-five days after the execution of this Agreement by all the Parties until the date of payment. No interest shall accrue until the day after the FDIC-R executes the Agreement.

C. In addition, and without waiving any other rights that the FDIC-R may have, in the event that all Settlement Funds (including all accrued interest) are not received by the FDIC-R on or before twenty-five days after the execution of this Agreement, then, the FDIC-R, in its sole discretion, shall have the right at any time prior to receipt of all Settlement Funds (including

all accrued interest) to declare this Agreement null and void, shall have the right to extend this Agreement for any period of time until it receives all Settlement Funds (including all accrued interest), and/or shall have the right to enforce this Agreement against the Settling Defendant for failing to deliver the Settlement Funds, in which event the Settling Defendant agrees to jurisdiction in Federal District Court in Florida and agree to pay all of the FDIC's reasonable attorney's fees expended in enforcing the terms of this Agreement. Any decision by the FDIC-R to extend the terms of this Agreement or to accept a portion of the Settlement Funds shall not prejudice its rights to declare this Agreement null and void at any time prior to receipt of all Settlement Funds (including all accrued interest) or to enforce the terms of this Settlement Agreement; provided however, that in the event the FDIC-R declares this Agreement null and void, the FDIC-R will return all amounts paid to it under this Agreement by the Settling Defendant. In no event shall the FDIC-R declare this Agreement null and void with respect to any Party if the Settling Defendant has delivered the Settlement Fund (including any accrued interest) on or before twenty-five days after the execution of this Agreement.

### **SECTION II: Stipulation and Dismissal**

Upon execution of this Agreement by each of the undersigned Parties, and receipt of the Settlement Funds, plus any accrued interest, the FDIC-R shall dismiss the Action. The undersigned Parties agree to enter stipulation(s) providing that the dismissal(s) set forth above shall be with prejudice, with each Party to bear its own costs as these were originally incurred.

### **SECTION III: Releases**

#### **A. Release of Individual Settling Defendant by FDIC-R.**

Effective upon receipt in full of the settlement funds plus any accrued interest and dismissal described in SECTION(S) I and II above, and except as provided in Paragraph III.C. below, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges the Settling Defendant and its principals, directors, shareholders, officers, 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 claims and allegations set forth in the Action.

B. Release of FDIC-R by the Settling Defendant.

Effective simultaneously with the release granted in Paragraph III.A. above, the Settling Defendant, on behalf of itself individually, and its heirs, executors, administrators, agents, representatives, successors, and assigns, hereby release and discharge FDIC-R, and its employees, officers, directors, 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, that arise from or relate to, the claims and allegations set forth in the Action.

C. Express Reservations From Releases By FDIC-R.

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

a. against the Settling 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 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 in this Agreement; and

c. which are not expressly released in Paragraphs III.A. or III.C. above.

2. Notwithstanding any other provision, 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 proceedings seeking removal, prohibition or any other administrative enforcement action, which may arise by operation of law, rule or regulation.

3. Notwithstanding any other provision, this Agreement does not purport to waive, or intend to waive, any claims which could be brought by the United States through either the Department of Justice, the United States Attorney's Office for the Southern District of Florida or any other 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.

#### **SECTION V: Representations and Acknowledgements**

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 that this Agreement is not an admission or evidence of liability by any of them regarding any claim.

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. Each of the undersigned persons represents and warrants 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, successors and assigns.

D. 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 Florida.

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. This Agreement may not be amended or modified except by another written instrument signed by the party or parties to be bound thereby, or by their respective authorized attorney(s) or other representative(s).

F. Reasonable Cooperation. The undersigned Parties agree to cooperate in good faith to effectuate all the terms and conditions of this Agreement.

G. Advice of Counsel. Each Party hereby acknowledges that 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.

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 AMTRUST BANK

(b)(6)

Date: 1/6/2014

BY:   
TITLE: Counsel  
PRINT NAME: Patrick M. McGuirk

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

SARAGA & LIPSHY, P.A.  
BY: \_\_\_\_\_  
TITLE: Co-President  
PRINT NAME: Brian Louis Lipshy

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FEDERAL DEPOSIT INSURANCE CORPORATION AS  
RECEIVER FOR AMTRUST BANK

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

BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_

(b)(6)

Date: 1-6-14

SARAGA & LIPSHY, P.A.  
BY:   
TITLE: Co-President  
PRINT NAME: Brian Louis Lipshy