

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made on this 18th day of November 2013, by, between, and among the following undersigned parties:

Federal Deposit Insurance Corporation in its capacity as receiver for La Coste National Bank ("FDIC-R"); the former directors of La Coste National Bank, including the Estate of John V. Parma, Deceased; Mark Lamon; Alvin Santleben; Sylvan Mangold; Henry Kohllepel; Raymond Jagge; Carol Burket, and Jody P. Gwyn (collectively the "Settling Individuals"); and Federal Insurance Company ("Federal"). Individually, the FDIC-R, any of the Settling Individuals and Federal may be referred to herein as a "Party" to the Agreement and collectively as the "Parties" to the Agreement.

RECITALS

WHEREAS:

Prior to February 19, 2010, La Coste National Bank (the "Bank") was a depository institution organized and existing under the laws of the United States of America.

On February 19, 2010, the Bank was closed by the Office of the Comptroller of the Currency 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 against its former directors, officers and employees arising from the performance, nonperformance and manner of performance of their respective functions, duties and acts as directors and/or officers of the Bank.

FDIC-R has asserted claims against certain persons, including the Settling Individuals who had each served at various times as directors and/or officers of the Bank, comprising those claims ("Claims") set forth in the FDIC-R demand letters dated July 16, 2010 to the Settling Individuals; July 16, 2010 to Chubb Group of Insurance Companies, Policy No. [redacted] July 23, 2012 to the Settling Individuals; and July 23, 2012 to Chubb Group of Insurance Companies re: Policy No. [redacted] (collectively "Demand Letters"). The Settling Individuals have denied liability for the Claims.

Federal issued directors' and officers' liability policy number [redacted] (the "Policy"), which insured the (b)(4) directors and officers and employees of the Bank according to the terms, provisions and conditions of the Policy. The Settling Individuals have made claims for coverage under the Policy. Federal has reserved its rights to deny coverage under the Policy for claims asserted by FDIC-R against the Settling Individuals.

The undersigned Parties deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, and expense of litigation.

The Parties also desire to resolve any claims with respect to coverage under the Policy and any and all claims for defense and/or indemnity rights or obligations with respect to the Claims, except as provided herein.

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, the FDIC-R, the Settling Individuals and Federal agree that Federal will pay to the FDIC-R the sum of Nine Hundred Thousand and No/100 Dollars \$900,000.00 ("the Settlement Funds") as full and final payment for the Claims, as more particularly set forth herein.

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 ten (10) business days from Federal's receipt of the fully executed Settlement Agreement, Federal will deliver the Settlement Funds to FDIC-R by direct wire transfer into an account designated by FDIC-R.

C. In addition, and without waiving any other rights the FDIC-R may have, in the event that all Settlement Funds are not received by the FDIC-R on or before ten business days from Federal's receipt of the fully executed Settlement Agreement, the FDIC-R, in its sole discretion, shall have the right (i) to declare this Agreement null and void; or (ii) extend this Agreement for any period of time until it receives all Settlement Funds.

SECTION II: Releases

A. Release of Settling Individuals by FDIC-R.

Effective upon receipt in full of the Settlement Funds described in SECTION I above, and except as provided in Paragraph II G below, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges each of the Settling Individuals, and their respective heirs, executors, administrators, 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 (i) the Claims; (ii) the Bank; (iii) the performance, nonperformance, or manner of performance of the Settling Individuals in their respective functions, duties and actions as officers and/or directors of the Bank; or (iv) the Policy.

B. Release of Covered Persons by the FDIC-R.

Effective simultaneously with the release granted in Paragraph II.A. above, and except as provided in Paragraph II.G. below, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges all former directors, officers, and employees of the Bank including all persons identified in the Demand Letters (collectively, the "Covered Persons"), and their respective heirs, executors, 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, based on negligence, gross negligence, breach of fiduciary duty and/or other wrongful acts, belonging to the FDIC-R that arise from or relate to the Claims. This release shall be null and void as to any Covered Person if such Covered Person asserts any claim against the FDIC-R.

C. Release of Federal by FDIC-R

Effective upon receipt in full of the Settlement Funds described in SECTION I above, and except as provided in Paragraph II G below, the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Federal and its parent corporations, affiliates, officers, directors, employees, attorneys, agents, 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 (i) the Claims; (ii) the Bank; (iii) the performance, nonperformance, or manner of performance of the Settling Individuals or any Covered Person under the Policy in their respective functions, duties and actions as officers and/or directors of the Bank; or (iv) the Policy. The FDIC-R agrees that any rights, claims or interests it may have under the Policy or its proceeds are hereby released and extinguished.

D. Release of FDIC-R by the Settling Individuals.

Effective simultaneously with the releases granted in Paragraph II.A and B above, the Settling Individuals, and their respective heirs, executors, administrators, agents, attorneys, representatives, successors and assigns, hereby release and discharge 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 (i) the Claims; (ii) the Bank; (iii) the performance, nonperformance, or manner of performance of the FDIC-R's functions, duties and actions that arise from or relate to the Bank and (iv) the Policy.

E. Release of FDIC-R by Federal

Effective simultaneously with the releases granted in Paragraph II.A , B and C above, Federal and its parent corporations, affiliates, officers, directors, employees, agents, attorneys, successors and assigns hereby release and discharge 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 (i) the Claims; (ii) the Bank; (iii) the performance, nonperformance, or manner of performance of the FDIC-R's functions, duties and actions that arise from or relate to the Bank and (iv) the Policy.

F. Release by Settling Individuals and Federal of Each Other.

Effective simultaneously with the releases granted in Paragraph II.C above, the Settling Individuals and their respective heirs, executors, administrators, representatives, attorneys, successors and assigns, and Federal, and its parent corporations, affiliates, officers, directors, employees, agents, attorneys, successors and assigns, hereby release and discharge each other 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 (i) the Claims; (ii) the Bank; (iii) the performance, nonperformance, or manner of performance of the Settling Individuals in the performance of their respective functions, duties and actions as officers and/or directors of the Bank; and (iv) the Policy.

G. Express Reservations From Releases By FDIC-R.

I. 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 Individuals, the Covered Persons, 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 the FDIC-R, the Bank, other financial institutions, or any other person or entity, including without limitation any claims acquired by the FDIC as successor in interest to the Bank or any person or entity other than the Bank;
- b. required as part of the performance of the terms of this Settlement Agreement and Release;
- c. against any person or entity not expressly released in this Agreement; and

d. not expressly released in Paragraph II.A, B and C above.

2. Notwithstanding any other provision, 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, causes of action and enforcement rights it may have against Jody P. Gwyn ("Gwyn") arising out of previous court orders entered in prior legal proceedings against Gwyn, including those requiring restitution of funds from his acts relating to the Bank. Nothing in this Settlement Agreement shall be construed to in any way alter, change or modify any previous court order or the rights of the parties thereunder, including, but not limited to, court orders involving restitution. It is further agreed that the Settlement Funds shall not be a credit diminishing Gwyn's obligations to pay any restitution of funds to the Federal Deposit Insurance Corporation, in any capacity, including, and without limitation, funds required to be paid as a result of the Amended Judgment in the matter of *United States of America v. Jody P. Gwyn*, Case No. 10-cr-00325-OLG, filed on May 2, 2011.

3. 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 by law, rule or regulation.

4. Notwithstanding any other provision, , this Agreement does not purport to waive, or intend to waive, any claims which could be brought by any supervisory agency including, but not limited to, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the U.S. Securities Exchange Commission; 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 Western District of Texas 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 III: Waiver of Dividends

To the extent, if any, that any Settling Individuals are or were shareholders of the Bank and by virtue thereof are or may have entitled to a dividend, payment, or other pro rata distribution upon resolution of the

receivership of the Bank, they hereby knowingly assign to the FDIC-R any and all rights, titles and interest in and to any and all such dividends, payments or other pro rata distributions.

SECTION IV: Proceeds from Litigation

To the extent, if any, that any Settling Individuals are or were shareholders of the Bank and by virtue thereof are or may have been entitled to the proceeds of any litigation that has been or could be brought against the United States based on or arising out of, in whole or in part, the closing of the Bank, or any alleged acts or omissions by the OCC, FHILBB, OTS, RTC, Federal Deposit Insurance Corporation, FDIC-R, the FSLIC Resolution Fund or the United States government in connection with the Bank, its conservatorship or receivership; they hereby knowingly assign to the FDIC-R any and all rights, titles and interests in and to such proceeds.

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. 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 enforce according to the applicable federal law, or in its absence, the laws of the State of Texas.

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. Specific Representations, Warranties and Disclaimers. The Settling Individuals expressly acknowledge that in determining to settle the claims released here, the FDIC-R has reasonably and justifiably relied upon the accuracy of financial information in the affidavits submitted. If, in their affidavits, any of the Settling Individuals has made a material misrepresentation or failed to disclose a material interest, legal, equitable, or beneficial, in an asset of material value, said Settling Individual agrees: (a) the FDIC-R may declare the release granted to the person who made the material omission or misrepresentation in disclosure as null and void; (b) the FDIC-R may retain the Settlement Funds; or (c) the FDIC-R may sue the individual who made the material omission or misrepresentation in disclosure for damages, an injunction, and specific performance for the breach of this Agreement. Each Settling Individual agrees that if he or she has made a material misrepresentation or failed to disclose a material interest, legal, equitable, or beneficial, in a material asset, the FDIC-R's claims against that individual shall be reinstated and that individual waives any statute of limitations defense that would bar any of the FDIC-R's claims against him or her.

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, Settling Individuals agree to cooperate fully with the FDIC-R in connection with any action required under this Agreement. Such cooperation shall consist of:

a. producing documents reasonably requested by the FDIC-R, without the necessity of subpoena, as determined by the FDIC-R, in its sole discretion, to be relevant to actions against third parties pertaining to the Bank;

b. making themselves available upon request by the FDIC-R at reasonable times and places for interviews regarding facts, as determined by the FDIC-R in its sole discretion, to be relevant to actions against third parties pertaining to the Bank;

c. appearing to testify, upon request by the FDIC-R, in actions against third parties relating to the Bank, without the necessary of subpoena;

d. signing truthful affidavits upon request by the FDIC-R, regarding any matter relating to the Bank in actions against third parties.

H. 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.

Date: 7/18/2013

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER OF LA COSTE NATIONAL BANK

(b)(6) _____
By

Its: Carol Burket

(b)(6) _____
Date: 11/6/13

RAYMOND JAGGE

(b)(6) _____
Date: 11/6/13

MARK LAMON

(b)(6) _____
Date: 12-6-2013

ALVIN SANTLEBEN

(b)(6) _____
Date: 11/6/13

SYLVAN MANGOLD

(b)(6) _____
Date: 11-6-13

HENRY KOHLEPEL

(b)(6) _____
Date: 11-6-13

CAROL BURKET

(b)(6)

Date:

November 18, 2013



JODY P. GWYN

[Handwritten signature]

Date:

ESTATE OF JOHN PARMA,
DECEASED

By: James Parma

Its: Independent Co-Executor

Date:

MARK L. GREENWALD, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, AND CAROL BURKET

Date:

DAVID B. WEST, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, CAROL BURKET AND THE
ESTATE OF JOHN PARMA, DECEASED

Date: _____

JODY P. GWYN

Date: 11/7/2013



(b)(6)

ESTATE OF JOHN PARMA,
DECEASED

By: James Parma

Its: Independent Co-Executor

Date: _____

MARK L. GREENWALD, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, AND CAROL BURKET

Date: _____

DAVID B. WEST, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, CAROL BURKET AND THE
ESTATE OF JOHN PARMA, DECEASED

Date: _____

JODY P. GWYN

Date: _____

ESTATE OF JOHN PARMA,
DECEASED

By: James Parma

Its: Independent Co-Executor

[Redacted Signature]

(b)(6)

Date: 10-6-13

MARK L. GREENWALD, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, AND CAROL BURKET

[Redacted Signature]

(b)(6)

Date: 11-06-13

DAVID B. WEST, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, CAROL BURKET AND THE
ESTATE OF JOHN PARMA, DECEASED

Date: _____

JODY P. GWYN

Date: _____

ESTATE OF JOHN PARMA,
DECEASED

By: James Parma

Its: Independent Co-Executor

(b)(6)

[Redacted]

Date: 10-6-13

MARK L. GREENWALD, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, AND CAROL BURKET

(b)(6)

[Redacted]

Date: 11-06-13

DAVID B. WEST, ATTORNEY FOR
RAYMOND JAGGE, MARK LAMON, ALVIN
SANTLEBEN, SYLVAN MANGOLD, HENRY
KOHLEPEL, CAROL BURKET AND THE
ESTATE OF JOHN PARMA, DECEASED

(b)(6)

[Redacted]

Date Nov 18, 2013

Patrick Fazel for Federal
as Insurer of La Costa
National Bank under Policy No

[Redacted] (b)(4)