

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made effective September 5, 2012, by, between, and among the following undersigned parties:

Federal Deposit Insurance Corporation, as Receiver for Westsound Bank (“FDIC-R”), Richard N. Christopherson, Donald F. Cox, Jr., Brett T. Green, David K. Johnson, James H. Lamb, Brian B. McLellan, Rodney R. Parr, Dean M. Reynolds, Donald H. Tucker, Louis J. Weir, and Larry C. Westfall (collectively, the “Defendants”), and BancInsure, Inc. (“BancInsure” or the “Insurance Company”) (individually, the FDIC-R, the Defendants and the Insurance Company may be referred to herein as “Party” and collectively as the “Parties”). WSB Financial Group, Inc. (“WSB Financial”) is a limited party to this Agreement only as specifically provided for.

RECITALS

WHEREAS:

1. Prior to May 8, 2009, Westsound Bank (“Bank”) was a depository institution organized and existing under the laws of the State of Washington;
2. The Bank was a wholly owned subsidiary of WSB Financial. WSB is a limited party to this Agreement only as provided for in Section III.F below.
3. On May 8, 2009, the Bank was closed by the Washington State Department of Financial Institutions 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.
4. Among the assets to which the FDIC-R succeeded were any and all of the Bank’s claims, demands, and causes of action 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;
5. On November 18, 2011, the FDIC-R filed a complaint for money damages against the Defendants, each of whom served at various times as directors and/or officers of the Bank. Those claims for damages are now pending in the United States District Court for the District of Washington in the matter *FDIC v. Johnson*, Civil No. 11-cv-05953 (the “D&O Action”). The Defendants have denied liability. BancInsure issued Directors’ and Officers’ Liability Insurance

Policy Including Company Reimbursement number [redacted] (the "Policy") to WSB (b)(4) Financial and the Bank. The Policy includes Lender Liability, Employment Practices, Bankers Errors & Omissions and Securities Claims Endorsements. The Policy was terminated effective July 23, 2008 and a one-year Extended Reporting Period was purchased expiring on July 23, 2009. The Defendants provided notice and tender of the D&O Action for coverage under the Policy. BancInsure denied coverage for the D&O Action based on its interpretation of the Policy and its view that a settlement and release agreement executed in September, 2008 precluded coverage. Notwithstanding its denial of coverage, BancInsure agreed to reimburse defense costs under a full reservation of rights including the right to cease reimbursing defense costs and to seek reimbursement of paid defense costs. The Defendants disagreed with BancInsure's coverage position and the amount of coverage potentially available under the Policy for the D&O Action.

6. 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 the FDIC-R

A. As an essential covenant and condition to this Agreement, within five (5) days after full execution of this Agreement, BancInsure, on behalf of itself and the Defendants, agrees to deliver the sum of One Million Seven Hundred and Thirty Thousand Dollars (\$1,730,000.00) ("the Settlement Payment") to Nixon Peabody, LLP, to be held in trust (the "Trust Account") pending distribution as set forth below. The only condition to the disbursement to the funds in the Trust Account to FDIC-R shall be entry of an order of dismissal with prejudice of the D&O Action ("Order of Dismissal"). Upon Order of Dismissal, the Settlement Payment and balance of the Trust Account shall be disbursed by Nixon Peabody, LLP to FDIC-R.

B. BancInsure shall deliver the Settlement Payment to Nixon Peabody, LLP by direct wire transfer to the Trust Account as follows:

BANK: JPMorgan Chase Bank, Rochester, NY 14643
ROUTING #: [redacted]
FOR CREDIT TO: Westsound Bank Settlement Trust Account
ACCOUNT: [redacted]

(b)(4)

(b)(4)

C. In the event that the Order of Dismissal is not entered within sixty (60) days after deposit of the Settlement Payment into the Trust Account, at FDIC-R's option, the Settlement Payment and balance of the Trust Account shall be disbursed by Nixon Peabody, LLP to BancInsure and this Agreement shall become null and void and the Parties returned to their prior positions, or the FDIC-R may elect to extend the escrow period for up to ninety (90) days. If after ninety (90) days from deposit of the Settlement Payment into the Trust Account the Order of Dismissal has still not been entered, this Agreement shall become null and void, the Settlement Payment and balance of the Trust Account shall be disbursed by Nixon Peabody, LLP to BancInsure and the Parties returned to their prior positions unless a further extension is agreed to by BancInsure.

SECTION II. Stipulation and Dismissal

Upon full execution of this Agreement by each of the Parties, and the deposit of the Settlement Payment into the Trust Account, the FDIC-R and the Defendants shall promptly file a stipulation of dismissal with prejudice, executed by the attorneys for all Parties hereto, in the form attached hereto as Exhibit A.

SECTION III. Releases

A. The FDIC-R's Release. Upon its receipt of the Settlement Payment pursuant to Section I, and except as provided in Paragraph III.D below and any claims asserting a breach of this Agreement, the FDIC-R, solely in its capacity as receiver and not in its corporate capacity, for itself and its successors and assigns, hereby releases and discharges:

1. Defendants and their respective heirs, executors, administrators, agents, attorneys, representatives, 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, known or unknown (hereinafter, "Claims") belonging to the FDIC-R (i) arising out of or related to the Defendants' conduct as directors, officers, consultants, employees, trustees, agents or representatives of the Bank including but not limited to alleged dishonest or fraudulent acts, and/or (ii) alleged or related to the allegations in the D&O Action against the Defendants, and/or (iii) which could have been asserted against the Defendants in the D&O Action related to the Defendants' negligence, gross negligence, or breaches of fiduciary duty as directors, officers, consultants, employer, trustees, agents or representatives of the Bank including but not limited to alleged dishonest or fraudulent acts; and

2. BancInsure, its parents, subsidiaries, affiliates, and reinsurers, and their employees, officers, directors, agents, representatives, attorneys, successors and assigns, for any and all Claims, known or unknown, that arise from or relate to the Policy, coverage under the Policy, or claims handling, and including but not limited to all claims, demands, damages, liabilities and causes of suit or action of any kind or nature whatsoever, including any extracontractual or bad faith claims or claims under Washington's Insurance Fair Conduct Act, in any way related to a claim or losses, based on or in any way connected with the Policy or any duty related to the Policy.

B. The Defendants' Release. Effective simultaneously with the release in Paragraph III.A. above, and except any claims asserting a breach of this Agreement, the Defendants, on behalf of themselves individually, and their respective heirs, executors, administrators, agents, representatives, successors and assigns, hereby release and discharge:

1. FDIC-R and its employees, officers, directors, agents, representatives, attorneys, administrators, successors and assigns, from any and all Claims that arise from or relate to the Bank, except with respect to any Claims which are not released by the FDIC-R pursuant to Section III.D, and Defendants expressly reserve all defenses, rights and claims they have with respect to any Claims which are not released by the FDIC-R pursuant to Section III.D; and

2. BancInsure and its employees, officers, directors, agents, representatives, attorneys, reinsurers, successors and assigns, from any and all Claims, known or unknown, that arise from or relate to the Policy, coverage under the Policy, or claims handling, and including, but not limited to all claims, demands, damages, liabilities and causes of suit or action of any kind or nature whatsoever, including any extracontractual or bad faith claims or claims under Washington's Insurance Fair Conduct Act in any way related to a claim or losses, or unpaid defense expenses or costs, based on or in any way connected with the Policy or any duty related to the Policy.

C. BancInsure's Release. Effective simultaneously with the releases granted in Paragraphs III. A. and B. above, and except any claims asserting breach of this Agreement, BancInsure, for itself and its successors and assigns, and on behalf of its parents, subsidiaries, affiliates, and reinsurers, and their successors and assigns, hereby releases and discharges:

1. The FDIC-R, and its employees, officers, directors, agents, representatives, attorneys, administrators, successors and assigns, from any and all Claims that arise from or relate to the Policy; and

2. Each of the Defendants and their respective heirs, executors, administrators, agents, attorneys, representatives, successors and assigns from any and all Claims that arise from or relate to the Policy, including, without limitation, any claims for payment or reimbursement, recoupment or subrogation rights with respect to the Claims, including, but not limited to, any and all attorney fees and other defense costs paid by BancInsure.

D. Exceptions from Releases.

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 the Defendants 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 ("Excluded Obligations"), including without limitation any Excluded Obligations acquired by FDIC-R as successor in interest to the Bank or any person or entity other than the Bank; and

b. against any person or entity not expressly released by the FDIC-R in this Agreement. However, FDIC-R acknowledges and agrees that timely notice of Claim or potential Claim under the Policy and Extended Reporting Period was not provided to BancInsure except with respect to Defendants, and that the Tolling Agreement between FDIC-R, BancInsure, and Defendants has expired and is no longer in effect.

c. against BancInsure under BancInsure Financial Institution Bond (b)(4) with respect to the Proof of Loss submitted by FDIC-R dated January 22, 2010 and for which BancInsure has denied coverage.

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.

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, 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 Victim and Witness Protection Act, 18 U.S.C. § 3663, et. seq., if appropriate.

E. Express Reservation of Rights of Bond Carrier.

Notwithstanding any other provision, nothing in this Agreement shall release or prejudice the rights of BancInsure, Inc., or any other underwriter of any financial institution bond, fidelity bond, or banker's blanket bond on which the Bank is an insured, to bring any claims by way of subrogation to the claims of the FDIC-R, against (a) any directors, officers, or employees of the Bank in their capacities as directors, officers, or employees of the Bank or in any other capacity, but excluding any of the Defendants, or (b) any other individual or entity, but excluding any of the Defendants, for dishonest or fraudulent conduct that directly caused any losses to the Bank, including any Loss or Claim under BancInsure Financial Institution Bond No. (b)(4)

F. Policy Release.

1. The FDIC-R, the Defendants, and WSB Financial agree and acknowledge that BancInsure's Settlement Payment as provided for herein, fully exhausts BancInsure's and any of its reinsurers' obligations under the Policy and all Endorsements for all claims that were made or could be made in the future under the Policy and all Endorsements, including but not limited to those excepted from the FDIC-R's release as provided for in Paragraph III.D (1)(a)-(b), above. For the avoidance of doubt, as between the FDIC-R and WSB Financial, this Agreement does NOT create any contractual obligation or rights, and it does NOT in any way release or compromise any rights or obligations. WSB Financial is a party to this agreement solely with regard to its relationship to the Defendants and BancInsure.

2. The FDIC-R, the Defendants, and WSB Financial further agree and acknowledge that BancInsure's and any of its reinsurers' obligations under the Policy and all Endorsements are fully discharged and that all rights any insured may have under the Policy and all Endorsements are released.

SECTION IV. Waiver of Dividends and Proceeds from Litigation

To the extent, if any, that the Defendants are or were shareholders of the Bank or WSB Financial Group, Inc. and by virtue thereof are or may be entitled to a dividend, payment, or other distribution upon resolution of the receivership of the Bank or proceeds in 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 FHLBB, OTS, RTC, FDIC, 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 interest in and to any and all such dividends, payments or other distributions, or such proceeds.

**SECTION V. Financial Disclosures –
Specific Representations, Warranties and Disclaimer**

A. Each Defendant has submitted to the FDIC-R a signed and notarized Financial Disclosure Form (FDIC form 7600/01). The Parties expressly acknowledge that, in determining to settle the claims released herein, the FDIC-R has reasonably and justifiably relied upon the accuracy of the financial information submitted by each Defendant to the FDIC-R. The FDIC-R has no obligation to independently verify the completeness and accuracy of each Financial Disclosure Form.

B. Subsequent to the execution of this Agreement, if the FDIC-R establishes that, in his Financial Disclosure Form, a Defendant has intentionally failed to disclose any material interest, legal, equitable, or beneficial, in any asset, that such Defendant agrees to cooperate fully with the FDIC-R to transfer his interest in that asset to the FDIC-R, if requested, and to sign all documents necessary to effectuate that transfer. Additionally, if, in his Financial Disclosure Form, a Defendant has intentionally failed to disclose any material interest, legal, equitable, or beneficial, in any asset, the FDIC-R, in its sole discretion, may exercise one or more or all of the following remedies: (a) the FDIC-R may declare the release granted to such Defendant and his release of FDIC-R as null and void; (b) the FDIC-R may retain the \$1.73 million in Settlement Payment, including any proportionate share allocated to such Defendant; and (c) the FDIC-R may sue such Defendant for damages, an injunction, and/or specific performance for breach of this Agreement. Each Defendant agrees that if, in his Financial Disclosure Form, he has intentionally failed to disclose any material interest, legal, equitable, or beneficial, in any asset, such Defendant consents to the reinstatement of the FDIC-R's Claims and waives any statute of

limitations that would bar any of the FDIC-R's Claims against him. Such Defendant shall be entitled to an offset as against the FDIC-R's damages of his proportionate share of the \$1.73 million settlement. Notwithstanding the FDIC-R's right to exercise the remedies set forth in this Section, the releases provided by the FDIC-R to the other Defendants, the releases and Policy Release provided by the FDIC-R, WSB Financial and the Defendants (including, without limitation, such Defendant) to BancInsure, and BancInsure's releases of FDIC-R and the Defendants (including, without limitation, such Defendants) shall remain valid and in effect.

SECTION VI. Termination.

In the event the FDIC-R exercises its right to terminate this Agreement pursuant to Section I.C, then, for the purposes of any statute of limitations or other time-based defense to any of the claims of the FDIC-R, the Parties to this Agreement shall be deemed to have reverted to their respective status as of 5:00 p.m. Eastern Time of the date this Agreement was signed by the FDIC-R.

SECTION VII. 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:

If to the FDIC-R:

David C. Joseph
Senior Attorney, Professional Liability & Financial Crimes Section
Federal Deposit Insurance Corporation
1601 Bryan Street
Dallas, Texas 75201

(b)(6) _____ [Redacted]

with a copy to:

Kathleen M. Balderston
Nixon Peabody LLP
437 Madison Avenue
New York, NY 10022

(b)(6) _____ [Redacted]

If to the Defendants:

Curt Roy Hineline
Bracewell & Giuliani LLP
701 Fifth Avenue, Suite 6200
Seattle, WA 98104-7018

(b)(6) [redacted]
Counsel for Defendant David K. Johnson

James A. Krueger
Vandeberg, Johnson & Gandara, LLP
1201 Pacific Avenue, Suite 1900
PO Box 1315
Tacoma, WA 98401-1315

(b)(6) [redacted]
Counsel for Defendant Rodney R. Parr

Jerry H. Kindinger
Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, WA 98101-3034

(b)(6) [redacted]
Counsel for Defendant Donald F. Cox Jr.

Thomas A. Sterken
Law Offices of Keller Rohrback L.L.P.
1201 Third Avenue, Suite 3200
Seattle, Washington 98101-3052

(b)(6) [redacted]
Counsel for Defendants Richard N. Christopherson,
James H. Lamb, Brian B. McLellan, Dean M. Reynolds,
Donald H. Tucker, Louis J. Weir and Larry C. Westfall

James E. Howard
Dorsey & Whitney LLP
701 Fifth Avenue, Suite 6100
Seattle, Washington 98104-7043

(b)(6) [redacted]
Counsel for Defendant Brett T. Green

If to BancInsure:

Jim Cross
BancInsure, Inc.
5104 N. Francis Ave., Suite 101
Oklahoma City, Oklahoma 73118

(b)(6) _____ [Redacted]

with a copy to:

• Loren D. Podwill, Esq.
Bullivant Houser Bailey PC
300 Pioneer Tower
888 SW Fifth Avenue
Portland, Oregon 97204

(b)(6) _____ [Redacted]

SECTION VIII. Representations and Acknowledgements

A. No Admission of Liability. The undersigned Parties each acknowledge and agree that this Agreement and all negotiations, discussions and proceedings in connection with this settlement shall not be deemed or constitute an admission by Defendants of fault, liability or wrongdoing as to any facts or claims alleged or asserted in the D&O Action or in any other actions or proceedings, and shall not be offered or received in evidence or otherwise used by any person in the D&O Action, or in any other action or proceeding for any purpose, except in connection with a proceeding to enforce this Agreement. The Defendants deny any fault, liability or wrongdoing as to any facts or claims alleged or asserted by FDIC in the D&O Action and in any other actions or proceedings.

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. Signed signature pages may be delivered by facsimile, e-mail or pdf transmission, which will constitute complete delivery without the necessity of delivery of originally signed signature pages.

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/Forum. This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the laws of the State of Washington. Any legal action brought to enforce this Agreement shall be brought in the United States District Court for the Western District of Washington, unless that Court lacks jurisdiction, in which event, or upon a final order determining a lack of jurisdiction, the Parties agree to jurisdiction in the Washington State Superior Court, King County.

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, nor may any of its provisions be waived, 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.

1. The undersigned Parties agree to cooperate in good faith to effectuate all the terms and conditions of this Agreement, and to do whatever is reasonably necessary to effectuate the signing, delivery, execution, filing, recording, and entry, of any documents necessary to conclude the D&O Action, and to otherwise perform the terms of this Agreement.

2. Further, the Defendants agree to cooperate fully with the FDIC-R and BancInsure in connection with any fidelity bond claims. Any such cooperation that involves any out of pocket costs is subject to reasonable reimbursement by BancInsure or the FDIC-R pursuant to its internal guidelines and policy for such reimbursement. Such cooperation shall consist of:

a. producing all documents requested by the FDIC-R or BancInsure and in the possession of such Defendant, without the necessity of subpoena, as determined by the FDIC-R or BancInsure, in their sole discretion, to be relevant to the Bank;

b. making themselves available upon request of the FDIC-R or BancInsure, at reasonable times and places for interviews regarding facts, as determined by the FDIC-R or BancInsure in their sole discretion, to be relevant to the Bank;

c. appearing to testify, upon request by the FDIC-R or BancInsure, in any matter determined by the FDIC-R or BancInsure in their sole discretion to be related to the Bank, without the necessity of subpoena;

d. signing truthful affidavits upon request by the FDIC-R or BancInsure, regarding any matter, as determined by the FDIC-R or BancInsure in their sole discretion, to be relevant to the Bank.

3. Notwithstanding the failure or alleged failure of any Defendant to cooperate with the FDIC-R and/or BancInsure pursuant to the foregoing Section F.2, the releases provided by FDIC-R to the other Defendants, the releases and Policy Release provided by the FDIC-R, WSB Financial and the Defendants (including, without limitation, such Defendant) to BancInsure, and BancInsure's releases of the FDIC-R and the other Defendants shall remain in full force and effect. The FDIC-R and BancInsure, as applicable, may sue any such Defendant for breach of his obligations under Section F.2, for damages, injunction and/or specific performance, and exercise all other remedies available by law, statute or equity with respect to such Defendant.

G. 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, her, or its counsel.

H. 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.

I. 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.

FEDERAL DEPOSIT INSURANCE CORPORATION
As Receiver for Westsound Bank

(b)(6)

By:

[Redacted Signature]

David C. Joseph
Senior Attorney

Dated:

7 November 2012

RICHARD N. CHRISTOPHERSON, an individual

Dated:

DONALD F. COX, JR., an individual

Dated:

BRETT T. GREEN, an individual

Dated:

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 Westsound Bank

By: _____
David C. Joseph
Senior Attorney

Dated: _____

RICHARD N. CHRISTOPHERSON, an individual

(b)(6)

11-2-12

Dated: _____

DONALD F. COX, JR., an individual

Dated: _____

BRETT T. GREEN, an individual

Dated: _____

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 Westsound Bank

By: _____
David C. Joseph
Senior Attorney

Dated: _____

RICHARD N. CHRISTOPHERSON, an individual

Dated:

DONALD E. COX, JR., an individual

(b)(6)

11/1/2012

Dated:

BRETT T. GREEN, an individual

Dated:

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 Westsound Bank

By: _____
David C. Joseph
Senior Attorney

Dated: _____

RICHARD N. CHRISTOPHERSON, an individual

Dated:

DONALD F. COX, JR., an individual

Dated:

[Signature]
BRETT T. GREEN, an individual

(b)(6)

[Redacted Signature]

Dated:

11/05/12

DAVID K. JOHNSON, an individual

(b)(6)



Dated: 11-6-2012

JAMES H. LAMB, an individual

Dated:

BRIAN B. McLELLAN, an individual

Dated:

RODNEY R. PARR, an individual

Dated:

DEAN M. REYNOLDS, an individual

Dated:

DONALD H. TUCKER, an individual

Dated:

DAVID K. JOHNSON, an individual

Dated:

JAMES H. LAMB, an individual

(b)(6)



Dated: 1 November 2012

BRIAN B. McLELLAN, an individual

Dated:

RODNEY R. PARR, an individual

Dated:

DEAN M. REYNOLDS, an individual

Dated:

DONALD H. TUCKER, an individual

Dated:

DAVID K. JOHNSON, an individual

Dated:

JAMES H. LAMB, an individual

Dated:

BRIAN B. McLELLAN, an individual

(b)(6)

Dated: November 3, 2012

RODNEY R. PARR, an individual

Dated:

DEAN M. REYNOLDS, an individual

Dated:

DONALD H. TUCKER, an individual

Dated:

DAVID K. JOHNSON, an individual

Dated:

JAMES H. LAMB, an individual

Dated:

BRIAN B. McLELLAN, an individual

Dated:

RODNEY R. PARR, an individual

(b)(6)

11-2-2012

Dated: *J*

DEAN M. REYNOLDS, an individual

Dated:

DONALD H. TUCKER, an individual

Dated:

DAVID K. JOHNSON, an individual

Dated:

JAMES H. LAMB, an individual

Dated:

BRIAN B. McLELLAN, an individual

Dated:

RODNEY R. PARR, an individual

Dated:

DEAN M. REYNOLDS, an individual

(b)(6)



Dated: 2 Nov 12 /

DONALD H. TUCKER, an individual

Dated:

DAVID K. JOHNSON, an individual

Dated:

JAMES H. LAMB, an individual

Dated:

BRIAN B. McLELLAN, an individual

Dated:

RODNEY R. PARR, an individual

Dated:

DEAN M. REYNOLDS, an individual

Dated:

DONALD H. TUCKER, an individual

(b)(6)

[Redacted signature area]

Dated:

11-7-2012

(b)(6)

LOUIS J. WEIR, an individual

[Redacted]

11-1-12
Dated:

LARRY C. WESTFALL, an individual

Dated:

BANCINSURE, INC.

By: _____
Name: Jim Cross
Title: Vice-President Claims
Date: _____

WSB FINANCIAL GROUP, INC.
(Solely for purposes of Section 11F)

By: _____
Name: _____
Title: _____
Date: _____

1195081

LOUIS J. WEIR, an individual

Dated: _____

LARRY C. WESTFALL, an individual

(b)(6)



Dated: *NOV 2, 2012*

BANCINSURE, INC.

By: _____

Name: Jim Cross

Title: Vice-President Claims

Date: _____

WSB FINANCIAL GROUP, INC.
(Solely for purposes of Section III.F)

By: _____

Name:

Title:

Date: _____

LOUIS J. WEIR, an individual

Dated:

LARRY C. WESTFALL, an individual

Dated:

BANCINSURE, INC.

(b)(6)

By:

Name: Jim Cross
Title: Vice-President Claims

Date: 11-1-2012

WSB FINANCIAL GROUP, INC.
(Solely for purposes of Section III.F)

By: _____

Name: _____

Title: _____

Date: _____

LOUIS J. WEIR, an individual

Dated:

LARRY C. WESTFALL, an individual

Dated:

BANCINSURE, INC.

By: _____

Name: Jim Cross

Title: Vice-President Claims

Date: _____

WSB FINANCIAL GROUP, INC.

(Solely for purposes of Section III.F)

(b)(6)

By: _____

Name: _____

Title: _____

Date: 11/5/2012

Hon. Ronald B. Leighton

1
2 Walter E. Barton, WSBA # 26408
3 Karr Tuttle Campbell
4 1201 Third Avenue, Suite 2900
5 Seattle, Washington 98101
6 Telephone: (206) 223-1313
7 Fax: (206) 682-7100

8 Kathleen M. Balderston, NY Bar #2252534
9 Kristin Jamberdino, NY Bar #4393005
10 Admitted Pro Hac Vice
11 Nixon Peabody LLP
12 437 Madison Avenue
13 New York, New York 10022
14 Telephone: (212) 940-3000
15 Fax: (212) 940-3111

16 Gregory P. O'Hara, CA #131963
17 Admitted Pro Hac Vice
18 Nixon Peabody LLP
19 2 Palo Alto Square
20 3000 El Camino Real, Suite 500
21 Palo Alto, California 94306
22 Telephone: (650) 320-7700
23 Fax: (650)320-7701

24 Attorneys for Plaintiff

25
26 UNITED STATES DISTRICT COURT
27 WESTERN DISTRICT OF WASHINGTON
28 AT TACOMA

FEDERAL DEPOSIT INSURANCE
CORPORATION AS RECEIVER FOR
WESTSOUND BANK,

Plaintiff,

v.

DAVID K. JOHNSON, *et al.*,

Defendants.

EXHIBIT A

NO. 3:11-cv-05953-RBL

STIPULATION AND ORDER RE
DISMISSAL WITH PREJUDICE

Hon. Ronald B. Leighton

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26 UNITED STATES DISTRICT COURT
27 WESTERN DISTRICT OF WASHINGTON
28 AT TACOMA

29 FEDERAL DEPOSIT INSURANCE
30 CORPORATION AS RECEIVER FOR
31 WESTSOUND BANK,

32 Plaintiff,

33 v.

34 DAVID K. JOHNSON, *et al.*,

35 Defendants.

NO. 3:11-cv-05953-RBL

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STIPULATION

WHEREAS, Plaintiff and Defendants have entered into and executed a written settlement agreement ("Settlement Agreement") resolving all claims and defenses in this action; and,

WHEREAS, the Settlement Agreement requires the dismissal with prejudice of the entire action as to all parties;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among all the parties hereto that this action be dismissed with prejudice as to all parties and that each party shall bear its own attorneys' fees and costs. The parties further stipulate and agree that the Court shall retain jurisdiction over all disputes among the parties relating to the Settlement Agreement, including but not limited to interpretation and enforcement of the terms of the Settlement Agreement.

DATED:

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ORDER

BASED UPON THE FOREGOING STIPULATION, IT IS ORDERED:

This action is dismissed with prejudice as to all parties and each party shall bear its own attorneys' fees and costs. The Court shall retain jurisdiction over all disputes among the parties relating to the Settlement Agreement, including but not limited to interpretation and enforcement of the terms of the Settlement Agreement.

DATED:

Hon. Ronald B. Leighton
United States District Court

CERTIFICATE OF SERVICE

I hereby certify that on the ___th day of October, 2012, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following:

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DATED this ___th day of October 2012.

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