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June 17, 2014

Via FedEx

Federal Deposit Insurance Corporation,
Receiver of Washington Mutual Bank, Henderson, Nevada,
1601 Bryan Street, Suite 1701,
Dallas, Texas 75201.

Attention: Regional Counsel (Litigation Branch) &
Deputy Director (DRR - Filed Operations Branch)

Re: Indemnification Obligations

Dear Sirs:

We refer to the Purchase and Assumption Agreement Whole Bank, dated as of September 25, 2008 (the "Agreement") by and among the Federal Deposit Insurance Corporation in its corporate capacity ("FDIC Corporate") and as receiver ("FDIC Receiver" and, together with FDIC Corporate, "FDIC") and JPMorgan Chase Bank, N.A. (together with its subsidiaries and affiliates, "JPMC") relating to the resolution of Washington Mutual Bank, Henderson, Nevada ("WMB"). This letter supplements our prior indemnification notices and provides you with written notice of additional matters for which JPMC is entitled to indemnification under Section 12.1 of the Agreement.

The additional matters that give rise to JPMC's indemnity rights are: (1) *Texas County & District Retirement System v. J.P. Morgan Securities LLC, et al.*, No. D-1-GN-14-000998, filed in the 200th Judicial District, District Court of Travis County, Texas, and removed to the United States District Court for the Western District of Texas, No. 1:14-cv-00380 ("TCDRS"); and (2) *Commerzbank AG London Branch AG v. UBS AG, et al.*, Index No. 654458/2013, filed in the Supreme Court of New York, Manhattan ("Commerzbank"). The complaint in TCDRS alleges causes of action based on alleged misstatements and omissions of material fact by various entities, including WMB subsidiary WaMu Capital Corp., in connection with several residential mortgage-backed securities, all of which plaintiff purchased prior to the Agreement. Similarly, although no formal complaint has been filed in *Commerzbank*, the summons with notice names WMB subsidiaries WaMu Capital Corp., WaMu Asset Acceptance Corp., Washington Mutual Mortgage Securities Corp. and Long Beach Securities Corp., among others, as defendants in connection with potential causes of

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action based on alleged misstatements and omissions of material fact with respect to several mortgage-backed securities issued, underwritten, and/or sponsored by those entities prior to the Agreement. Enclosed for your convenience are copies of the *TCDRS* complaint and *Commerzbank* summons with notice.

Additionally, JPMC has previously apprised you of (1) *Federal Home Loan Bank of Boston v. Ally Financial, et al.*, No. 11-1533, filed in the Superior Court of Massachusetts and removed to the United States District Court for the District of Massachusetts, No. 11-cv-10952 ("*FHLB Boston*"); (2) *Federal Home Loan Bank of San Francisco v. Deutsche Bank Securities, Inc., et al.*, No. 10-497839, filed in California Superior Court ("*FHLB San Francisco*"); (3) *Cambridge Place Investment Management Inc. v. Morgan Stanley & Co., Inc., et al.*, No. 10-2741, filed in Massachusetts Superior Court ("*Cambridge Place I*"); and (4) *Cambridge Place Investment Management Inc. v. Morgan Stanley, et al.*, No. 11-0555, filed in Massachusetts Superior Court ("*Cambridge Place II*"). Despite your previous awareness of these matters, JPMC hereby provides formal notice that each of these matters gives rise to JPMC's indemnity rights. In each of these matters, plaintiffs assert causes of action based on alleged misstatements and omissions of material fact by various entities, including WMB subsidiaries WaMu Capital Corp., Washington Mutual Mortgage Securities Corp. ("*WMMSC*"), and/or Long Beach Securities Corp. ("*LBSC*") in connection with residential mortgage-backed securities underwritten or issued by those entities prior to the Agreement. JPMC has settled claims against WMMSC and LBSC relating to *Cambridge Place I* and *Cambridge Place II*, but litigation continues with respect to the *FHLB Boston* and *FHLB San Francisco* claims. Copies of the operative *FHLB Boston*, *FHLB San Francisco*, *Cambridge Place I* and *Cambridge Place II* complaints are enclosed for your reference.

With respect to *TCDRS*, *Commerzbank*, *FHLB Boston*, and *FHLB San Francisco*, JPMC is advising you that any liability it incurs in connection with these claims, including the costs it incurs in defending against the claims as well as the amount of any settlement or adverse judgment, are subject to indemnification by the FDIC pursuant to Section 12.1 of the Agreement. In addition, should JPMC decide to settle any of these claims, the costs and expenses incurred by any such settlement would also be subject to indemnification. We understand the FDIC Receiver consents to our defending and, if we deem it to be prudent, settling such claims. As you know, and as the FDIC has acknowledged in court, if the FDIC disclaims responsibility for any liabilities that may arise in connection with these actions and asserts that Section 12 of the Agreement does not apply, then it may not purport to exercise its rights to direct the defense of these actions or determine whether to settle them.

With respect to *Cambridge Place I* and *Cambridge Place II*, JPMC is advising you that the amount of the settlement, as well as any costs or expenses JPMC incurred in the process of settling and defending against the *Cambridge Place I* and *Cambridge Place II* claims, are subject to indemnification pursuant to Section 12.1 of the Agreement. These

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amounts are separate from, and in addition to, the FDIC's indemnification obligations to JPMC relating to indemnity claims asserted by Deutsche Bank Securities Inc. and its affiliates (collectively, "Deutsche Bank") against Long Beach Mortgage Company, as the alleged originator of loans in mortgage-backed securities issued by Deutsche Bank that are also at issue in *Cambridge Place I*, which were the subject of JPMC's January 6, 2012 letter.

Furthermore, there may be additional matters in which claims are asserted against WMB subsidiaries relating to the actions or inactions of WMB, its subsidiaries and affiliates, and directors, officers, employees, and agents of WMB and its subsidiaries and affiliates prior to the Agreement that give rise to JPMC's indemnity rights and are subject to indemnification pursuant to Section 12.1 of the Agreement.

As you are aware from previous correspondence notifying you of the FDIC's indemnification obligations in other matters, the matters identified in this letter are not intended to be exhaustive or to constitute a statement that no other facts have or may come to our attention that could result in claims for which indemnification is provided, and we reserve the right to supplement this notice as additional facts or circumstances may arise.

Sincerely,



ROBERT A. SACKS

cc: Stacey R. Friedman
Lawrence N. Chanen
Alla Lerner
Annette C. Rizzi
Joanna Jagoda
(JPMorgan Chase Bank, N.A.)
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