

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of this ___ day of June, 2012, by, between, and among the Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio ("FDIC-R"), and Equity Title Agency, Inc. ("Equity Title") (individually, the FDIC-R and Equity Title may be referred to herein as a "Party" and collectively as the "Parties").

WHEREAS:

Prior to December 4, 2009, AmTrust Bank, Cleveland, Ohio, previously known as Ohio Savings Bank ("Bank"), was a depository institution organized and existing under the laws of the United States.

On December 4, 2009, the Office of Thrift Supervision closed the Bank and appointed the Federal Deposit Insurance Corporation as its 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 the claims which are subject to this Agreement.

On or about October 25, 2006, AmTrust funded two loans to borrower [redacted] in (b)(6) a total amount of \$647,500 (collectively, the "Loans") in connection with [redacted] purchase of a (b)(6) residential property located at [redacted] Scottsdale, Arizona 85254 (hereinafter (b)(6) the [redacted] Transaction"). Equity Title served as the closing agent in connection with the [redacted] (b)(6) Transaction.

A dispute has arisen between the Parties with respect to claims by the FDIC-R related to Equity Title's actions in performing closing services regarding the [redacted] Transaction (hereinafter (b)(6) any and all present and future claims by the FDIC-R against Equity Title in connection with the (b)(6) [redacted] Transaction are referred to as the "Claims") On or about February 10, 2012, the FDIC filed

a lawsuit based upon the Claims in the United States District Court for the District of Arizona, entitled *Federal Deposit Insurance Corporation as Receiver for AmTrust Bank of Cleveland, Ohio. vs. Equity Title Agency, Inc.*, Case No. 2:12-cv-00284-GMS (hereinafter the "Action").

The Parties engaged in settlement negotiations as a result of the Claims and the Action. The Parties now deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, and expense of 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, on or before thirty (30) days following the date the FDIC-R returns a fully executed copy of this agreement to Equity Title, Equity Title shall pay the FDIC-R the total sum of Seventy Five Thousand Dollars (\$75,000) (the "First Payment"). In addition, also as an essential covenant and condition to this Agreement, on or before sixty (60) days following the date the FDIC-R returns a fully executed copy of this agreement to Equity Title, Equity Title shall pay the FDIC-R the total sum of Seventy Five Thousand Dollars (\$75,000) (the "Second Payment"). (The First Payment and the Second Payment are referred to collectively herein as the "Settlement Payment"). The Settlement Payment shall be made by wire transfer made payable to "Mortgage Recovery Law Group Client Trust Account," Account Number: Routing Number: (b)(4) Reference: AmTrust/Equity Title Settlement.

B. If the FDIC-R does not receive the Settlement Payment in full on or before the date determined by subparagraph A above ("Settlement Payment Due Date"), then the FDIC-R, in its sole discretion, shall have the right to:

1. extend the period of time for payment, including interest accruing from the Settlement Payment Due Date through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(b)(3); or
2. enforce this Agreement and, in such event, Equity agrees to jurisdiction in Federal District Court in 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. declare this Agreement null and void, move to vacate any dismissal order, to which Equity Title agrees to consent, and institute an action on the FDIC-R's claims, as to which Equity Title waives any and all objections and defenses and covenant and agree not to assert any objections and defenses; and/or
4. seek any other relief available to it in law or equity.

Any extension of time for delivery of the Settlement Payment shall not prejudice the FDIC-R's right to take other action or seek any relief during or after such period of extension, including the right to bring an action to enforce the Agreement, or declare the Agreement null and void.

C. Upon the FDIC's counsel's receipt of the entire Settlement Payment, the FDIC shall file a stipulation for dismissal of the Action with prejudice, and each Party shall bear their own costs and fees.

SECTION II: Releases.

Each Party acknowledges that this Agreement applies to all claims for injuries, damages, or losses of any type or nature (whether those injuries, damages, or losses are known or

unknown, foreseen or unforeseen, patent or latent) which that Party may have against another Party arising from the Claims.

A. The FDIC-R's Release.

Upon receipt of the Settlement Payment, plus any accrued interest, and except as provided in PARAGRAPH II.C., the FDIC-R, for itself and its successors and assigns, hereby releases and discharges Equity Title and its respective employees, officers, directors, shareholders, representatives, heirs, executors, administrators, 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 belonging to the FDIC-R, arising out of or relating to the Claims.

B. Equity Title's Release.

Effective simultaneously with the release in PARAGRAPH II.A. above, Equity Title, on behalf of itself, and its respective employees, officers, directors, shareholders, representatives, heirs, executors, administrators, successors and assigns, hereby releases and discharges the FDIC-R, and its employees, officers, directors, representatives, successors and assigns, from any and all claims belonging to Equity Title, arising out of or relating to the Claims.

C. Exceptions to Release by FDIC-R.

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 Equity Title 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 by the FDIC-R in this Agreement; or

c. which are not expressly released in PARAGRAPH II.A. above.

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, or which may arise by operation of law, rule, or regulation.

3. Notwithstanding any other provision of this Agreement, this Agreement does not waive any claims brought on behalf of another failed institution or 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 governmental entity. 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.

D. Exceptions to Release by Equity Title.

1. Notwithstanding any other provision of this Agreement, Equity Title 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 FDIC-R 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 Equity Title, or any other person or entity, including without limitation any claims acquired by Equity Title;

b. against any person or entity not expressly released by Equity Title in this Agreement; or

c. which are not expressly released in PARAGRAPH II.B. above.

SECTION III: Insolvency.

A. Insolvency.

Equity Title warrants as to payments made by or on its or its behalf that at the time of such payment, it is not insolvent nor will the payment made by or on its behalf render it insolvent within the meaning and/or for the purposes of the United States Bankruptcy Code. This warranty is made by Equity Title and not by its counsel.

B. Preferences.

In the event that the FDIC-R is required to return any portion of the Settlement Payment due to a final order by a court that the transfer of the Settlement Payment or any portion thereof constituted a preference, voidable preference, fraudulent transfer or similar transaction, then, in its sole discretion, the FDIC-R may, without waiver of any other rights it may have in law or equity, pursue any of the rights and remedies set forth in paragraph I(C) above, and/or otherwise permitted by law.

SECTION IV: Termination.

In the event the FDIC-R exercises its right to declare this Agreement null and void as provided herein, 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, June 1, 2012.

SECTION V: 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:

Michael Delbick
Mortgage Recovery Law Group
700 North Brand Boulevard, Suite 830
Glendale, California 91203
(818) 630-7905

(b)(6)

If to Equity Title:

Ari Ramras
Ramras Legal, PLC
5090 N. 40th St., Suite 165
Phoenix, Arizona 85018
(602) 734-0179

(b)(6)

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 hereto, except to enforce its terms.

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.

All of the undersigned persons represent and warrant 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, attorneys, successors and assigns.

D. Entire Agreement.

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. No representations, warranties or inducements have been made to or relied on by any Party concerning this Agreement and its exhibits other than those contained therein.

E. Amendments.

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

F. Choice of Law.

This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the internal laws of the State of Arizona, without regard to its conflicts of laws.

G. Advice of Counsel.

Each Party hereby acknowledges that he 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 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.

**FDIC as Receiver for AmTrust
Bank, Cleveland, Ohio**

Equity Title Agency, Inc.

(b)(6)

By:

(b)(6)

Name: Patrick M. Mc Guirk

Name: Margaret Gibbons

Title: Counsel

Title: Vice President

Date: 7/3/2012

Date: June 27, 2012

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") is made this _____ day of May, 2012 by, between and among the following undersigned Parties: the Plaintiff, Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R"); and the Defendant Acorn Funding Group, Inc. ("Acorn"); both of whom are parties in a case captioned *FDIC, as Receiver for AmTrust Bank v. Pankaj Malik, et al.*, Case No: 09-cv-4805 (E.D.N.Y.) ("The Litigation").

RECITALS

WHEREAS, In November, 2009, AmTrust Bank initiated The Litigation against its closing attorney Pankaj Malik, various mortgage brokers, and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers, including claims against Acorn for breach of contract related to one such mortgage;

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision 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 and all of the Bank's claims, demands, and causes of action, including those claims asserted in The Litigation; and

WHEREAS, Acorn has denied the allegations asserted against it for breach of contract;

WHEREAS, Acorn has provided the FDIC-R with a sworn affidavit and other financial materials to demonstrate that it has limited means from which to pay a judgment;

WHEREAS, the FDIC-R has relied upon the accuracy of the information provided by Acorn regarding its financial condition as a material condition for entering this Settlement Agreement; and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to end their disputes arising out of and related to The Litigation, and avoid further costs and risks associated with The Litigation and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree, each with each other, as follows:

Section 1. Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, Acorn has agreed to pay the FDIC-R the sum of Seventeen Thousand Dollars (\$17,000.00) (the "Settlement Funds").

B. Within 30 days of the execution of the Agreement, Acorn shall deliver the first Five Thousand Dollars (\$5,000.00) of the Settlement Funds to the FDIC-R 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.

C. No later than December 31, 2012, Acorn shall deliver the remaining Twelve Thousand Dollars (\$12,000.00) of the Settlement Funds to the FDIC-R 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.

Section 2. Confession of Judgment.

A. As an additional essential covenant and condition to this Agreement, Acorn has agreed to execute and deliver to the FDIC-R an Affidavit of Confession of Judgment, confessing judgment in the FDIC-R's favor for the sum of One Hundred Thousand Dollars (\$100,000).

B. In the event that Acorn fails to make either payment listed in Section 1 above by the applicable deadline, Acorn shall be in default of this Agreement and the FDIC-R shall have the right to obtain a Confession of Judgment against Acorn in order to recover the amount of One Hundred Thousand Dollars, less any Settlement Funds already paid to the FDIC-R.

C. If the Settlement Funds, or any portion thereof, are not received by the FDIC-R within the deadlines stated in Section 1 of the Agreement, interest upon any unpaid portion of the Settlement Funds will accrue at a rate of 6% per annum commencing on the 31st day after the funds were due.

D. Without waiving any other rights that the FDIC-R may have, in the event that the Settlement Funds, including all accrued interest as may be applicable, are not received by the dates specified in Section 1 of this Agreement, then the FDIC-R shall have the right, in its sole discretion, to enforce this Agreement, and Acorn shall be responsible for the sum of One Hundred Thousand Dollars (\$100,000), and all fees, including attorney fees, incurred by the FDIC-R in enforcing the Agreement. The Parties further acknowledge and consent to the jurisdiction of Magistrate Judge Azrack for enforcement of this Agreement in connection with her continuing role overseeing settlement negotiations related to The Litigation.

Section 3. Acorn's Agreement to Cooperate.

Acorn further agrees to cooperate fully with the FDIC-R in the ongoing Litigation and any future litigation or other proceedings related to the persons, entities, and events involved in the Litigation, including, if necessary, testifying regarding the persons, entities, and events involved in the Litigation.

Section 4. Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties, the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against Acorn, and those claims related to the loans identified in the release at Section 5A below. A stipulation of dismissal with prejudice as to these claims shall be prepared by the FDIC-R and executed by Acorn within 30 days after receipt of this settlement agreement by the FDIC-R from Acorn.

Section 5. Mutual Releases.

A. Release of Acorn by the FDIC-R.

Effective upon receipt of the sworn statement specified in Section 1 above, the FDIC-R hereby releases and discharges Acorn, its insurers, representatives, successors, assigns and attorneys, from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that arise from or relate to The Litigation, that arise from or relate to the loan for borrower [redacted], for the

[redacted] property located at [redacted] Rosedale, NY (the [redacted] Loan"), or that arise from or relate to the loan for borrower [redacted] loan [redacted], for the property located at [redacted] Far Rockaway, NY (the [redacted] Loan").

(b)(4),(b)(6)
(b)(4),(b)(6)
(b)(4),(b)(6)
(b)(4),(b)(6)

(b)(4),(b)(6)
(b)(4),(b)(6)
(b)(4),(b)(6)

B. Release of the FDIC-R by Acorn.

Effective simultaneously with the release in Section 5A above, Acorn, on its own behalf, and on behalf of its insurers, representatives, successors, assigns, and attorneys hereby releases and discharges the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to the Litigation, the Royal Loan or the Smulowitz Loan.

C. Express Reservation of Releases By The 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 rights, claims or causes of action:

- i. Against any other party in the Litigation not expressly released by this Agreement; and
- ii. Which are not expressly released in Section 5A, above.

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, or which may arise by operation of law, rule, or regulation.

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 or the United States Attorney's Office for any 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 6. Representations and Acknowledgments

A. No Admission of Liability. The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims and that this Agreement is not an admission or evidence of any liability of 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 a 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, assigns and attorneys.

D. Specific Representations, Warranties and Disclaimer. Acorn acknowledges that in determining to settle the claims released herein, the FDIC-R reasonably and justifiably relied upon the accuracy of financial information provided by Acorn. If Acorn misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, Acorn agrees to

cooperate fully with the FDIC-R to transfer its interest in the asset to the FDIC-R and to sign any and all documents necessary to transfer its interest in the asset to the FDIC-R. Moreover, if Acorn has intentionally failed to disclose or materially misstated any 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 Acorn as null and void; (b) the FDIC-R may sue Acorn for damages, an injunction, and specific performance for the breach of this Agreement; and (c) the FDIC-R may seek to vacate any dismissal order and reinstate the FDIC-R's claims against Acorn. Acorn agrees that if it has intentionally failed to disclose, or materially misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, Acorn consents to the reinstatement of FDIC-R's claims and waives any statute of limitations defense that would bar any of the FDIC-R's claims against it.

E. 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 New York.

F. Entire Agreement and Amendments. This Agreement along with the Affidavit of Confession of Judgment described in Section 2 constitute 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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

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 representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

(b)(6)

Date:

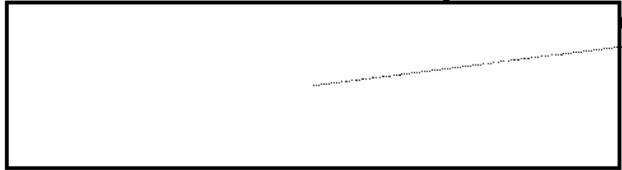
6/22/2012



Acorn Funding Group, Inc.

Date:

6/13/2012



(b)(5)

11664003

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF QUEENS

-----X	
FEDERAL DEPOSIT INSURANCE CORPORATION	: Index No.
AS RECEIVER FOR AMTRUST BANK,	:
	:
Plaintiff,	:
	:
- against -	:
	:
ACORN FUNDING GROUP, INC.	: AFFIDAVIT OF
	: CONFESSION
Defendant.	: <u>OF JUDGMENT</u>
	:
-----X	

STATE OF NEW YORK)
)ss.:
COUNTY OF QUEENS)

I, William Korman, being duly sworn, state:

1. I am the [president/CEO/Controlling Member] and the owner of ___% of the outstanding shares of stock of Acorn Funding Group, Inc. ("Acorn").

(b)(6) 2. I reside at

3. As [the president, CEO, and sole shareholder of Acorn], I have authority to enter into agreements on behalf of Acorn.

4. Acorn is a defendant named in the case of Federal Deposit Insurance Corporation as Receiver for AmTrust Bank v. Pankaj Malik, *et al.*, in the United States District Court for the Eastern District of New York, case number 09-cv-4805 (the "Malik Litigation").

5. Acorn entered into Settlement Agreement and Mutual Release dated May __, 2012 with the Federal Deposit Insurance Corporation as Receiver for AmTrust Bank (the "FDIC-

R"), the plaintiff in the Malik Litigation, to resolve all pending claims between me and the FDIC-R in the Malik Litigation.

6. Pursuant to the Settlement Agreement and Mutual Release, Acorn is obligated to make payments to the FDIC-R totaling \$17,000.00, as follows: \$5,000.00 no later than June __, 2012, and \$12,000.00 no later than December 31, 2012. In the event that Acorn should default on any payment as such payment becomes due, Acorn shall be responsible to the FDIC-R for the amount of One Hundred Thousand Dollars (\$100,000) less any payments already made.

7. I hereby confess judgment on behalf of Acorn pursuant to CPLR 3218 in favor of the FDIC-R in the amount of One Hundred Thousand Dollars (\$100,000) less any amount already paid to the FDIC-R as set forth in Paragraph 5 and authorize the FDIC-R to enter judgment for that amount against me in the event that I should default on any payment under the terms outlined in Paragraph 5.

8. No part of this obligation has been paid, although payment has been demanded.

9. This confession of judgment is for an obligation due or to become due to the FDIC-R arising from and out of the Settlement Agreement and Mutual Release.

Acorn Funding Group, Inc.

By:

[Redacted Signature Box]

(b)(6)

Its:

President

Date:

6/13/2012

Sworn to before me this
day of May, 2012

Notary Public

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") are made this _____ day of _____ 2012 by, between and among the following undersigned Parties: the Plaintiff, Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R") and the Defendant NMR Advantage Abstract, Ltd. ("NMR"), parties in a case captioned *FDIC as Receiver for AmTrust Bank v. Malik, et al.*, Case No: 1:09-CV-04805 (E.D.N.Y.) ("The Litigation").

RECITALS

WHEREAS, In November, 2009, AmTrust Bank ("AmTrust") initiated The Litigation against its closing attorney Pankaj Malik, and Malik & Associates, P.C. (the Malik Defendants") several of its mortgage brokers, and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers, including claims against NMR related to the issuance of title insurance and title commitments for such mortgages and the failure to file mortgages and deeds;

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision 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 and all of the Bank's claims, demands, and causes of action, including those claims asserted in The Litigation;

WHEREAS, NMR has denied the allegations asserted against it for breach of contract, breach of fiduciary duty, and negligence; and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to end their disputes arising out of and related to The Litigation, and avoid further costs and risks associated with The Litigation and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree, each with each other, as follows:

Section 1: Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, Chartis Insurance, Inc. as insurer for NMR agrees to pay the FDIC-R the sum of Two-Hundred Fifty Thousand Dollars (\$250,000.00) (the "Settlement Funds") to be paid within 60 days of the date of this Agreement on behalf of NMR. The Settlement Funds shall be made payable to FDIC as Receiver for

(b)(4) AmTrust Bank, account number [redacted] and sent to counsel for FDIC-R at P.O. Box 971774, Dallas, Texas 75397-1774; or, for overnight delivery to: JPMorgan Chase (TX1-0006), Attn: FDIC Receivership Lock Box #971774, 14800 Frye Road, 2nd Floor, Fort Worth, Texas 76155. The Parties further agree that the Settlement Funds shall be allocated to the losses

(b)(6) sustained by the FDIC-R for the [redacted] loan for the property located at [redacted] (b)(6)

(b)(6) [redacted]

B. Without waiving any other rights that FDIC-R may have, in the event that the Settlement Funds, including all accrued interest as may be applicable, are not paid to the FDIC-R by NMR in the respective amounts described above, and within 60 days of the execution of this Agreement, then the FDIC-R shall have the right to enforce this Agreement before Magistrate

Judge Azrack in connection with her continuing role in the settlement of this matter in connection with The Litigation.

Section 2: Agreement to Cooperate.

A. As an essential covenant and condition to this Agreement, NMR agrees to make available a corporate representative, knowledgeable about the Loan and to provide a (b)(6) sworn statement to the FDIC-R regarding the persons, entities, and events involved in that transaction and The Litigation.

B. NMR further agrees to cooperate fully with the FDIC-R in the ongoing Litigation and any future litigation related to the persons, entities, and events involved in The Litigation, including, if necessary, testifying regarding the persons, entities, and events involved in The Litigation.

C. FDIC_R agrees not to cooperate with or assist the Malik Defendants in any manner to pursue indemnification or other claims pending or asserted in the Litigation against NMR, its agents, principals, or employees..

Section 3: Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties and upon receipt of the Settlement Funds by the FDIC-R in the amount specified in Section 1 above from NMR the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against NMR. A stipulation of dismissal with prejudice as to these claims shall be prepared by the FDIC-R and executed by NMR within 30 days after receipt of the Settlement Funds by the FDIC-R from NMR.

Section 4: Mutual Releases.

A. Release of NMR by the FDIC-R.

Effective upon payment of the Settlement Funds in the amount specified in Section 1 above, the FDIC-R hereby releases and discharges NMR, its agents, employees, insurers, representatives, successors, assigns and attorneys, and Chartis Insurance Inc., from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that: (i) were asserted in The Litigation; or (ii) arise out of any loan for which the Malik Defendants served as a closing attorney for AmTrust Bank.

B. Release of the FDIC-R by NMR.

Effective simultaneously with the release in Section 3A above, NMR on its own behalf, and on behalf of its insurers, representatives, successors, assigns and attorneys hereby releases and discharges the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to the Litigation, including but not limited to any rights of subrogation.

C. Express Reservation of Releases By The 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 rights, claims or causes of action:

- i. Against any other party in the Litigation not expressly released by this Agreement; and
- ii. Which are not expressly released in Section 4A, above.

Section 5: Representations and Acknowledgments

A. No Admission of Liability. The undersigned Parties each acknowledge and agree

that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims not previously defined and that this Agreement is not an admission or evidence of any liability of 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 person represents and warrants that they are a Party hereto or are authorized to sign this Agreement on behalf of a 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, assigns, insurers, and attorneys.

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 New York.

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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

F. 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 representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

(b)(6)

Date:

6/26/12

[Redacted Signature Box]

NMR Advantage Abstract, Ltd.

Date:

6/25/12

By:

[Redacted Signature Box]

(b)(6)

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") is made this ^{AS OF} 15th day of May, 2012 by, between and among the following undersigned Parties: the Plaintiff, Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R"); and the Defendant SI Mortgage Company ("SI Mortgage"); both of whom are parties in a case captioned *FDIC, as Receiver for AmTrust Bank v. Pankaj Malik, et al.*, Case No: 09-cv-4805 (E.D.N.Y.) ("The Litigation").

RECITALS

WHEREAS, In November, 2009, AmTrust Bank initiated The Litigation against its closing attorney Pankaj Malik, various mortgage brokers, and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers, including claims against SI Mortgage for breach of contract related to one such mortgage;

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision 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 and all of the Bank's claims, demands, and causes of action, including those claims asserted in The Litigation; and

WHEREAS, SI Mortgage has denied the allegations asserted against it for breach of contract;

WHEREAS, SI Mortgage has provided the FDIC-R with a sworn affidavit and other financial materials to demonstrate that it has limited means from which to pay a judgment;

WHEREAS, the FDIC-R has relied upon the accuracy of the information provided by SI Mortgage regarding its financial condition as a material condition for entering this Settlement Agreement; and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to end their disputes arising out of and related to The Litigation, and avoid further costs and risks associated with The Litigation and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree, each with each other, as follows:

Section 1. Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, SI Mortgage has agreed to pay the FDIC-R the sum of Two Hundred Thousand Dollars (\$200,000.00) (the "Settlement Funds").

B. Following the execution of the Agreement, SI Mortgage shall deliver the payment of the Settlement Funds to the FDIC-R 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 according to the schedule in Section 1. C., infra, below.

C. Beginning on October 1, 2012, on the first day of each quarter thereafter (January 1, April 1, July 1 and October 1), SI Mortgage shall make installment payments of Twelve

Thousand Five Hundred Dollars (\$12,500.00) of the Settlement Funds to the FDIC-R 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, provided, however, that as long as a payment of at least \$5,000 is made during a quarter, and further provided that as long as at the end of each successive one-year period ending on October 1, S.I. Mortgage has made payments of at least \$50,000 per year for four successive years, S.I. Mortgage shall not be in default of its payment obligations pursuant to this Agreement. SI Mortgage shall make payments of not less than \$50,000 annually, paid over four years, until the entire Settlement Funds have been paid.

Section 2. Confession of Judgment.

A. As an additional essential covenant and condition to this Agreement, SI Mortgage has agreed to execute and deliver to the FDIC-R an Affidavit of Confession of Judgment, in the form of the Cognovit Note attached, confessing judgment in the FDIC-R's favor for the sum of Five Hundred Ten Thousand Dollars (\$510,000.00).

B. In the event that SI Mortgage fails to make any of the payments described in Section 1 above by the applicable deadlines, SI Mortgage shall be in default of this Agreement and the FDIC-R shall have the right to obtain a Confession of Judgment against SI Mortgage in order to recover the amount of Five Hundred Ten Thousand Dollars, less any Settlement Funds already paid to the FDIC-R.

C. If the Settlement Funds, or any portion thereof, are not received by the FDIC-R within the deadlines stated in Section 1 of the Agreement, interest upon any unpaid portion of the Settlement Funds will accrue at a rate of 6% per annum commencing on the 31st day after the funds were due.

D. Without waiving any other rights that the FDIC-R may have, in the event that the Settlement Funds, including all accrued interest as may be applicable, are not received by the dates specified in Section 1 of this Agreement, then the FDIC-R shall have the right, in its sole discretion, to enforce this Agreement, and SI Mortgage shall be responsible for the sum of Five Hundred Ten Thousand Dollars (\$510,000), and all fees, including attorney fees, incurred by the FDIC-R in enforcing the Agreement. The Parties further acknowledge and consent to the jurisdiction of Magistrate Judge Azrack for enforcement of this Agreement in connection with her continuing role overseeing settlement negotiations related to The Litigation.

Section 3. Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties, the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against SI Mortgage. The FDIC-R shall prepare and execute a stipulation of dismissal with prejudice as to these claims within 30 days after receipt of the initial payment of the Settlement Funds by SI Mortgage.

Section 4. Mutual Releases.

A. Release of SI Mortgage by the FDIC-R.

Effective upon receipt of the initial payment of Settlement Funds specified in Section 1 above, the FDIC-R hereby releases and discharges SI Mortgage, its insurers, representatives, successors, assigns and attorneys, from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that arise from or relate to The Litigation.

B. Release of the FDIC-R by SI Mortgage.

Effective simultaneously with the release in Section 5A above, SI Mortgage, on its own behalf, and on behalf of its insurers, representatives, successors, assigns, and attorneys hereby releases and discharges the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to the Litigation.

C. Express Reservation of Releases By The 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 rights, claims or causes of action:

- i. Against any other party in the Litigation not expressly released by this Agreement; and
- ii. Which are not expressly released in Section 5A, above.

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, or which may arise by operation of law, rule, or regulation.

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 or the United States Attorney's Office for any 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 5. Representations and Acknowledgments

A. No Admission of Liability. The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims and that this Agreement is not an admission or evidence of any liability of 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 a 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, assigns and attorneys.

D. Specific Representations, Warranties and Disclaimer. SI Mortgage acknowledges that in determining to settle the claims released herein, the FDIC-R reasonably and justifiably relied upon the accuracy of financial information provided by SI Mortgage. If SI Mortgage failed to disclose, or misrepresented the nature or amount of, any interest, legal,

equitable, or beneficial, in any asset, SI Mortgage agrees to cooperate fully with the FDIC-R to transfer its interest in the asset to the FDIC-R and to sign any and all documents necessary to transfer its interest in the asset to the FDIC-R. Moreover, if SI Mortgage has intentionally failed to disclose or materially misstated any 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 SI Mortgage as null and void; (b) the FDIC-R may sue SI Mortgage for damages, an injunction, and specific performance for the breach of this Agreement; and (c) the FDIC-R may seek to vacate any dismissal order and reinstate the FDIC-R's claims against SI Mortgage. SI Mortgage agrees that if it has intentionally failed to disclose, or materially misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, SI Mortgage consents to the reinstatement of FDIC-R's claims and waives any statute of limitations defense that would bar any of the FDIC-R's claims against it.

E. 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 New York.

F. Entire Agreement and Amendments. This Agreement along with the Affidavit of Confession of Judgment described in Section 2 constitute 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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

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 representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as Receiver for AmTrust Bank

(b)(6) _____
Date: August 15, 2012

SI Mortgage Company.

Date AUG. 9, 2012

(b)(6)

COGNOVIT NOTE

SI Mortgage Company ("SI Mortgage"), the undersigned, of 51650 Oro Road, Shelby Township, Michigan, 48315, hereby promises to pay to the order of the Federal Deposit Insurance Corporation in its capacity as receiver for AmTrust Bank ("FDIC-R"), the sum of Five Hundred Ten Thousand Dollars (\$510,000.00) as provided by the Settlement Agreement and Mutual Releases ("Settlement Agreement") executed by SI Mortgage and FDIC-R and dated June 3rd, 2012.

In the event that SI Mortgage fails to make any payment as required by the Settlement Agreement, SI Mortgage hereby authorizes any attorney at law to appear in any court of record in the United States, to waive the issuing and service of process, and to confess a judgment against SI Mortgage for Five Hundred Ten Thousand Dollars (\$510,000.00), less any amount that SI Mortgage has already paid to FDIC-R pursuant to the Settlement Agreement, plus costs and attorney fees. SI Mortgage hereby gives its attorney full power and authority to perform every act necessary to exercise this power and to secure the entry of judgment against SI Mortgage. SI Mortgage acknowledges that, by signing this Cognovit Note, it is giving up its right to notice and a court trial prior to the entry of a court judgment against it on this obligation.

Dated: AUG. 9, 2012, at SHELBY TOWNSHIP, MI

SI MORTGAGE COMPANY

(b)(6) _____
(b)(6) _____
By: _____ RAJEEV GANDHI
Title: _____ President

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") are made this 13~~th~~ day of July 2012 by, between and among the following undersigned Parties: the Plaintiff, Federal Deposit Insurance Corporation, solely in its limited capacity as receiver for AmTrust Bank ("FDIC-R") (which does not include the Federal Deposit Insurance Corporation, generally or in any other capacity, nor does it include agencies and departments of the United States government, including without limitation, the United States Department of Justice) and the Defendants Pankaj Malik ("Malik") and Malik & Associates, P.C. ("Malik Firm") (collectively, the "Malik Defendants"), parties in a case captioned *FDIC as Receiver for AmTrust Bank v. Malik, et al.*, Case No: 1:09-CV-04805 in the United States District Court for the Eastern District of New York ("The Litigation").

RECITALS

WHEREAS, In November, 2009, AmTrust Bank ("AmTrust") initiated The Litigation against the Malik Defendants, several of its mortgage brokers, and other individuals and entities alleged to be involved in a purported mortgage fraud scheme concerning twenty-six (26) loans including claims for legal malpractice, breach of fiduciary duty and conversion against the Malik Defendants arising from their actions as closing attorney for AmTrust;

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision 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 AmTrust, including those with respect to its assets and all of AmTrust's claims, demands, and causes of action, including those claims asserted in The Litigation;

WHEREAS, the Malik Defendants have denied the allegations asserted against them for legal malpractice, breach of fiduciary duty, and conversion;

WHEREAS, the Malik Defendants have provided the FDIC-R with sworn affidavits and other financial materials to demonstrate that they have limited means from which to pay a judgment;

WHEREAS, the FDIC-R has relied upon the accuracy of the information provided by the Malik Defendants regarding their financial condition as a material condition for entering this Settlement Agreement; and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to end their disputes arising out of and related to The Litigation, and avoid further costs and risks associated with The Litigation and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree as follows:

Section I: Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, the Malik Defendants, who are defended in The Litigation through its professional liability insurer, American Guarantee & Liability Insurance Company ("AGLIC") under Policy No. agree (b)(4) to pay the FDIC-R the sum of One Million Four Hundred Thousand Dollars (\$1,400,000.00) (the "Settlement Funds") in complete and final settlement of the claims asserted against the Malik Defendants in The Litigation in consideration of this Agreement.

B. Upon the execution of an original, or originals in counterparts, of this Agreement and a Joint Stipulation of Dismissal with Prejudice ("Stipulation of Dismissal") by each of the undersigned Parties, but no later than 30 days after the execution of both this Agreement and the Stipulation of Dismissal, the Malik Defendants shall deliver the Settlement Funds to the FDIC-R by check drawn upon a depository institution acceptable to FDIC-R. The FDIC-R and the Malik Defendants shall defer from filing the Stipulation of Dismissal and agree not to file such until after the Malik Defendants have delivered the Settlement Funds to the FDIC-R.

C. Without waiving any other rights that FDIC-R may have, in the event that the Settlement Funds, including all accrued interest as may be applicable, are not paid to the FDIC-R by the Malik Defendants in the respective amounts described above, and within 30 days of the execution of this Agreement, then the FDIC-R shall have the right, in its sole discretion, prior to the receipt of any delinquent payment by the Malik Defendants to declare this Agreement null and void, extend this Agreement for the period of time until the FDIC-R receives all of the Settlement Funds and/or enforce this Agreement. The Parties further acknowledge and consent to the jurisdiction of Magistrate Judge Azrack for enforcement of this Agreement in connection with her continuing role overseeing settlement negotiations related to The Litigation.

Section 2: Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties, the FDIC-R shall dismiss with prejudice all of its claims in The Litigation against the Malik Defendants. A Stipulation of Dismissal as to these claims shall be prepared and executed by the FDIC-R and the Malik Defendants. Within thirty (30) days of the Malik Defendants' receipt of the executed Stipulation of Discontinuance of The Litigation with Prejudice, the Malik Defendants shall deliver the Settlement Funds to the FDIC-R in the manner prescribed in Section 1B of this

Agreement. Thereafter, the Malik Defendants shall file the Stipulation of Dismissal, provided however, that the Malik Defendants shall defer from filing the Stipulation of Dismissal and agree not to file such until after the Malik Defendants have delivered the Settlement Funds to the FDIC-R.

Section 3: Mutual Releases.

A. Release of the Malik Defendants by the FDIC-R.

Effective upon payment of the Settlement Funds in the amount specified in Section 1 above, the FDIC-R hereby releases and discharges the Malik Defendants, their insurer, AGLIC, representatives, successors, assigns and attorneys, from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that were asserted or could have been asserted in The Litigation.

B. Release of the FDIC-R by the Malik Defendants.

Effective simultaneously with the release in Section 3A above, the Malik Defendants on their own behalf, and on behalf of their insurer, AGLIC, representatives, successors, assigns and attorneys hereby release and discharge the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to The Litigation, including but not limited to any rights of subrogation.

C. Express Reservation of Releases By The FDIC-R.

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 rights, claims or causes of action against any other party in the Litigation not expressly released by this Agreement.

Section 4: Representations and Acknowledgments

A. No Admission of Liability. The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims previously defined and that this Agreement is not an admission or evidence of any liability of 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 a 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, assigns and attorneys.

D. Specific Representations, Warranties and Disclaimer. The Malik Defendants acknowledge that in determining to settle the claims released herein, the FDIC-R reasonably and justifiably relied upon the accuracy of financial information provided by the Malik Defendants. If the Malik Defendants intentionally failed to disclose, or intentionally misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, the Malik Defendants agree to cooperate fully with the FDIC-R to transfer their interest in the asset to the

FDIC-R and to sign any and all documents necessary to transfer their interest in the asset to the FDIC-R. Moreover, if the Malik Defendants have intentionally failed to disclose or materially misstated any 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 the Malik Defendants as null and void; (b) the FDIC-R may sue the Malik Defendants for damages, an injunction, and specific performance for the breach of this Agreement; and (c) the FDIC-R may seek to vacate any dismissal order and reinstate the FDIC-R's claims against the Malik Defendants. The Malik Defendants agree that if they have intentionally failed to disclose, or intentionally materially misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, the Malik Defendants consent to the reinstatement of FDIC-R's claims and waives any statute of limitations defense that would bar any of the FDIC-R's claims against them.

E. 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 New York.

F. 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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

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 representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as Receiver for AmTrust Bank

(b)(6)

Date:

7/13/2012

[Redacted Signature Box]

Malik & Associates, P.C.

Date

7/2/12

By

[Redacted Signature Box]

(b)(6)

Pankaj Malik

Date

7/2/12

By

[Redacted Signature Box]

(b)(6)

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

----- X
FEDERAL DEPOSIT INSURANCE CORPORATION
AS RECEIVER FOR AMTRUST BANK,

Case No.: 09-cv-4805
(KAM) (JMA)

Plaintiff,

-against-

**STIPULATION OF
DISCONTINUANCE
WITH PREJUDICE**

PANKAJ MALIK, et al.,

Defendants,

X

IT IS HEREBY STIPULATED AND AGREED by and between the undersigned, the parties and attorneys of record in the above-entitled action, that whereas no party is an infant, incompetent person for whom a committee has been appointed, or conservatee, and no person not a party has interest in the subject matter of this action, the above-entitled action is hereby discontinued with prejudice as against the Defendants PANKAJ MALIK and MALIK & ASSOCIATES, P.C.

Dated: New York, New York
July 12, 2012

FURMAN KORNFELD & BRENNAN LLP

THOMPSON HINE LLP

By: _____

A. Michael Furman, Esq.
Izabell Lemkhen, Esq.
Attorneys for Defendants
PANKAJ MALIK and MALIK &
ASSOCIATES, P.C.
61 Broadway, 26th Floor
NY, NY 10006
Tel: (212) 867-4100
Fax: (212) 867-4118
File No.:

By:

William W. Jacobs, Esq.
Attorney for Plaintiff
3900 Key Center
127 Public Square
Cleveland, OH 44114
Tel: (216) 566-5533

(b)(6)

(b)(4)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of this 15th day of September, 2011, by, between, and among the Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio ("FDIC-R"), and PrimeLending, a PlainsCapital Company ("PrimeLending") (FDIC-R and PrimeLending may each be referred to herein as a "Party" and collectively as the "Parties").

WHEREAS:

On December 4, 2009, the Office of Thrift Supervision closed AmTrust Bank, Cleveland, Ohio, previously known as Ohio Savings Bank (the "Bank") and appointed the Federal Deposit Insurance Corporation as its 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.

On or about July 26, 2010, FDIC-R initiated a lawsuit entitled *Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland Ohio v. Daniel Koenn, an individual, and PrimeLending, a Plains Capital Company*, United States District Court Case Number CV10-5528-RGK (VBKx) (hereinafter, the "Action"). On or about May 12, 2011, the FDIC-R filed the First Amended Complaint in the Action, which asserted a claim for relief for breach of contract against PrimeLending.

In the Action, FDIC-R alleged that PrimeLending and the Bank entered into a Master Correspondent Loan Purchase Agreement dated May 8, 2007 (the "Contract").

In the Action, FDIC-R further alleged that, pursuant to the terms of the Contract, PrimeLending delivered to the Bank the following residential mortgage loans: a mortgage loan

(b)(6) to [redacted] in the principal amount of \$620,000 (the [redacted] Loan") which was secured (b)(6)

by a deed of trust recorded against the real property located at [redacted] Pomona, CA; (b)(6)

(b)(6) and two mortgage loans to [redacted] in the principal amounts of \$545,600 and \$136,400

(b)(6) (collectively, the [redacted] Loan") which were secured by deeds of trust recorded against the real

(b)(6) property located at [redacted] Pomona, CA.

In the Action, FDIC-R asserted that, pursuant to the Contract, PrimeLending was obligated to indemnify FDIC-R for certain deficiencies relating to the [redacted] Loan and the [redacted] Loan. (b)(6)

PrimeLending denies the cause of action alleged against it in the Action.

To avoid the expense and uncertainty of continued litigation, the Parties desire to enter into this Agreement.

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, on or before September 19, 2011, PrimeLending shall pay to the FDIC-R the total sum of Four Hundred Seventy Five Thousand Dollars and no/cents (\$475,000.00) (the "Settlement Payment"). The Settlement Payment shall be made by wire transfer made payable to "Mortgage Recovery

Law Group Client Trust Account," Account Number: [redacted] Routing Number: (b)(4)

(b)(4) [redacted] Reference: PrimeLending Settlement.

B. If the FDIC-R does not receive the Settlement Payment in full on or before the date determined by subparagraph A above ("Settlement Payment Due Date"), interest shall accrue at

the rate of 5% per annum, until the date of full payment. In addition, if the FDIC-R does not receive the Settlement Payment in full on or before the Settlement Payment Due Date, the FDIC-R, in its sole discretion, shall have the right to:

1. extend the period of time for payment, including interest accruing from the Settlement Payment Due Date through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(b)(3); and/or
2. enforce this Agreement and, in such event, Primelending agrees to jurisdiction in Federal District Court in California and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement; and/or
3. declare this Agreement null and void, move to vacate any dismissal order, to which Primelending agrees to consent, and re-institute the Action on the FDIC-R's claims; and/or
4. seek any other relief available to it in law or equity.

SECTION II: Stipulation and Dismissal.

At any time after FDIC-R receives the fully-executed Agreement and full Settlement Payment, plus any accrued interest if applicable, PrimeLending's counsel may instruct the FDIC-R's counsel to file a Stipulation of Dismissal of the Action, with prejudice (the "Stipulation"), with each party to bear its own costs and attorneys' fees. Upon receipt of such instruction from PrimeLending's counsel, the FDIC-R's counsel shall file the Stipulation within five (5) business days.

At the request of PrimeLending, the FDIC-R agrees to delay the filing of the Stipulation

of Dismissal of the Action so as to allow PrimeLending time to subpoena third parties for deposition in the Action, including but not limited to [redacted] PrimeLending agrees to (b)(6) take reasonable steps to subpoena any third parties for deposition as soon as possible in light of the deadlines associated with the November 15, 2011 trial date. PrimeLending further agrees that if such depositions are not completed in time for the FDIC-R to avoid costs associated with trial-related deadlines or court appearances, or if the court so instructs, the FDIC-R is entitled to file the Stipulation of Dismissal of the Action with prejudice after providing PrimeLending five (5) business days notice. The FDIC-R agrees to provide to PrimeLending any non-privileged (b)(6) documents produced by [redacted] to the FDIC-R in connection with the Action.

SECTION III: Releases.

Each Party acknowledges that this Agreement applies to all claims or causes of action for all injuries, damages, or losses of any type or nature (whether those injuries, damages, or losses are known or unknown, foreseen or unforeseen, patent or latent) which that Party may have (b)(6) against the other Party relating to the [redacted] Loan or [redacted] Loan or arising from the [redacted] (b)(6) Loan or [redacted] Loan. Each Party hereby expressly waives application of *California Civil Code §1542* and any other similar statute or rule.

Each Party certifies that they have read and understood the following provisions of *California Civil Code §1542*, which states in pertinent part as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Party understands and acknowledges that the significance and consequence of its waiver of *California Civil Code §1542* is that even if any Party should eventually suffer

(b)(6) additional damages relating to the [redacted] Loan or [redacted] Loan or arising out of the [redacted] Loan (b)(6)

(b)(6) or [redacted] Loan, including relating to claims and causes of action that were or could have been

(b)(6) asserted relating to the [redacted] Loan or [redacted] Loan, or any facts or circumstances related to the

(b)(6) [redacted] Loan or [redacted] Loan, that Party will not be able to make any claim against the other

Party for those damages, injuries, or loss. Furthermore, each Party acknowledges that it consciously intends these consequences even as to claims for damages that may exist as of the date of this release but which that Party does not know exists, and which, if known, would materially affect that Party's decision to execute this release, regardless of whether that Party's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

A. The FDIC-R's Release.

Upon receipt of the Settlement Payment, plus any accrued interest, and except as provided in PARAGRAPH III.C., the FDIC-R, for itself and its employees, successors, and assigns hereby releases and discharges PrimeLending and its respective employees, officers, directors, representatives, heirs, executors, administrators, attorneys, shareholders, affiliates (including, but not limited to, PlainsCapital Bank and PlainsCapital Corporation), 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 (hereinafter, "Claims") arising out of, or relating

(b)(6) to, the [redacted] Loan and the [redacted] Loan.

B. PrimeLending's Release.

Effective simultaneously with the release in PARAGRAPH III.A. above, PrimeLending, on behalf of itself and its respective employees, officers, directors, representatives, heirs, executors, administrators, attorneys, shareholders, affiliates, successors and assigns, hereby releases and discharges the FDIC-R, and its employees, officers, directors, representatives, heirs,

executors, administrators, attorneys, shareholders, affiliates, successors and assigns, from any

and all Claims arising out of, or relating to, the [] Loan and [] Loan.

C. Exceptions to Release by FDIC-R.

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:

1. against Primelending arising out of any transactions or loans not relating to the [] Loan and [] Loan, including transactions or loans which arose out of any other existing or failed financial institutions other than AmTrust Bank; and
2. which are not expressly released in PARAGRAPH IIIA. above.

D. Limitations on Release.

1. 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 and/or the United States Attorney's Office for any federal judicial district. Should the Department of Justice and/or the United States Attorney bring such a claim, the FDIC-R 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, subject to offset by the Settlement Payment described in PARAGRAPH IA above.

2. This Agreement is binding on the Federal Deposit Insurance Corporation in its capacity as Receiver for AmTrust Bank, Cleveland, Ohio. Therefore, where the Federal Deposit Insurance Corporation is not acting in its capacity as Receiver for AmTrust Bank, Cleveland, Ohio, nothing herein limits, waives, releases, diminishes or compromises the jurisdiction and authority of the Federal Deposit Insurance Corporation.

SECTION V: Insolvency.

A. Insolvency.

PrimeLending warrants as to payments made by or on its behalf that at the time of such payment, it is not insolvent nor will the payment made by or on its behalf render it insolvent within the meaning and/or for the purposes of the United States Bankruptcy Code. This warranty is made by PrimeLending and not by its counsel.

B. Preferences.

In the event that the FDIC-R is required to return any portion of the Settlement Payment due to a final order by a court that the transfer of the Settlement Payment or any portion thereof constituted a preference, voidable preference, fraudulent transfer or similar transaction, then, in its sole discretion, the FDIC-R may, without waiver of any other rights it may have in law or equity, pursue any of the rights and remedies set forth in PARAGRAPH I.B. above, and/or otherwise permitted by law.

SECTION VI: Termination.

In the event the FDIC-R exercises its right to declare this Agreement null and void as provided herein in PARAGRAPH I.B.3, 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, August 25, 2011.

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:

Vanessa H. Widener
Anderson, McPharlin & Connors LLP
444 South Flower Street, 31st Floor
Los Angeles, CA 90071-2901

(b)(6)

Direct: (213) 236-1613
Main Phone: (213) 688-0080
Main Fax: (213) 622-7594

If to Primelending:

Robert Beall, Esq.
Brian Farrell, Esq.
Sheppard Mullin Richter & Hampton LLP
650 Town Center Dr., 4th Floor
Costa Mesa, CA 92626
(p) (714) 513-5100
(f) (714) 513-5130

(b)(6)

SECTION VIII: 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 hereto, except to enforce its terms.

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.

All of the undersigned persons represent and warrant 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, employees, attorneys, successors and assigns.

D. Entire Agreement.

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. No representations, warranties or inducements have been made to or relied on by any Party concerning this Agreement and its exhibits other than those contained therein.

E. Amendments.

This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing by the Party or Parties 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, 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, Primelending agrees to cooperate fully with the FDIC-R in

connection with an action that is expressly required of PrimeLending under this Agreement. Any such cooperation that involves any out of pocket costs is subject to reasonable reimbursement by the FDIC-R pursuant to its internal guidelines and policy for such reimbursement. Such cooperation (if relating to an action expressly required of PrimeLending under this Agreement) shall consist of:

- a. producing all documents requested by the FDIC-R, without the necessity of subpoena, as determined by the FDIC-R to be relevant to the Bank;
- b. making themselves available upon request by the FDIC-R at reasonable times and places for interviews regarding facts relevant to the Bank;
- c. appearing to testify, upon request by the FDIC-R on matters related to the Bank, without the necessity of subpoena;
- d. signing truthful affidavits upon request by the FDIC-R, regarding any matter relevant to the Bank.

H. Choice of Law.

This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the internal laws of the State of California, without regard to its conflicts of laws.

I. Advice of Counsel.

Each Party hereby acknowledges that he 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 its counsel.

J. 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.

K. 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.

[SIGNATURES ON FOLLOWING PAGE]

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.

Approved as to form and content:

FDIC as Receiver for AmTrust Bank, Cleveland, Ohio

Primelending, a Plains Capital Company

(b)(6) By:

By: _____

Name: Patrick M. McCrwick

Name: _____

Title: Counsel

Title: _____

Date: 9/16/11

Date: _____

Approved as to form: 
DATED: September 15, 2011

ANDERSON, McPHARLIN & CONNERS LLP

(b)(6)


Vanessa H. Widener
Attorneys for Plaintiff Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio

DATED: September ____, 2011

SHEPPARD, MULLIN, RICHTER & HAMPTON LLC

By: _____
Robert Beall
Attorneys for Defendant Primelending, a Plains Capital Company

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.

FDIC as Receiver for AmTrust Bank, Cleveland, Ohio

Primelending, a Plains Capital Company

By: _____

Name: _____

Title: _____

Date: _____

By:

(b)(6)

By:

Name: SCOTT BROWN

Title: VICE PRESIDENT

Date: 4-15-11

Approve as to form and content:

DATED: September __, 2011

ANDERSON, McPHARLIN & CONNERS LLP

By: _____

Vanessa H. Widener

Attorneys for Plaintiff Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio

DATED: September 16, 2011

SHEPPARD MULLIN RICHTER HAMPTON LLC

(b)(6)

By: _____

Robert Beall

Attorneys for Defendant Primelending, a Plains Capital Company

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases (“Agreement”) is made this 10th day of January, 2011 by, between and among the Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank (“FDIC-R”), Commonwealth Land Title Insurance Company (“Commonwealth”), Icon Title Agency LLC (“Icon”) (Commonwealth and Icon, together, the “Settling Defendants”), and Jan Kidérman, an individual. Each of FDIC-R, Icon and Commonwealth are parties in a case captioned *FDIC as Receiver for AmTrust Bank v. The Mortgage Zone Inc., et al.*, Case No: 2:08-CV-03369 (E.D.N.Y.) (“The Litigation”).

RECITALS

WHEREAS, in August 2008, AmTrust Bank (“AmTrust” or the “Bank”) commenced The Litigation against numerous borrowers, its closing attorney Dean Reskakis, its mortgage broker The Mortgage Zone Inc., and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers, including claims against Icon and Commonwealth related to the issuance of title insurance and title commitments for such mortgages; and

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision 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 any and all of the Bank’s claims, demands, and causes of action, including those claims asserted in The Litigation; and

WHEREAS, Commonwealth has denied the allegations asserted against it for breach of contract; and

WHEREAS, Icon has denied the allegations asserted against it for breach of fiduciary duty and for negligence; and

WHEREAS, without any admission of liability by any of the undersigned parties, the parties deem it to be in their respective best interests to end their disputes arising out of and related to The Litigation, avoid further costs and risks associated with The Litigation, and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned parties agree, each with the other, as follows:

Section 1. Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, Icon has agreed to pay the FDIC-R the sum of One Million Two Hundred Thousand Dollars (\$1,200,000.00), and Commonwealth has agreed to pay the FDIC-R the sum of Fifty Thousand Dollars (\$50,000.00) (the "Settlement Funds") within 30 days of the execution of the Agreement..

B. Within 30 days of the execution of the Agreement, the Settling Defendants shall deliver their respective Settlement Funds, as detailed above, to the FDIC-R by direct wire transfer into an account designated by FDIC-R or by check transmitted pursuant to FDIC-R's written instructions. If the Settlement Funds, or any portion thereof, are not received by the FDIC-R within 30 days of execution of the Agreement, interest upon any unpaid portion of the Settlement Funds will accrue at a rate of 6% per annum commencing on the 31st day after execution of the Agreement through the date of full payment.

C. Without waiving any other rights that FDIC-R may have, in the event that the Settlement Funds, including all accrued interest as may be applicable, are not received by the FDIC-R within 30 days of the execution of this Agreement, then the FDIC-R shall have the right, in its sole discretion, to enforce this Agreement, and the defaulting party shall be responsible for its portion of the Settlement Funds, and all fees, including attorney fees, incurred by the FDIC-R in enforcing the agreement. The parties further acknowledge and consent to the jurisdiction of Magistrate Judge Cott for enforcement of this Agreement in connection with his continuing role in the settlement of this matter and of the litigation styled *Executive Risk Indemnity Inc. v. Icon Title Agency, LLC*, Case No: 1:10 CV 02483 (S.D.N.Y.).

Section 2. Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned parties, and upon receipt of the Settlement Funds by the FDIC-R in the amount specified in Section 1, the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against Commonwealth and Icon; Commonwealth shall dismiss with prejudice all of its claims against the FDIC-R and Icon; and Icon shall dismiss with prejudice all of its claims against the FDIC-R and Commonwealth. A stipulation of dismissal with prejudice as to these claims shall be prepared and executed by the FDIC-R, Commonwealth, and Icon within 30 days after receipt of the Settlement Funds by the FDIC-R, and filed with the court thereafter.

Section 3. Limited Mutual Releases.

A. Release of the Settling Defendants and Jan Kiderman by the FDIC-R.

Effective upon receipt of the Settlement Funds by the FDIC-R in the amount specified in Section 1, the FDIC-R (the "Releaser"), hereby knowingly and voluntarily waives, discharges and releases forever Icon and Commonwealth, including their related companies,

predecessors, successors, predecessor and successor entities, subsidiaries, affiliates, directors, officers, employees, attorneys, insurers, agents and assigns, and Jan Kiderman individually, his heirs, executors, administrators, representatives, attorneys, successors and assigns, (collectively the "Releasees") from any and all actions, causes of action, suits, debts, dues, sum of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever in law or equity, including attorneys fees', disbursements, claims for sanctions and rights of subrogation, which against the Releasees, the Releasor ever had, now has or hereinafter can, shall or may have, for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date hereof, limited to any and all claims solely related to the allegations and claims made by FDIC-R in The Litigation and arising out of the specific facts and specific circumstances alleged in The Litigation.

B. Release of the FDIC-R by Settling Defendants and Jan Kiderman.

Effective simultaneously with the release in Section 3A, each of the Settling Defendants on its own behalf, and on behalf of each of the Settling Defendants' their related companies, predecessor and successor entities, subsidiaries, affiliates, directors, officers, employees, shareholders, owners, partners, agents, insurers, representatives, agents, attorneys, successors and assigns, and Jan Kiderman individually, his heirs, executors, administrators, representatives, attorneys, successors and assigns, (collectively, the "Releasors"), all hereby knowingly and voluntarily waive, discharge and release forever the FDIC-R (the "Releasee") from any and all actions, causes of action, suits, debts, dues, sum of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever in law or equity, including

attorneys fees', disbursements, claims for sanctions and rights of subrogation, which against the Releasees, the Releasor ever had, now has or hereinafter can, shall or may have, for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date hereof, limited to any and all claims solely related to the allegations and claims made by the FDIC-R in The Litigation and arising out of the specific facts and specific circumstances alleged in the Litigation.

C. Release of Icon and Jan Kiderman by Commonwealth.

Effective simultaneously with the release granted in Section 3A, Commonwealth, its insurers, representatives, agents, attorneys, successors and assigns (the "Releasor") hereby releases and discharges Icon, its insurers, representatives, agents, attorneys, successors and assigns, Jan Kiderman individually, his heirs, executors, administrators, representatives, attorneys, successors and assigns (collectively, the "Releasee"), from any and all claims, demands, obligations, damages, actions and causes of action, direct or indirect, in law or in equity, which against the Releasee, the Releasor ever had or now has, limited to any and all claims solely related to claims made by the FDIC-R in The Litigation, with respect to the properties detailed in FDIC-R's claims in The Litigation.

Icon and Jan Kiderman acknowledge that this Agreement, and specifically this Release, is limited to The Litigation. Icon and Jan Kiderman acknowledge that there may be additional claims made by Commonwealth related to Icon's and Jan Kiderman's actions but unrelated to the specific claims made by the FDIC-R in The Litigation. This Agreement and Release does not in any way affect Commonwealth's right, if any, to pursue such claims against Icon and Jan Kiderman, or Icon's and Jan Kiderman's rights to defend against such claims.

D. Release of Commonwealth by Icon and Jan Kiderman.

Effective simultaneously with the release granted in Section 3A above, Icon, its insurers, representatives, agents, attorneys, successors and assigns, and Jan Kiderman individually, his heirs, executors, administrators, representatives, attorneys, successors and assigns, (collectively, the "Releasers"), hereby release and discharge Commonwealth, related companies, predecessors, successors, predecessor and successor entities, assigns, subsidiaries, affiliates, directors, officers, employees, attorneys, insurers and agents, (the "Releasee"), from any and all claims, demands, obligations, damages, actions and causes of action, direct or indirect, in law or in equity, which against the Releasee, the Releaser ever had or now has, limited to any and all claims solely related to claims made by the FDIC-R in The Litigation, with respect to the properties detailed in the FDIC-R's Claims in The Litigation.

E. Express Reservation of Claims By The FDIC-R

Notwithstanding any other provision of 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 rights, claims or causes of action:

- i. Against any other party in the Litigation not expressly released by this Agreement; and/or
- ii. Which are not expressly released in Section 3A.

F. Express Reservation of Claims By Commonwealth

Notwithstanding any other provision of this Agreement, Commonwealth does not release, and expressly preserves fully and to the same extent as if the Agreement had not been executed, any rights, claims or causes of action:

i. Against any other party in the Litigation not expressly released by this Agreement; and/or

ii. Which are not expressly released in Section 3B and/or 3C.

Section 4. Representations and Acknowledgments

A. No Admission of Liability.

The undersigned parties each acknowledge and agree that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims and that this Agreement is not an admission or evidence of any 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 a 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 insurers, representatives, agents, heirs, executors, administrators, attorneys, 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 New York.

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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

F. 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, her, or its counsel.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by each of them, or their duly authorized representative, on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation as
Receiver for AmTrust Bank

Date: January 10, 2011

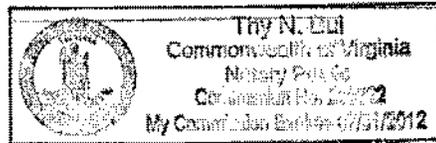
By _____

(b)(6)

SWORN TO BEFORE ME and subscribed in my presence this 10th day of
January, 2011.

(b)(6)

Notary Public



Commonwealth Land Title Insurance
Company

Date January 10, 2011

By (b)(6)

DAVID GOLB
Sr. Vice President

SWORN TO BEFORE ME and subscribed in my presence this 10th day of
January, 2011.

(b)(6)

Notary Public/
JENNIFER S. CLARK
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 12/27/2014

Icon Title Agency, LLC

Date January 13, 2011

By

[Redacted Signature]

(b)(6)

Jan ROBERMAN, Managing Member

SWORN TO BEFORE ME and subscribed in my presence this 13th day of January 2011.

Notary Public

[Redacted Signature]

(b)(6)

VERONICA TORRES
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01T08085265
QUALIFIED IN KINGS COUNTY
COMMISSION EXPIRES OCTOBER 15, 2013

Jan Kiderman

(b)(6)



Date: January 13, 2011

SWORN TO BEFORE ME and subscribed in my presence this 13th day of January, 2011.

Notary Public



(b)(6)

VERONICA TORRES
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01706065285
QUALIFIED IN KINGS COUNTY
COMMISSION EXPIRES OCTOBER 15, 2013

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Release ("Agreement") is made this 17th day of August, 2012 by, between and among the following undersigned Parties: the Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R"), and Jordan S. Katz ("Katz") and Law Offices of Jordan S. Katz, P.C. ("Katz, PC").

RECITALS

WHEREAS, in August, 2008, AmTrust Bank ("AmTrust") initiated litigation against numerous borrowers, its closing attorney Dean Reskakis ("Reskakis"), its mortgage broker, The Mortgage Zone Inc., and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers in a case captioned *FDIC, as Receiver for AmTrust Bank v. The Mortgage Zone Inc., et al.*, Case No: 2:08-CV-03369 (E.D.N.Y.) ("The Litigation").

WHEREAS, The Litigation includes claims related to a mortgage loan made by AmTrust for the purported purchase of the property located at in Howard Beach, NY (b)(6) ("The Property") by Nicola Hurry ("Hurry");

WHEREAS, on June 16, 2009, the United States District Court for the Eastern District of New York granted AmTrust an equitable lien (the "Lien") on The Property.

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision 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 AmTrust, including those with respect to its assets and all of AmTrust's claims, demands, and causes of action, including those claims related to The Property;

WHEREAS, the FDIC-R represents and warrants that it is the current holder of the promissory note and mortgage executed by Hurry in connection with the mortgage loan and that neither the promissory note nor the mortgage have been assigned, sold, tendered, transferred, pledged or the like;

WHEREAS, in connection with the mortgage loan to Hurry for the purchase of The Property, Reskakis made an unsolicited deposit of \$211,067.05 into Katz, PC's bank account (the "Disbursement Funds"), even though neither Katz, PC nor Katz had anything whatsoever to do with Hurry's purchase of the property;

WHEREAS, neither Katz, PC nor Katz are parties to The Litigation;

WHEREAS, Katz and Katz, PC have denied any wrongdoing in connection with The Property and the Disbursement Funds;

WHEREAS, the FDIC-R has provided Katz, PC with written documentation of the Disbursement Funds and requested that Katz, PC return in full the Disbursement Funds to the FDIC-R;

WHEREAS, Katz, PC has acknowledged receipt of the Disbursement Funds;

WHEREAS, Katz, PC has retained an expert to perform a forensic examination of Katz, PC's account where the Disbursement Funds were deposited for the purpose of determining if the Disbursement Funds were or were not validly transferred out of the Katz, PC account (the "Forensic Examination"); and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to enter into this Agreement concerning disputes arising out of and related to the Disbursement Funds.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree, each with each other, as follows:

1. Within one week of the complete execution and delivery of this Agreement, Katz, PC shall return the Disbursement Funds in the amount of \$211,067.05 payable to and delivered to the FDIC-R 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 and mailed to: counsel for FDIC-R at P.O. Box 971774, Dallas, Texas 75397-1774; or, for overnight delivery to: JPMorgan Chase (TXI-0006), Attn: FDIC Receivership Lock Box #971774, 14800 Frye Road, 2nd Floor, Fort Worth, Texas 76155 (hereafter, the "Katz PC Payment").

2. If the Katz PC Payment is not made within one week of the complete execution and delivery of this Agreement, this Agreement shall be deemed cancelled, void and of no force or effect.

3. Release of Katz and Katz PC by the FDIC-R. Effective upon the receipt of the Disbursement Funds by the FDIC-R, the FDIC-R hereby releases and discharges Katz, Katz, PC, (the "Releasees") and each of their constituent members, principals, partners, heirs, executors, administrators, successors and assigns from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity, which the FDIC-R ever had, now has, or hereafter can, shall or may have against the Releasees for any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this Agreement limited to the claims which arise from or related to 1306 Myrtle Avenue, Howard Beach, New York and/or the

unsolicited deposit of \$211,067.05 by Dean Reskakis into the bank account of Katz, PC. This Agreement does not release any other person or entity other than Releasees nor does this Agreement release any claims other than the claims identified herein.

4. Release of the FDIC-R by Katz and Katz PC. Effective simultaneously with the release in Section 3 above, Katz and Katz PC, on their own behalves, and on behalf of their heirs, executors, administrators, representatives, assigns, insurers, and attorneys, hereby release and discharge the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to The Property or the Disbursement Funds, except that the FDIC-R is not released from any claim by Katz and/or Katz PC against FDIC-R which is based upon the FDIC-R's breach of any of FDIC-R's representations and warranties made in this Agreement.

5. No Admission of Liability. The Parties each acknowledge and agree that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims and that this Agreement is not an admission of, or evidence of, any liability of any of them regarding any claim.

6. Execution in Counterparts. This Agreement may be executed in counterparts by facsimile or electronically mailed signatures which shall have the same force and effect as original signatures and such counterparts, when taken together, shall constitute one single and binding Agreement.

7. 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 New York.

8. 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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

9. For the period of seven days, from the date when this Agreement becomes effective to the date that the Katz PC Payment is made, or if not made, the date when this Agreement is canceled, FDIC-R shall not commence any action or like proceeding against Katz and/or Katz, PC.

10. The "WHEREAS" provisions of this Agreement are contractual obligations and are not merely recitals.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as Receiver for AmTrust Bank

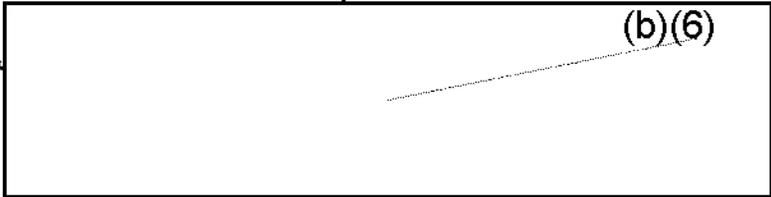
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Date: 8/7/2012

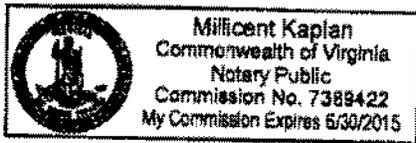


COMMONWEALTH OF VIRGINIA
COUNTY OF ARLINGTON

On 7 AUG, 2012, before me personally came Patrick M. McGinnis counsel to the Federal Deposit Insurance Company, to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.



(b)(6)



Jordan S. Katz

Date _____

Jordan S. Katz, Esq.
Personally and on Behalf of the Law Office of
Jordan S. Katz, P.C.

STATE OF _____
COUNTY OF _____

On _____, 2012, before me personally came _____, personally and on behalf of the Law Office of Jordan S. Katz, P.C., to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.

Notary

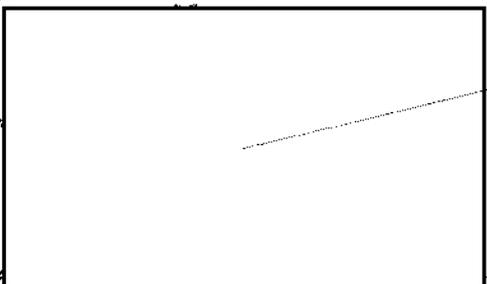
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as Receiver for AmTrust Bank

Date: _____

STATE OF _____
COUNTY OF _____

On _____, 2012, before me personally came _____, an officer of Federal Deposit Insurance Company, to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.

Jor  (b)(6)

Date 8/13/12

Jordan S. Katz, Esq.
Personally and on Behalf of the Law Office of Jordan S. Katz, P.C.

STATE OF New York
COUNTY OF Suffolk

On 8-13, 2012, before me personally came Jordan S. Katz, personally and on behalf of the Law Office of Jordan S. Katz, P.C., to me known, and known to me to be the individual(s) described in and who executed the foregoing RELEASE, and duly acknowledged to me that he executed the same.

 (b)(6)

LISA BAGLIONE
Notary Public, State of New York
No. 01646171758
Qualified in Suffolk County
Commission Expires July 31, 2013

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") is made this 12th day of August, 2011 by, between and among the following undersigned Parties: the Plaintiff, Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R"); and the Defendant Nicola A. Hurry ("Hurry"); both of whom are parties in a case captioned *FDIC, as Receiver for AmTrust Bank v. The Mortgage Zone Inc., et al.*, Case No: 208-CV-03369 (E.D.N.Y.) ("The Litigation").

R E C I T A L S

WHEREAS, In August, 2008, AmTrust Bank initiated The Litigation against numerous borrowers, its closing attorney Dean Reskakis, its mortgage broker, The Mortgage Zone Inc., and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers, including claims against Hurry for fraud and breach of contract related to one such mortgage;

WHEREAS, Hurry has denied the allegations asserted against her for fraud and breach of contract;

WHEREAS, Hurry has provided the FDIC-R with a sworn affidavit and other financial materials to demonstrate that she is indigent and unable to pay a judgment;

WHEREAS, the FDIC-R has relied upon the accuracy of the information provided by Hurry regarding her financial condition; and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to end their disputes arising out of and

related to The Litigation, and avoid further costs and risks associated with The Litigation and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree, each with each other, as follows:

Section 1. Hurry's Agreement to Cooperate.

A. As an essential covenant and condition to this Agreement, Hurry agrees to provide a sworn statement to the FDIC-R regarding the persons, entities, and events involved in the Litigation.

B. Hurry further agrees to cooperate fully with the FDIC-R in the ongoing Litigation and any future litigation related to the persons, entities, and events involved in the Litigation, including, if necessary, testifying regarding the persons, entities, and events involved in the Litigation.

Section 2. Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties, the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against Hurry. The FDIC-R shall prepare and execute a stipulation of dismissal with prejudice as to these claims within 30 days after receipt of the sworn statement by Hurry.

Section 3. Mutual Releases.

A. Release of Hurry by the FDIC-R.

Effective upon receipt of the sworn statement specified in Section 1 above, the FDIC-R hereby releases and discharges Hurry, her insurers, representatives, successors, assigns and

attorneys, from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that arise from or relate to The Litigation.

B. Release of the FDIC-R by Hurry.

Effective simultaneously with the release in Section 3A above, Hurry, on her own behalf, and on behalf of her heirs, executors, administrators, representatives, assigns, insurers, and attorneys hereby releases and discharges the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to the Litigation.

C. Express Reservation of Releases By The FDIC.

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 rights, claims or causes of action:

- i. Against any other party in the Litigation not expressly released by this Agreement; and
- ii. Which are not expressly released in Section 3A, above.

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, or which may arise by operation of law, rule, or regulation.

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 or the United States Attorney's Office for any 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 4. Representations and Acknowledgments

A. No Admission of Liability. The undersigned Parties each acknowledge and agree that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims and that this Agreement is not an admission or evidence of any liability of 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 a 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, assigns and attorneys.

D. Specific Representations, Warranties and Disclaimer. Hurry acknowledges that in determining to settle the claims released herein, the FDIC-R reasonably and justifiably relied upon the accuracy of financial information provided Hurry. If Hurry failed to disclose, or misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, Hurry agrees to cooperate fully with the FDIC-R to transfer its interest in the asset to the FDIC-R and to sign any and all documents necessary to transfer its interest in the asset to the FDIC-R. Moreover, if Hurry has failed to disclose any 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 Hurry as null and void; (b) the FDIC-R may sue Hurry for damages, an injunction, and specific performance for the breach of this Agreement; and (c) the FDIC-R may seek to vacate any dismissal order and reinstate the FDIC-R's claims against Hurry. Hurry agrees that if she has failed to disclose, or misrepresented the nature or amount of, any interest, legal, equitable, or beneficial, in any asset, Hurry consents to the reinstatement of FDIC-R's claims and waives any statute of limitations defense that would bar any of the FDIC-R's claims against her.

E. 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 New York.

F. 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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

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 representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

(b)(6)

Date:

8/12/2011

Nicola Hurry

Date _____

11605699

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.

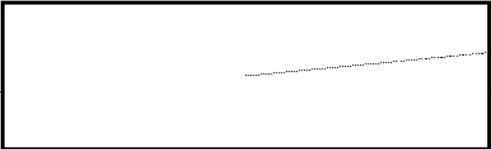
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by each of them or their duly authorized representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

Date: _____

Nicola Hurry

Date 8/12/2011

_____  _____

(b)(6)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of this 18th day of January, 2012, by, between, and among the Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio ("FDIC-R"), and Paramount Equity Mortgage, Inc. ("PEM") (individually, the FDIC-R and PEM may be referred to herein as a "Party" and collectively as the "Parties").

WHEREAS:

Prior to December 4, 2009, AmTrust Bank, Cleveland, Ohio, previously known as Ohio Savings Bank ("Bank"), was a depository institution organized and existing under the laws of the United States.

On December 4, 2009, the Office of Thrift Supervision closed the Bank and appointed the Federal Deposit Insurance Corporation as its 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.

PEM and the Bank entered into a Master Correspondent Loan Purchase Agreement dated January 11, 2006 ("Contract"). Pursuant to the terms of the Contract, PEM sold to the Bank various residential mortgage loans. The Bank's assets now belonging to the FDIC-R include any and all of the Bank's claims, demands, and causes of action, including all of the Bank's claims related to any and all loans PEM sold under the Contract to the Bank ("Loans").

A dispute has arisen between the Parties with respect to claims by the FDIC-R to PEM for repurchase and/or indemnity on certain of the Loans based on alleged breaches of representations and warranties set forth in the Contract (hereinafter any and all present and future claims by the FDIC-R against PEM under the Contract of an obligation to repurchase or

indemnify for losses associated with the Loans is referred to as the "Claims"). The Parties engaged in settlement negotiations as a result of the Claims. The Parties now deem it in their best interests to enter into this Agreement to avoid the uncertainty, trouble, and expense of 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, on or before February 10, 2012, PEM shall pay the FDIC-R the total sum of Two Hundred Thousand Dollars (\$200,000) (the "Settlement Payment"). The Settlement Payment shall be due on or before either: (1) February 10, 2012; or, (2) five (5) business days following PEM's actual receipt of a copy of this Agreement which has been signed by an authorized representative of the FDIC-R, whichever date shall last occur. The Settlement Payment shall be made by wire transfer made payable to "Mortgage Recovery Law Group Client Trust Account," Account Number:

(b)(4) [redacted] Routing Number [redacted] Reference: AmTrust/Paramount Equity Mortgage Settlement.

B. If the FDIC-R does not receive the Settlement Payment in full on or before the date determined by subparagraph A above ("Settlement Payment Due Date"), then the FDIC-R, in its sole discretion, shall have the right to:

1. extend the period of time for payment, including interest accruing from the Settlement Payment Due Date through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(b)(3); or

2. enforce this Agreement and, in such event, PEM agrees to jurisdiction in Federal District Court in 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. declare this Agreement null and void, move to vacate any dismissal order, to which PEM agrees to consent, and institute an action on the FDIC-R's claims, as to which PEM waives any and all objections and defenses and covenant and agree not to assert any objections and defenses; and/or

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

Any extension of time for delivery of the Settlement Payment shall not prejudice the FDIC-R's right to take other action or seek any relief during or after such period of extension, including the right to bring an action to enforce the Agreement, or declare the Agreement null and void.

SECTION II: Releases.

Each Party acknowledges that this Agreement applies to all claims for injuries, damages, or losses of any type or nature (whether those injuries, damages, or losses are known or unknown, foreseen or unforeseen, patent or latent) which that Party may have against another Party arising from the Claims. Each Party hereby expressly waives application of *California Civil Code §1542* and any other similar statute or rule.

Each Party certifies that they have read and understood the following provisions of *California Civil Code §1542*, which states in pertinent part as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Party understands and acknowledges that the significance and consequence of its waiver of *California Civil Code §1542* is that even if any Party should eventually suffer

additional damages arising out of the Claims, the claims and causes of action that were or could have been asserted relating to the Claims, or any facts or circumstances related to the Claims, that Party will not be able to make any claim against the other Party for those damages.

Furthermore, each Party acknowledges that it consciously intends these consequences even as to claims for damages that may exist as of the date of this release but which that Party does not know exists, and which, if known, would materially affect that Party's decision to execute this release, regardless of whether that Party's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

A. The FDIC-R's Release.

Upon receipt of the Settlement Payment, plus any accrued interest, and except as provided in PARAGRAPH II.C., the FDIC-R, for itself and its successors and assigns, hereby releases and discharges PEM and its respective employees, officers, directors, representatives, heirs, executors, administrators, 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 belonging to the FDIC-R, arising out of or relating to the facts and circumstances giving rise to the Claims.

B. PEM's Release.

Effective simultaneously with the release in PARAGRAPH II.A. above, PEM, on behalf of itself, and its respective employees, officers, directors, representatives, heirs, executors, administrators, successors and assigns, hereby releases and discharges the FDIC-R, and its employees, officers, directors, representatives, successors and assigns, from any and all claims belonging to PEM, arising out of or relating to the facts and circumstances alleged by the Claims.

C. Exceptions to Release by FDIC-R.

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 PEM 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 (for the avoidance of doubt, the provisions of this paragraph II(C)1(a) do not apply to or concern any or all of the following: (i) any Loan endorsed by PEM as part of the sale of that Loan pursuant to the Contract; and/or (ii) any guarantee given by PEM or any of its employees, officers, directors, representatives, successors or assigns in connection with the Contract);

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

c. which are not expressly released in PARAGRAPH II.A. above; or

d. arising out of any existing or failed financial institutions other than the Bank.

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, or which may arise by operation of law, rule, or regulation.

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. 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: Insolvency.

A. Insolvency.

PEM warrants as to payments made by or on its or its behalf that at the time of such payment, it is not insolvent nor will the payment made by or on its behalf render it insolvent within the meaning and/or for the purposes of the United States Bankruptcy Code. This warranty is made by PEM and not by its counsel.

B. Preferences.

In the event that the FDIC-R is required to return any portion of the Settlement Payment due to a final order by a court that the transfer of the Settlement Payment or any portion thereof constituted a preference, voidable preference, fraudulent transfer or similar transaction, then, in its sole discretion, the FDIC-R may, without waiver of any other rights it may have in law or equity, pursue any of the rights and remedies set forth in paragraph I(C) above, and/or otherwise permitted by law.

SECTION IV: Termination.

In the event the FDIC-R exercises its right to declare this Agreement null and void as provided herein, 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, December 1, 2011.

SECTION V: Notices.

Any notices required hereunder shall be sent by registered mail, first class, return receipt
requested or may be sent by email, to the following:

If to the FDIC-R:

Michael Deibick
Mortgage Recovery Law Group
700 North Brand Boulevard, Suite 830
Glendale, California 91203
(818) 630-7905

(b)(6) [Redacted]

If to PEM:

Matt Dawson, EVP
Paramount Equity Mortgage, Inc.
4202 Douglas Blvd, Suite 100
Granite Bay, CA 95746

(b)(6) [Redacted]

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 hereto, except to enforce its terms.

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.

All of the undersigned persons represent and warrant 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, attorneys, successors and assigns.

D. Entire Agreement.

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. No representations, warranties or inducements have been made to or relied on by any Party concerning this Agreement and its exhibits other than those contained therein.

E. Amendments.

This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing by the Party or Parties 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, 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, PEM agrees to cooperate fully with the FDIC-R in connection with any action required under this Agreement. Any such cooperation that involves any out of pocket costs is subject to reasonable reimbursement by the FDIC-R pursuant to its internal guidelines and policy for such reimbursement.

G. Choice of Law.

This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the internal laws of the State of California, without regard to its conflicts of laws.

H. Advice of Counsel.

Each Party hereby acknowledges that he 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 its counsel.

I. 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.

J. 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.

**FDIC as Receiver for AmTrust
Bank, Cleveland, Ohio**

Paramount Equity Mortgage, Inc.

By: _____

By: (b)(6)

Name: _____

Name: (b)(6)

Title: _____

Title: EVP

Date: _____

Date: 2/8/2012

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.

**FDIC as Receiver for AmTrust
Bank Cleveland Ohio**

Paramount Equity Mortgage, Inc.

(b)(6)

By:

[Redacted Signature Box]

By:

Name:

Patrick M. McGuirk

Name:

Title:

Counsel

Title:

Date:

February 9, 2012

Date:

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Releases ("Agreement") are made this 19th day of September 2012 by, between and among the following undersigned Parties: the Plaintiff, Federal Deposit Insurance Corporation, in its capacity as receiver for AmTrust Bank ("FDIC-R") and the Defendant Artisan Mortgage Company, Inc. ("Artisan"), parties in a case captioned *FDIC as Receiver for AmTrust Bank v. Malik, et al.*, Case No: 1:09-CV-04805 (E.D.N.Y.) ("The Litigation").

RECITALS

WHEREAS, In November, 2009, AmTrust Bank ("AmTrust") initiated The Litigation against its closing attorney Pankaj Malik, several of its mortgage brokers, and other individuals and entities alleged to be involved in the origination of mortgages using improper flip transactions and straw buyers, including claims against Artisan related to the origination of loan files containing certain misrepresentations;

WHEREAS, on December 4, 2009, AmTrust was closed by the Office of Thrift Supervision 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 and all of the Bank's claims, demands, and causes of action, including those claims asserted in The Litigation;

WHEREAS, Artisan has denied the allegations asserted against it for breach of contract;

WHEREAS, Artisan has provided the FDIC-R with a sworn affidavit and other financial materials to demonstrate that it has limited means from which to pay a judgment;

WHEREAS, the FDIC-R has relied upon the accuracy of the information provided by Artisan regarding its financial condition as a material condition for entering this Settlement Agreement; and

WHEREAS, without any admission of liability by any of the undersigned Parties, the Parties deem it to be in their respective best interests to end their disputes arising out of and related to The Litigation, and avoid further costs and risks associated with The Litigation and enter into this Agreement.

NOW, THEREFORE, in consideration of the promises, undertakings and releases stated herein, the sufficiency of which consideration is hereby acknowledged, the undersigned Parties agree, each with each other, as follows:

Section 1: Payment to the FDIC-R.

A. As an essential covenant and condition to this Agreement, Artisan agrees to pay the FDIC-R the sum of Fifteen Thousand Dollars (\$15,000.00) (the "Settlement Funds") to be paid within 30 days of the execution of this Agreement, together with interest thereon commencing on the 31st day after the execution of this Agreement through the date of payment, at a rate of 6% per annum.

B. Upon the execution of an original, or originals in counterparts, of this Agreement by each of the undersigned Parties, but no later than 30 days after the execution of this

Agreement, Artisan shall deliver the Settlement Funds to the FDIC-R 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.

C. Without waiving any other rights that FDIC-R may have, in the event that the Settlement Funds, including all accrued interest as may be applicable, are not paid to the FDIC-R by Artisan in the respective amounts described above, and within 30 days of the execution of this Agreement, then the FDIC-R shall have the right, in its sole discretion, prior to the receipt of any delinquent payment by Artisan to declare this Agreement null and void, extend this Agreement for the period of time until the FDIC-R receives all of the Settlement Funds and/or enforce this Agreement. The Parties further acknowledge and consent to the jurisdiction of Magistrate Judge Azrack for enforcement of this Agreement in connection with her continuing role overseeing settlement negotiations related to The Litigation.

Section 2: Artisan's Agreement to Cooperate.

A. As an essential covenant and condition to this Agreement, Artisan agrees to make available a corporate representative, knowledgeable about the Subject Loan transactions and to provide a sworn statement to the FDIC-R regarding the persons, entities, and events involved in the Subject Loan transactions and The Litigation.

B. Artisan further agrees to cooperate fully with the FDIC-R in the ongoing Litigation and any future litigation or other proceedings related to the persons, entities, and events involved in The Litigation, including, if necessary, testifying regarding the persons, entities, and events involved in The Litigation.

Section 3: Stipulations and Dismissals.

Upon execution of this Agreement by each of the undersigned Parties and upon receipt of the Settlement Funds by the FDIC-R in the amount specified in Section 1 above from Artisan, plus any accrued interest pursuant to Section 1A, the FDIC-R shall dismiss with prejudice all of its claims in the Litigation against Artisan. A stipulation of dismissal with prejudice as to these claims shall be prepared by the FDIC-R and executed by Artisan within 30 days after receipt of the sworn statement by the FDIC-R from Artisan.

Section 4: Mutual Releases.

A. Release of Artisan by the FDIC-R.

Effective upon payment of the Settlement Funds in the amount specified in Section 1 above, the FDIC-R hereby releases and discharges Artisan, its insurers, representatives, successors, assigns and attorneys, from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, belonging to the FDIC-R that were asserted in The Litigation, including, without limitation, claims regarding loans for which Pankaj Malik or Malik & Associates, P.C. served as a closing attorney for AmTrust Bank.

B. Release of the FDIC-R by Artisan.

Effective simultaneously with the release in Section 3A above, Artisan on its own behalf, and on behalf of its insurers, representatives, successors, assigns and attorneys hereby releases and discharges the FDIC-R from any and all claims, demands, obligations, damages, actions, causes of action, direct or indirect, in law or in equity, that arise from or relate to the Litigation, including but not limited to any rights of subrogation.

C. Express Reservation of Releases By The FDIC.

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 rights, claims or causes of action:

- i. Against any other party in the Litigation not expressly released by this Agreement; and
- ii. Which are not expressly released in Section 4A, above.

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, or which may arise by operation of law, rule, or regulation.

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 or the United States Attorney's Office for any 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 5: Representations and Acknowledgments

A. No Admission of Liability. The undersigned Parties each acknowledge and agree

that the matters set forth in this Agreement constitute a settlement and compromise of disputed claims previously defined and that this Agreement is not an admission or evidence of any liability of 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 a 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, assigns and attorneys.

D. Specific Representations Warranties and Disclaimer. Artisan expressly acknowledges 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 affidavit submitted. If, in its affidavit, Artisan has failed to disclose any interest, legal, equitable, or beneficial, in any asset, Artisan agrees to cooperate fully with the FDIC-R to transfer its interest in the asset to the FDIC-R and to sign any and all documents necessary to transfer its interest in the asset to the

FDIC-R. Moreover, if, in its affidavit Artisan has failed to disclose any 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 releases granted to Artisan as null and void; (b) the FDIC-R may retain the Settlement Funds; (c) the FDIC may sue Artisan for damages, an injunction, and specific performance for the breach of this agreement; and (d) the FDIC-R may seek to vacate any dismissal order and reinstate the FDIC-R's claims against the Artisan. Artisan agrees that if, in its affidavit, it has failed to disclose any interest, legal, equitable, or beneficial, in any asset, Artisan consents to the reinstatement of FDIC-R's claims and waives any statute of limitations that would bar any of the FDIC-R's claims against it.

E. 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 New York.

F. 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 parties to be bound thereby, or by their respective authorized attorneys or other representatives.

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 representative on the dates hereinafter subscribed.

Federal Deposit Insurance Corporation, as
Receiver for AmTrust Bank

(b)(6)

Date:

9/19/2012

[Redacted Signature Box]

Artisan Mortgage Company, Inc

Date

9/12/12

By

[Redacted Signature Box]

(b)(6)

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of this 15th day of September, 2011, by, between, and among the Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio ("FDIC-R"), and PrimeLending, a PlainsCapital Company ("PrimeLending") (FDIC-R and PrimeLending may each be referred to herein as a "Party" and collectively as the "Parties").

WHEREAS:

On December 4, 2009, the Office of Thrift Supervision closed AmTrust Bank, Cleveland, Ohio, previously known as Ohio Savings Bank (the "Bank") and appointed the Federal Deposit Insurance Corporation as its 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.

On or about July 26, 2010, FDIC-R initiated a lawsuit entitled *Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland Ohio v. Daniel Koenn, an individual, and PrimeLending, a Plains Capital Company*, United States District Court Case Number CV10-5528-RGK (VBKx) (hereinafter, the "Action"). On or about May 12, 2011, the FDIC-R filed the First Amended Complaint in the Action, which asserted a claim for relief for breach of contract against PrimeLending.

In the Action, FDIC-R alleged that PrimeLending and the Bank entered into a Master Correspondent Loan Purchase Agreement dated May 8, 2007 (the "Contract").

In the Action, FDIC-R further alleged that, pursuant to the terms of the Contract, PrimeLending delivered to the Bank the following residential mortgage loans: a mortgage loan to in the principal amount of \$620,000 (the Loan") which was secured

(b)(6)

(b)(6)

by a deed of trust recorded against the real property located at [redacted] Pomona, CA; (b)(6)

(b)(6) and two mortgage loans to [redacted] in the principal amounts of \$545,600 and \$136,400

(b)(6) (collectively, the [redacted] Loan") which were secured by deeds of trust recorded against the real

(b)(6) property located at [redacted] Pomona, CA.

In the Action, FDIC-R asserted that, pursuant to the Contract, PrimeLending was obligated to indemnify FDIC-R for certain deficiencies relating to the [redacted] Loan and the [redacted] Loan. (b)(6)

PrimeLending denies the cause of action alleged against it in the Action.

To avoid the expense and uncertainty of continued litigation, the Parties desire to enter into this Agreement.

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, on or before September 19, 2011, PrimeLending shall pay to the FDIC-R the total sum of Four Hundred Seventy Five Thousand Dollars and no/cents (\$475,000.00) (the "Settlement Payment"). The Settlement Payment shall be made by wire transfer made payable to "Mortgage Recovery

Law Group Client Trust Account," Account Number: [redacted] Routing Number: (b)(4)

(b)(4) [redacted] Reference: PrimeLending Settlement.

B. If the FDIC-R does not receive the Settlement Payment in full on or before the date determined by subparagraph A above ("Settlement Payment Due Date"), interest shall accrue at

the rate of 5% per annum, until the date of full payment. In addition, if the FDIC-R does not receive the Settlement Payment in full on or before the Settlement Payment Due Date, the FDIC-R, in its sole discretion, shall have the right to:

1. extend the period of time for payment, including interest accruing from the Settlement Payment Due Date through the date of payment at a rate calculated in accordance with 26 U.S.C. § 6621(b)(3); and/or
2. enforce this Agreement and, in such event, Primelending agrees to jurisdiction in Federal District Court in California and to pay all of the FDIC-R's reasonable attorney's fees and costs expended in enforcing the terms of this Agreement; and/or
3. declare this Agreement null and void, move to vacate any dismissal order, to which Primelending agrees to consent, and re-institute the Action on the FDIC-R's claims; and/or
4. seek any other relief available to it in law or equity.

SECTION II: Stipulation and Dismissal.

At any time after FDIC-R receives the fully-executed Agreement and full Settlement Payment, plus any accrued interest if applicable, PrimeLending's counsel may instruct the FDIC-R's counsel to file a Stipulation of Dismissal of the Action, with prejudice (the "Stipulation"), with each party to bear its own costs and attorneys' fees. Upon receipt of such instruction from PrimeLending's counsel, the FDIC-R's counsel shall file the Stipulation within five (5) business days.

At the request of PrimeLending, the FDIC-R agrees to delay the filing of the Stipulation

of Dismissal of the Action so as to allow PrimeLending time to subpoena third parties for deposition in the Action, including but not limited to [redacted] PrimeLending agrees to (b)(6) take reasonable steps to subpoena any third parties for deposition as soon as possible in light of the deadlines associated with the November 15, 2011 trial date. PrimeLending further agrees that if such depositions are not completed in time for the FDIC-R to avoid costs associated with trial-related deadlines or court appearances, or if the court so instructs, the FDIC-R is entitled to file the Stipulation of Dismissal of the Action with prejudice after providing PrimeLending five (5) business days notice. The FDIC-R agrees to provide to PrimeLending any non-privileged (b)(6) documents produced by [redacted] to the FDIC-R in connection with the Action.

SECTION III: Releases.

Each Party acknowledges that this Agreement applies to all claims or causes of action for all injuries, damages, or losses of any type or nature (whether those injuries, damages, or losses are known or unknown, foreseen or unforeseen, patent or latent) which that Party may have (b)(6) against the other Party relating to the [redacted] Loan or [redacted] Loan or arising from the [redacted] (b)(6) Loan or [redacted] Loan. Each Party hereby expressly waives application of *California Civil Code §1542* and any other similar statute or rule.

Each Party certifies that they have read and understood the following provisions of *California Civil Code §1542*, which states in pertinent part as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Party understands and acknowledges that the significance and consequence of its waiver of *California Civil Code §1542* is that even if any Party should eventually suffer

(b)(6) additional damages relating to the [redacted] Loan or [redacted] Loan or arising out of the [redacted] Loan (b)(6)

(b)(6) or [redacted] Loan, including relating to claims and causes of action that were or could have been

(b)(6) asserted relating to the [redacted] Loan or [redacted] Loan, or any facts or circumstances related to the

(b)(6) [redacted] Loan or [redacted] Loan, that Party will not be able to make any claim against the other

Party for those damages, injuries, or loss. Furthermore, each Party acknowledges that it consciously intends these consequences even as to claims for damages that may exist as of the date of this release but which that Party does not know exists, and which, if known, would materially affect that Party's decision to execute this release, regardless of whether that Party's lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

A. The FDIC-R's Release.

Upon receipt of the Settlement Payment, plus any accrued interest, and except as provided in PARAGRAPH III.C., the FDIC-R, for itself and its employees, successors, and assigns hereby releases and discharges PrimeLending and its respective employees, officers, directors, representatives, heirs, executors, administrators, attorneys, shareholders, affiliates (including, but not limited to, PlainsCapital Bank and PlainsCapital Corporation), 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 (hereinafter, "Claims") arising out of, or relating

(b)(6) to, the [redacted] Loan and the [redacted] Loan.

B. PrimeLending's Release.

Effective simultaneously with the release in PARAGRAPH III.A. above, PrimeLending, on behalf of itself and its respective employees, officers, directors, representatives, heirs, executors, administrators, attorneys, shareholders, affiliates, successors and assigns, hereby releases and discharges the FDIC-R, and its employees, officers, directors, representatives, heirs,

executors, administrators, attorneys, shareholders, affiliates, successors and assigns, from any

and all Claims arising out of, or relating to, the [] Loan and [] Loan.

(b)(6)

(b)(6)

C. Exceptions to Release by FDIC-R.

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:

1. against Primelending arising out of any transactions or loans not relating to the [] Loan and [] Loan, including transactions or loans which arose out of any other existing or failed financial institutions other than AmTrust Bank; and
2. which are not expressly released in PARAGRAPH IIIA. above.

(b)(6)

D. Limitations on Release.

1. 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 and/or the United States Attorney's Office for any federal judicial district. Should the Department of Justice and/or the United States Attorney bring such a claim, the FDIC-R 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, subject to offset by the Settlement Payment described in PARAGRAPH IA above.

2. This Agreement is binding on the Federal Deposit Insurance Corporation in its capacity as Receiver for AmTrust Bank, Cleveland, Ohio. Therefore, where the Federal Deposit Insurance Corporation is not acting in its capacity as Receiver for AmTrust Bank, Cleveland, Ohio, nothing herein limits, waives, releases, diminishes or compromises the jurisdiction and authority of the Federal Deposit Insurance Corporation.

SECTION V: Insolvency.

A. Insolvency.

PrimeLending warrants as to payments made by or on its behalf that at the time of such payment, it is not insolvent nor will the payment made by or on its behalf render it insolvent within the meaning and/or for the purposes of the United States Bankruptcy Code. This warranty is made by PrimeLending and not by its counsel.

B. Preferences.

In the event that the FDIC-R is required to return any portion of the Settlement Payment due to a final order by a court that the transfer of the Settlement Payment or any portion thereof constituted a preference, voidable preference, fraudulent transfer or similar transaction, then, in its sole discretion, the FDIC-R may, without waiver of any other rights it may have in law or equity, pursue any of the rights and remedies set forth in PARAGRAPH I.B. above, and/or otherwise permitted by law.

SECTION VI: Termination.

In the event the FDIC-R exercises its right to declare this Agreement null and void as provided herein in PARAGRAPH I.B.3, 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, August 25, 2011.

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:

Vanessa H. Widener
Anderson, McPharlin & Connors LLP
444 South Flower Street, 31st Floor
Los Angeles, CA 90071-2901

(b)(6)

Direct: (213) 236-1613
Main Phone: (213) 688-0080
Main Fax: (213) 622-7594

If to Primelending:

Robert Beall, Esq.
Brian Farrell, Esq.
Sheppard Mullin Richter & Hampton LLP
650 Town Center Dr., 4th Floor
Costa Mesa, CA 92626
(p) (714) 513-5100
(f) (714) 513-5130

(b)(6)

SECTION VIII: 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 hereto, except to enforce its terms.

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.

All of the undersigned persons represent and warrant 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, employees, attorneys, successors and assigns.

D. Entire Agreement.

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. No representations, warranties or inducements have been made to or relied on by any Party concerning this Agreement and its exhibits other than those contained therein.

E. Amendments.

This Agreement may not be amended or modified, nor may any of its provisions be waived, except in writing by the Party or Parties 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, 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, Primelending agrees to cooperate fully with the FDIC-R in

connection with an action that is expressly required of PrimeLending under this Agreement. Any such cooperation that involves any out of pocket costs is subject to reasonable reimbursement by the FDIC-R pursuant to its internal guidelines and policy for such reimbursement. Such cooperation (if relating to an action expressly required of PrimeLending under this Agreement) shall consist of:

- a. producing all documents requested by the FDIC-R, without the necessity of subpoena, as determined by the FDIC-R to be relevant to the Bank;
- b. making themselves available upon request by the FDIC-R at reasonable times and places for interviews regarding facts relevant to the Bank;
- c. appearing to testify, upon request by the FDIC-R on matters related to the Bank, without the necessity of subpoena;
- d. signing truthful affidavits upon request by the FDIC-R, regarding any matter relevant to the Bank.

H. Choice of Law.

This Agreement shall be interpreted, construed and enforced according to applicable federal law, or in its absence, the internal laws of the State of California, without regard to its conflicts of laws.

I. Advice of Counsel.

Each Party hereby acknowledges that he 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 its counsel.

J. 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.

K. 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.

[SIGNATURES ON FOLLOWING PAGE]

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.

Approved as to form and content:

FDIC as Receiver for AmTrust Bank, Cleveland, Ohio

Primelending, a Plains Capital Company

(b)(6) By:

By: _____

Name: Patrick M. McCrwick

Name: _____

Title: Counsel

Title: _____

Date: 9/16/11

Date: _____

Approved as to form: 
DATED: September 15, 2011

ANDERSON, McPHARLIN & CONNERS LLP

(b)(6)


Vanessa H. Widener
Attorneys for Plaintiff Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio

DATED: September ____, 2011

SHEPPARD, MULLIN, RICHTER & HAMPTON LLC

By: _____
Robert Beall
Attorneys for Defendant Primelending, a Plains Capital Company

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.

FDIC as Receiver for AmTrust Bank, Cleveland, Ohio

Primelending, a Plains Capital Company

By: _____

Name: _____

Title: _____

Date: _____

By:

(b)(6)

By:

Name: SCOTT BROWN

Title: VICE PRESIDENT

Date: 4-15-11

Approve as to form and content:

DATED: September __, 2011

ANDERSON, McPHARLIN & CONNERS LLP

By: _____

Vanessa H. Widener

Attorneys for Plaintiff Federal Deposit Insurance Corporation as Receiver for AmTrust Bank, Cleveland, Ohio

DATED: September 16, 2011

SHEPPARD MULLIN RICHTER HAMPTON LLC

(b)(6)

By: _____

Robert Beall

Attorneys for Defendant Primelending, a Plains Capital Company