

SULLIVAN & CROMWELL LLP

TELEPHONE: 1-310-712-6600
FACSIMILE: 1-310-712-8800
WWW.SULLCROM.COM

*1888 Century Park East
Los Angeles, California 90067-1725*

NEW YORK • PALO ALTO • WASHINGTON, D.C.

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June 3, 2013

Via FedEx

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

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

Re: Indemnification Obligations

Dear Sirs:

We refer to the Purchase and Assumption Agreement Whole Bank, dated as of September 25, 2008 (the "Agreement") by and among the Federal Deposit Insurance Corporation in its corporate capacity ("FDIC Corporate") and as receiver ("FDIC Receiver" and, together with FDIC Corporate, "FDIC") and JPMorgan Chase Bank, N.A. (together with its subsidiaries and affiliates, "JPMC") relating to the resolution of Washington Mutual Bank, Henderson, Nevada ("WMB"). This letter supplements our prior indemnification notices and provides you with written notice of additional matters for which JPMC is entitled to indemnification under Sections 6.1, 6.4 and 12.1 of the Agreement.

As you are likely aware, JPMC has incurred, and will continue to incur, substantial costs related to two pending actions brought by the FDIC against former Washington Mutual Bank vendors: *FDIC v. LSI Appraisal LLC* (No. SACV11-706); *FDIC v. CoreLogic Valuation Services LLC* (No. SACV11-704). In both actions, the FDIC seeks to recover the losses that WMB allegedly suffered prior to Receivership as a result of relying on these allegedly inflated appraisals. JPMC is a non-party to these actions and was only involved in these matters initially because the FDIC requested WMB documents held by JPMC under Article VI of the P&A Agreement. Under Sections 6.1 and 6.4 of the Agreement, JPMC has agreed to provide the FDIC with access to WMB's loan records and certain other WMB documents, but "[t]he party requesting a copy of any Record shall bear the cost (based on standard accepted industry charges to the extent applicable, as determined by the Receiver) for providing such duplicate

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records.” Accordingly, to the extent JPMC has already incurred and will continue to incur costs and expenses in connection with providing the requested documents, such costs and expenses are subject to reimbursement by the FDIC pursuant to Section 6.4 of the Agreement. Further, any costs, including fees of counsel, JPMC incurs beyond those reimbursed under Section 6.4 are subject to indemnification by the FDIC pursuant to Section 12.1 of the Agreement.

This letter also provides you written notice of one specific additional aspect of the FDIC’s indemnification obligations with regard to these actions. Upon the FDIC’s decision to forgo a privilege review of millions of WMB documents before producing them to LSI Appraisal Services LLC (“LSI”), and CoreLogic Valuation Services LLC (“CoreLogic” and together with LSI, “Defendants”), JPMC sought the Court’s intervention to protect the privileges JPMC and the FDIC share over WMB’s documents. As you may be aware, on May 2, 2013, Judge David O. Carter entered an Order (“Discovery Order”) in both the LSI and CoreLogic actions. (May 2 Order, *FDIC v. CoreLogic Valuation Services LLC*, No. SACV11-704 (C.D. Cal. May 2, 2013), ECF No. 120; May 2 Order, *FDIC v. LSI Appraisal LLC*, No. SACV11-706 (C.D. Cal. May 2, 2013), ECF No. 113.)

The Discovery Order halted the FDIC’s attempt to produce WMB documents without affording JPMC an opportunity to review for privilege and required the FDIC to allow JPMC seven days in which to conduct a privilege review of documents proposed for production. (*Id.* ¶ 4.) Because the documents that the FDIC has been ordered to allow JPMC to review are hosted on a review platform maintained by an FDIC vendor, the FDIC has purported to exercise veto power over JPMC’s choice of a document review team. In particular, JPMC initially chose a team of offshore reviewers, consistent with its regular practice, to minimize the cost of the review. The FDIC asserted that it would not allow JPMC to use offshore reviewers and refused them access to the review platform. (*See* May 15, 2013 email from B. McIntosh to G. Dimmick; May 20, 2013 letter from B. McIntosh to G. Dimmick; May 23, 2013 letter from B. McIntosh to G. Dimmick; May 24, 2013 letter from B. McIntosh to G. Dimmick.) The FDIC first informed Chase of its policy not to grant access to reviewers outside of the United States on May 15, 2013, after JPMC had gone through substantial efforts to identify a review team and provide the FDIC applications for that team’s access. (*See* May 15, 2013 email from G. Dimmick to H. Huber; May 24, 2013 Letter from G. Dimmick to B. McIntosh.) The FDIC left JPMC no choice but to identify a replacement review team in the United States, at substantially higher cost. Whatever the FDIC’s position as to JPMC’s general indemnification notice, the additional costs and expenses the FDIC is imposing on JPMC as a result of the FDIC’s preference for onshore review are clearly subject to indemnification by the FDIC.

As you are aware from previous correspondence notifying you of the FDIC’s indemnification obligations in other matters, the matters identified in this letter

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are not intended to be exhaustive or to constitute a statement that no other facts have or may come to our attention that could result in claims for which indemnification is provided, and we reserve the right to supplement this notice as additional facts or circumstances may arise.

Sincerely,


Robert A. Sacks

cc: Lawrence N. Chanen
Alla Lerner
Annette C. Rizzi
Brian Maddox
Joanna Jagoda
(JPMorgan Chase Bank, N.A.)
(via email)

James Wigand
David Gearin
Kathryn Norcross
(Federal Deposit Insurance Corporation)

Greg Dimmick
Julia Ameling
Jorge Leal
(Mullin Hoard Brown LLP)

Thomas R. Califano
(DLA Piper LLP)