

ROPES & GRAY LLP
Mark I. Bane
Marc B. Roitman
1211 Avenue of the Americas
New York, NY 10036-8704
Telephone: (212) 596-9000
Facsimile: (212) 596-9090

-and-

James A. Wright III
Prudential Tower
800 Boylston Street
Boston, MA 02199-3600
Telephone: (617) 951-7000
Facsimile: (617) 951-7050

Counsel to the Debtor

SCHULTE ROTH & ZABEL LLP
Brian D. Pfeiffer
Taejin Kim
919 Third Avenue
New York, NY 10022
Telephone: (212) 756-2000
Facsimile: (212) 593-5955

Counsel to the Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X		
In re	:	Chapter 11
	:	
Doral Financial Corporation, <i>et al.</i> , ¹	:	Case No. 15-10573 (SCC)
	:	
Debtors.	:	Jointly Administered
-----X		

**JOINT MOTION OF DORAL FINANCIAL CORPORATION,
DORAL PROPERTIES, INC., AND THE COMMITTEE
TO APPROVE SETTLEMENT WITH THE FDIC-R AND RELATED PARTIES**

¹ The last four digits of the taxpayer identification number of the Debtor are: Doral Financial Corporation (2162) and Doral Properties, Inc. (2283).

Doral Financial Corporation ("DFC"), Doral Properties, Inc. ("Doral Properties," and together with DFC, the "Debtors") and the Official Committee of Unsecured Creditors (the "Committee") hereby submit this joint motion (the "Motion") for an order, substantially in the form attached as Exhibit C, approving the settlement agreement (the "Settlement Agreement") among DFC, Doral Properties, the Committee, the Federal Deposit Insurance Corporation, in its capacity as receiver for Doral Bank Puerto Rico (the "FDIC-R"), and other related parties. A copy of the Settlement Agreement is attached as Exhibit A. In support of the Motion, the Debtors and the Committee respectfully represent and set forth as follows:

PRELIMINARY STATEMENT

1. From early in these bankruptcy cases, one of the major issues has been the treatment of the myriad claims filed by the Debtors against the Doral Bank Puerto Rico ("Doral Bank") receivership and by the FDIC-R against the Debtors in their bankruptcy cases. In addition, given the past corporate relationship between these entities, the Debtors and the FDIC-R also have asserted competing ownership claims to a variety of assets. Absent settlement, these claims and asset ownership disputes would result in lengthy, complex, and expensive litigation.

2. The Settlement Agreement is the result of months of negotiations among the parties and provides for the comprehensive, global settlement of the significant claims among the parties, a resolution of their respective rights to the disputed property, and the exchange of full mutual releases among the parties. The Debtors and the Committee believe that the Settlement Agreement is in the best interests of the estates, their creditors, and respectfully request its approval.

JURISDICTION AND AUTHORITY

3. This Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are section 363 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

BACKGROUND

4. On February 27, 2015 (the "Receivership Date"), the Puerto Rico Office of the Commissioner of Financial Institutions appointed the Federal Deposit Insurance Corporation as receiver for Doral Bank, DFC's main operating subsidiary. Immediately thereafter, the FDIC-R entered into a Purchase and Assumption Agreement with Banco Popular de Puerto Rico, Hato Rey, Puerto Rico ("Banco Popular"), transferring most of Doral Bank's deposit liabilities, as well as certain other liabilities and assets, to Banco Popular.

5. On March 11, 2015, DFC filed a voluntary petition with this Court for relief under chapter 11 of the Bankruptcy Code. On November 25, 2015, Doral Properties filed a voluntary petition with this Court for relief under chapter 11. DFC and Doral Properties' bankruptcy cases are being jointly administered under case number 15-10573 (SCC) (the "Chapter 11 Cases"). Sections 1107(a) and 1108 of the Bankruptcy Code authorize the Debtors to continue to operate their businesses and manage their properties as debtors in possession. No request for the appointment of a trustee or examiner has been made in these Chapter 11 Cases. The Committee was appointed on March 23, 2015.

6. DFC currently has three wholly-owned subsidiaries: (i) Doral Properties, (ii) Doral Insurance Agency LLC ("Doral Insurance"), and (iii) Doral Recovery, Inc. ("Doral Recovery I"), and together with DFC, Doral Properties, and Doral Insurance, the "DFC Group". Substantially all of Doral Insurance's assets were sold pursuant to a section 363 sale approved by this Court in May 2015, and substantially all of Doral Properties' assets were sold pursuant to a section 363 sale approved by this Court in January 2016.

7. Doral Bank, which remains in FDIC receivership, had several wholly-owned subsidiaries: (i) Doral Mortgage, LLC ("Doral Mortgage"); (ii) Doral Recovery II, LLC ("Doral Recovery II"), and together with the FDIC-R, Doral Bank, and Doral Mortgage, the "Doral Bank Group"; (iii) Doral Money, Inc., (iv) Abbey Depositor, Inc., and (v) Doral Investment International, LLC.

A. Servicing Agreements

8. Prior to the Receivership Date, DFC and Doral Bank were parties to certain agreements relating to Doral Bank's servicing and administration of loans and real estate, including: (i) the Master Servicing Rights Assignment and Assumption Agreement, dated as of July 19, 2007, pursuant to which Doral Bank acquired from DFC the rights to service and administer certain loans and properties; (ii) the Master Servicing Agreement, dated as of July 19, 2007 (the "Master Servicing Agreement"), pursuant to which Doral Bank provided servicing and administration of the loans and properties; (iii) the Servicing Agreement, dated January 5, 2015 (the "MLS Agreement"), which set forth new terms for Doral Bank's servicing of the loans and properties, and (iv) the Servicing Agreement, dated January 1, 2015, (the "EIS Agreement") pursuant to which Doral Bank serviced and administered various income cash flows generated by certain mortgage loans (items (i) through (iv), collectively, the "Servicing Agreements").

9. On June 16, 2015, the Bankruptcy Court entered an order permitting the FDIC-R to repudiate the Master Servicing Agreement, the MLS Agreement, and the EIS Agreement. The FDIC-R performed Doral Bank's obligations under the Servicing Agreements from the Receivership Date through July 31, 2015 when the repudiation became effective.

B. Closing Agreements

10. DFC and its affiliates conducted the bulk of their operations in Puerto Rico and were Puerto Rico taxpayers. DFC is party to a Closing Agreement, dated September 26, 2006 (the "2006 Closing Agreement") with the Commonwealth of Puerto Rico's taxing authority ("Hacienda"), pursuant to which DFC has certain amortizable tax assets (the "Tax Asset") relating to tax overpayments it made in the years leading up to its restructuring in 2006. *See Declaration of Carol Flaton In Support of First Day Motions*, filed Mar. 11, 2015 at 9-10 [Dkt. No. 8]. DFC (and certain of its former and current affiliates) subsequently entered into further agreements with Hacienda, including the (i) Closing Agreement, dated June 14, 2007, (ii) Closing Agreement, dated February 8, 2008, and (iii) Closing Agreement, dated September 7, 2009, each concerning DFC's use of the Tax Asset (such agreements, together with the 2006 Closing Agreement, the "Tax Asset Agreements"). The validity of the Tax Asset was recently affirmed by Hacienda pursuant to the stipulated dismissal of an adversary proceeding brought by DFC and the Committee in this Court. *See Stipulation and Agreed Order Dismissing Adversary Proceeding*, entered Mar. 1, 2016 (Adv. Proc. No. 15-1427, ECF No. 12). There are disputes between the DFC Group and the Doral Bank Group regarding the ownership of certain tax attributes and receivables under the Tax Asset Agreements.

11. The members of the DFC Group and the members of the Doral Bank Group are also parties to a Closing Agreement, dated December 30, 2013 (the "2013 Closing Agreement")

with Hacienda, pursuant to which Hacienda recognized over \$56 million in tax overpayments made by the parties thereto. Under the 2013 Closing Agreement, (i) DFC and Doral Insurance collectively had a tax overpayment of \$34,097,526 (the "DFC Overpayment"), (ii) Doral Bank had a tax overpayment of \$18,316,000, and (iii) Doral Mortgage had a tax overpayment of \$3,669,688. Remaining tax overpayments can be used to offset taxable income or can be claimed as refunds. FDIC-R has alleged that it owns the entirety of the DFC Overpayment as a result of certain corporate actions taken by DFC's board of directors prior to the Receivership Date.

C. The Debtors' Claims against the Doral Bank Receivership

12. On June 4, 2015, each member of the DFC Group filed a proof of claim against the Doral Bank receivership (collectively, the "Receivership Claims") asserting a variety of claims. Copies of the Receivership Claims are attached hereto as Exhibit B. The claims filed by Doral Properties, Doral Insurance, and Doral Recovery I were disallowed by the FDIC-R by notice dated February 25, 2016. DFC's claim was partially allowed by the FDIC-R in the amount of \$285,440.59 by notice dated March 3, 2016.

13. DFC and Doral Properties each sought judicial review of the FDIC-R's determinations with respect to their Receivership Claims by filing complaints in the United States District Court for the District of Columbia pursuant to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). Doral Properties commenced case number 1:2016-cv-00762 by complaint filed April 25, 2016, and DFC commenced case number 1:2016-cv-00823 by complaint filed May 2, 2016 (together, the "DC Actions"). The FDIC-R's time (and the time for each of Doral Mortgage and Doral Recovery II) to answer the complaints or

otherwise respond in each of the DC Actions has been extended through August 31, 2016 by agreement of the parties thereto.²

D. The Doral Bank Group's Claims against the Debtors' Estates

14. On July 10, 2015, the FDIC-R filed proof of claim number 94 against DFC, asserting a claim (the "Doral Bank POC") in an unliquidated amount of no less than \$68,709,541.13. The Doral Bank POC asserts a number of secured, unsecured, and administrative expense claims, including those based on alleged: (i) servicing advances made and other costs incurred by the FDIC-R and Doral Bank in their performance of the Servicing Agreements, (ii) unreimbursed rent payments made by the FDIC-R on account of Doral Insurance and Doral Recovery I, and (iii) rights to certain property, including certain tax assets (including the Tax Asset), certain loans and property, moneys on deposit, and the open air parking lot ("OA Parking Lot") sold by DFC as part of Doral Properties' asset sale approved by this Court in January 2016 (the "Doral Properties Sale").³

15. On July 10, 2015, Doral Recovery II filed claim numbers 75 and 78 against DFC, which were expunged by order of the Bankruptcy Court on June 3, 2016 as duplicative of claim number 129, filed by Doral Recovery II against Doral Properties on February 23, 2016 (the "Doral Recovery II POC"). The Doral Recovery II POC asserts a secured claim of no less than \$1,276,176 against the proceeds of the Doral Properties Sale for unreimbursed rent payments

² The parties to the DC Actions intend to shortly request further extensions of the FDIC-R's time to respond in the DC Actions, in light of the Settlement Agreement.

³ The FDIC-R has asserted that it owns the OA Parking Lot. DFC and the FDIC-R agreed that DFC would hold the net proceeds of the sale of the OA Parking Lot pending a final resolution of the parties' respective rights to those proceeds pursuant to the *Stipulation and Agreed Order Regarding Proceeds of Proposed Sale of Certain Assets*, which was approved and so-ordered by this Court on January 14, 2016 [Dkt. No. 483]. The Doral Properties Sale was approved by the Bankruptcy Court on January 15, 2016 pursuant to the *Order Authorizing and Approving the Sale of Certain Real Estate Assets Free and Clear of Liens, Claims, Encumbrances and Interests and Granting Related Relief* [Dkt. No. 488].

made by Doral Recovery II for Doral Recovery I's rent obligations. To date, no objection has been filed to either the Doral Bank POC or the Doral Recovery II POC.

E. The Settlement

16. The Settlement Agreement is the result of a months-long, good faith, and arms'-length discussion among the parties and provides for the global resolution of myriad claims and the parties' respective rights to a variety of disputed assets. Namely, the Settlement Agreement provides the Debtors' estates with the following benefits:⁴

- i. the settlement of the FDIC-R's servicing-related claims and allowance of the Doral Bank POC for significantly reduced amounts, solely to the extent of:
 - a. an administrative expense claim of \$700,000; and
 - b. an unsecured claim of \$4,250,000;
- ii. DFC's entitlement to 100% of any recoveries up to \$20 million on account of the Tax Assets, and 80% of any recoveries in excess of \$20 million;
- iii. DFC's entitlement to 80% of any recoveries on account of the DFC Overpayment;
- iv. DFC's retention of 100% of the net proceeds of the sale of the OA Parking Lot (approximately \$1.5 million);
- v. the disallowance of the Doral Recovery II POC;
- vi. reservation of each of the parties' rights with respect to the proceeds of directors and officers insurance policies historically maintained by the DFC Group;
- vii. mutual releases; and
- viii. cessation and dismissal of the pending litigations.

RELIEF REQUESTED AND BASIS FOR RELIEF

17. By this Motion, the Debtors and the Committee seek entry of an order approving the Settlement Agreement, including the releases contained therein.

⁴ This summary is provided for information purposes only. To the extent of any conflicts between the terms of this paragraph and the Settlement Agreement, the terms of the Settlement Agreement shall control.

18. The Committee and the Debtors believe that the requirements of Bankruptcy Rule 9019 are satisfied because the Settlement Agreement, including the mutual releases therein, are fair, equitable, and reasonable given the complexity of the issues involved and the potential burden to the estates deriving from potentially protracted and expensive litigation.

19. Bankruptcy Rule 9019(a) permits a debtor in possession to compromise claims, subject to bankruptcy court approval. Fed. R. Bankr. P. 9019(a). The legal standard for determining the propriety of a bankruptcy compromise is whether the settlement is in the "best interests of the estate." *In re Purofied Down Prods. Corp.*, 150 B.R. 519, 523 (S.D.N.Y. 1993). The United States Supreme Court has noted that "[c]ompromises are a 'normal part of the process of reorganization.'" *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968) (citation omitted). The decision to approve a particular compromise lies within the sound discretion of the bankruptcy court. *Nellis v. Shugrue*, 165 B.R. 115, 123 (S.D.N.Y. 1994). In exercising its discretion, the bankruptcy court must make an independent determination that the settlement is fair and equitable. *Id.* at 122. The court may consider the opinions of the debtor in possession and its counsel that the settlement is fair and equitable. *Id.*; see also *In re Purofied Down Prods. Corp.*, 150 B.R. at 522. This discretion should be exercised by the bankruptcy court "in light of the general public policy favoring settlements." *In re Hibbard Brown & Co., Inc.*, 217 B.R. 41, 46 (S.D.N.Y. 1998); *Shugrue*, 165 B.R. at 123 ("[T]he general rule [is] that settlements are favored and, in fact, encouraged").

20. To approve a proposed compromise, a bankruptcy court is not required to decide numerous issues of law and fact raised by the settlement, but rather should "canvass the issues and see whether the settlement 'fall[s] below the lowest point in the range of reasonableness.'" *Finkelstein v. W. T. Grant Co. (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983) (citing

Newman v. Stein, 464 F.2d 689, 693 (2d Cir. 1972)); *see also In re Purofied Down Prods. Corp.*, 150 B.R. at 522 ("the court need not conduct a 'mini-trial' to determine the merits of the underlying [dispute]"). In deciding whether a particular settlement falls above the "lowest point in the range of reasonableness," courts consider the following *Iridium* factors:

- i. "the balance between the litigation's possibility of success and the settlement's future benefits;
- ii. the likelihood of complex and protracted litigation, 'with its attendant expense, inconvenience, and delay';
- iii. the paramount interests of creditors;
- iv. whether other parties in interest support the settlement;
- v. the 'competency and experience of counsel' supporting, and '[t]he experience and knowledge of the bankruptcy court judge' reviewing, the settlement;
- vi. the nature and breadth of releases to be obtained by officers and directors; and
- vii. the extent to which the settlement is the product of arm's length bargaining."

Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC), 478 F.3d 452, 462 (2d Cir. 2007) (quoting *In re WorldCom, Inc.*, 347 B.R. 123, 137 (Bankr. S.D.N.Y. 2006)).

21. The Debtors and Committee believe that the requirements of Bankruptcy Rule 9019 are satisfied because the Settlement Agreement represents a fair, equitable and comprehensive disposition of a multitude of complex issues, including resolving one of the largest claims against DFC's estate, falls well above the lowest point in the range of reasonableness, and satisfies each of the *Iridium* factors.

22. With respect to the first two *Iridium* factors, the Settlement Agreement is better for the Debtors on a risk-adjusted basis than the results of any litigation strategy, which would be complex given the issues involved. Indeed, without the Settlement Agreement, the Creditors'

Trustee appointed pursuant to DFC's plan of reorganization would likely have to deal with a lengthy and expensive litigation, which would delay resolution of the DFC estate, require the Creditors' Trustee to reserve a significant amount pending resolution of the claims, and deplete funds that could be used to fund creditors' recoveries. *See, e.g., In re Hibbard Brown & Co., Inc.*, 217 B.R. at 46 (approving settlement after finding that the legal issues presented were "complex" and carried "no guarantee of success"). As explained above, the Debtors' and the Committee's professionals worked together to assess the probabilities of success and believe that the benefits to be received via the Settlement Agreement far outweigh the complexities and uncertainties of litigation.

23. With respect to the third and fourth *Iridium* factors, the Settlement Agreement and the releases contained therein are beneficial to the Debtors, their estates, creditors and other parties in interest. After conferring regarding the parties' respective rights, the Debtors and Committee have determined, in their sound business judgment, that consummating the Settlement Agreement is the best means of resolving the variety of claims and maximizing recoveries for creditors. The Settlement Agreement unlocks a significant amount of cash available for creditor recoveries and provides clarity with respect to the largest remaining disputed claim against DFC's estate.

24. With regard to the last three *Iridium* factors, the Settlement Agreement was negotiated among and is supported by competent counsel of the parties thereto. The Settlement Agreement does not contemplate the release of the former and current officers or directors of the Debtors (except with respect to third party professionals employed to serve in such roles in connection with these bankruptcy cases). Finally, the Settlement Agreement is proposed by the parties in good faith, without collusion and is the product of arm's-length bargaining.

25. For the foregoing reasons, the Debtors and the Committee respectfully request that the Court approve and authorize the Debtors' entry into the Settlement Agreement pursuant to Bankruptcy Rule 9019.

REQUEST FOR WAIVER OF STAY

26. The Debtors and Committee request a waiver of the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h), to the extent that such rule applies. The immediate implementation of the Settlement Agreement prior to effectiveness of the Debtors' confirmed plans will provide material benefits for the estates and their creditors.

NOTICE

27. Notice of this motion has been provided to the Master Service List provided in accordance with the Order Establishing Certain Notice, Case Management, and Administrative Procedures and Omnibus Hearing Dates [Dkt. No. 74]. In light of the nature of the relief requested, the Debtors and the Committee submit that no other or further notice is necessary.

* * *

CONCLUSION

WHEREFORE, the Debtors and Committee respectfully request that the Court approve the Settlement Agreement and enter the order attached as Exhibit C, granting the relief requested in the Motion and such other and further relief for the Debtors as may be just or proper.

Dated: August 15, 2016
New York, New York

/s/ James A. Wright III
ROPE & GRAY LLP
Mark I. Bane
Marc B. Roitman
1211 Avenue of the Americas
New York, NY 10036-8704
Telephone: (212) 596-9000
Facsimile: (212) 596-9090
Email: mark.bane@ropesgray.com
marc.roitman@ropesgray.com

/s/ Brian D. Pfeiffer
SCHULTE ROTH & ZABEL LLP
Brian D. Pfeiffer
Taejin Kim
919 Third Avenue
New York, NY 10022
Telephone: (212) 756-2000
Facsimile: (212) 593-5955
Email: brian.pfeiffer@srz.com
tae.kim@srz.com

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Unsecured Creditors*

James A. Wright III
Prudential Tower
800 Boylston Street
Boston, MA 02199-3600
Telephone: (617) 951-7000
Facsimile: (617) 951-7050
Email: james.wright@ropesgray.com

Counsel to the Debtors

Exhibit A

Proposed Settlement Agreement

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the "Agreement") is entered into as of August 12, 2016, by and among (i) (a) Doral Financial Corporation ("DFC"), (b) Doral Properties, Inc. ("Doral Properties"), (c) Doral Insurance Agency, LLC ("Doral Insurance"), and (d) Doral Recovery, Inc. ("Doral Recovery I", and together with DFC, Doral Properties, and Doral Insurance, the "DFC Group"); (ii) the Official Committee of Unsecured Creditors (the "Committee"); and (iii) (a) the Federal Deposit Insurance Corporation in its capacity as receiver for Doral Bank Puerto Rico (the "FDIC-R"), (b) Doral Mortgage, LLC ("Doral Mortgage"), and (c) Doral Recovery II, LLC ("Doral Recovery II", together with the FDIC-R, Doral Mortgage, the "Doral Bank Group", and the Doral Bank Group collectively with the DFC Group, and the Committee, the "Parties").

RECITALS

General

A. On February 27, 2015 (the "Receivership Date"), the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico appointed the Federal Deposit Insurance Corporation as receiver for Doral Bank Puerto Rico ("Doral Bank").

B. On March 11, 2015 (the "Petition Date"), DFC filed a petition for relief under chapter 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). On November 25, 2015, DFC's wholly-owned subsidiary, Doral Properties filed a petition for relief in the Bankruptcy Court. DFC and Doral Properties' bankruptcy cases are being jointly administered in the Bankruptcy Court under case number 15-10573 (SCC) (the "Bankruptcy Cases").

C. DFC has three wholly-owned subsidiaries: (i) Doral Properties, (ii) Doral Insurance, and (iii) Doral Recovery I.

D. As of the Receivership Date, Doral Bank had several wholly-owned subsidiaries, including Doral Mortgage and Doral Recovery II (such wholly-owned subsidiaries, including Doral Money, Inc., Abbey Depositor, Inc., and Doral Investment International, LLC or, to the extent any such subsidiary and/or its assets have been sold, any rights with respect to such subsidiary currently held by FDIC-R, Doral Mortgage, or Doral Recovery II, collectively, the "Legacy Doral Bank Subsidiaries").

E. On June 1, 2016, DFC and the Committee caused to be filed the *Amended Plan of Reorganization Proposed by Doral Financial Corporation and the Official Committee of Unsecured Creditors of Doral Financial Corporation* (as amended, supplemented, or otherwise modified, the "Plan").

Closing Agreements

F. DFC is party to a Closing Agreement, dated September 26, 2006 (the "2006 Closing Agreement") with the Commonwealth of Puerto Rico's taxing authority ("Hacienda"), pursuant to which DFC has certain amortizable tax assets (the "Tax Asset"). DFC (and certain of

its former and current affiliates) subsequently entered into further agreements with Hacienda, including the (i) Closing Agreement, dated June 14, 2007, (ii) Closing Agreement, dated February 8, 2008, and (iii) Closing Agreement, dated September 7, 2009, each concerning DFC's use of the Tax Asset (such agreements, together with the 2006 Closing Agreement, the "Tax Asset Agreements").

G. The members of the DFC Group and the members of the Doral Bank Group are parties to a Closing Agreement, dated December 30, 2013 (the "2013 Closing Agreement") with Hacienda, pursuant to which Hacienda recognized certain tax overpayments of the taxpayer parties thereto. Under the 2013 Closing Agreement, (i) DFC and Doral Insurance had a total tax overpayment of \$34,097,526 (the "DFC Overpayment"), (ii) Doral Bank had a tax overpayment of \$18,316,000 (the "DB Overpayment"), and (iii) Doral Mortgage had a tax overpayment of \$3,669,688 (the "DMC Overpayment").

H. There are disputes between the DFC Group and the Doral Bank Group regarding the ownership of certain tax attributes and receivables under the Tax Asset Agreements and the 2013 Closing Agreement.

Servicing

I. Prior to the Receivership Date, DFC and Doral Bank were parties to certain agreements relating to the servicing and administration of loans, including: (i) the Master Servicing Rights Assignment and Assumption Agreement, dated as of July 19, 2007, (ii) the Master Servicing Agreement, dated as of July 19, 2007 (the "Master Servicing Agreement"), (iii) the Servicing Agreement, dated January 5, 2015, (the "MLS Agreement"), and (iv) the Servicing Agreement, dated January 1, 2015, (the "EIS Agreement") (items (i) through (iv), collectively, the "Servicing Agreements").

J. On June 16, 2015, the Bankruptcy Court entered an order permitting the FDIC-R to repudiate the Master Servicing Agreement, the MLS Agreement, and the EIS Agreement. The FDIC-R continued to perform under these agreements through July 31, 2015.

Claims

K. On June 4, 2015, each member of the DFC Group filed a proof of claim against the Doral Bank receivership (collectively, the "Receivership Claims"). The claims of Doral Properties, Doral Insurance, and Doral Recovery I were disallowed by the FDIC-R by notice dated February 25, 2016. The claim of DFC was partially allowed by the FDIC-R in the amount of \$285,440.59 by notice dated March 3, 2016.

L. DFC and Doral Properties each sought review of the FDIC-R's determinations with respect to their Receivership Claims by filing complaints in the United States District Court for the District of Columbia. Doral Properties commenced case number 1:2016-cv-00762 by complaint filed April 25, 2016 and DFC commenced case number 1:2016-cv-00823 by complaint filed May 2, 2016 (together, the "DC Actions"). The FDIC-R's time to respond (and the time for each of Doral Mortgage and Doral Recovery II to respond) in each of the DC Actions has been extended through August 31, 2016 by agreement of the parties thereto.

M. On July 10, 2015, the FDIC-R filed proof of claim number 94 against DFC, asserting a claim in an unliquidated amount (the "Doral Bank POC"). On July 10, 2015, Doral Recovery II filed claim numbers 75 and 78 against DFC which were expunged by order of the Bankruptcy Court on June 3, 2016 as duplicative of claim number 129, filed by Doral Recovery II against Doral Properties on February 23, 2016 (the "Doral Recovery II POC"). To date, no objection has been filed to either the Doral Bank POC or the Doral Recovery II POC.

Settlement

N. The Parties have engaged in arms'-length negotiations to resolve their respective rights to disputed property and the claims amongst them pursuant to the terms contained herein.

O. The Parties desire to mutually, amicably, and finally resolve, settle and dispose of fully and completely the Doral Bank POC, the Doral Recovery II POC, the Receivership Claims, the DC Actions, rights to certain disputed property, and all other possible liabilities, obligations, claims, demands, causes of action and damages known or unknown, suspected or unsuspected, which any member of the DFC Group hereto has or owns or holds at any time heretofore or have ever had, owned, or held against any member of the Doral Bank Group, and which any member of the Doral Bank Group hereto has or owns or holds at any time heretofore or have ever had, owned, or held against any member of the DFC Group, except as specifically otherwise provided herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is stipulated and agreed by and among the Parties, as follows:

AGREEMENT

1. The Recitals set forth above are incorporated by reference as if set forth fully herein.

2. Approval of the Agreement and Effectiveness. Within one (1) business day following the full execution of this Agreement, DFC shall file with the Bankruptcy Court an appropriate motion or other papers (in form and substance reasonably acceptable to the other Parties) required to seek approval of this Agreement by the Bankruptcy Court. This Agreement shall be binding and enforceable upon the Parties only upon the entry by the Bankruptcy Court of a final order (in form and substance acceptable to all Parties) approving this Agreement (the "9019 Order"); provided that the Parties intend that the acknowledgements and agreements set forth in paragraphs 10, 11, and 16 of this Agreement shall be binding upon execution of this Agreement. The "Effective Date" of this Agreement (except with respect to such acknowledgements and agreements set forth in paragraphs 10, 11, and 16 of this Agreement) shall be the fifteenth (15th) day after the entry of the 9019 Order; provided, however, that if the Bankruptcy Court grants a waiver of the 14-day stay imposed by Fed. R. Bankr. P. 6004(h), the Effective Date shall be the first business day following the entry of the 9019 Order.

3. Bankruptcy Proofs of Claim.

(a) The Doral Bank POC shall be allowed solely as (i) an administrative expense claim against DFC in the agreed-upon amount of \$700,000 (the "Administrative Expense Amount") and (ii) a general unsecured claim against the DFC estate in the agreed-upon amount of \$4,250,000 (the "General Unsecured Amount"). The remainder of the Doral Bank POC shall be disallowed and expunged with prejudice. No member of the Doral Bank Group shall be entitled to assert any other claims against any member of the DFC Group or any of their estates, provided that nothing herein shall constitute a release or waiver of any claims the FDIC-R and each other member of the Doral Bank Group may have against the directors and officers of any member of the Doral Bank Group solely in such capacity. The DFC Group and the Committee hereby waive and release any rights to seek reconsideration of the Administrative Expense Amount and the General Unsecured Amount under section 502(j) of title 11.

(b) The FDIC-R shall not be required to file a request with the Bankruptcy Court for the payment of the Administrative Expense Amount.

(c) The Doral Recovery II POC shall be deemed withdrawn and expunged with prejudice, and Doral Properties shall be entitled to instruct the claims agent in the Bankruptcy Cases to mark the Doral Recovery II POC as such.

4. Receivership Proofs of Claim.

(a) The Receivership Claims shall be deemed disallowed in full and no member of the DFC Group shall be entitled to assert any other claims against any member of the Doral Bank Group or any of their estates.

(b) DFC and Doral Properties shall file notices of voluntary dismissal (with prejudice) of the DC Actions within five (5) business days of the Effective Date. DFC, Doral Properties, and the FDIC-R shall cooperate in making motions for further extensions of time in the DC Actions to stay any further briefing or other deadlines pending the Effective Date.

5. Disputed Assets.

(a) Tax Assets. The FDIC-R and each other member of the Doral Bank Group, and the FDIC-R with respect to any and all rights of the Legacy Doral Bank Subsidiaries that were retained by the FDIC-R, shall surrender or otherwise transfer to DFC any and all rights to the Tax Assets and any and all rights arising under the Tax Asset Agreements, provided, however, that if DFC recovers, in the aggregate, more than \$20,000,000 on account of the Tax Asset Agreements or Tax Assets, DFC shall pay to the FDIC-R an amount equal to twenty percent (20%) of any portion of such recoveries which exceed \$20,000,000 (the "FDIC Tax Proceeds") within fifteen (15) business days of DFC's receipt of such recoveries. Upon receipt by DFC and until payment to the FDIC-R, the FDIC Tax Proceeds will be deposited in a segregated account and earmarked for payment to and the benefit of the FDIC-R. For the avoidance of doubt, the FDIC-R shall not be entitled to any payment on account of the Tax Assets or Tax Asset Agreements until recoveries by DFC are in the aggregate greater than \$20,000,000. DFC shall control the disposition, use, abandonment of, or pursuit of any recovery from the Tax Asset and the Tax Asset Agreements in its sole discretion, provided however that

DFC shall release any rights to the FDIC Tax Proceeds upon payment thereof. DFC and/or the Committee shall provide an accounting of any recoveries from the Tax Asset and the Tax Asset Agreements on request of the FDIC-R.

(b) 2013 Closing Agreement. DFC shall surrender or otherwise transfer to the FDIC-R any and all rights to the DB Overpayment and to the DMC Overpayment, and the pursuit of any recovery relating to the DB Overpayment or the DMC Overpayment (or the abandonment thereof) shall be controlled by the FDIC-R in its sole discretion. The FDIC-R and the Doral Bank Group shall surrender or otherwise transfer to DFC any and all rights to the DFC Overpayment, and the pursuit of any recovery relating to the DFC Overpayment (or the abandonment thereof) shall be controlled by DFC in its sole discretion; provided, however, that if DFC recovers any amount on account of the DFC Overpayment, DFC shall pay to the FDIC-R an amount equal to twenty percent (20%) of any such recoveries within fifteen (15) business days of DFC's receipt of such recoveries (the "FDIC 2013 Tax Amount"). Upon receipt by DFC and until payment to the FDIC-R, the FDIC 2013 Tax Amount will be deposited in a segregated account and earmarked for payment to and the benefit of the FDIC-R.

(c) OA Parking Lot. DFC shall retain all net proceeds (the "OA Parking Lot Proceeds") from the sale of the open air parking lot approved by the Bankruptcy Court on January 15, 2016 pursuant to the *Order Authorizing and Approving the Sale of Certain Real Estate Assets Free and Clear of Liens, Claims, Encumbrances and Interests and Granting Related Relief* [Dkt. No. 488]. The FDIC-R shall surrender or otherwise transfer to DFC any and all rights to the OA Parking Lot Proceeds, including any right to the OA Parking Lot Proceeds pursuant to the *Stipulation and Agreed Order Regarding Proceeds of Proposed Sale of Certain Assets*, entered by the Bankruptcy Court on January 14, 2016 [Dkt, No. 483].

(d) Certain Loans. Each member of the DFC Group shall surrender or otherwise transfer to the FDIC-R any and all ownership or other rights that it has with respect to loan numbers #80-00000365L, #9220000189, and #885590.

(e) Deposit Accounts. Each member of the DFC Group shall surrender or otherwise transfer to the FDIC-R any and all ownership or other rights that it has with respect to the balances on deposit in accounts xx0112 and xx07132.

(f) Fidelity Insurance Policies. Each member of the DFC Group shall surrender or otherwise transfer to the FDIC-R any ownership or other rights that it has with respect to fidelity insurance coverage (Insuring Agreement (A)) under Financial Institution Bond Policy Number 033-10000422.

(g) Directors and Officers Insurance Policies. Notwithstanding Section 6 or anything else in this Agreement, each of the Parties reserves any and all of its respective rights with respect to "D&O Policies" as defined in the Plan. For the avoidance of doubt, the FDIC-R shall have no rights with respect to the "Go-Forward Policy" as defined in the Plan.

6. Releases.

(a) Upon the Effective Date, the FDIC-R and each other member of the Doral Bank Group, each on its own behalf and with respect to any and all rights of the Legacy Doral

Bank Subsidiaries that were retained by any member of the Doral Bank Group, hereby knowingly, voluntarily and irrevocably releases, discharges and acquits, and covenants not to sue in respect of any claims released herein, the Committee and each member of the DFC Group, and any of their respective estates, affiliates, subsidiaries, successors and assigns, and any of their respective third party agents (including, without limitation, financial advisors, attorneys, accountants, consultants, representatives, and other professionals), each solely in their capacity as such, from any and all manner of actions, causes of action, suits, claims, demands, liens, expenses, attorneys' fees, debts, obligations, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, and liabilities of whatever kind or nature, whether known or unknown, suspected or unsuspected, concealed or hidden, in law or equity, including under any section of the Bankruptcy Code or the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which have existed, or which hereafter can, shall or may exist, based on any facts, events, occurrences, circumstances or omissions occurring from the beginning of time through the Effective Date; provided, for the avoidance of doubt, (i) this paragraph 6(a) shall not apply to the obligations of the Committee and any member of the DFC Group under this Agreement, and (ii) nothing herein shall constitute a release or waiver of any claims the FDIC-Receiver and each other member of the Doral Bank Group may have against the directors and officers of any member of the Doral Bank Group solely in such capacity.

(b) Upon the Effective Date, the Committee and each member of the DFC Group hereby knowingly, voluntarily and irrevocably releases, discharges and acquits, and covenants not to sue in respect of any claims released herein, the FDIC-R and each member of the Doral Bank Group, including with respect to any rights or liabilities of the Legacy Doral Bank Subsidiaries that were retained by any member of the Doral Bank Group, and any of their respective estates, affiliates, subsidiaries, successors and assigns, and any of their respective third party agents (including, without limitation, financial advisors, attorneys, accountants, consultants, representatives, and other professionals), each solely in their capacity as such, from any and all manner of actions, causes of action, suits, claims, demands, liens, expenses, attorneys' fees, debts, obligations, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, and liabilities of whatever kind or nature, whether known or unknown, suspected or unsuspected, concealed or hidden, in law or equity, including under any section of the Bankruptcy Code or FIRREA, which have existed, or which hereafter can, shall or may exist, based on any facts, events, occurrences, circumstances or omissions occurring from the beginning of time through the Effective Date; provided, for the avoidance of doubt, (i) this paragraph 6(b) shall not apply to (i) the obligations of the FDIC-R or any other member of the Doral Bank Group under this Agreement, and (ii) nothing herein shall constitute a release or waiver of any claims the Committee and each other member of the DFC Group may have against the directors and officers of any member of the DFC Group solely in such capacity.

(c) Each Party acknowledges and agrees that it waives, relinquishes, surrenders, releases and otherwise gives up any rights conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code which provides:

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 of the Parties acknowledges that it may have serious damages or losses about which it knows nothing concerning the claims released herein, but nonetheless releases all claims and causes of action which may relate to or arise from those damages and losses. Each of the Parties understands that the other Parties would not have agreed to the terms of this Agreement if it did not release all losses and damages which may be presently unknown to them and unanticipated by them with respect to the claims released herein. The Parties also acknowledge that they may discover facts in addition to or different from those now known or believed to be true with respect to the claims released herein, and each of the Parties agrees that the releases and agreements contained herein shall be and will remain effective in all respects notwithstanding such different or additional facts. It is intended hereby fully and forever to settle and release all such matters and all claims in the manner provided in this Agreement.

7. Representations and Warranties. Each Party represents and warrants that it is authorized to enter into this Agreement, subject, in the case of DFC and Doral Properties, to Bankruptcy Court approval. Each individual signing this Agreement represents and warrants that he/she has full authority to do so.

8. Applicable Law. All matters affecting the execution, interpretation, validity, and enforceability of this Agreement shall be subject to, and interpreted under, the federal law of the United States of America, and in the absence of controlling federal law, in accordance with the laws of the State of New York, without giving effect to the choice of laws principles thereof.

9. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous written or oral communications, understandings, and agreements with respect to the subject matter hereof and this Agreement cannot be amended except by an authorized agreement in writing between the Parties.

10. No Admissions. The Parties have reached this Agreement to avoid the costs and complexities of litigation. Each Party acknowledges and agrees that nothing in this Agreement constitutes an admission or concession of liability, culpability, statutory violation or damages on the part of any of the Parties. The Parties agree that none of this Agreement, its contents, or any information and/or materials obtained in the negotiation of this Agreement shall be used in support of, or as the basis of, any litigation or other proceeding against any other Party.

11. Costs and Expenses. Each Party agrees to bear its own costs (including, without limitation, attorneys' fees), expenses, and disbursements incurred in connection with this Agreement, and to not seek from each other reimbursement of any such costs, expenses or disbursements.

12. Construction. This Agreement shall be deemed to have been drafted jointly by the Parties and shall be construed without regard to any presumption or other rule requiring

construction against the party causing the document to be drafted. By signing this Agreement, each Party hereby confirms and warrants that each (a) has carefully read this Agreement, (b) knows the content of this Agreement, and (c) has been represented by independent legal counsel in connection with the negotiation, preparation, and execution of this Agreement.

13. Further Assurances. The Parties agree to take any further actions and execute any further documents as are reasonably needed to carry out the spirit and intent of this Agreement, including the execution of any documents necessary to implement the transfers set forth in this Agreement.

14. Severability. If any provision of this Agreement shall be held to be illegal, invalid, or unenforceable, that provision shall be modified and interpreted to permit its enforcement in a manner most closely representing the intentions of the Parties as expressed herein and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

15. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties.

16. Jurisdiction. The Bankruptcy Court shall retain exclusive jurisdiction over the implementation of this Agreement and the determination of any matters relating to or arising from this Agreement or the implementation thereof; provided, however, that if the Bankruptcy Court refuses jurisdiction over the implementation of this Agreement or the determination of any matters relating to or arising from this Agreement or the implementation thereof, the District Court for the Southern District of New York shall have exclusive jurisdiction over such matters.


17. Manner of Execution. This Agreement may be executed in counterparts, each of which shall constitute an original, and such counterparts shall be construed together as one instrument. Facsimile or .pdf signatures shall be deemed original signatures.

* * *

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed this Agreement.

Dated: August 12, 2016

**OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
DORAL FINANCIAL CORPORATION**

By: 
Name: BRIAN PFEIFFER
Title: COUNSEL TO THE COMMITTEE

DORAL FINANCIAL CORPORATION

By: 
Name: CAROL FLATON
Title: CRO

DORAL INSURANCE AGENCY, LLC

By: 
Name: CAROL FLATON
Title: DIRECTOR

DORAL RECOVERY, INC.

By: 
Name: CAROL FLATON
Title: DIRECTOR

DORAL PROPERTIES, INC.

By: 
Name: CAROL FLATON
Title: DIRECTOR

**FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR
DORAL BANK**


By:



Name: Edward M. Mertic

Title: Attorney-in-Fact

DORAL MORTGAGE, LLC

By: 
Name: Philip B. Sims
Title: President

DORAL RECOVERY II, LLC


By: 
Name: Philip B. Sims
Title: President

Exhibit B

Debtors' Claims into the Doral Bank Receivership

Claimant ID: NS1051301521; Barcode Value: FD00138364; Fund: 10513

Federal Deposit Insurance Corporation
as Receiver for
Doral Bank, San Juan, PR

PROOF OF CLAIM

- 1. SSN/Tax ID No. 66-0312162
- 2. The undersigned Carol Flaton
(Name of person completing the Proof of Claim)

hereby states that the subject Financial Institution, now in liquidation ("Failed Institution"), is indebted

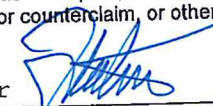
- 3. to Doral Financial Corporation (the "Claimant") in the sum of
(Name of Claimant)

- 4. \$ See Attached

- 5. Description of Claim

See Attached

The undersigned further states that no part of said debt has been paid, that the Claimant has given no endorsement or assignment of the same or any part thereof, and that there is no set-off or counterclaim, or other legal or equitable defense to said claim or any part thereof.

- 6. NAME Carol Flaton, as Chief Restructuring Officer  7. DATE 06/04/2015
(Name, Title, and Signature of person completing the Proof of Claim)

- 8. FIRM Zolfo Cooper
(Complete if filing on behalf of claimant.)

- 9. ADDRESS Grace Building, 1114 Avenue of the Americas, 41st Floor

- (City, State, and ZIP Code) New York, New York 10036

- 10. TELEPHONE NUMBER(S) 212-561-4073

The penalty for knowingly making or inviting reliance on a false, forged, or counterfeit statement, document, or thing for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation is a fine of not more than \$1,000,000 or imprisonment for not more than 30 years or both (18 U.S.C. Section 1007).

IMPORTANT NOTE: The bar code at the top of this Proof of Claim is unique to this claim and may not be re-used for other claims which you may have or by other potential claimants. If you have other unrelated claims, you must file a separate Proof of Claim with its own unique bar code. Additional Proof of Claim forms may be found on the FDIC web site or obtained by mail at the respective addresses indicated in the Instructions. Re-use of this Proof of Claim may result in processing delays or the rejection of your claim.

PRIVACY ACT STATEMENT

The FDIC is authorized to request this information from you by 12 U.S.C. § 1819, 1821, and Executive Order 9397. The purpose for collecting the information is to support the administration of claims against the failed financial institution. Furnishing the requested information is voluntary, but failure to provide the requested information in whole or in part may delay or prohibit the processing of your claim. The information provided by individuals is protected by the Privacy Act, 5 USC 552(a). The information may be furnished to third parties as authorized by law or used according to any of the routine uses described in the FDIC Insured Financial Institution Liquidation Records (30-64-0013) System of Records. This System of Records is available for review at www.fdic.gov/regulations/laws/rules/2000-4050.html#200030-64-0013. If you have questions or concerns about the collection or use of the information, you may contact the FDIC's Chief Privacy Officer at Privacy@fdic.gov.

**ADDENDUM TO PROOF OF CLAIM OF DORAL FINANCIAL CORPORATION
AGAINST THE FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR DORAL BANK**

Doral Financial Corporation (“DFC”) files this proof of claim (the “Proof of Claim”) with the Federal Deposit Insurance Corporation (the “FDIC”), as receiver (in such capacity, “Receiver”) for Doral Bank (“Doral Bank”).¹

Background

1. DFC is a holding company organized under the laws of the Commonwealth of Puerto Rico. Prior to the Receivership Date and the Bankruptcy Petition Date (both as defined below), DFC was a bank holding company that owned Doral Bank and, through Doral Bank, Doral Bank’s subsidiaries, including Doral Mortgage, LLC (“Doral Mortgage”) and Doral Recovery II, LLC (“Doral Recovery II”).

2. As a bank holding company, DFC was subject to regulation by the Board of Governors of the Federal Reserve System and oversight by the Federal Reserve Bank of New York. Doral Bank was subject to regulation and oversight by the FDIC and the Puerto Rico Office of the Commissioner of Financial Institutions (“OCIF”). In addition, DFC’s banking and non-banking subsidiaries were overseen by various other federal and state authorities.

3. On February 27, 2015 (the “Receivership Date”), Doral Bank was closed by the Director of OCIF, the FDIC was named as receiver, and OCIF advised that the Receiver was immediately taking possession of Doral Bank (the “Receivership”). Immediately after its appointment, the Receiver sold a large portion of the assets of Doral Bank to Banco Popular de

¹ This Proof of Claim is being filed with the FDIC’s electronic filing system, which requires inputting an amount for the claim and will not permit an indication that the claim is contingent or unliquidated in amount. As set forth herein, DFC holds contingent and unliquidated claims. Solely to permit the submission of this Proof of Claim in the FDIC’s electronic claim system, DFC has input a claim amount of \$1, because a number must be entered. DFC’s claim is as set forth herein in the entirety of the Proof of Claim and is not limited to \$1.

Puerto Rico (“Popular”) pursuant to that certain Purchase and Assumption Agreement, dated as of February 27, 2015, among the Receiver and Popular (the “Assumption Agreement”).

4. On March 11, 2015 (the “Bankruptcy Petition Date”), DFC commenced a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The automatic stay in DFC’s chapter 11 case prohibits any entity, including the Receiver and Popular, from, among other things, taking any action to obtain possession of property of DFC’s estate or to exercise control over such property.

5. Pursuant to section 1821(d) of title 12 of the United States Code, the Receiver set June 4, 2015, as the last day to file claims against the Receivership. As described in detail below, DFC asserts claims against the Receivership.

Summary of Claims

6. In connection with the events described above, and as more fully described herein, DFC asserts a liquidated claim in the aggregate approximate amount of not less than \$600 million as of the Receivership Date (the “Liquidated Claim”). In addition to the Liquidated Claim, upon information and belief, DFC asserts the claims described below. DFC reserves all rights to amend and/or supplement this Proof of Claim at any time and in any respect and to assert any and all other claims of whatever kind or nature that it has, or may have, against Doral Bank, the Receivership, or the Receiver. The claims asserted are unsecured, unless otherwise noted and except to the extent that Doral Bank or the Receiver asserts claims against DFC. To the extent of any such claims asserted by Doral Bank or the Receiver, DFC asserts that the claims asserted hereunder are secured.

7. On the Receivership Date and shortly thereafter, a substantial portion of DFC's books and records were seized by the Receiver, and some were transferred by the Receiver to the custody of Popular. As a result, this Proof of Claim has been prepared using the information available to DFC, which was, in certain instances, only summary information set forth in DFC's books and records. Supporting documentation, to the extent available to DFC, will be made available upon request. However, as a consequence of the Receiver having taken a substantial portion of DFC's records, the Receiver may already have access to all necessary supporting documentation. To the extent DFC gains access to additional documents not currently in its possession, and additional claims arise from such documents, DFC reserves all rights to assert such additional claims or amend the claims asserted herein.

Proof of Claim

8. I/O Strips. DFC owns certain interest-only strips or "I/O Strips" on pools of fixed rate mortgages. The I/O Strips relate to pools of mortgage loans previously sold to Popular or its affiliates, where DFC retained in the sale the right to receive certain "excess interest" paid on the mortgage loans above fixed amounts specified in the sale documents. To the best of DFC's knowledge, Doral Bank, as servicer for such mortgages, is required to pay the excess interest to DFC pursuant to various agreements with DFC, including the Servicing Agreement, dated as of January 1, 2015, between Doral Bank and DFC (together with all other agreements regarding the excess interest, the "Excess Interest Agreements"). Doral Bank failed to pay DFC any excess interest for the month of February 2015. Based on amounts paid to DFC for December 2014 and January 2015, DFC anticipates that the payment due on March 25 should fall in the range of \$400,000 to \$600,000. Additionally, DFC believes it may have been underpaid for the excess interest DFC was owed for other months, including prior to the

Receivership Date. To the extent Doral Bank was holding excess interest in trust or as agent for DFC, DFC asserts a claim for turnover of amounts due under the Excess Interest Agreements. DFC asserts a claim for any underpayments of excess interest occurring prior to the Receivership Date, all payments due in February 2015, and all amounts due to it from and after the Receivership Date.

9. Deposit Claims. Prior to the Receivership Date, DFC performed most of its banking functions using deposit accounts at Doral Bank. These deposit accounts were either transferred to Popular pursuant to the Assumption Agreement (and Popular assumed all liability to DFC as a depositor with respect thereto) or are now under the control of the Receiver.

10. Certain DFC funds are held in a former Doral Bank account (account number 200007132, which, to the best of DFC's knowledge, had a balance of \$1,659,627.70 as of the Receivership Date). The account was initially funded to cover servicing costs that would have been incurred by Doral Bank as servicer for DFC's loans and "real estate owned" properties ("REO"), and therefore reimbursable by DFC. Doral Bank services DFC's loans and REO under the Master Servicing Agreement, dated as of July 19, 2007, between Doral Bank and DFC and the Servicing Agreement, dated as of January 5, 2015, between Doral Bank and DFC (collectively, the "Servicing Agreements"). After the Receivership Date, the account was transferred to Popular. To the extent any funds were withdrawn from this account that did not benefit DFC or DFC's estate or otherwise exceeded the amounts due to Doral Bank as servicer, DFC asserts a claim to such funds.

11. Additionally, certain DFC funds are held in a former Doral Bank account (account number 240000112) that is now in control of the Receiver. The Receiver has asserted a right to setoff against the account. Pursuant to a letter agreement, dated as of April 15, 2015, the

Receiver and DFC agreed that, for the time being, the Receiver would continue its administrative hold on the account (which, as of the date of the letter agreement, had a balance of \$58,352.94) and not otherwise exercise any right or remedy it might have with respect to the account, and DFC would not seek turnover or assert that the Receiver's actions violate the automatic stay, or otherwise exercise any right or remedy with respect to the account. DFC asserts a claim to the balance of the account and reserves all rights with respect thereto.

12. If DFC's rights to any funds previously held in a Doral Bank account, whether now under the control of Popular or the Receiver, are in any way compromised or modified, DFC asserts a claim for any lost value or other consequential damages. Without prejudice to DFC's understanding that it is now a depositor of Popular, DFC hereby asserts a protective claim for the outstanding balance on any of its accounts if the Receiver exercises any rights it may have under the Assumption Agreement, or otherwise, with respect to these accounts. DFC also asserts that the Receiver does not have any right of setoff with respect to any DFC account.

13. There may be additional deposit accounts at Doral Bank of which DFC is unaware but in which DFC may have a claim. DFC reserves its rights to assert claims against such other accounts.

14. Management and Employees. Certain of DFC's senior management who were compensated by DFC dedicated a significant amount of time and work to addressing Doral Bank-related issues in advance of the Receivership Date. DFC asserts a claim for the value and cost of services performed by DFC management for the benefit of Doral Bank or its subsidiaries. Additionally, certain DFC employees worked to support Doral Bank's operations and were compensated by DFC for addressing Doral Bank-related issues. DFC is currently investigating

the amount of compensation paid to DFC employees for Doral Bank-related activities. DFC asserts a claim for any monies owed by Doral Bank for such services.

15. Collateral Documentation for DFC Owned Loan and REO Portfolio. Doral Bank acts as servicer for approximately 200 loans and REO assets owned by DFC. Pursuant to the Servicing Agreements, Doral Bank is obligated to hold and maintain the collateral documentation for such assets in trust for DFC. In mid-2014, while attempting to market these assets, DFC became aware that much of the collateral documentation was missing. Under the Servicing Agreements, Doral Bank is responsible as the servicer for maintaining the loan files, including collateral documentation, in trust for DFC. Absent the collateral documentation, DFC's loan or REO has substantially less value, in a sale or otherwise. DFC has requested all collateral documentation from Doral Bank, but has not received the files for approximately 60 loans and REO assets. DFC asserts a claim for the lost value of the loans and REO assets without collateral documentation and the cost to locate and/or replace the collateral documents.

16. FNMA Recourse Obligations. DFC and Doral Bank are parties to various agreements with the Federal National Mortgage Association ("Fannie Mae"). DFC sold mortgage loans to Fannie Mae pursuant to certain master agreements. In certain instances, these sales were subject to limited recourse obligations of DFC to repurchase loans from Fannie Mae in defined circumstances. Typically, DFC's recourse obligations for a particular loan expired after the occurrence of certain events or the passage of a defined period of time. In certain instances, recourse obligations for a loan could be terminated by delivering an appropriate certificate that such events had occurred.

17. Doral Bank was the servicer for certain of the mortgages sold by DFC to Fannie Mae. DFC asserts a claim for failures, if any, of Doral Bank, as servicer, to inform DFC

that the recourse obligation for loans sold by DFC to Fannie Mae had expired. DFC also asserts a claim for failures, if any, of Doral Bank, as servicer, to deliver certificates or take other appropriate actions necessary to timely terminate recourse liability for loans sold by DFC to Fannie Mae. Further, DFC asserts a claim for acceptances, if any, of Doral Bank, as servicer, of repurchase requests from Fannie Mae for loans sold by DFC to Fannie Mae where DFC's recourse obligations had expired or should have expired. DFC also asserts a claim to the extent that DFC took on any liability for recourse obligations with respect to any Doral Bank loans, including, but not limited to, any such liability taken on by DFC in the First Amendment to Pledge Agreement (the "Amended Pledge Agreement"), dated August 20, 2013, by and between DFC and Fannie Mae, as well as a claim for avoidance of any obligations resulting therefrom.

18. Sale of Doral Mortgage to Doral Bank. In 2007, DFC sold Doral Mortgage to Doral Bank. DFC is currently investigating whether the sale of Doral Mortgage gave rise to any intercompany obligations of Doral Bank to DFC, but is not currently in possession of the books and records that may evidence such obligations. DFC reserves its right to assert a claim for any intercompany obligations arising from the sale of Doral Mortgage, as well as any other claims related to the sale.

19. Capital Contributions. As far back as 2007, DFC has made capital contributions to Doral Bank, including (i) transfers made in 2007, (ii) the transfer of loans in 2009 and 2010, (iii) contribution of an I/O Strip in 2013, to the extent DFC was not adequately compensated by Doral Bank for such contribution, (iv) cash contributions, including \$40 million transferred on August 15, 2014 and \$20 million transferred on October 28, 2014 (together, the "2014 Cash Contributions"), (v) capital contributions in the form of cash, prepaid taxes, and other assets, including \$131.4 million transferred in 2013, \$95 million transferred in 2012,

\$193.9 million in 2010, and \$119.8 million transferred in 2009, (vi) any other contributions made by DFC to Doral Bank not described with specificity in this Proof of Claim, and (vii) any liability taken on by DFC pursuant to the Amended Pledge Agreement (collectively (i)-(vii) above, the “Capital Contributions”).

20. DFC and/or Doral Bank may have been insolvent at the time any or all of the Capital Contributions were made. DFC alleges it did not receive any value in exchange for a Capital Contribution if, at the time of such Capital Contribution, Doral Bank was insolvent, had unreasonably small capital, and/or was unable to pay its own debt obligations as they matured. In addition, Capital Contributions may have (i) been made while DFC was insolvent or rendered DFC insolvent, (ii) been made while DFC had unreasonably small capital for its business operations, and/or (iii) left DFC unable to repay its own obligations as they matured.

21. DFC asserts a claim for all Capital Contributions, including contributions not described with specificity in this Proof of Claim.

22. Preference Actions. On or before the Receivership Date, on numerous occasions, DFC transferred property to, or caused its property (or an interest in its property) to be transferred to, Doral Bank or to certain third parties for the benefit of Doral Bank (the “Transfers”) on account of antecedent obligations of DFC to Doral Bank. The Transfers include, without limitation, the 2014 Cash Contributions, as well as other intercompany transfers between DFC and Doral Bank and its subsidiaries.

23. At the time of the Transfers, Doral Bank was (i) an “insider” of DFC as that term is defined in the Bankruptcy Code or under applicable non-bankruptcy law and (ii) may have been a “creditor” of DFC, as that term is defined in the Bankruptcy Code or under applicable non-bankruptcy law.

24. At this time, it is not known whether either of DFC or Doral Bank was insolvent at the time of the Transfers. If DFC was insolvent at the time the Transfers were made to Doral Bank, the Transfers may be voidable pursuant to, among other applicable law, (i) sections 544 (applying applicable non-bankruptcy law) and 547 of the Bankruptcy Code and (ii) applicable non-bankruptcy law. DFC may be entitled to recover from Doral Bank the property or the value of the property transferred on account of such antecedent obligations.

25. Specifically, if DFC was insolvent at the time of such Transfers, DFC seeks to recover each Transfer as a voidable preference on the grounds that such Transfer (i) was to or for the benefit of a creditor, (ii) was to or on account of an antecedent debt of DFC, (iii) was made while DFC was insolvent, (iv) was made within one year or less from the date that DFC's bankruptcy case was commenced, and (v) would permit Doral Bank or the Receiver to receive more than it would receive in a case under chapter 7 of the Bankruptcy Code if such Transfer had not been made.

26. DFC asserts a claim for the Transfers, including any transfers to Doral Bank not specifically enumerated herein. DFC expressly reserves all rights to assert as voidable preferences additional amounts transferred to Doral Bank.

27. Legal Retainers. Prior to the Receivership Date, certain law firms, including, without limitation, Paul Hastings LLP, Gibson Dunn & Crutcher LLP and Williams & Connolly LLP, were retained to provide legal services for both Doral Bank and DFC. To the extent Doral Bank has recovered all or some amount of retainers paid in connection with those retentions, where all or some of the retainers is actually property of DFC (including retainers that are allocable to DFC which may have been paid by Doral Bank but charged against DFC as an intercompany claim), DFC asserts a claim for the amount recovered that is property of DFC.

DFC also asserts a claim for any legal fees and expenses paid by DFC for services rendered for the benefit of Doral Bank.

28. Indemnity Claims. To the extent any creditor of DFC asserts an indemnity, contribution, or similar claim against DFC for Doral Bank-related issues, DFC asserts a claim for such amounts. DFC's bylaws provide for the indemnification of all DFC directors and officers. Prior to the Bankruptcy Petition Date, certain employees of Doral Bank were also officers of DFC. To the extent that such officers (or any directors, officers, or employees of Doral Bank) assert indemnification or contribution claims against DFC, DFC hereby asserts claims for reimbursement of such claims.

29. In particular, but without limitation, on November 6, 2014, a consolidated class action complaint was brought against DFC and certain of its directors and officers in the United States District Court for the District of Puerto Rico alleging violations of the Securities Exchange Act of 1934 (the "Securities Litigation"). The Securities Litigation is stayed against DFC. DFC has filed a motion to expand the automatic stay to apply to claims against the directors and officers. If the Securities Litigation is not stayed against the directors and officers, and the plaintiffs are successful in pursuing claims against the directors and officers for actions taken in their capacity as directors or officers of Doral Bank, and any such director or officer asserts an indemnification or contribution claim against DFC, DFC hereby asserts claims for reimbursement of such claims.

30. Use and Sale of DFC's Property. DFC asserts a claim against the Receiver to the extent the Receiver has taken possession and control, on the Receivership Date, of certain property (including, but not limited to, furniture, fixtures, equipment, electronically-stored data, hard copy documents, and other tangible and intangible assets) owned by DFC. In

addition, DFC owns a series of trademarks, including Doral Bank trademarks. DFC asserts a claim for the Receiver's use of such trademarks or any other intellectual property of DFC, either before or after the Receivership Date. DFC also asserts a claim for the Receiver's conversion of DFC's property, if any, by purporting to transfer an ownership interest in some or all of such property to Popular.

31. DFC expressly reserves its rights to make additional claims for reasonable payment for the taking and/or use-value of such property, plus interest, for each month the property is and has been used.

32. Tax Assets. DFC is a party to a closing agreement, entered into on September 26, 2006 (the "2006 Closing Agreement")² with the Commonwealth of Puerto Rico's taxing authority (the "Hacienda"), pursuant to which it was determined that DFC and certain affiliates had available tax deductions of \$889.7 million. In addition, DFC, Doral Bank, Doral Insurance, Doral Properties, Doral Recovery I, Doral Recovery II, and certain other affiliates are parties to a closing agreement entered into on December 13, 2013 (the "2013 Closing Agreement") between the Doral Group and the Hacienda, it was established that DFC and its affiliates had overpaid an additional \$56 million in taxes.

33. DFC asserts a claim to all tax assets, attributes, refunds, and other tax benefits owned by or due to DFC (the "Tax Assets"), including but not limited to all rights and benefits of the 2006 and 2013 Closing Agreements, and any Tax Assets contributed by DFC to Doral Bank. To the extent Doral Bank receives benefits from such Tax Assets, or takes any

² Certain of the provisions of the 2006 Closing Agreement were supplemented by a subsequent closing agreement executed in 2012 (the "2012 Closing Agreement"), which represented a negotiated resolution that DFC and certain affiliates were entitled to refunds of taxes in the amount of \$229.9 million. However, the 2012 Closing Agreement was deemed void by a decision of the Court of Appeals of Puerto Rico in February 2015. The 2006 Closing Agreement remains valid and Doral Bank has no interest or valid claim to any of the rights, privilege, or entitlement contained in the 2006 Closing Agreement.

action to compromise such Tax Assets, DFC hereby asserts a claim for such amounts and any damages or other loss of value resulting from such actions.

34. In addition, DFC asserts all claims it may have against Doral Bank and its subsidiaries or the Receiver on account of federal, state, local, and foreign taxes paid on behalf of Doral Bank and its subsidiaries and DFC reserves all rights to amend this Proof of Claim to assert any and all such claims against Doral Bank and its subsidiaries or the Receiver.

35. Improperly Allocated Intercompany Claims. DFC asserts a claim for all expenses incurred on behalf of Doral Bank prior to the Receivership Date, which expenses resulted in intercompany receivables owed by Doral Bank to DFC and are reflected as such in the books and records of DFC and Doral Bank (the “Intercompany Receivable Claims”).

36. DFC asserts claims arising out of the Servicing Agreements, pursuant to which Doral Bank, as of the Receivership Date, serviced mortgage loans, REO, and I/O Strips owned by DFC. Among other things, Doral Bank, as servicer, collected amounts due under the mortgage loans and, at pre-determined intervals, remitted such amounts to DFC. As of the Receivership Date, Doral Bank had failed to remit certain amounts due to DFC on account of the mortgage loans. As Doral Bank was holding such amounts in trust or as agent for DFC pursuant to the Servicing Agreements, DFC asserts a claim for turnover of such amounts. DFC also asserts a claim to the extent the Receiver repudiates the Servicing Agreements or any other agreement between DFC and Doral Bank for any claims under or related to such agreements.

37. In addition to the Intercompany Receivable Claims, DFC asserts a claim for any and all amounts due under any intercompany expense sharing agreement, intercompany loan, or other intercompany receivable, including, without limitation, any fees or commissions due under any intercompany services agreement or similar agreement, and damages for breach of

any intercompany agreement. DFC continues to investigate its claims against Doral Bank and its subsidiaries and reserves all rights to assert additional claims on account of any and all other intercompany receivables owed to DFC by such entities.

38. Customer List Use. DFC asserts claims for use of DFC's proprietary trade information (the "Customer Lists"). Doral Bank or its Receivership estate has been using and may have assigned or attempted to assign certain of the Customer Lists without paying compensation to DFC. DFC is entitled to compensation in connection with this use of the Customer Lists. The amount of such claim is unknown at this time.

39. Administrative Claims. DFC may have paid or become liable for costs and/or expenses that inured to the benefit of Doral Bank or the Receivership subsequent to the Receivership Date. These amounts may include, without limitation, liability incurred by DFC as a result of Popular's decision to exclude certain contracts from the Assumption Agreement and expenses incurred by DFC that may have benefited Doral Bank or the Receivership. DFC reserves all rights to assert claims against Doral Bank for all such costs and expenses. DFC will provide documentation with respect to any and all administrative claims when such documents become available. DFC also asserts an administrative claim to the extent all or any part of the claims described in this Proof of Claim constitute administrative expenses of the Receiver under 12 U.S.C. § 1821(d)(11).

40. Employee/Employer Related Costs and Insurance Claims. Prior to the Receivership, DFC was the sponsor of certain employee benefit plans, including 401(k) plans (the "Benefit Plans"). These plans covered DFC's employees, as well as employees of Doral Bank and its subsidiaries. DFC asserts a claim on account of all amounts paid by DFC on

account of such plans for the benefit of Doral Bank employees for which DFC was not reimbursed.

41. DFC also asserts claims for any and all other employee or employer related costs incurred by DFC on behalf of Doral Bank and its employees, which may include, without limitation, payroll, severance and related taxes.

42. DFC also has an ownership interest in a variety of insurance policies. Certain of DFC's insurance policies name DFC and its subsidiaries, including Doral Bank and its subsidiaries as insured persons. To the extent that Doral Bank asserts claims to the policies or to the proceeds of such insurance policies, DFC reserves all rights to assert a claim for such amounts.

43. Vendor Contract Claims. DFC is party to numerous agreements with vendors (the "Vendors") who lease property, perform services, deliver goods, or license software that primarily benefit the banking operations formerly owned by Doral Bank (the "Vendor Contracts"). Prior to the Receivership, Doral Bank, as the primary beneficiary, paid Vendors in the ordinary course for goods and services received pursuant to the Vendor Contracts. After the Receivership Date, in certain circumstances Popular paid certain Vendors for outstanding pre- and post-Receivership obligations incurred in connection with the Vendor Contracts. Notwithstanding these payments, there continue to be unpaid obligations outstanding in connection with certain of the Vendor Contracts. As a party to the Vendor Contracts, DFC reserves all rights to assert any and all claims for outstanding liabilities on account of goods or services provided to Doral Bank. Moreover, DFC asserts a claim for the avoidance and recovery of any and all payments made by DFC on account of Vendor Contracts or other contracts that were made for the benefit of Doral Bank. Similarly, to the extent Vendors assert

claims against DFC for DFC's rejection of any of the Vendor Contracts in its bankruptcy case, DFC reserves all rights to assert any and all such claims against Doral Bank or the Receiver.

44. As a direct result of the actions of the Receiver, DFC has been forced to incur substantial fees, costs, and expenses, including, without limitation, attorneys' fees, costs, and expenses. These fees, costs, and expenses relate not only to DFC's bankruptcy proceedings, which were a direct result of the acts of the Receiver, but also to the numerous other actions and proceedings that have been, or will be, commenced in connection with the Receivership, including, but not limited to the filing of this Proof of Claim and any subsequent litigation or administrative proceeding related therewith. As a result, DFC hereby asserts claims for all such fees, costs, and expenses, until such time as those fees, costs, and expenses are paid in full.

45. Interest. DFC asserts a claim for interest, at the applicable contract rate or a reasonable market rate, on account of amounts owed to DFC pursuant to its Proof of Claim and any and all contingent and/or unliquidated claims from the Receivership Date until receipt of payment.

46. DFC owns 100% of the outstanding stock of Doral Bank. Without waiving any other claim set forth herein, DFC makes a claim, pursuant to 12 U.S.C. § 1821(d)(11)(B), for the right to have distributed to it all funds, property, or interests remaining after all depositors, creditors, other DFCs and administrative expenses of the Receivership are paid, together with the required accounting report.

47. General Reservation of Rights. Prior to the Receivership Date, DFC and Doral Bank jointly maintained their respective financial and other records. The Receiver's sale of substantially all the assets of Doral Bank to Popular has made it difficult for DFC to obtain information for the preparation of this Proof of Claim. In particular, many of DFC's books and

records were seized by the Receiver, and some were transferred to the custody of Popular. DFC finds itself in the position of not being in control of certain information relating to its operations and financial affairs, including, but not limited to, certain accounting information. Information relevant to DFC's Proof of Claim was prepared, in part, based upon the information and work product and/or representations made available to DFC and its professionals by representatives of the Receiver and Popular. Given DFC's limited, and in most cases indirect, access to the information relating to this Proof of Claim, DFC is still in the process of verifying the accuracy or completeness of all the information, statements and representations of the Receiver and Popular.

48. DFC reserves all rights to assert claims against the FDIC and/or OCIF for each of their own actions or inactions, including, without limitation, claims against the FDIC and/or OCIF arising out of the events leading up to and during the Receivership regarding the conduct of FDIC, OCIF, and their agents, including, but not limited to, those for conversion of property or any mismanagement or mishandling of the Receivership. To the extent any such claims exist, DFC reserves its rights to assert them against the FDIC and/or OCIF and their agents. Moreover, DFC asserts a claim to the extent that the FDIC and/or OCIF induced DFC to make one or more Capital Contributions at a time when such agencies knew or should have known that a receivership for Doral Bank was likely imminent, or was being pursued or caused by the FDIC and/or OCIF.

49. DFC reserves the right to amend and/or supplement this Proof of Claim and to assert any and all other claims of whatever kind or nature that it has, or that it may have, including, but not limited to, interest, costs of collection, and other expenses incurred prior to payment in full of the amounts described above. In addition, as part of the claims reconciliation

process to occur in connection with DFC's chapter 11 case, claims will be asserted against DFC's estate up until the Bankruptcy Court ordered bar date, some of which may be properly attributable to Doral Bank or its subsidiaries. DFC further reserves its rights to assert any and all claims that arise as a result of such claims.

50. The Receiver may also be in possession of property that belongs to DFC, which the Receiver is obligated to return to DFC and/or as to which DFC is entitled to an equitable lien, constructive or resulting trust, turnover under 11 U.S.C. § 542, or other legal or equitable relief. DFC expressly reserves the right to seek recovery under any or all of these or other remedies in law or equity.

51. The filing of this Proof of Claim shall not be deemed a waiver or release of any claims whatsoever.

52. In addition, DFC reserves all rights to assert any or all of the claims described herein and any additional claims, whether contingent, unliquidated, or otherwise, against Popular and/or Doral Bank's subsidiaries in any forum of competent jurisdiction.

53. The filing of this Proof of Claim shall not be deemed to constitute a waiver of any rights that DFC may have against the FDIC, OCIF, or any other entity, including, without limitation, Doral Mortgage, Doral Recovery II, Doral Money, Inc., and any other subsidiaries, direct or indirect, or affiliates of Doral Bank.

54. DFC reserves all rights to present any and all claims in any forum of competent jurisdiction, and the filing of this Proof of Claim shall not be deemed to constitute a concession that there is no other appropriate forum for asserting the claims set forth herein.

55. All notices concerning this Proof of Claim should be sent to:

Doral Financial Corporation
999 Ponce de Leon Boulevard

Suite 730
Coral Gables, FL 33134
Attn: Enrique R. Ubarri

-and -

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Mark I. Bane
Telephone: (212) 841-8808
Facsimile: (646) 728-1662

Federal Deposit Insurance Corporation
as Receiver for
10513 - Doral Bank, San Juan, PR

PROOF OF CLAIM

- 1. SSN/Tax ID No. 66-0572283
- 2. The undersigned Carol Flaton
(Name of person completing the Proof of Claim)

hereby states that the subject Financial Institution, now in liquidation ("Failed Institution"), is indebted

- 3. to Doral Properties, Inc. (the "Claimant") in the sum of
(Name of Claimant)

- 4. \$ See Attached

- 5. Description of Claim

See Attached

The undersigned further states that no part of said debt has been paid, that the Claimant has given no endorsement or assignment of the same or any part thereof, and that there is no set-off or counterclaim, or other legal or equitable defense to said claim or any part thereof.

- 6. NAME Carol Flaton, as Chief Restructuring Officer  7. DATE 06/04/2015
(Name, Title, and Signature of person completing the Proof of Claim)

- 8. FIRM Zolfo Cooper
(Complete if filing on behalf of claimant.)

- 9. ADDRESS Grace Building, 1114 Avenue of the Americas, 41st Floor
(City, State, and ZIP Code) New York, New York 10036

- 10. TELEPHONE NUMBER(S) 212-561-4073

The penalty for knowingly making or inviting reliance on a false, forged, or counterfeit statement, document, or thing for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation is a fine of not more than \$1,000,000 or imprisonment for not more than 30 years or both (18 U.S.C. Section 1007).

IMPORTANT NOTE: The bar code at the top of this Proof of Claim is unique to this claim and may not be re-used for other claims which you may have or by other potential claimants. If you have other unrelated claims, you must file a separate Proof of Claim with its own unique bar code. Additional Proof of Claim forms may be found on the FDIC web site or obtained by mail at the respective addresses indicated in the Instructions. Re-use of this Proof of Claim may result in processing delays or the rejection of your claim.

PRIVACY ACT STATEMENT

The FDIC is authorized to request this information from you by 12 U.S.C. § 1819, 1821, and Executive Order 9397. The purpose for collecting the information is to support the administration of claims against the failed financial institution. Furnishing the requested information is voluntary, but failure to provide the requested information in whole or in part may delay or prohibit the processing of your claim. The information provided by individuals is protected by the Privacy Act, 5 USC 552(a). The information may be furnished to third parties as authorized by law or used according to any of the routine uses described in the FDIC Insured Financial Institution Liquidation Records (30-64-0013) System of Records. This System of Records is available for review at www.fdic.gov/regulations/laws/rules/2000-4050.html#200030-64-0013. If you have questions or concerns about the collection or use of the information, you may contact the FDIC's Chief Privacy Officer at Privacy@fdic.gov.

**ADDENDUM TO PROOF OF CLAIM OF DORAL PROPERTIES, INC.
AGAINST THE FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR DORAL BANK**

Doral Properties, Inc. (“Doral Properties”), a wholly-owned non-banking subsidiary of Doral Financial Corporation (“DFC”), files this proof of claim (the “Proof of Claim”) with the Federal Deposit Insurance Corporation (the “FDIC”), as receiver (in such capacity, “Receiver”) for Doral Bank (“Doral Bank”).¹

Background

1. DFC is a holding company organized under the laws of the Commonwealth of Puerto Rico. Prior to the Receivership Date and the Bankruptcy Petition Date (both as defined below), DFC was a bank holding company that owned Doral Bank and, through Doral Bank, Doral Bank’s subsidiaries, including Doral Mortgage, LLC (“Doral Mortgage”) and Doral Recovery II, LLC (“Doral Recovery II”).

2. As a bank holding company, DFC was subject to regulation by the Board of Governors of the Federal Reserve System and oversight by the Federal Reserve Bank of New York. Doral Bank was subject to regulation and oversight by the FDIC and the Puerto Rico Office of the Commissioner of Financial Institutions (“OCIF”). In addition, DFC’s banking and non-banking subsidiaries were overseen by various other federal and state authorities.

3. On February 27, 2015 (the “Receivership Date”), Doral Bank was closed by the Director of OCIF, the FDIC was named as receiver, and OCIF advised that the Receiver was immediately taking possession of Doral Bank (the “Receivership”). Immediately after its appointment, the Receiver sold a large portion of the assets of Doral Bank to Banco Popular de

¹ This Proof of Claim is being filed with the FDIC’s electronic filing system, which requires inputting an amount for the claim and will not permit an indication that the claim is contingent or unliquidated in amount. As set forth herein, Doral Properties holds contingent and unliquidated claims. Solely to permit the submission of this Proof of Claim in the FDIC’s electronic claim system, Doral Properties has input a claim amount of \$1, because a number must be entered. Doral Properties’ claim is as set forth herein in the entirety of the Proof of Claim and is not limited to \$1.

Puerto Rico (“Popular”) pursuant to that certain Purchase and Assumption Agreement, dated as of February 27, 2015, among the Receiver and Popular (the “Assumption Agreement”).

4. On March 11, 2015 (the “Bankruptcy Petition Date”), DFC commenced a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The automatic stay in DFC’s chapter 11 case prohibits any entity, including the Receiver and Popular, from, among other things, taking any action to obtain possession of property of DFC’s estate or to exercise control over such property.

5. Pursuant to section 1821(d) of title 12 of the United States Code, the Receiver set June 4, 2015, as the last day to file claims against the Receivership. As described in detail below, Doral Properties asserts claims against the Receivership.

Summary of Claims

6. In connection with the events described above, and as more fully described herein, Doral Properties asserts a liquidated claim against Doral Bank in the aggregate approximate amount of not less than \$11 million as of the Receivership Date (the “Liquidated Claim”). In addition to the Liquidated Claim, Doral Properties asserts the claims described below. Doral Properties reserves all rights to amend and/or supplement this Proof of Claim at any time and in any respect and to assert any and all other claims of whatever kind or nature that it has, or may have, against Doral Bank, the Receivership, or the Receiver. The claims asserted are unsecured, unless otherwise noted and, except to the extent that Doral Bank or the Receiver asserts claims against Doral Properties. To the extent of any such claims asserted by Doral Bank or the Receiver, Doral Properties asserts that the claims asserted hereunder are secured.

7. On the Receivership Date and shortly thereafter, a substantial portion of DFC's books and records – including books and records pertinent to Doral Properties – were seized by the Receiver, and some were transferred by the Receiver to the custody of Popular. As a result, this Proof of Claim has been prepared using the information available to Doral Properties, which was, in certain instances, only summary information set forth in DFC's books and records. Supporting documentation, to the extent available to Doral Properties, will be made available upon request. However, as a consequence of the Receiver having taken a substantial portion of DFC's records, the Receiver may already have access to all necessary supporting documentation. To the extent Doral Properties gains access to additional documents not currently in its possession, and additional claims arise from such documents, Doral Properties reserves all rights to assert such additional claims or amend the claims asserted herein.

Proof of Claim

8. Accounts. To the extent any Doral Properties funds are held in former Doral Bank accounts that are now in control of the Receiver or were transferred to Popular after the Receivership Date, Doral Properties asserts a claim to such funds.

9. Indemnity Claims. To the extent any creditor of Doral Properties asserts an indemnity, contribution, or similar claim against Doral Properties for Doral Bank-related issues, Doral Properties asserts a claim for such amounts. DFC's bylaws provide for the indemnification of all DFC directors and officers. Prior to the Bankruptcy Petition Date, certain employees of Doral Bank were also officers of Doral Properties. To the extent that such officers (or any directors, officers, or employees of Doral Bank) assert indemnification or contribution claims against Doral Properties, Doral Properties hereby asserts claims for reimbursement of such claims.

10. Use and Sale of Doral Properties' Property. Doral Properties asserts a claim against the Receiver to the extent the Receiver has taken possession and control, on the Receivership Date, of property (including, but not limited to, real property, furniture, fixtures, equipment, electronically-stored data, hard copy documents, and other tangible and intangible assets) owned by Doral Properties. Doral Properties also asserts a claim for the Receiver's conversion of Doral Properties' property, if any, by purporting to transfer an ownership interest in some or all of such property to Popular.

11. Doral Properties expressly reserves its right to make additional claims for reasonable payment for the taking and/or use-value of such property, plus interest, for each month the transferred property is and has been used.

12. Improperly Allocated Intercompany Claims. Doral Properties asserts a claim for all expenses incurred on behalf of Doral Bank prior to the Receivership Date, which expenses resulted in intercompany receivables owed by Doral Bank to Doral Properties and are reflected as such in the books and records of Doral Properties and Doral Bank (the "Intercompany Receivable Claims").

13. Doral Properties continues to investigate claims against Doral Bank and its subsidiaries and reserves all rights to assert additional claims on account of any and all other intercompany receivables owed to Doral Properties by such entities.

14. Administrative Claims. Doral Properties may have paid or become liable for costs and/or expenses that inured to the benefit of Doral Bank subsequent to the Receivership Date. These amounts may include, without limitation, liability incurred by Doral Properties as a result of Popular's decision to exclude certain contracts from the Assumption Agreement, expenses incurred by Doral Properties that may have benefited Doral Bank or the Receivership,

and rent due under the Leases (as defined below). Doral Properties reserves all rights to assert claims for all such costs and expenses. Doral Properties will provide documentation with respect to any and all administrative claims when such documents become available. Doral Properties also asserts an administrative claim to the extent all or any part of the claims described in this Proof of Claim constitute administrative expenses of the Receiver under 12 U.S.C. § 1821(d)(11).

15. Tax Assets. DFC is a party to a closing agreement, entered into on September 26, 2006 (the “2006 Closing Agreement”)² with the Commonwealth of Puerto Rico’s taxing authority (the “Hacienda”), pursuant to which it was determined that DFC and certain affiliates had available tax deductions of \$889.7 million. In addition, DFC, Doral Bank, Doral Insurance Agency, LLC, Doral Properties, Doral Recovery, Inc., Doral Recovery II, and certain other affiliates are parties to a closing agreement entered into on December 13, 2013 (the “2013 Closing Agreement”) between the Doral Group and the Hacienda, it was established that DFC and its affiliates had overpaid an additional \$56 million in taxes.

16. Doral Properties asserts a claim to all tax assets, attributes, refunds, and other tax benefits owned by or due to Doral Properties (the “Tax Assets”), including, but not limited to, all rights and benefits of the 2006 and 2013 Closing Agreements. To the extent Doral Bank receives benefits from such Tax Assets, or takes any action to compromise such Tax Assets, Doral Properties hereby asserts a claim for such amounts and any damages or other loss of value resulting from such actions

² Certain of the provisions of the 2006 Closing Agreement were supplemented by a subsequent closing agreement executed in 2012 (the “2012 Closing Agreement”), which represented a negotiated resolution that DFC and certain affiliates were entitled to refunds of taxes in the amount of \$229.9 million. However, the 2012 Closing Agreement was deemed void by a decision of the Court of Appeals of Puerto Rico in February 2015. The 2006 Closing Agreement remains valid and Doral Bank has no interest or valid claim to any of the rights, privilege, or entitlement contained in the 2006 Closing Agreement.

17. Rent Payments. Doral Properties asserts claims against each of Doral Bank, Doral Mortgage, and Doral Recovery II arising from certain lease agreements pursuant to which Doral Properties agreed to lease space in or around the property located at 1451 Roosevelt Avenue, San Juan, Puerto Rico (the "1451 Roosevelt"). Pursuant to the lease dated as of February 1, 2012, between Doral Properties and Doral Bank (the "Doral Bank Lease"), Doral Bank agreed to lease space in 1451 Roosevelt for a term ending on January 31, 2017. Doral Bank ceased to pay rent due under the Doral Bank Lease in May 2015. Doral Properties asserts a claim for Core Rent (as defined in the Doral Bank Lease) due under the Doral Bank Lease from May 2015 through January 2017 in an amount of not less than \$9.3 million.

18. Moreover, to the extent Doral Bank occupied space beyond the space covered by the Doral Bank Lease, Doral Properties asserts a claim for the fair market value of such excess space occupied by Doral Bank. Doral Properties further asserts any other claims against Doral Bank under the Doral Bank Lease, including, without limitation, claims related to repairs and clean up costs and Additional Rent (as defined in the Doral Bank Lease).

19. Pursuant to a lease dated as of February 1, 2012, between Doral Properties and Doral Mortgage (the "Doral Mortgage Lease"), Doral Mortgage agreed to lease from Doral Properties space in the 1451 Roosevelt for a term ending on January 31, 2017. By letter dated May 5, 2015, Doral Mortgage purported to terminate the Doral Mortgage Lease by notifying Doral Properties that it had vacated the premises and was terminating the lease effective May 1, 2015. The purported termination was improper under the Doral Mortgage Lease. Doral Properties asserts a claim against Doral Mortgage for breach of the Doral Mortgage Lease, in an amount not less than \$1.7 million on account of Core Rent (as defined in the Doral Mortgage Lease) due under the Doral Mortgage Lease. Doral Properties further asserts any other claims

against Doral Mortgage under the Doral Mortgage Lease, including, without limitation, claims related to repairs and clean up costs and Additional Rent (as defined in the Doral Mortgage Lease).

20. Pursuant to a lease dated as of May 1, 2014, between Doral Properties and Doral Recovery II (the "Doral Recovery II Lease" and, together with the Doral Bank Lease and Doral Mortgage Lease, the "Leases"), Doral Recovery II agreed to lease from Doral Properties space in the 1451 Roosevelt for a term ending on January 31, 2017. By letter dated May 5, 2015, Doral Recovery II purported to terminate the Doral Recovery Lease by notifying Doral Properties that it had vacated the premises and was terminating the lease effective March 1, 2015. The purported termination was improper under the Doral Recovery II Lease. Doral Properties asserts a claim against Doral Recovery II for breach of the Doral Recovery II Lease. Doral Properties further asserts any other claims against Doral Recovery II under the Doral Recovery II Lease, including, without limitation, claims related to repairs and clean up costs and Additional Rent (as defined in the Doral Recovery II Lease).

21. Further, to the extent Doral Mortgage and Doral Recovery II were under the control of Doral Bank, Doral Properties asserts a claim against Doral Bank for the failure of Doral Mortgage and Doral Recovery II to make payments due under the Doral Mortgage Lease and Doral Recovery II Lease and for their breaches of their respective leases. Doral Properties reserves all rights with respect to claims it may have against Doral Mortgage and Doral Recovery II.

22. Intercompany Claims. Doral Properties asserts a claim for any and all amounts due under any intercompany expense sharing agreement, intercompany loan, or other intercompany receivable, including, without limitation, any fees or commissions due under any

intercompany services agreement or similar agreement, and damages for breach of any intercompany agreement. Doral Properties continues to investigate its claims against Doral Bank and its subsidiaries and reserves all rights to assert additional claims on account of any and all other intercompany receivables owed to Doral Properties by such entities. Doral Properties asserts a claim for any costs of Doral Bank paid for by Doral Properties or costs of Doral Bank allocated by intercompany transfers to Doral Properties.

23. Vendor Contract Claims. Doral Properties reserves its right to assert any claims arising from agreements with vendors (the “Vendors”) who lease property, perform services, deliver goods, or license software that primarily benefit the banking operations formerly owned by Doral Bank (the “Vendor Contracts”). Moreover, Doral Properties asserts a claim for the avoidance and recovery of any and all payments made by Doral Properties on account of Vendor Contracts or other contracts that were made for the benefit of Doral Bank.

24. Fees, Costs and Expenses. As a direct result of the actions of the Receiver, Doral Properties has been forced to incur substantial fees, costs, and expenses, including, without limitation, attorneys’ fees, costs, and expenses. These fees, costs, and expenses relate not only to the DFC’s bankruptcy proceedings, which were a direct result of the acts of the Receiver, but also to the numerous other actions and proceedings that have been, or will be, commenced in connection with the Receivership, including, but not limited to, the filing of this Proof of Claim and any subsequent litigation or administrative proceeding related therewith. As a result, Doral Properties hereby asserts claims for all such fees, costs, and expenses, until such time as those fees, costs, and expenses are paid in full.

25. Interest. Doral Properties asserts a claim for interest, at the applicable contract rate or a reasonable market rate, on account of amounts owed to Doral Properties

pursuant to its Liquidated Claim and any and all contingent and/or unliquidated claims from the Receivership Date until receipt of payment.

26. General Reservation of Rights. Prior to the Receivership Date, Doral Properties and Doral Bank jointly maintained their respective financial and other records. The Receiver's sale of substantially all the assets of Doral Bank to Popular has made it difficult for Doral Properties to obtain information for the preparation of this Proof of Claim. In particular, many of Doral Properties' books and records were seized by the Receiver, and some were transferred to the custody of Popular. Doral Properties finds itself in the position of not being in control of certain information relating to their operations and financial affairs, including, but not limited to, certain accounting information. Information relevant to Doral Properties' Proof of Claim was prepared, in part, based upon the information and work product and/or representations made available to Doral Properties and its professionals by representatives of the Receiver and Popular. Given Doral Properties' limited, and in most cases indirect, access to the information relating to this Proof of Claim, Doral Properties is still in the process of verifying the accuracy or completeness of all the information, statements and representations of the Receiver and Popular.

27. Doral Properties reserves all rights to assert claims against the FDIC and/or OCIF for each of their own actions or inactions, including, without limitation, claims against the FDIC and/or OCIF arising out of the events leading up to and during the Receivership regarding the conduct of the FDIC, OCIF, and their agents, including, but not limited to, those for conversion of property or any mismanagement or mishandling of the Receivership. To the extent any such claims exist, Doral Properties reserves its rights to assert them against the FDIC and/or OCIF and their agents.

28. Doral Properties reserves the right to amend and/or supplement this Proof of Claim and to assert any and all other claims of whatever kind or nature that it has, or that it may have, including, but not limited to, interest, costs of collection, and other expenses incurred prior to payment in full of the amounts described above.

29. The Receiver may also be in possession of property that belongs to Doral Properties, which the Receiver is obligated to return to Doral Properties and/or as to which Doral Properties is entitled to an equitable lien, constructive or resulting trust, turnover under 11 U.S.C. § 542, or other legal or equitable relief. Doral Properties expressly reserves the right to seek recovery under any or all of these or other remedies in law or equity.

30. The filing of this Proof of Claim shall not be deemed a waiver or release of any claims whatsoever.

31. In addition, Doral Properties reserves all rights to assert any or all of the claims described herein and any additional claims, whether contingent, unliquidated, or otherwise, against Popular and/or Doral Bank's subsidiaries in any forum of competent jurisdiction.

32. The filing of this Proof of Claim shall not be deemed to constitute a waiver of any rights that Doral Properties may have against the FDIC, OCIF, or any other entity, including, without limitation, Doral Mortgage, Doral Recovery II, Doral Money, Inc., and any other subsidiaries, direct or indirect, or affiliates of Doral Bank.

33. Doral Properties reserves all rights to present any and all claims in any forum of competent jurisdiction, and the filing of this Proof of Claim shall not be deemed to constitute a concession that there is no other appropriate forum for asserting the claims set forth herein.

34. All notices concerning this Proof of Claim should be sent to:

Doral Financial Corporation
999 Ponce de Leon Boulevard
Suite 730
Coral Gables, FL 33134
Attn: Enrique R. Ubarri

-and -

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Mark I. Bane
Telephone: (212) 841-8808
Facsimile: (646) 728-1662

Federal Deposit Insurance Corporation
as Receiver for
10513 - Doral Bank, San Juan, PR

PROOF OF CLAIM

- 1. SSN/Tax ID No. 66-0581930
- 2. The undersigned Carol Flaton
(Name of person completing the Proof of Claim)

hereby states that the subject Financial Institution, now in liquidation ("Failed Institution"), is indebted

- 3. to Doral Insurance Agency, LLC (the "Claimant") in the sum of
(Name of Claimant)

- 4. \$ See Attached

- 5. Description of Claim

See Attached

The undersigned further states that no part of said debt has been paid, that the Claimant has given no endorsement or assignment of the same or any part thereof, and that there is no set-off or counterclaim, or other legal or equitable defense to said claim or any part thereof.

- 6. NAME Carol Flaton, as Chief Restructuring Officer  7. DATE 06/04/2015
(Name, Title, and Signature of person completing the Proof of Claim)

- 8. FIRM Zolfo Cooper
(Complete if filing on behalf of claimant.)

- 9. ADDRESS Grace Building, 1114 Avenue of the Americas, 41st Floor
(City, State, and ZIP Code) New York, New York 10036

- 10. TELEPHONE NUMBER(S) 212-561-4073

The penalty for knowingly making or inviting reliance on a false, forged, or counterfeit statement, document, or thing for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation is a fine of not more than \$1,000,000 or imprisonment for not more than 30 years or both (18 U.S.C. Section 1007).

IMPORTANT NOTE: The bar code at the top of this Proof of Claim is unique to this claim and may not be re-used for other claims which you may have or by other potential claimants. If you have other unrelated claims, you must file a separate Proof of Claim with its own unique bar code. Additional Proof of Claim forms may be found on the FDIC web site or obtained by mail at the respective addresses indicated in the Instructions. Re-use of this Proof of Claim may result in processing delays or the rejection of your claim.

PRIVACY ACT STATEMENT

The FDIC is authorized to request this information from you by 12 U.S.C. § 1819, 1821, and Executive Order 9397. The purpose for collecting the information is to support the administration of claims against the failed financial institution. Furnishing the requested information is voluntary, but failure to provide the requested information in whole or in part may delay or prohibit the processing of your claim. The information provided by individuals is protected by the Privacy Act, 5 USC 552(a). The information may be furnished to third parties as authorized by law or used according to any of the routine uses described in the FDIC Insured Financial Institution Liquidation Records (30-64-0013) System of Records. This System of Records is available for review at www.fdic.gov/regulations/laws/rules/2000-4050.html#200030-64-0013. If you have questions or concerns about the collection or use of the information, you may contact the FDIC's Chief Privacy Officer at Privacy@fdic.gov.

**ADDENDUM TO PROOF OF CLAIM OF DORAL INSURANCE AGENCY, LLC
AGAINST THE FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR DORAL BANK**

Doral Insurance Agency, LLC (“Doral Insurance”), a wholly-owned non-banking subsidiary of Doral Financial Corporation (“DFC”), files this proof of claim (the “Proof of Claim”) with the Federal Deposit Insurance Corporation (the “FDIC”), as receiver (in such capacity, “Receiver”) for Doral Bank (“Doral Bank”).¹

Background

1. DFC is a holding company organized under the laws of the Commonwealth of Puerto Rico. Prior to the Receivership Date and the Bankruptcy Petition Date (both as defined below), DFC was a bank holding company that owned Doral Bank and, through Doral Bank, Doral Bank’s subsidiaries, including Doral Mortgage, LLC (“Doral Mortgage”) and Doral Recovery II, LLC (“Doral Recovery II”).

2. As a bank holding company, DFC was subject to regulation by the Board of Governors of the Federal Reserve System and oversight by the Federal Reserve Bank of New York. Doral Bank was subject to regulation and oversight by the FDIC and the Puerto Rico Office of the Commissioner of Financial Institutions (“OCIF”). In addition, DFC’s banking and non-banking subsidiaries were overseen by various other federal and state authorities.

3. On February 27, 2015 (the “Receivership Date”), Doral Bank was closed by the Director of OCIF, the FDIC was named as receiver, and OCIF advised that the Receiver was immediately taking possession of Doral Bank (the “Receivership”). Immediately after its appointment the Receiver sold a large portion of the assets of Doral Bank to Banco Popular de

¹ This Proof of Claim is being filed with the FDIC’s electronic filing system, which requires inputting an amount for the claim and will not permit an indication that the claim is contingent or unliquidated in amount. As set forth herein, Doral Insurance holds contingent and unliquidated claims. Solely to permit the submission of this Proof of Claim in the FDIC’s electronic claim system, Doral Insurance has input a claim amount of \$1, because a number must be entered. Doral Insurance’s claim is as set forth herein in the entirety of the Proof of Claim and is not limited to \$1.

Puerto Rico (“Popular”) pursuant to that certain Purchase and Assumption Agreement, dated as of February 27, 2015, among the Receiver and Popular (the “Assumption Agreement”).

4. On March 11, 2015 (the “Bankruptcy Petition Date”), DFC commenced a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The automatic stay in DFC’s chapter 11 case prohibits any entity, including the Receiver and Popular, from, among other things, taking any action to obtain possession of property of DFC’s estate or to exercise control over such property.

5. Pursuant to section 1821(d) of title 12 of the United States Code, the Receiver set June 4, 2015, as the last day to file claims against the Receivership. As described in detail below, Doral Insurance asserts claims against the Receivership.

Summary of Claims

6. In connection with the events described above, and as more fully described herein, Doral Insurance asserts the claims described below. Doral Insurance reserves all rights to amend and/or supplement this Proof of Claim at any time and in any respect and to assert any and all other claims of whatever kind or nature that it has, or may have, against Doral Bank, the Receivership, or the Receiver. The claims asserted are unsecured, unless otherwise noted and, except to the extent that Doral Bank or the Receiver asserts claims against Doral Insurance. To the extent of any such claims asserted by Doral Bank or the Receiver, Doral Insurance asserts that the claims asserted hereunder are secured.

7. On the Receivership Date and shortly thereafter, a substantial portion of DFC’s books and records – including books and records pertinent to Doral Insurance – were seized by the Receiver, and some were transferred by the Receiver to the custody of Popular. As

a result, this Proof of Claim has been prepared using the information available to Doral Insurance, which was, in certain instances, only summary information set forth in DFC's books and records. Supporting documentation, to the extent available to Doral Insurance, will be made available upon request. However, as a consequence of the Receiver having taken a substantial portion of DFC's records, the Receiver may already have access to all necessary supporting documentation. To the extent Doral Insurance gains access to additional documents not currently in its possession, and additional claims arise from such documents, Doral Insurance reserves all rights to assert such additional claims or amend the claims asserted herein.

Proof of Claim

8. Accounts. To the extent any Doral Insurance funds are held in former Doral Bank accounts that are now in control of the Receiver or were transferred to Popular after the Receivership Date, Doral Insurance asserts a claim to such funds.

9. Indemnity Claims. To the extent any creditor of Doral Insurance asserts an indemnity, contribution, or similar claim against Doral Insurance for Doral Bank-related issues, Doral Insurance asserts a claim for such amounts. DFC's bylaws provide for the indemnification of all DFC directors and officers. Prior to the Bankruptcy Petition Date, certain employees of Doral Bank were also officers of Doral Insurance. To the extent that such officers (or any directors, officers, or employees of Doral Bank) assert indemnification or contribution claims against Doral Insurance, Doral Insurance hereby asserts claims for reimbursement of such claims.

10. Use and Sale of Doral Insurance's Property. Doral Insurance asserts a claim against the Receiver, to the extent the Receiver has taken possession and control, on the Receivership Date, of property (including, but not limited to, furniture, fixtures, equipment,

electronically-stored data, hard copy documents, and other tangible and intangible assets) owned by Doral Insurance. Doral Insurance also asserts a claim for the Receiver's conversion of Doral Insurance's property, if any, by purporting to transfer an ownership interest in some or all of such property to Popular.

11. Doral Insurance expressly reserves its right to make additional claims for reasonable payment for the taking and/or use-value of such property, plus interest, for each month the transferred property is and has been used.

12. Improperly Allocated Intercompany Claims. Doral Insurance asserts a claim for all expenses incurred on behalf of Doral Bank prior to the Receivership Date, which expenses resulted in intercompany receivables owed by Doral Bank to Doral Insurance and are reflected as such in the books and records of Doral Insurance and Doral Bank (the "Intercompany Receivable Claims").

13. Doral Insurance continues to investigate claims against Doral Bank and its subsidiaries and reserves all rights to assert additional claims on account of any and all other intercompany receivables owed to Doral Insurance by such entities.

14. Administrative Claims. Doral Insurance may have paid or become liable for costs and/or expenses that inured to the benefit of Doral Bank subsequent to the Receivership Date. These amounts may include, without limitation, liability incurred by Doral Insurance as a result of Popular's decision to exclude certain contracts from the Assumption Agreement, expenses incurred by Doral Insurance that may have benefited Doral Bank or the Receivership. Doral Insurance reserves all rights to assert claims for all such costs and expenses. Doral Insurance will provide documentation with respect to any and all administrative claims when such documents become available. Doral Insurance also asserts an administrative claim to the

extent all or any part of the claims described in this Proof of Claim constitute administrative expenses of the Receiver under 12 U.S.C. § 1821(d)(11).

15. Tax Assets. DFC is a party to a closing agreement, entered into on September 26, 2006 (the “2006 Closing Agreement”)² with the Commonwealth of Puerto Rico’s taxing authority (the “Hacienda”), pursuant to which it was determined that DFC and certain affiliates had available tax deductions of \$889.7 million. In addition, DFC, Doral Bank, Doral Insurance, Doral Properties, Inc., Doral Recovery, Inc., Doral Recovery II, and certain other affiliates are parties to a closing agreement entered into on December 13, 2013 (the “2013 Closing Agreement”) between the Doral Group and the Hacienda, it was established that DFC and its affiliates had overpaid an additional \$56 million in taxes.

16. Doral Insurance asserts a claim to all tax assets, attributes, refunds, and other tax benefits owned by or due to Doral Insurance (the “Tax Assets”), including, but not limited to, all rights and benefits of the 2006 and 2013 Closing Agreements. To the extent Doral Bank receives benefits from such Tax Assets, or takes any action to compromise such Tax Assets, Doral Insurance hereby asserts a claim for such amounts and any damages or other loss of value resulting from such actions.

17. Impact of Delayed Premium Payments on Doral Insurance Policies. In the ordinary course of Doral Insurance’s business, Doral Insurance, as insurance agent, issues policy renewals in advance of the effective date of the renewals and deposits customers’ premiums into escrow accounts at Doral Bank. Working with an outside vendor, Doral Bank was responsible

² Certain of the provisions of the 2006 Closing Agreement were supplemented by a subsequent closing agreement executed in 2012 (the “2012 Closing Agreement”), which represented a negotiated resolution that DFC and certain affiliates were entitled to refunds of taxes in the amount of \$229.9 million. However, the 2012 Closing Agreement was deemed void by a decision of the Court of Appeals of Puerto Rico in February 2015. The 2006 Closing Agreement remains valid and Doral Bank has no interest or valid claim to any of the rights, privilege, or entitlement contained in the 2006 Closing Agreement.

for releasing funds from escrow such that renewal premiums were remitted to the insurance carriers. Following the Receivership Date, there was a period of time during which Doral Bank apparently either failed to release certain premiums in a timely manner or did not release them at all. This failure disrupted the flow of funds from customers to insurers and resulted in the issuance of suspension and/or cancellation notices to customers regarding the relevant policies. This, in turn, may have resulted in a loss of customers of Doral Insurance, as previous customers arranged for replacement insurance through other agencies. Doral Insurance asserts a claim against Doral Bank for any loss of customers and resulting loss of value to its insurance business.

18. Loss of Value of Doral Insurance Assets. As a result of the Receivership, the value of Doral Insurance's business has declined. Historically, 40% of Doral Insurance's commissions have come from new business generated from issuing policies to Doral Bank mortgage lending customers. The Receivership caused Doral Insurance to lose its mutually beneficial relationship with Doral Bank, which resulted in a decline of the flow of new potential customers to Doral Insurance. Doral Insurance asserts a claim for the lost value of Doral Insurance as a result of the Receivership.

19. Intercompany Claims. Doral Insurance asserts a claim for any and all amounts due under any intercompany expense sharing agreement, intercompany loan, or other intercompany receivable, including, without limitation, any fees or commissions due under any intercompany services agreement or similar agreement, and damages for breach of any intercompany agreement. Doral Insurance continues to investigate its claims against Doral Bank and its subsidiaries and reserves all rights to assert additional claims on account of any and all other intercompany receivables owed to Doral Insurance by such entities. Doral Insurance

asserts a claim for any costs of Doral Bank paid for by Doral Insurance or costs of Doral Bank allocated by intercompany transfers to Doral Insurance.

20. Vendor Contract Claims. Doral Insurance reserves its right to assert any claims arising from agreements with vendors (the “Vendors”) who lease property, perform services, deliver goods, or license software that primarily benefit the banking operations formerly owned by Doral Bank (the “Vendor Contracts”). Moreover, Doral Insurance asserts a claim for the avoidance and recovery of any and all payments made by Doral Insurance on account of Vendor Contracts or other contracts that were made for the benefit of Doral Bank.

21. Fees, Costs and Expenses. As a direct result of the actions of the Receiver, Doral Insurance has been forced to incur substantial fees, costs, and expenses, including, without limitation, attorneys’ fees, costs, and expenses. These fees, costs, and expenses relate not only to the DFC’s bankruptcy proceedings, which were a direct result of the acts of the Receiver, but also to the numerous other actions and proceedings that have been, or will be, commenced in connection with the Receivership, including, but not limited to, the filing of this Proof of Claim and any subsequent litigation or administrative proceeding related therewith. As a result, Doral Insurance hereby asserts claims for all such fees, costs, and expenses, until such time as those fees, costs, and expenses are paid in full.

22. Interest. Doral Insurance asserts a claim for interest, at the applicable contract rate or a reasonable market rate, on account of amounts owed to Doral Insurance pursuant to its Proof of Claim and any and all contingent and/or unliquidated claims from the Receivership Date until receipt of payment.

23. General Reservation of Rights. Prior to the Receivership Date, Doral Insurance and Doral Bank jointly maintained their respective financial and other records. The

Receiver's sale of substantially all the assets of Doral Bank to Popular has made it difficult for Doral Insurance to obtain information for the preparation of this Proof of Claim. In particular, many of Doral Insurance's books and records were seized by the Receiver, and some were transferred to the custody of Popular. Doral Insurance finds itself in the position of not being in control of certain information relating to their operations and financial affairs, including, but not limited to, certain accounting information. Information relevant to Doral Insurance's Proof of Claim was prepared, in part, based upon the information and work product and/or representations made available to Doral Insurance and its professionals by representatives of the Receiver and Popular. Given Doral Insurance's limited, and in most cases indirect, access to the information relating to this Proof of Claim, Doral Insurance is still in the process of verifying the accuracy or completeness of all the information, statements and representations of the Receiver and Popular.

24. Doral Insurance reserves all rights to assert claims against the FDIC and/or OCIF for each of their own actions or inactions, including, without limitation, claims against the FDIC and/or OCIF arising out of the events leading up to and during the Receivership regarding the conduct of the FDIC, OCIF, and their agents, including, but not limited to, those for conversion of property or any mismanagement or mishandling of the Receivership. To the extent any such claims exist, Doral Insurance reserves its rights to assert them against the FDIC and/or OCIF and their agents.

25. Doral Insurance reserves the right to amend and/or supplement this Proof of Claim and to assert any and all other claims of whatever kind or nature that it has, or that it may have, including, but not limited to, interest, costs of collection, and other expenses incurred prior to payment in full of the amounts described above.

26. The Receiver may also be in possession of property that belongs to Doral Insurance, which the Receiver is obligated to return to Doral Insurance and/or as to which Doral Insurance is entitled to an equitable lien, constructive or resulting trust, turnover under 11 U.S.C. § 542, or other legal or equitable relief. Doral Insurance expressly reserves the right to seek recovery under any or all of these or other remedies in law or equity.

27. The filing of this Proof of Claim shall not be deemed a waiver or release of any claims whatsoever.

28. In addition, Doral Insurance reserves all rights to assert any or all of the claims described herein and any additional claims, whether contingent, unliquidated, or otherwise, against Popular and/or Doral Bank's subsidiaries in any forum of competent jurisdiction.

29. The filing of this Proof of Claim shall not be deemed to constitute a waiver of any rights that Doral Insurance may have against the FDIC, OCIF, or any other entity, including, without limitation, Doral Mortgage, Doral Recovery II, Doral Money, Inc., and any other subsidiaries, direct or indirect, or affiliates of Doral Bank.

30. Doral Insurance reserves all rights to present any and all claims in any forum of competent jurisdiction, and the filing of this Proof of Claim shall not be deemed to constitute a concession that there is no other appropriate forum for asserting the claims set forth herein.

31. All notices concerning this Proof of Claim should be sent to:

Doral Financial Corporation
999 Ponce de Leon Boulevard
Suite 730
Coral Gables, FL 33134
Attn: Enrique R. Ubarri

-and -

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Mark I. Bane
Telephone: (212) 841-8808
Facsimile: (646) 728-1662

Federal Deposit Insurance Corporation
as Receiver for
10513 - Doral Bank, San Juan, PR

PROOF OF CLAIM

- 1. SSN/Tax ID No. 66-0802212
- 2. The undersigned Enrique Ubarri
(Name of person completing the Proof of Claim)

hereby states that the subject Financial Institution, now in liquidation ("Failed Institution"), is indebted

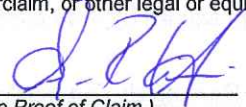
- 3. to Doral Recovery, Inc. (the "Claimant") in the sum of
(Name of Claimant)

- 4. \$ See Attached

- 5. Description of Claim

See Attached

The undersigned further states that no part of said debt has been paid, that the Claimant has given no endorsement or assignment of the same or any part thereof, and that there is no set-off or counterclaim, or other legal or equitable defense to said claim or any part thereof.

- 6. NAME Enrique Ubarri, General Counsel  7. DATE 06/04/2015
(Name, Title, and Signature of person completing the Proof of Claim)

- 8. FIRM _____
(Complete if filing on behalf of claimant.)

- 9. ADDRESS 999 Ponce DeLeon Blvd, Suite 730
(City, State, and ZIP Code) Coral Gables, Florida 33134

- 10. TELEPHONE NUMBER(S) 786-501-8205

The penalty for knowingly making or inviting reliance on a false, forged, or counterfeit statement, document, or thing for the purpose of influencing in any way the action of the Federal Deposit Insurance Corporation is a fine of not more than \$1,000,000 or imprisonment for not more than 30 years or both (18 U.S.C. Section 1007).

IMPORTANT NOTE: The bar code at the top of this Proof of Claim is unique to this claim and may not be re-used for other claims which you may have or by other potential claimants. If you have other unrelated claims, you must file a separate Proof of Claim with its own unique bar code. Additional Proof of Claim forms may be found on the FDIC web site or obtained by mail at the respective addresses indicated in the Instructions. Re-use of this Proof of Claim may result in processing delays or the rejection of your claim.

PRIVACY ACT STATEMENT

The FDIC is authorized to request this information from you by 12 U.S.C. § 1819, 1821, and Executive Order 9397. The purpose for collecting the information is to support the administration of claims against the failed financial institution. Furnishing the requested information is voluntary, but failure to provide the requested information in whole or in part may delay or prohibit the processing of your claim. The information provided by individuals is protected by the Privacy Act, 5 USC 552(a). The information may be furnished to third parties as authorized by law or used according to any of the routine uses described in the FDIC Insured Financial Institution Liquidation Records (30-64-0013) System of Records. This System of Records is available for review at www.fdic.gov/regulations/laws/rules/2000-4050.html#200030-64-0013. If you have questions or concerns about the collection or use of the information, you may contact the FDIC's Chief Privacy Officer at Privacy@fdic.gov.

**ADDENDUM TO PROOF OF CLAIM OF DORAL RECOVERY, INC.
AGAINST THE FEDERAL DEPOSIT INSURANCE
CORPORATION, AS RECEIVER FOR DORAL BANK**

Doral Recovery, Inc. ("Doral Recovery"), a wholly-owned non-banking subsidiary of Doral Financial Corporation ("DFC"), files this proof of claim (the "Proof of Claim") with the Federal Deposit Insurance Corporation (the "FDIC"), as receiver (in such capacity, "Receiver") for Doral Bank ("Doral Bank").¹

Background

1. DFC is a holding company organized under the laws of the Commonwealth of Puerto Rico. Prior to the Receivership Date and the Bankruptcy Petition Date (both as defined below), DFC was a bank holding company that owned Doral Bank and, through Doral Bank, Doral Bank's subsidiaries, including Doral Mortgage, LLC ("Doral Mortgage") and Doral Recovery II, LLC ("Doral Recovery II").

2. As a bank holding company, DFC was subject to regulation by the Board of Governors of the Federal Reserve System and oversight by the Federal Reserve Bank of New York. Doral Bank was subject to regulation and oversight by the FDIC and the Puerto Rico Office of the Commissioner of Financial Institutions ("OCIF"). In addition, DFC's banking and non-banking subsidiaries were overseen by various other federal and state authorities.

3. On February 27, 2015 (the "Receivership Date"), Doral Bank was closed by the Director of OCIF, the FDIC was named as receiver, and OCIF advised that the Receiver was immediately taking possession of Doral Bank (the "Receivership"). Immediately after its appointment, the Receiver sold a large portion of the assets of Doral Bank to Banco Popular de

¹ This Proof of Claim is being filed with the FDIC's electronic filing system, which requires inputting an amount for the claim and will not permit an indication that the claim is contingent or unliquidated in amount. As set forth herein, Doral Recovery holds contingent and unliquidated claims. Solely to permit the submission of this Proof of Claim in the FDIC's electronic claim system, Doral Recovery has input a claim amount of \$1, because a number must be entered. Doral Recovery's claim is as set forth herein in the entirety of the Proof of Claim and is not limited to \$1.

Puerto Rico (“Popular”) pursuant to that certain Purchase and Assumption Agreement, dated as of February 27, 2015, among the Receiver and Popular (the “Assumption Agreement”).

4. On March 11, 2015 (the “Bankruptcy Petition Date”), DFC commenced a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The automatic stay in DFC’s chapter 11 case prohibits any entity, including the Receiver and Popular, from, among other things, taking any action to obtain possession of property of DFC’s estate or to exercise control over such property.

5. Pursuant to section 1821(d) of title 12 of the United States Code, the Receiver set June 4, 2015, as the last day to file claims against the Receivership. As described in detail below, Doral Recovery asserts claims against the Receivership.

Summary of Claims

6. In connection with the events described above, and as more fully described herein, Doral Recovery asserts the claims described below. Doral Recovery reserves all rights to amend and/or supplement this Proof of Claim at any time and in any respect and to assert any and all other claims of whatever kind or nature that it has, or may have, against Doral Bank, the Receivership, or the Receiver. The claims asserted are unsecured, unless otherwise noted and, except to the extent that Doral Bank or the Receiver asserts claims against Doral Recovery. To the extent of any such claims asserted by Doral Bank or the Receiver, Doral Recovery asserts that the claims asserted hereunder are secured.

7. On the Receivership Date and shortly thereafter, a substantial portion of DFC’s books and records – including books and records pertinent to Doral Recovery – were seized by the Receiver, and some were transferred by the Receiver to the custody of Popular. As a result, this Proof of Claim has been prepared using the information available to Doral

Recovery, which was, in certain instances, only summary information set forth in DFC's books and records. Supporting documentation, to the extent available to Doral Recovery, will be made available upon request. However, as a consequence of the Receiver having taken a substantial portion of DFC's records, the Receiver may already have access to all necessary supporting documentation. To the extent Doral Recovery gains access to additional documents not currently in its possession, and additional claims arise from such documents, Doral Recovery reserves all rights to assert such additional claims or amend the claims asserted herein.

Proof of Claim

8. Accounts. To the extent any Doral Recovery funds are held in former Doral Bank accounts that are now in control of the Receiver or were transferred to Popular after the Receivership Date, Doral Recovery asserts a claim to such funds.

9. Repurchase Obligations. DFC and Doral Bank are parties to various agreements with the Federal National Mortgage Association ("Fannie Mae"). DFC sold mortgage loans to Fannie Mae pursuant to certain master agreements. In certain instances, these sales were subject to limited recourse obligations of DFC to repurchase loans in defined circumstances. Doral Recovery asserts a claim to the extent it has any recourse liability with respect to such loans. In addition, Doral Recovery sold loans to various third parties, some of which may be subject to repurchase requests due to deficiencies in collateral documentation. To the extent Doral Recovery has any recourse liability with respect to loans it has sold to third parties, Doral Recovery asserts a claim for such amounts.

10. Indemnity Claims. To the extent any creditor of Doral Recovery asserts an indemnity, contribution, or similar claim against Doral Recovery for Doral Bank-related issues, Doral Recovery asserts a claim for such amounts. DFC's bylaws provide for the indemnification

of all DFC directors and officers. Prior to the Bankruptcy Petition Date, certain employees of Doral Bank were also officers of Doral Recovery. To the extent that such officers (or any directors, officers, or employees of Doral Bank) assert indemnification or contribution claims against Doral Recovery, Doral Recovery hereby asserts claims for reimbursement of such claims.

11. Use and Sale of Doral Recovery's Property. Doral Recovery asserts a claim against the Receiver to the extent the Receiver has taken possession and control, on the Receivership Date, of property (including, but not limited to, furniture, fixtures, equipment, electronically-stored data, hard copy documents, and other tangible and intangible assets) owned by Doral Recovery. Doral Recovery also asserts a claim for the Receiver's conversion of Doral Recovery's property, if any, by purporting to transfer an ownership interest in some or all of such property to Popular.

12. Doral Recovery expressly reserves its right to make additional claims for reasonable payment for the taking and/or use-value of such property, plus interest, for each month the transferred property is and has been used.

13. Improperly Allocated Intercompany Claims. Doral Recovery asserts a claim for all expenses incurred on behalf of Doral Bank prior to the Receivership Date, which expenses resulted in intercompany receivables owed by Doral Bank to Doral Recovery and are reflected as such in the books and records of Doral Recovery and Doral Bank (the "Intercompany Receivable Claims").

14. Doral Recovery continues to investigate claims against Doral Bank and its subsidiaries and reserves all rights to assert additional claims on account of any and all other intercompany receivables owed to Doral Recovery by such entities.

15. Administrative Claims. Doral Recovery may have paid or become liable for costs and/or expenses that inured to the benefit of Doral Bank subsequent to the Receivership Date. These amounts may include, without limitation, liability incurred by Doral Recovery as a result of Popular's decision to exclude certain contracts from the Assumption Agreement and expenses incurred by Doral Recovery that may have benefited Doral Bank or the Receivership. Doral Recovery reserves all rights to assert claims for all such costs and expenses. Doral Recovery will provide documentation with respect to any and all administrative claims when such documents become available. Doral Recovery also asserts an administrative claim to the extent all or any part of the claims described in this Proof of Claim constitute administrative expenses of the Receiver under 12 U.S.C. § 1821(d)(11).

16. Tax Assets. DFC is a party to a closing agreement, entered into on September 26, 2006 (the "2006 Closing Agreement")² with the Commonwealth of Puerto Rico's taxing authority (the "Hacienda"), pursuant to which it was determined that DFC and certain affiliates had available tax deductions of \$889.7 million. In addition, DFC, Doral Bank, Doral Insurance Agency, LLC, Doral Properties, Inc., Doral Recovery, Doral Recovery II, and certain other affiliates are parties to a closing agreement entered into on December 13, 2013 (the "2013 Closing Agreement") between the Doral Group and the Hacienda, it was established that DFC and its affiliates had overpaid an additional \$56 million in taxes.

17. Doral Recovery asserts a claim to all tax assets, attributes, refunds, and other tax benefits owned by or due to Doral Recovery (the "Tax Assets"), including, but not

² Certain of the provisions of the 2006 Closing Agreement were supplemented by a subsequent closing agreement executed in 2012 (the "2012 Closing Agreement"), which represented a negotiated resolution that DFC and certain affiliates were entitled to refunds of taxes in the amount of \$229.9 million. However, the 2012 Closing Agreement was deemed void by a decision of the Court of Appeals of Puerto Rico in February 2015. The 2006 Closing Agreement remains valid and Doral Bank has no interest or valid claim to any of the rights, privilege, or entitlement contained in the 2006 Closing Agreement.

limited to, all rights and benefits of the 2006 and 2013 Closing Agreements. To the extent Doral Bank receives benefits from such Tax Assets, or takes any action to compromise such Tax Assets, Doral Recovery hereby asserts a claim for such amounts and any damages or other loss of value resulting from such actions.

18. Intercompany Claims. Doral Recovery asserts a claim for any and all amounts due under any intercompany expense sharing agreement, intercompany loan, or other intercompany receivable, including, without limitation, any fees or commissions due under any intercompany services agreement or similar agreement, and damages for breach of any intercompany agreement. Doral Recovery continues to investigate its claims against Doral Bank and its subsidiaries and reserves all rights to assert additional claims on account of any and all other intercompany receivables owed to Doral Recovery by such entities. Doral Recovery asserts a claim for any costs of Doral Bank paid for by Doral Recovery or costs of Doral Bank allocated by intercompany transfers to Doral Recovery.

19. Vendor Contract Claims. Doral Recovery reserves its right to assert any claims arising from agreements with vendors (the "Vendors") who lease property, perform services, deliver goods, or license software that primarily benefit the banking operations formerly owned by Doral Bank (the "Vendor Contracts"). Moreover, Doral Recovery asserts a claim for the avoidance and recovery of any and all payments made by Doral Recovery on account of Vendor Contracts or other contracts that were made for the benefit of Doral Bank.

20. Fees, Costs and Expenses. As a direct result of the actions of the Receiver, Doral Recovery has been forced to incur substantial fees, costs, and expenses, including, without limitation, attorneys' fees, costs, and expenses. These fees, costs, and expenses relate not only to the DFC's bankruptcy proceedings, which were a direct result of the

acts of the Receiver, but also to the numerous other actions and proceedings that have been, or will be, commenced in connection with the Receivership, including, but not limited to, the filing of this Proof of Claim and any subsequent litigation or administrative proceeding related therewith. As a result, Doral Recovery hereby asserts claims for all such fees, costs, and expenses, until such time as those fees, costs, and expenses are paid in full.

21. Interest. Doral Recovery asserts a claim for interest, at the applicable contract rate or a reasonable market rate, on account of amounts owed to Doral Recovery pursuant to its Proof of Claim and any and all contingent and/or unliquidated claims from the Receivership Date until receipt of payment.

22. General Reservation of Rights. Prior to the Receivership Date, Doral Recovery and Doral Bank jointly maintained their respective financial and other records. The Receiver's sale of substantially all the assets of Doral Bank to Popular has made it difficult for Doral Recovery to obtain information for the preparation of this Proof of Claim. In particular, many of Doral Recovery's books and records were seized by the Receiver, and some were transferred to the custody of Popular. Doral Recovery finds itself in the position of not being in control of certain information relating to their operations and financial affairs, including, but not limited to, certain accounting information. Information relevant to Doral Recovery's Proof of Claim was prepared, in part, based upon the information and work product and/or representations made available to Doral Recovery and its professionals by representatives of the Receiver and Popular. Given Doral Recovery's limited, and in most cases indirect, access to the information relating to this Proof of Claim, Doral Recovery is still in the process of verifying the accuracy or completeness of all the information, statements and representations of the Receiver and Popular.

23. Doral Recovery reserves all rights to assert claims against the FDIC and/or OCIF for each of their own actions or inactions, including, without limitation, claims against the FDIC and/or OCIF arising out of the events leading up to and during the Receivership regarding the conduct of the FDIC, OCIF, and their agents, including, but not limited to, those for conversion of property or any mismanagement or mishandling of the Receivership. To the extent any such claims exist, Doral Recovery reserves its rights to assert them against the FDIC and/or OCIF and their agents.

24. Doral Recovery reserves the right to amend and/or supplement this Proof of Claim and to assert any and all other claims of whatever kind or nature that it has, or that it may have, including, but not limited to, interest, costs of collection, and other expenses incurred prior to payment in full of the amounts described above.

25. The Receiver may also be in possession of property that belongs to Doral Recovery, which the Receiver is obligated to return to Doral Recovery and/or as to which Doral Recovery is entitled to an equitable lien, constructive or resulting trust, turnover under 11 U.S.C. § 542, or other legal or equitable relief. Doral Recovery expressly reserves the right to seek recovery under any or all of these or other remedies in law or equity.

26. The filing of this Proof of Claim shall not be deemed a waiver or release of any claims whatsoever.

27. In addition, Doral Recovery reserves all rights to assert any or all of the claims described herein and any additional claims, whether contingent, unliquidated, or otherwise, against Popular and/or Doral Bank's subsidiaries in any forum of competent jurisdiction.

28. The filing of this Proof of Claim shall not be deemed to constitute a waiver of any rights that Doral Recovery may have against the FDIC, OCIF, or any other entity, including, without limitation, Doral Mortgage, Doral Recovery II, Doral Money, Inc., and any other subsidiaries, direct or indirect, or affiliates of Doral Bank.

29. Doral Recovery reserves all rights to present any and all claims in any forum of competent jurisdiction, and the filing of this Proof of Claim shall not be deemed to constitute a concession that there is no other appropriate forum for asserting the claims set forth herein.

30. All notices concerning this Proof of Claim should be sent to:

Doral Financial Corporation
999 Ponce de Leon Boulevard
Suite 730
Coral Gables, FL 33134
Attn: Enrique R. Ubarri

-and -

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Mark I. Bane
Telephone: (212) 841-8808
Facsimile: (646) 728-1662

Exhibit C

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
 In re : Chapter 11
 :
 Doral Financial Corporation, *et al.*,¹ : Case No. 15-10573 (SCC)
 :
 Debtors. : Jointly Administered
 -----X

ORDER APPROVING JOINT MOTION OF DORAL FINANCIAL CORPORATION, DORAL PROPERTIES, INC., AND THE COMMITTEE TO APPROVE SETTLEMENT WITH THE FDIC-R AND RELATED PARTIES

Upon consideration of the *Joint Motion of Doral Financial Corporation, Doral Properties, Inc., and the Committee to Approve Settlement With the FDIC-R and Related Parties* (the "Motion") seeking an order approving that certain Settlement Agreement² and it appearing that no other or further notice need be provided, and no objections to approval of the Settlement Agreement having been filed or received; and it appearing that the relief requested is in the best interests of these estates, their creditors, and other parties-in-interest, and the Court having reviewed the Settlement Agreement; and after due deliberation and sufficient cause appearing therefor, it is hereby:

ORDERED THAT:

1. The Motion is GRANTED.
2. The Settlement Agreement attached as Exhibit A hereto is hereby approved in all respects, pursuant to Bankruptcy Rule 9019. The Debtors are authorized and directed to consummate the Settlement Agreement in accordance with its terms.

¹ The last four digits of the taxpayer identification number of the Debtor are: Doral Financial Corporation (2162) and Doral Properties, Inc. (2283).

² All capitalized terms used but not defined herein shall have the meanings given to them in the Motion.

3. Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Order.

4. The Settlement Agreement may be modified, amended, or supplemented through a written agreement by and among the Debtors, the Committee, and the other parties thereto in accordance with the terms thereof without further order of the Court.

5. This Court retains jurisdiction with respect to all matters arising from or related to the Settlement Agreement or enforcement of this Order, including the authority to interpret, implement and enforce the terms and provisions of the Settlement Agreement and this Order.

Dated: _____, 2016
New York, New York

HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Settlement Agreement