

Exhibit 1

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

RAYMOND CAHNMAN, derivatively
on behalf of STERLING BANCORP,
INC.,

Plaintiff,

v.

BARRY ALLEN, PEGGY DAITCH,
SETH MELTZER, SANDRA J.
SELIGMAN, PETER SINATRA,
RACHEL TRONSTEIN STEWART,
and LYLE WOLBERG,

Defendants,

and

STERLING BANCORP, INC.,

Nominal Defendant.

Case No. 2:22-cv-10124

STIPULATION OF SETTLEMENT

Subject to the approval of the Court, the Settling Parties, by their undersigned attorneys, hereby stipulate and agree to the Settlement of the above-referenced action (the “Action”), in which plaintiff Raymond Cahnman, a shareholder of nominal defendant Sterling Bancorp, Inc. (“Sterling” or the “Company”), has asserted

derivative claims on behalf of Sterling. All terms with initial capitalization shall have the meanings ascribed to them in Section V.1 (“Definitions”) below.

I. FACTUAL BACKGROUND

The Company is a unitary thrift holding company incorporated under Michigan law with its principal place of business in Southfield, Michigan. Its primary business is to act as the holding company for the Sterling Bank and Trust, F.S.B. (“Sterling Bank” or the “Bank”). The Company was privately held until it completed an initial public offering in November 2017.

Sterling Bank is a federal savings bank founded in 1984. In addition to its headquarters branch in Southfield, Michigan, the Bank has branches in California, New York City, and Bellevue, Washington. As a thrift holding company, the Company is subject to regulation by the Federal Reserve. Sterling Bank is supervised by the Office of the Comptroller of the Currency (“OCC”) and the Federal Deposit Insurance Corporation (“FDIC”).

In 2011, the Bank launched its Advantage Loan Program (“ALP”), through which it offered adjustable-rate residential mortgages to borrowers in underserved communities. Advantage Loans were adjustable rate residential mortgage loans with a minimum 35% down payment requirement. The program had lower documentation requirements than conforming mortgages, including by permitting loans to applicants with limited or no credit histories or non-traditionally verifiable

sources of income. At the time of the Company's initial public offering, ALP mortgage loans represented 75% of the Bank's residential loan portfolio. In 2019 (the last year of the program), ALP loans accounted for approximately 77% of the Bank's residential loan production.

Regulatory concerns arose concerning aspects of the ALP. On June 18, 2019, the Bank entered into a formal agreement with its primary regulator, the OCC, to address those concerns (the "OCC Agreement"). Plaintiff alleges, based partly on the OCC Agreement, that for more than a year-and-a-half Sterling failed to address known deficiencies in the Bank's internal controls, including those relating to anti-money laundering laws, and continued to issue inaccurate disclosures regarding its financial performance and operational risk.

On December 9, 2019, the Company announced that it had suspended the ALP in connection with the ongoing internal review. Several months later, on March 6, 2020, the Company announced that the ALP would not be restarted. The filing explained that preliminary results of the internal review indicated that certain employees "engaged in misconduct in connection with the origination of such loans," that in connection with the review a "significant number of employees either ha[d] been terminated . . . or ha[d] resigned" (including a senior vice president responsible for the ALP in California), and that "additional terminations or resignations" were possible. It also disclosed the existence of ongoing investigations

by the OCC and United States Department of Justice (“DOJ”), and that Sterling would not be in a position to file its annual report on Form 10-K by the applicable deadline.

Plaintiff has alleged that these announcements and other ALP-related disclosures were incomplete and overdue and triggered sudden, sharp declines in the market price of the Company’s common stock. Plaintiff has further alleged, based partly on documents made public through the DOJ’s successful prosecution of Sterling’s top-performing loan officers, that the Individual Defendants (i) either knew about or recklessly disregarded widespread misconduct in the origination of residential loans to unqualified borrowers for the purpose of money laundering and tax evasion; and (ii) knowingly or recklessly stalled in attempting to remedy and disclose systematic violations of the Company’s underwriting policies and federal law.

Since the events set forth in the Cahnman Demand Letter (defined below), the composition of the boards of directors of Sterling and the Bank has changed significantly. On December 19, 2019, the Company announced the appointment of Peggy Daitch as an independent director. On June 1, 2020, the Company announced that it had hired Thomas M. O’Brien as chairman, president, and chief executive officer of the Company and the Bank. On September 22, 2020, the Company announced that Steven Gallotta and Denny Kim had been appointed as independent

directors. On December 17, 2020, the Company announced the appointment of Tracey Dedrick as an independent director. Independent directors Barry Allen, Thomas Minielly, and Rachel Tronstein Stewart stepped down from their roles during this time, and affiliated directors Peter Sinatra, Gary Judd, and Thomas Lopp also left the board.

II. PROCEDURAL HISTORY

On February 26, 2020, Oklahoma Police Pension and Retirement System filed in this Court a securities class action lawsuit against Sterling and certain of its officers, captioned *Oklahoma Police Pension and Retirement System v. Sterling Bancorp, Inc., et al.*, Case No. 5:20-cv-10490-JEL-EAS (the “Securities Class Action”).

On July 28, 2020, Plaintiff served the Cahnman Demand Letter on the Board of Directors of Sterling (the “Board”) demanding that the Board pursue litigation against various individuals based on the same or substantially similar facts as alleged in the Securities Class Action.

On September 22, 2020, in accordance with Michigan law, MCL § 450.1495(2)(b), the Board appointed a committee (the “Demand Review Committee”), comprised of three independent directors who joined the Board after the events at issue, to investigate the matters raised in the Cahnman Demand Letter

and determine whether proceeding with the corporate causes of action described in the letter was in the best interests of the Company.

On October 5, 2020, the Demand Review Committee, through its counsel, acknowledged receipt of the Demand and sought Plaintiff's agreement to extend the 90-day response period under MCL § 450.1493a to allow the Demand Review Committee time to complete its work.

The Demand Review Committee and its outside, independent counsel DLA Piper LLP (US) reviewed investigative work concerning the Advantage Loan Program and the misconduct that is the focus of the Cahnman Demand Letter by: (i) the boards of directors of the Company and the Bank; (ii) a committee of the Bank's board formed in January 2020 that is known as the Independent Director Review Committee (the "IDRC"); (iii) the law firm Arnold & Porter Kaye Scholer LLP ("Arnold & Porter"); and (iv) others ultimately reporting to the boards of directors. All of the members of the Demand Review Committee also are members of the IDRC.

In early 2021, criminal information statements and plea agreements were filed, including in this Court, against certain former Sterling loan officers.

On February 1, 2021, prior to adjudication of a motion to dismiss, the Company announced that it had reached an agreement in principle to settle the Securities Class Action.

On February 11, 2021, Plaintiff sent the Board a settlement demand letter exploring a potential settlement of the Demand.

On April 5, 2021, the Demand Review Committee contacted counsel for Plaintiff to initiate negotiations of a potential settlement.

The parties conducted negotiations over the course of several months, and on October 19, 2021 executed a term sheet documenting the principal terms of the parties' agreement to settle the claims described in the Demand (the "Term Sheet"). Plaintiff continues to believe that his claims have legal merit, but nevertheless recognizes and acknowledges the risk and uncertainty of prosecuting this Action.

Sterling and the Individual Defendants deny any and all allegations of wrongdoing, fault, liability, or damage whatsoever; deny that they engaged in, committed, or aided and abetted the commission of any breach of duty, wrongdoing, or violation of law; deny that Plaintiff or the Company suffered any damage whatsoever as a result of Sterling's or the Individual Defendants' conduct; deny that they acted improperly in any way; believe that they acted properly at all times; maintain that they complied with federal laws, state laws, and any applicable ethical or professional rules or standards; and maintain that they neither committed nor aided and/or abetted any breach of duty or wrongdoing whatsoever in connection with the subject matter of the Action.

Between October 20 and November 18, 2021, Plaintiff's counsel conducted confirmatory discovery to confirm the fairness, adequacy and reasonableness of the settlement terms. Among other things, Plaintiff's counsel reviewed Sterling's public filings, as well as hundreds of pages of non-public documents produced by Sterling, received a presentation from counsel for the Demand Review Committee of the actions taken by the Committee to investigate and evaluate the allegations and claims raised in the Cahnman Demand Letter, and on November 18, 2021, conducted an interview of Sterling's Chairman, Chief Executive Officer and President Thomas M. O'Brien.

III. PLAINTIFF'S INVESTIGATION AND RESEARCH

Plaintiff's counsel conducted an investigation concerning the claims asserted in the Demand and the Action, which investigation included reviews of: (i) Sterling's public filings with, among others, the U.S. Securities and Exchange Commission ("SEC"); (ii) public filings by the OCC, DOJ, and other governmental authorities; (iii) the allegations in the Securities Class Action; and (iv) other news and information regarding Sterling and its directors, officers, and employees. Plaintiff's counsel also researched and reviewed applicable law and additional authorities, including, among others, pertinent Michigan and federal law, banking and other financial regulations, and authorities concerning corporate governance and internal controls.

Based on Plaintiff's counsel's investigation and research, including the confirmatory discovery discussed above, Plaintiff believes and submits that the Settlement is fair, reasonable, and adequate and in the best interests of Sterling and its shareholders.

IV. THE DEMAND REVIEW COMMITTEE'S INVESTIGATION AND RESEARCH

The Demand Review Committee's counsel was provided access to a repository of approximately 8.7 million pages of documents collected in the course of Arnold & Porter's work on behalf of the IDRC, and counsel reviewed extensive materials from that collection. At the Committee's request, Arnold & Porter provided three separate briefings to DLA Piper that Arnold & Porter previously had provided to Sterling's independent auditors Crowe LLP regarding findings from the IDRC's internal investigation.

DLA Piper reviewed, among other materials: board and committee minutes; board meeting materials; filings with the SEC; materials relating to the OCC Agreement; filings in the Securities Class Action; policies promulgated by Sterling and the Bank; documents concerning Bank employees who were terminated or resigned in connection with an internal review conducted by the IDRC; and compensation information for certain employees, officers, and directors. By the time the parties began to discuss terms of a possible settlement, the Demand Review Committee and its counsel also had conducted interviews of five current or former

directors and had scheduled or were in the process of scheduling interviews with the other members of Sterling's Board.

Based on its investigation and research, the Demand Review Committee believes and submits that the Settlement is fair, reasonable, and adequate and in the best interests of Sterling and its shareholders.

V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by the Settling Parties, each by and through their respective counsel, in consideration of the benefits flowing to the Parties from the Settlement, and subject to the approval of the Court, that the claims asserted in the Action and the Released Claims shall be finally and fully compromised, settled, and released, and the Action shall be dismissed with prejudice and with full preclusive effect as to all Parties, upon and subject to the terms and conditions of this Stipulation, as follows:

1. Definitions

As used in this Stipulation, in addition to terms defined elsewhere in this Stipulation, the following terms have the meanings specified below:

1.1 "Action" means the above-captioned action, *Cahnman, derivatively on behalf of Nominal Defendant Sterling Bancorp, Inc. v. Allen, et al.*, Case No. 2:22-cv-10124 (E.D. Mich.).

1.2 “Advantage Loan” means a loan that was issued by Sterling Bank through the ALP.

1.3 “ALP” means the Sterling Bank Advantage Loan Program.

1.4 “Bar Order” has the meaning ascribed to it in Section 4.4 of this Stipulation

1.5 “Board” has the meaning ascribed to it in Section II of this Stipulation.

1.6 “Cahnman Demand Letter” means the letter dated July 28, 2020, which Plaintiff served on the Board demanding that the Board pursue litigation against various individuals.

1.7 “Court” means the U.S. District Court for the Eastern District of Michigan.

1.8 “Defendants” means, collectively, nominal defendant Sterling and the Individual Defendants. “Defendant” means, individually, any of the Defendants.

1.9 “Demand” means the Cahnman Demand Letter.

1.10 “Demand Review Committee” has the meaning ascribed to it in Section II of this Stipulation.

1.11 “DOJ” has the meaning ascribed to it in Section I of this Stipulation.

1.12 “Effective Date” has the meaning ascribed to it in Section V.6.8 of this Stipulation.

1.13 “Execution Date” means the date this Stipulation has been signed by all the signatories through their respective counsel.

1.14 “FDIC” has the meaning ascribed to it in Section I of this Stipulation.

1.15 “Fee and Expense Award” has the meaning ascribed to it in Section V.5 of this Stipulation.

1.16 “Final” means the date upon which the last of the following shall occur with respect to the Judgment approving this Stipulation: (1) the expiration of all time to file a notice of appeal or other review of the Judgment; (2) if any appeal or other review of such Judgment is filed, the court of appeals has either affirmed the Judgment or dismissed that appeal and the time for any reconsiderations or further appellate review has passed; or (3) if a higher court has granted further appellate review, that court has either affirmed the underlying Judgment in all material respects or affirmed the court of appeal's decision affirming the Judgment or dismissing the appeal. For purposes of this paragraph, an “appeal” shall not include any appeal that concerns only the issue of attorneys’ fees and expenses. Any proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to the application for attorneys’ fees, costs, or expenses, shall not in any way delay or preclude the Judgment from becoming Final.

1.17 “IDRC” has the meaning ascribed to it in Section II of this Stipulation.

1.18 “Individual Defendants” means Barry Allen, Peggy Daitch, Seth Meltzer, Sandra J. Seligman, Peter Sinatra, Rachel Tronstein Stewart, and Lyle Wolberg.

1.19 “Judgment” means the [Proposed] Final Judgment and Order of Dismissal to be rendered by the Court, substantially in the form of **Exhibit D** attached hereto, or another order and judgment in substantially similar form.

1.20 “Notice” means the Notice of Pendency and Proposed Settlement of Stockholder Action, substantially in the form of **Exhibit B** attached hereto.

1.21 “OCC” has the meaning ascribed to it in Section I of this Stipulation.

1.22 “OCC Agreement” has the meaning ascribed to it in Section I of this Stipulation.

1.23 “Parties” means, collectively, the Settling Parties. “Party” means, individually, any of the Parties.

1.24 “Person” means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.25 “Plaintiff” means Raymond Cahnman.

1.26 “Plaintiff’s Counsel” means Kessler Topaz Meltzer and Check, LLP, Glancy Prongay & Murray LLP, and Anthony L. DeLuca, PLC.

1.27 “Preliminary Approval Order” means the [proposed] order preliminarily approving the Settlement, providing for Notice, and setting a date for the Settlement Hearing to be rendered by the Court, substantially in the form attached hereto as **Exhibit A**.

1.28 “Reforms” has the meaning ascribed to it in Section V.2.1 of this Stipulation.

1.29 “Released Claims” means all Claims, including known and Unknown Claims, against any of the Released Parties that (i) were asserted or could have been asserted derivatively on behalf of Sterling or the Bank in the Action; (ii) would have been barred by res judicata had the Action been litigated to final judgment; or (iii) that could have been, or could in the future be, asserted derivatively on behalf of Sterling or the Bank in any forum or proceeding or otherwise against any of the Released Parties that concern, arise out of or relate, directly or indirectly, in any way to any of the subject matters, allegations, transactions, facts, occurrences, representations, statements, or omissions alleged, involved, set forth, or referred to in any complaint or demand letter in the Action including, but not limited to, claims for breach of fiduciary duty, waste of corporate assets, unjust enrichment, contribution and indemnification, money damages, disgorgement, any and all

demands, actions, damages, claims, rights or causes of action, or liabilities whatsoever, provided that Released Claims shall not include claims to enforce the terms of this Settlement.

1.30 “Released Directors” means Barry Allen, Jon Fox, Peggy Daitch, Tracey Dedrick, Steven Gallotta, Denny Kim, Seth Meltzer, Thomas Minielly, Thomas M. O’Brien, Sandra J. Seligman, Peter Sinatra, Rachel Tronstein Stewart Benjamin Wineman, and Lyle Wolberg.

1.31 “Released Parties” means Sterling, Sterling Bank, their respective subsidiaries, affiliated entities, attorneys, accountants, auditors, banks or investment banks, bankers, trustees, the Released Directors, and each of the Released Directors’ successors, assigns, spouses, heirs, executors, estates, attorneys, or administrators, and all of their insurers.

1.32 “SEC” has the meaning ascribed to it in Section III of this Stipulation.

1.33 “Securities Class Action” means the securities class action captioned *Oklahoma Police Pension and Retirement System v. Sterling Bancorp, Inc., et al.*, Case No. 5:20-cv- 10490-JEL-EAS (E.D Mich.).

1.34 “Settlement” and “Settlement Agreement” both mean the Settlement documented in this Stipulation.

1.35 “Settlement Hearing” means the hearing set by the Court to consider final approval of the Settlement.

1.36 “Settling Parties” means Plaintiff, Sterling, and the Individual Defendants.

1.37 “Shareholder” means any holder of record or beneficial holder of Sterling common stock as of the date of the Preliminary Approval Order.

1.38 “Sterling” or the “Company” have the meaning ascribed to them in the introductory paragraph of this Stipulation.

1.39 “Sterling Bank” or the “Bank” have the meaning ascribed to them in Section I of this Stipulation.

1.40 “Stipulation” means this Stipulation of Settlement.

1.41 “Summary Notice” means the Summary Notice of Pendency and Proposed Settlement of Stockholder Action, substantially in the form of **Exhibit C** hereto.

1.42 “Term Sheet” has the meaning ascribed to it in Section II of this Stipulation.

1.43 “Unknown Claims” include Released Claims which any Party or Released Party does not know or suspect to exist on behalf of Sterling or in his, her, or its favor at the time of the release of the Released Parties, and which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Parties, or might have affected his, her, or its decision not to object to the Settlement. With respect to any and all Released Claims, the Parties agree that upon the Effective

Date, the Parties expressly waive the provisions, rights, and benefits conferred by or under California Civil Code section 1542, or any other law of the United States or any state or territory of the United States, or principle of foreign or common law, which is similar, comparable, or equivalent to section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

2. Corporate Governance Reforms, Recoupment of Compensation and Refusal to Advance Costs

2.1 Sterling, through its Board, has adopted and implemented or will adopt and implement the corporate governance reforms set forth in **Exhibit E** attached hereto (the “Reforms”), and agrees to maintain the reforms for the time period identified in the Reforms.

2.2 Sterling, through its Board, agrees, consistent with its duties and weighing the associated costs and burdens, including the impact, if any, on ongoing government investigations, to continue to pursue recoupment of compensation paid to a certain former employee and continues to evaluate pursuing similar claims with respect to others to the extent consistent with actions taken by the DOJ.

2.3 The Sterling Board and the IDRC continue to evaluate possible claims by the Company or the Bank against various individuals or the refusal to advance

defense costs to any such individuals relating to the matters raised in the Cahnman Demand Letter, taking into account relevant factors, including the potential net recovery from such litigation, any need to coordinate timing due to ongoing government investigations, the expense and potential disruption that would be associated with such actions, and other factors.

2.4 The Sterling Board agrees and acknowledges that: (a) the Cahnman Demand Letter and Plaintiff's settlement efforts contributed to the Board's adoption, implementation, and maintenance of the settlement consideration identified in Sections 2.1 to 2.3, *supra*; (b) the settlement consideration identified in Sections 2.1 to 2.3, *supra*, confers substantial benefits on the Company; and (c) the Settlement is fair, reasonable, and in the best interests of the Company and its shareholders.

2.5 The Released Parties shall have no monetary obligation to Plaintiff, any Shareholder, or the Company under this Settlement. For the avoidance of doubt, neither Plaintiff, any Shareholder, nor Plaintiff's Counsel shall seek any other relief as a condition of the Settlement, and the Released Parties shall have no other obligations, liabilities, or responsibilities in connection with the Settlement or the Action, except as specifically set forth herein.

3. Retention of Exclusive Authority to Pursue Claims

3.1 Subject to Section 6 herein, the Sterling Board will retain the exclusive authority provided under Michigan law to determine whether to pursue litigation or

other actions that would be appropriate with respect to persons or entities identified in the Cahnman Demand Letter, or other relevant persons or entities, based on their conduct concerning, related to, or arising from the matters raised in the Cahnman Demand Letter.

3.2 Upon Final approval of the Settlement by the Court, Plaintiff irrevocably assigns to the Sterling Board whatever current or future right Plaintiff had, has, or might have had, derivatively or otherwise, to pursue claims or legal action against such individuals or entities arising from their roles or interactions with Sterling or the Bank.

4. Procedures for Implementing the Settlement

4.1 Within ten (10) business days after execution of this Stipulation, Plaintiff shall submit this Stipulation and its exhibits to the Court and shall apply for an order substantially in the form of **Exhibit A** hereto, requesting: (1) preliminary approval of the Settlement and entry of the Preliminary Approval Order; (2) approval of the dissemination of the Notice substantially in the form of **Exhibit B** hereto; (3) approval of the publication of the Summary Notice substantially in the form of **Exhibit C** hereto; and (4) a date for the Settlement Hearing, pursuant to Federal Rule of Civil Procedure 23.1.

4.2 Unless otherwise ordered by the Court, no later than ten (10) business days after the issuance of the Preliminary Approval Order, Sterling shall: (a) cause

to be furnished or filed with the SEC a Form 8-K which will (i) state that a settlement of the Action has been reached, (ii) provide the website link for the Settlement Agreement and Notice on Sterling's corporate website (<http://www.sterlingbank.com>), and (iii) attach a copy of the Notice; (b) cause the Summary Notice to be published once in *Investor's Business Daily*; and (c) post a copy of the Stipulation and the Form 8-K with the Notice on Sterling's corporate website. Sterling shall be responsible for all costs and expenses related to the posting and publication of notice.

4.3 At least fourteen (14) business days before the Settlement Hearing, counsel for Sterling or the Demand Review Committee shall file with the Court an appropriate affidavit or declaration regarding the furnishing or filing and publication of the Notice and Summary Notice.

4.4 Plaintiff will request the Court to hold the Settlement Hearing after notice has been disseminated, and that, at the Settlement Hearing, will request the Court to finally approve the Settlement and to enter the Judgment: (a) approving the terms of the Settlement as fair, reasonable and adequate; (b) releasing all Released Claims against the Released Parties; (c) entering a bar order that enjoins future contribution claims against the Released Directors (the "Bar Order"); (d) awarding Plaintiff's Counsel the Fee and Expense Award (defined in paragraph 5.1 below); and (e) dismissing the Action with prejudice and entering Final Judgment in the

Action to that effect. Sterling and the Board will not oppose the requests provided for in this Section 4.4.

5. Attorneys' Fee and Expense Award

5.1 After reaching agreement on the material terms of the Settlement, counsel for the Demand Review Committee and Plaintiff's Counsel engaged in arm's-length negotiations regarding attorneys' fees to be awarded to Plaintiff's Counsel in connection with the Settlement. Subject to Court approval, Sterling and its Board have agreed not to oppose an application to the Court for an award of attorneys' fees and expenses, inclusive, in the amount of \$650,000.00 (the "Fee and Expense Award"), which Sterling shall pay or cause to be paid up to that amount as finally awarded by the Court. The Settling Parties intend the Fee and Expense Award, as finally approved by the Court, to constitute full and complete compensation for the services provided by Plaintiff's Counsel or any other counsel or vendor acting or purporting to act on Plaintiff's behalf in connection with the prosecution and settlement of the Action or the Demand. The Fee and Expense Award shall be paid by check or wire transfer to Kessler Topaz Meltzer and Check, LLP, as receiving agent for Plaintiff's Counsel, no later than ten (10) business days after the entry of the Preliminary Approval Order (provided that Sterling has been provided all payment instructions and a completed Form W-9 no later than 5 business days before such payment date), subject to Plaintiff's Counsel's obligation

to return any portion of the Fee and Expense Award not finally approved by the Court or reduced on appeal.

6. Effects of Settlement, Releases, Dismissal of Action and Termination

6.1 By entering into the Settlement Agreement, Sterling, the Bank, and the Released Directors, individually and collectively, do not admit any liability or wrongdoing.

6.2 Upon the entry of the Final Judgment, Plaintiff, for himself and derivatively on behalf of Sterling, and the Company shall, and by operation of the Final Judgment shall be deemed to have, fully, finally, and forever released, relinquished and discharged all Released Claims against the Released Parties, or any of them, and shall permanently be enjoined from asserting, commencing, prosecuting, assisting, instigating or in any way participating in the commencement or prosecution of any action or other proceeding, in any forum, asserting any Released Claim, whether directly, representatively, derivatively, or in any other capacity, against any of the Released Parties. The release shall not in any way impair or restrict the rights of any Party to enforce the terms of the Settlement, nor shall the release bar, preclude, release, or otherwise limit Sterling's right to pursue any claim, right, or cause of action against any person who is not a Released Party, including without limitation any current or former officer, director, employee, or shareholder of Sterling or the Bank who is not a Released Party.

6.3 Upon entry of the Final Judgment, the Released Parties shall be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished, and discharged Plaintiff and Plaintiff's Counsel from all claims (including Unknown Claims), arising out of, or in connection with the institution, prosecution, assertion, settlement, or resolution of the Action or the Demand. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Settlement.

6.4 The Settlement shall be binding on Sterling and all Sterling shareholders, including any Sterling shareholder who has made or might in the future make demands upon the Sterling Board concerning the matters raised in the Cahnman Demand Letter or who might file a shareholder derivative action on Sterling's behalf in any state or federal court arising from or concerning the same facts.

6.5 Sterling and its Board agree that (a) the Demand and the Action were commenced and pursued in good faith, were not frivolous, and are being settled voluntarily; and (b) throughout the course of the Demand, settlement negotiation, and Action, all parties and their counsel complied with the provisions of Federal Rule of Civil Procedure 11 and any similar provisions of applicable state law.

6.6 Provided that the Settlement has been approved by the Court as fair, reasonable, adequate and in the best interests of Sterling and its shareholders,

Plaintiff, Plaintiff's Counsel and Defendants' Counsel shall cooperate with one another and perform any other acts reasonably necessary to effectuate the dismissal with prejudice of the Action in accordance with the terms of the Settlement and entry of the Bar Order. Plaintiff shall not oppose the efforts of the Released Directors to enforce this Settlement, the Bar Order, or any Judgment or dismissal entered as a result of this Settlement in any proceeding in any forum.

6.7 The Parties agree that there will be no public announcements regarding the Settlement until either of the following occurrences, whichever occurs earlier: (a) Sterling has announced or disclosed the Settlement; or (b) the filing of any motion seeking preliminary approval of the Settlement.

6.8 The "Effective Date" is conditioned on the occurrence of all of the following events, and is the first date by which all of the following events and conditions have been met and have occurred:

- (a) approval of the Settlement, and each of its terms, by the Sterling Board, which Defendants' counsel represents already has been accomplished;
- (b) Court approval of the method and form of providing the Notice and Summary Notice, attached hereto as **Exhibits B and C**, respectively, to Sterling stockholders and entry by the Court of the Preliminary Approval Order that does not deviate materially from the form attached hereto as **Exhibit A**;
- (c) final approval of the Settlement by the Court following notice to Sterling shareholders;

- (d) entry by the Court of the Judgment that does not deviate materially from the form attached hereto as **Exhibit D**, approving the Settlement; and
- (e) the passing of the date upon which the Judgment becomes Final.

6.9 In the event of termination of this Settlement Agreement for any reason, the Parties shall revert to their respective status as of the date and time immediately prior to execution of the Term Sheet.

7. Additional Provisions

7.1 The undersigned counsel represent that they have authority from their respective clients to execute this Settlement, with the intent to be bound thereby.

7.2 This Stipulation may not be amended or modified, nor may any of its provisions be waived, except by written instrument signed by counsel for Plaintiff, the Individual Defendants, and Sterling or their successors-in-interest.

7.3 The Parties: (i) acknowledge that it is their intent to consummate this Stipulation and Settlement; and (ii) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Stipulation and the Settlement and to exercise their reasonable best efforts to accomplish the foregoing terms and conditions of this Stipulation and the Settlement.

7.4 This Stipulation shall be governed by, construed, performed, and enforced in accordance with the laws of the State of Michigan, without regard to any state's principles, policies, or provisions governing choice of law. The Settlement,

and all matters relating to its enforcement, will be subject to the continuing jurisdiction of the Court.

7.5 Sterling and the Individual Defendants deny any and all allegations of wrongdoing, fault, liability, or damage in the Action. The Parties covenant and agree that neither this Stipulation, nor the fact or any terms of the Settlement, or any communications relating thereto, is evidence, or an admission or concession by the Settling Parties, Released Parties, or their counsel, of any fault, liability, or wrongdoing whatsoever, as to any facts or claims alleged or asserted in the Action, or any other actions or proceedings, or as to the validity or merit of any of the claims or defenses alleged or asserted in any such action or proceeding. This Stipulation is not a finding or evidence of the validity or invalidity of any claims or defenses in the Action or any wrongdoing by the Settling Parties or the Released Parties. Neither this Stipulation, nor any of the terms and provisions of this Stipulation, nor any of the negotiations or proceedings in connection therewith, nor any of the documents or statements referred to herein or therein, nor the Settlement, nor the fact of the Settlement, nor the Settlement proceedings, nor any statements in connection therewith, (a) shall (i) be argued to be, used, or construed as, offered or received in evidence as, or otherwise constitute an admission, concession, presumption, proof, evidence, or a finding of any liability, fault, wrongdoing, injury or damages, or of any wrongful conduct, acts, or omissions on the part of any of the Settling Parties or

Released Parties, or of any infirmity of any defense, or of any damage to Plaintiff, any shareholder, or the Company, or any lack of merit of any claim, or lack of damages to Plaintiff, any shareholder, or the Company, or (ii) otherwise be used to create or give rise to any inference or presumption against any of the Settling Parties or Released Parties concerning any fact or any purported liability, fault, or wrongdoing of the Settling Parties or Released Parties or any injury or damages to any person or entity, or (b) shall otherwise be admissible, referred to, or used in any proceeding of any nature, for any purpose whatsoever; provided, however, that the Judgment may be introduced in any proceeding subject to Federal Rule of Evidence 408 and any and all other state corollaries thereto, whether in the Court or otherwise, as may be necessary to argue and establish that the Judgment has res judicata, collateral estoppel, or other issue or claim preclusion effect or to otherwise consummate or enforce the Settlement and Judgment or to secure any rights or proceeds of any of the Settling Parties or Released Parties as otherwise required by law.

7.6 The Parties intend this Settlement to be a final and complete resolution of all disputes between Plaintiff, the Individual Defendants, and Sterling with respect to the Action. The Settlement compromises claims that are contested and shall not be deemed an admission by any Party as to the merits of any claim, allegation, or

defense. The Parties further agree that the claims are being settled voluntarily after consultation with competent legal counsel.

7.7 Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, dated this 20th day of January, 2022.

DATED: January 20, 2022

**KESSLER TOPAZ MELTZER
& CHECK, LLP**



ERIC L. ZAGAR
280 King of Prussia Road
Radnor, Pennsylvania 19087
(610) 667-7706
E-mail: ezagar@ktmc.com

DATED: _____, 2022

**GLANCY PRONGAY & MURRAY
LLP**

BENJAMIN I. SACHS-MICHAELS
712 Fifth Avenue, 31st Floor
New York, New York 10019
(212) 935-7400
E-mail:
bsachsmichaels@glancylaw.com

defense. The Parties further agree that the claims are being settled voluntarily after consultation with competent legal counsel.

7.7 Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, dated this 20th day of January, 2022.

DATED: _____, 2022

**KESSLER TOPAZ MELTZER
& CHECK, LLP**

ERIC L. ZAGAR
280 King of Prussia Road
Radnor, Pennsylvania 19087
(610) 667-7706
E-mail: ezagar@ktmc.com

DATED: January 20, 2022

**GLANCY PRONGAY & MURRAY
LLP**

/s/ Benjamin I. Sachs-Michaels
BENJAMIN I. SACHS-MICHAELS
712 Fifth Avenue, 31st Floor
New York, New York 10019
(212) 935-7400
E-mail:
bsachsmichaels@glancylaw.com

DATED: January 20, 2022

ANTHONY L. DELUCA, PLC

/s/ Anthony DeLuca

ANTHONY DELUCA (P64874)
14950 East Jefferson Avenue, Suite 170
Grosse Pointe Park, Michigan 48230
(313) 821-5905
E-mail: anthony@aldplc.com

***Counsel for Plaintiff Raymond
Cahnman***

DATED: _____, 2022

DLA PIPER LLP (US)

RICHARD F. HANS
JOHN J. CLARKE, JR.
1251 Avenue of the Americas
New York, New York 10020
(212) 335-4500
E-mail: richard.hans@us.dlapiper.com
E-mail: john.clarke@us.dlapiper.com

DATED: _____, 2022

ZAUSMER, P.C.

MARK J. ZAUSMER (P31721)
32255 Northwestern Highway, Suite
225
Farmington Hills, Michigan 48334-
1574
(248) 851-4111
E-mail: mzausmer@zausmer.com

***Counsel for Nominal Defendant
Sterling Bancorp, Inc.***

DATED: _____, 2022

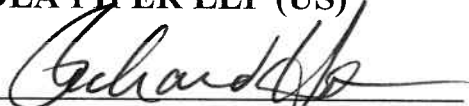
ANTHONY L. DELUCA, PLC

ANTHONY DELUCA (P64874)
14950 East Jefferson Avenue, Suite 170
Grosse Pointe Park, Michigan 48230
(313) 821-5905
E-mail: anthony@aldplc.com

*Counsel for Plaintiff Raymond
Cahnman*

DATED: 1/20 __, 2022


DLA PIPER LLP (US)



RICHARD F. HANS
JOHN J. CLARKE, JR.
1251 Avenue of the Americas
New York, New York 10020
(212) 335-4500
E-mail: richard.hans@us.dlapiper.com
E-mail: john.clarke@us.dlapiper.com

DATED: 1/20 __, 2022

ZAUSMER, P.C.



MARK J. ZAUSMER (P31721)
32255 Northwestern Highway, Suite
225
Farmington Hills, Michigan 48334-
1574
(248) 851-4111
E-mail: mzausmer@zausmer.com

*Counsel for Nominal Defendant
Sterling Bancorp, Inc.*

DATED: 1/20, 2022

**ARNOLD & PORTER KAYE
SCHOLER LLP**

David Bergman /RFH
DAVID BERGMAN
601 Massachusetts Ave, NW
Washington, DC 20001-3743
(202) 942-5000
E-mail:
david.bergman@arnoldporter.com

*Counsel for Peggy Daitch and Rachel
Tronstein Stewart*

DATED: 1/20, 2022

DICKINSON WRIGHT PLLC
Thomas G. McNeill /RFH
THOMAS G. MCNEILL
500 Woodward Avenue, Suite 4000
Detroit, Michigan 48226-3425
(313) 223-3632
E-mail: tmcneill@dickinsonwright.com

*Counsel for Barry Allen and Lyle
Wolberg*

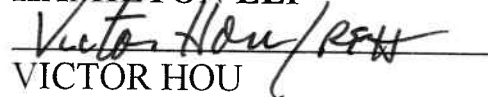
DATED: 1/20, 2022

SWANSON & MCNAMARA LLP
Mary Mc Namara /RFH
MARY MCNAMARA
300 Montgomery Street, Suite 1100
San Francisco, CA 94104
(415) 477-3800
E-mail: mary@smllp.law

Counsel for Peter Sinatra

DATED: 1/20, 2022

**CLEARY GOTTlieb STEEN &
HAMILTON LLP**


VICTOR HOU

One Liberty Plaza
New York, NY 10006
(212) 225-2609
E-mail: vhou@cgsh.com

*Counsel for Sandra J. Seligman and
Seth Meltzer*