

**IN THE DISTRICT COURT FOR THE VIRGIN ISLANDS
DIVISION OF ST. CROIX**

ERIC MARTIN, Individually and On Behalf of All
Others Similarly Situated,

Plaintiff,

v.

ALTISOURCE RESIDENTIAL CORPORATION,
WILLIAM C. ERBEY, ASHISH PANDEY,
KENNETH D. NAJOUR, ROBIN N. LOWE, and
RACHEL M. RIDLEY,

Defendants.

CIVIL NO. 1:15-CV-00024

**NOTICE OF PENDENCY OF CLASS ACTION, CERTIFICATION OF
SETTLEMENT CLASS, PROPOSED SETTLEMENT, SETTLEMENT HEARING,
AND MOTION FOR ATTORNEYS' FEES AND EXPENSES**

If you purchased shares of common stock of Altisource Residential Corporation (“RESI”) on the public market between December 24, 2012, and December 22, 2014, inclusive (the “Class Period”), you may be entitled to a payment from a class action settlement.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

- The purpose of this Notice is to inform you of: (i) the pendency of the above-captioned securities class action (the “Action”); (ii) the proposed settlement of the Action (the “Settlement”) on the terms and conditions provided for in the Stipulation and Agreement of Settlement, dated October 7, 2019 (the “Stipulation”);¹ and (iii) the hearing to be held by the Court (the “Settlement Hearing”). At the Settlement Hearing, the Court will consider: (i) whether the Settlement Class should be certified for the purposes of the Settlement only; (ii) whether the Settlement should be approved; (iii) whether the proposed plan for allocating the net proceeds of the Settlement to eligible Settlement Class Members (the “Plan of Allocation”) should be approved; (iv) Lead Counsel’s Fee and Expense Application; and (v) certain other matters. Please read this Notice carefully. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class.²
- If approved by the Court, the Settlement will create a \$15,500,000 cash fund, plus any interest earned thereon, for the benefit of eligible Settlement Class Members, less any attorneys’ fees and expenses awarded by the Court, Notice and Administration Expenses, and Taxes.
- The Settlement resolves claims by Court-appointed Lead Plaintiff Lei Shi and Plaintiff Ashley Saunders (collectively, “Plaintiffs”), on behalf of themselves, and which have been asserted on behalf of the Settlement Class, against Altisource Residential Corporation, William C. Erbey, Ashish Pandey, Kenneth D. Najour, Robin N. Lowe, and Rachel M. Ridley (collectively, “Defendants”). It avoids the costs and risks of continuing the litigation; pays money to eligible Settlement Class Members; and releases Defendants’ Releasees (defined below) from the Released Claims.

**If you are a Settlement Class Member, your legal rights will be affected by this Settlement whether you act or do not act.
Please read this Notice carefully.**

¹ The Stipulation can be viewed at www.AltisourceResidentialSettlement.com.

² All capitalized terms not otherwise defined in this Notice have the same meanings as defined in the Stipulation.

Questions? Call 1-866-797-0862 or visit www.AltisourceResidentialSettlement.com

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM POSTMARKED OR RECEIVED NO LATER THAN FEBRUARY 22, 2020	The <u>only</u> way to be eligible to receive a payment from the Net Settlement Fund.
EXCLUDE YOURSELF BY SUBMITTING A WRITTEN REQUEST SO THAT IT IS RECEIVED NO LATER THAN JANUARY 9, 2020	This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against Defendants and/or the other Defendants' Releasees concerning the Released Claims. If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund. <i>See</i> Question 11 below for details.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN JANUARY 9, 2020	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or Lead Counsel's Fee and Expense Application. If you object, you will still be a Settlement Class Member. <i>See</i> Question 15 below for details.
GO TO A HEARING ON JANUARY 30, 2020 AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN JANUARY 23, 2020	Ask to speak in Court about the Settlement. If you submit an objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak in Court about your objection. <i>See</i> Question 19 below for details.
DO NOTHING	You will not be eligible to receive a payment from the Net Settlement Fund, you will give up rights, and you will still be bound by the Settlement.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The issuance of this Notice is not an expression of any opinion by the Court in charge of this case concerning the merits of any claim. The Court still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

SUMMARY OF THE NOTICE

Statement of the Settlement Class's Recovery

Subject to Court approval, Plaintiffs, on behalf of the Settlement Class, have agreed to settle the Action in exchange for a payment of \$15,500,000 (the "Settlement Amount") to be deposited into an interest-bearing Escrow Account (the "Settlement Fund"). The Net Settlement Fund (as defined below) will be distributed to Settlement Class Members according to the Court-approved plan of allocation. The proposed Plan of Allocation is set forth on pages 8-10 below.

Estimate of Average Amount of Recovery per Share

Based on Plaintiffs' damages expert's estimate of the number of shares of RESI common stock eligible to participate in the Settlement, and assuming that all investors eligible to participate in the Settlement do so, Plaintiffs estimate that the average recovery, before deduction of any Court-approved fees and expenses, such as attorneys' fees, litigation expenses, Taxes, and Notice and Administration Expenses, would be approximately \$0.19 per affected share. If the Court approves the maximum amount of attorneys' fees and litigation expenses that may be requested by Lead Counsel (discussed below), the average recovery would be approximately \$0.12 per affected share. **Please note, however, that these average recovery amounts are only estimates and Settlement Class Members may recover more or less than these estimated amounts.** An individual Settlement Class Member's actual recovery will depend on, for example: (i) the total number of claims submitted; (ii) the amount of the Net Settlement Fund; (iii) when the Settlement Class Member purchased shares of RESI common stock during the Class Period; and (iv) whether and when the Settlement Class Member sold shares of RESI common stock. *See* the Plan of Allocation beginning on page 8 for information on the calculation of your Recognized Claim.

Statement of Potential Outcome of Case

The Parties disagree about both liability and damages and do not agree on the damages that would be recoverable if Plaintiffs were to prevail on each claim asserted against Defendants. The issues on which the Parties disagree include, for example: (i) whether Defendants made any statements or omitted any facts that were materially false or misleading, or otherwise actionable under the federal securities laws; (ii) whether any such allegedly materially false or misleading statements or omissions were made with the required level of intent or recklessness; (iii) the amounts by which the price of RESI common stock were allegedly artificially inflated, if at all, during the Class Period; and (iv) the extent to which factors such as general market, economic, and industry conditions, influenced the trading prices of RESI common stock during the Class Period.

Defendants have denied and continue to deny any wrongdoing, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that Plaintiffs and the Settlement Class have suffered any loss at all attributable to Defendants' actions. While Plaintiffs believe they have meritorious claims, they recognize that there are significant obstacles in the way of recovery.

Statement of Attorneys' Fees and Expenses Sought

Lead Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed one-third of the Settlement Fund, which includes any accrued interest. Lead Counsel will also apply for payment of litigation expenses incurred in prosecuting the Action in an amount not to exceed \$275,000, plus accrued interest, which may include an application pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") for the reasonable costs and expenses (including lost wages) of Plaintiffs directly related to their representation of the Settlement Class. If the Court approves Lead Counsel's Fee and Expense Application in full, the average amount of fees and expenses, assuming claims are filed for all shares eligible to participate in the Settlement, will be approximately \$0.07 per affected share of RESI common stock.

Reasons for the Settlement

For Plaintiffs, the principal reason for the Settlement is the guaranteed cash benefit to the Settlement Class. This benefit must be compared to the uncertainty of being able to prove the allegations in the Third Amended Complaint; the risk that the Court may grant some or all of the anticipated motions to be filed by Defendants; the uncertainty inherent in the Parties' competing theories of liability and damages; the risks of litigation, especially in complex actions like this; as well as the difficulties and delays inherent in such litigation (including any trial and appeals).

For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any Settlement Class Member was damaged, the sole reasons for entering into the Settlement are to end the burden, expense, uncertainty, and risk of further protracted litigation.

Identification of Attorneys' Representatives

Plaintiffs and the Settlement Class are represented by Lead Counsel, Nicholas I. Porritt, Esq., Levi & Korsinsky, LLP, 1101 30th St. N.W., Suite 115, Washington, D.C. 20007, (202) 524-4290.

Further information regarding this Action, the Settlement, and this Notice may be obtained by contacting the Claims Administrator: A.B. Data, Ltd., 866-797-0862, www.AltisourceResidentialSettlement.com; or Lead Counsel.

Please Do Not Contact the Court, Defendants, or Defendants' counsel with Questions About the Settlement

BASIC INFORMATION

1. Why did I get this Notice?

The Court authorized that this Notice be sent to you because you or someone in your family, or an investment account for which you serve as a custodian, may have purchased shares of RESI common stock on the public market between December 24, 2012, and December 22, 2014, inclusive. **Please Note: Receipt of this Notice does not mean that you are a Settlement Class Member or that you will be entitled to receive a payment from the Settlement. If you wish to be eligible for a payment, you are required to submit the Claim Form that is being distributed with this Notice and supporting documents, as explained in the Claim Form. See Question 8 below.**

The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about the proposed Settlement of this class action lawsuit, and about all of their options, including whether or not to object or exclude themselves from the Settlement Class, before the Court decides whether to approve the Settlement. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the Action, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the Action is the United States District Court for the District of the Virgin Islands, and the case is known as *Martin v. Altisource Residential Corporation et al.*, Civ. No. 15-00024 (AET) (GWC). The Action is assigned to the Honorable Anne E. Thompson, United States District Judge (sitting by designation).

2. What is this case about?

This is a federal securities class action on behalf of a class consisting of all persons and entities who purchased shares of RESI common stock on the public market between December 24, 2012, and December 22, 2014, inclusive (the "Class Period"), who seek to recover damages for alleged violations of the federal securities laws under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the

“Exchange Act”), and Rule 10b-5 promulgated thereunder, against Defendants. Defendants deny that they have violated the federal securities laws or any other laws and deny that any Settlement Class Member was damaged. Defendants also have denied and continue to deny each and all of the claims and contentions alleged in the Action.

Specifically, Plaintiffs allege that Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5. These sections prohibit companies and individuals from making material misrepresentations or omissions in connection with the purchase or sale of a security. Plaintiffs allege that Defendants violated these sections when discussing RESI’s transactions with related companies and the quality of Ocwen Financial Corporation’s loan servicing capabilities. Defendants dispute Plaintiffs’ allegations.

Plaintiffs contend that Defendants made these allegedly materially false and misleading statements with actual knowledge or deliberate recklessness. Plaintiffs further assert that as a result of Defendants’ alleged misrepresentations, RESI’s stock price was inflated during the Class Period. Plaintiffs claim that as a result of the allegedly inflated stock price, the Settlement Class Members were harmed when the truth about the above statements was revealed to the market. Plaintiffs, with the assistance of an expert, estimated that the Settlement Class Members’ total damages were approximately \$347 million. Defendants dispute Plaintiffs’ contentions.

Following extensive discovery and motion practice, the parties agreed in principle to settle the Action with the assistance of a professional mediator. On September 11, 2019, the parties executed a term sheet containing the key provisions of the Settlement and, on October 7, 2019, the parties executed the Stipulation. The Stipulation sets forth the final terms and conditions of the Settlement.

3. Why is this a class action?

In a class action, one or more persons or entities (in this case, Plaintiffs) sue on behalf of people and entities that have similar claims. Together, these people and entities are a “class,” and each is a “class member.” Bringing a case, such as this one, as a class action allows the adjudication of many individuals’ similar claims that might be too small to bring economically as separate actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves from, or “opt-out” of, the class. In this Action, the Court has appointed Lei Shi and Ashley Saunders to serve as Plaintiffs and Levi & Korsinsky, LLP to serve as Lead Counsel.

4. What are the reasons for the Settlement?

The Court did not finally decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement.

Plaintiffs and Lead Counsel believe that the claims asserted in the Action have merit. Plaintiffs and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims in the Action through trial and appeals, as well as the difficulties in establishing liability. For example, Defendants have raised a number of arguments and defenses (which they would raise at summary judgment and trial) that they did not make false and misleading statements in violation of the Exchange Act, and that Plaintiffs would not be able to establish that Defendants acted with the requisite intent. Even assuming Plaintiffs could establish liability, the amount of damages that could be attributed to the allegedly false and misleading statements would also be hotly contested. In the absence of a settlement, the Parties would present factual and expert testimony on each of these issues, and the Court or jury could resolve these issues unfavorably against Plaintiffs and the Settlement Class. In light of the Settlement and the guaranteed cash recovery to the Settlement Class, Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class.

Defendants have denied and continue to deny any wrongdoing and deny that they have committed any act or omission giving rise to any liability or violation of law. Defendants deny the allegations that they knowingly, or otherwise, made any material misstatements or omissions; that any Settlement Class Member has suffered damages; that the price of RESI common stock was artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; or that Settlement Class Members were harmed by the conduct alleged in the Third Amended Complaint. Nonetheless, Defendants have concluded that continuation of the Action would be protracted, time-consuming, and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially a complex case like this Action, and believe that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHO IS IN THE SETTLEMENT

5. How do I know whether I am part of the Settlement Class?

To be eligible for a payment from the proceeds of the Settlement, you must be a Settlement Class Member. The Court has directed, for the purposes of the proposed Settlement, that everyone who fits the following description is a Settlement Class Member and subject to the Settlement unless they are an excluded person (*see* Question 6 below) or take steps to exclude themselves from the Settlement Class (*see* Question 11 below):

All persons and entities that purchased or otherwise acquired shares of the publicly traded common stock of RESI during the Class Period, and were allegedly damaged by those purchases or acquisitions and any corrective disclosures.

If one of your mutual funds purchased RESI common stock during the Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you individually purchased shares of RESI common stock during the Class Period. Check your investment records or contact your broker to see if you have any eligible purchases.

6. Are there exceptions to being included in the Settlement Class?

Yes. There are some individuals and entities who are excluded from the Settlement Class by definition. Excluded from the Settlement Class are: (i) Defendants; (ii) the officers and directors of RESI; (iii) members of their immediate families; and (iv) their legal
Questions? Call 1-866-797-0862 or visit www.AltisourceResidentialSettlement.com

representatives, heirs, successors, or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are any Person(s) that timely and validly seek exclusion from the Settlement Class in accordance with the procedures described in Question 11 below.

THE SETTLEMENT BENEFITS — WHAT YOU GET

7. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims against Defendants' Releasees (*see* Question 10 below), Defendants have agreed to pay or cause to be paid a \$15,500,000 payment, which, along with any interest earned on this amount, will be distributed after deduction of Court-awarded attorneys' fees and litigation expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court (the "Net Settlement Fund"), among all Settlement Class Members who submit valid Claim Forms and are found by the Court to be eligible to receive a distribution from the Net Settlement Fund ("Authorized Claimants").

8. How can I receive a payment?

To qualify for a payment from the Net Settlement Fund, you must submit a timely and valid Claim Form. A Claim Form is included with this Notice. If you did not receive a Claim Form, you can obtain one from the website dedicated to the Settlement: www.AltisourceResidentialSettlement.com, or from Lead Counsel's website: www.zlk.com. You can also request that a Claim Form be mailed to you by calling the Claims Administrator toll-free at 866-797-0862.

Please read the instructions contained in the Claim Form carefully, fill out the Claim Form, include all the documents the form requests, sign it, and mail or submit it to the Claims Administrator so that it is **postmarked or received no later than February 22, 2020**.

9. When will I receive my payment?

The Court will hold a Settlement Hearing on January 30, 2020, to decide, among other things, whether to finally approve the Settlement. Even if the Court approves the Settlement, there may be appeals which can take time to resolve, perhaps more than a year. It also takes a long time for all of the Claim Forms to be accurately reviewed and processed. Please be patient.

10. What am I giving up to receive a payment or stay in the Settlement Class?

If you are a Settlement Class Member and do not timely and validly exclude yourself from the Settlement Class, you will remain in the Settlement Class and that means that, upon the "Effective Date" of the Settlement, you will release all "Released Plaintiffs' Claims" against the "Defendants' Releasees."

(a) "Released Plaintiffs' Claims" means any and all claims, debts, disputes, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, sums of money due, judgments, suits, amounts, matters, issues, and charges of every nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law or any other law, rule, or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether class and/or individual in nature, that Plaintiffs or any other member of the Settlement Class: (a) asserted in the Third Amended Complaint or any of the previous complaints filed in this Action, or (b) could have asserted, or in the future can or might assert in the Action or in any other action or in any other forum that relate to, arise out of, or are based upon the allegations, transactions, facts, events, acts, matters or occurrences, disclosures or nondisclosures, representations or omissions involved, set forth, or referred to in the Third Amended Complaint or any of the previous complaints filed in the Action and that relate to the purchase or acquisition of RESI common stock during the Class Period, or that otherwise would have been barred by *res judicata* had the Action been litigated to a final judgment. Released Plaintiffs' Claims include all rights of appeal from any prior decision of the Court in the Action.

(b) "Defendants' Releasees" means Defendants, and their current and former parents, affiliates, and subsidiaries, and each of their respective current and former officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts or holdings of personal or family assets, employees, immediate family members, insurers, reinsurers, and attorneys, in their capacities as such.

(c) "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of, or are based upon, the institution, prosecution, or settlement of the claims against Defendants in the Action. Notwithstanding the foregoing, Released Defendants' Claims do not include: (i) any claims relating to the enforcement of the Settlement; (ii) any claims against any Person who submits a request for exclusion from the Settlement Class that is accepted by the Court as valid; (iii) any claims that any Defendant may have against any party other than any of Plaintiffs' Releasees; and (iv) any claims that any Defendant may have under or relating to any policy of liability, any other insurance policy, or any contractual or statutory right to indemnification. For the avoidance of doubt, this Stipulation shall not release any insurer, co-insurer, excess insurer, or re-insurer from any obligation owed to any Defendant in the Action for indemnity or coverage under or relating to any policy of liability or other insurance policy.

(d) "Plaintiffs' Releasees" means Plaintiffs and all other Settlement Class Members, and their respective attorneys, experts, and agents. Plaintiffs' Releasees do not include any Person who timely and validly seeks exclusion from the Settlement Class.

(e) "Unknown Claims" means any and all Released Plaintiffs' Claims that Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of Defendants' Releasees, and any and all Released Defendants' Claims that any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of Plaintiffs' Releasees, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to object to the terms of the Settlement or to

exclude himself, herself, or itself from the Settlement Class. With respect to any and all Released Plaintiffs' Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or foreign law, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, 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.

Plaintiffs, other Settlement Class Members, or Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which any of them now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs and Defendants shall expressly, fully, finally, and forever settle and release, and each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Plaintiffs and Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Plaintiffs' Claims and Released Defendants' Claims was separately bargained for and was a material element of the Settlement.

The "Effective Date" will occur when an Order entered by the Court approving the Settlement becomes Final and is not subject to appeal. If you remain a Settlement Class Member, all of the Court's orders, whether favorable or unfavorable, will apply to you and legally bind you.

Upon the "Effective Date," Defendants will also provide a release of Released Defendants' Claims against Plaintiffs' Releasees.

EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS

If you do not want to be eligible to receive a payment from the Settlement and you do not want to release the Released Plaintiffs' Claims against Defendants' Releasees, then you must take steps to remove yourself from the Settlement Class. This is called excluding yourself or "opting out."

11. How do I exclude myself from the Settlement Class?

To exclude yourself from the Settlement Class, you must mail a signed letter stating that you "request to be excluded from the Settlement Class in *Martin v. Altisource Residential Corporation, et al.*, Civ. No. 15-00024 (AET) (GWC)." You cannot exclude yourself by telephone or email. Each request for exclusion must also state: (i) the name, address, and telephone number of the person or entity requesting exclusion; (ii) the number of shares of RESI common stock purchased and/or sold during the Class Period, as well as the date, number of shares, and price per share of each such purchase and/or sale; and (iii) be signed by the person or entity requesting exclusion or an authorized representative. A request for exclusion must be submitted so that it is **received no later than January 9, 2020**, to:

Altisource Residential Corporation Securities Litigation
A.B. Data, Ltd.
P.O. Box 173012
Milwaukee, WI 53217

Your exclusion request must comply with these requirements in order to be valid.

If you ask to be excluded, do not submit a Claim Form because you cannot receive any payment from the Net Settlement Fund. Also, you cannot object to the Settlement because you will not be a Settlement Class Member. However, if you submit a valid exclusion request, you will not be legally bound by anything that happens in the Action, and you may be able to sue (or continue to sue) Defendants and the other Defendants' Releasees in the future if your claims are not time-barred. If you have a pending lawsuit against any of Defendants' Releasees, **please speak to your lawyer in the case immediately.**

12. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you are no longer a Settlement Class Member, so do not send in a Claim Form to ask for any money.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed the law firm of Levi & Korsinsky, LLP to represent all Settlement Class Members. These lawyers are called "Lead Counsel." You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How will the lawyers be paid?

Lead Counsel have been prosecuting the Action on a contingent basis and have not been paid for any of their work. Lead Counsel will ask the Court to award them attorneys' fees of no more than one-third of the Settlement Fund, which will include any accrued interest. Lead Counsel will also seek payment of litigation expenses incurred in the prosecution of the Action not to exceed \$275,000, plus accrued interest,

which may include an application in accordance with the PSLRA for the reasonable costs and expenses (including lost wages) of Plaintiffs directly related to their representation of the Settlement Class not to collectively exceed \$25,000. As explained above, any attorneys' fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

15. How do I tell the Court that I do not like something about the proposed Settlement?

If you are a Settlement Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation of the Net Settlement Fund, and/or Lead Counsel's Fee and Expense Application. You may give reasons why you think the Court should not approve any or all of the Settlement terms or related relief. If you would like the Court to consider your views, you must file a proper objection within the deadline, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in "*Martin v. Altisource Residential Corporation, et al.*, Civ. No. 15-00024 (AET) (GWC)." The objection must: (i) state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (ii) contain a statement of the objection and the specific reasons for it, including any legal and evidentiary support (including witnesses) the Settlement Class Member wishes to bring to the Court's attention; and (iii) include documents sufficient to prove membership in the Settlement Class, including the number of shares of RESI common stock purchased and/or sold during the Class Period, as well as the date, number of shares, and price per share of each such purchase and/or sale. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will be forever foreclosed from making any objection to the proposed Settlement, the Plan of Allocation, and/or Lead Counsel's Fee and Expense Application. Your objection must be filed with the Court **no later than January 9, 2020, and** mailed or delivered to the following counsel so that it is **received no later than January 9, 2020**:

<u>Court</u>	<u>Lead Counsel</u>	<u>Defendants' Counsel</u>
Clerk of the Court United States District Court District of the Virgin Islands 3013 Estate Golden Rock Christiansted, St. Croix 00820	Levi & Korsinsky, LLP Nicholas I. Porritt, Esq. 1101 30th St. N.W. Suite 115 Washington, D.C. 20007	Mayer Brown LLP Joseph De Simone, Esq. 1221 Avenue of the Americas New York, NY 10020 and Sullivan & Cromwell LLP John L. Hardiman, Esq. 125 Broad Street New York, NY 10004

You do not need to attend the Settlement Hearing to have your written objection considered by the Court. However, any Settlement Class Member who has not submitted a request for exclusion and who has complied with the procedures described in this Question 15 and below in Question 19 may appear at the Settlement Hearing and be heard, to the extent allowed by the Court, about their objection. An objector may appear in person or arrange, at his, her, or its own expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

16. What is the difference between objecting and seeking exclusion?

Objecting is telling the Court that you do not like something about the proposed Settlement, Plan of Allocation, or Lead Counsel's Fee and Expense Application. You can still recover money from the Settlement. You can object *only* if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself from the Settlement Class, you have no basis to object because the Settlement and the Action no longer affect you.

THE SETTLEMENT HEARING

17. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold the Settlement Hearing on **January 30, 2020 at 10:00 a.m.**, in Courtroom 4W at the United States District Court for the District of New Jersey, located at the Clarkson S. Fisher Building & U.S. Courthouse, 408 East State Street, Trenton, NJ 08608.

At this hearing, the Court will consider, among other things, whether: (i) the Settlement Class should be certified for the purposes of the Settlement only; (ii) the Settlement is fair, reasonable, adequate, and should be finally approved; (iii) the Plan of Allocation is fair and reasonable, and should be approved; and (iv) the application of Lead Counsel for an award of attorneys' fees and payment of litigation expenses, including those of Plaintiffs, is reasonable and should be approved. The Court will take into consideration any written objections filed in accordance with the instructions in Question 15 above. We do not know how long it will take the Court to make these decisions.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Settlement Class Members. If you want to attend the hearing, you should check with Lead Counsel or visit the settlement website, www.AltisourceResidentialSettlement.com, beforehand to be sure that the hearing date and/or time has not changed.

18. Do I have to come to the Settlement Hearing?

No. Lead Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense. If you submit a valid and timely objection, the Court will consider it and you do not have to come to Court to discuss it. You may have your own lawyer attend (at your own expense), but it is not required. If you do hire your own lawyer, he or she must file and serve a Notice of Appearance in the manner described in the answer to Question 19 below **no later than January 9, 2020**.

19. May I speak at the Settlement Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* Question 15), **no later than January 9, 2020**, a statement that you, or your attorney, intend to appear in “*Martin v. Altisource Residential Corporation, et al.*, Civ. No. 15-00024 (AET) (GWC).” Persons who intend to present evidence at the Settlement Hearing must also include in their objections (prepared and submitted in accordance with the answer to Question 15 above) the identities of any witnesses they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you exclude yourself or if you have not provided written notice in accordance with the procedures described in this Question 19 and Question 15 above.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing and you are a Settlement Class Member, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Defendants’ Releasees concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Claim Form (*see* Question 8 above).

GETTING MORE INFORMATION

21. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation. You may review the Stipulation filed with the Court and other documents in the case during business hours at the Office of the Clerk of the United States District Court for the District of the Virgin Islands, 3013 Estate Golden Rock, Christiansted, St. Croix 00820. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court’s online Case Management/Electronic Case Filing System at <https://www.pacer.gov>.

You can also get a copy of the Stipulation, and other documents related to the Settlement, as well as additional information about the case and Settlement by visiting the website dedicated to the Settlement, www.AltisourceResidentialSettlement.com, where you will find answers to common questions about the Settlement and can download copies of the Stipulation or Claim Form. You may also call the Claims Administrator toll free at 866-797-0862 or write to the Claims Administrator at *Altisource Residential Corporation Securities Litigation*, A.B. Data, Ltd. P.O. Box 173012, Milwaukee, WI 53217. **Please do not contact the Court, Defendants, or Defendants’ counsel with questions about the Settlement.**

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

22. How will my claim be calculated?

As discussed above, the Settlement provides \$15,500,000 in cash for the benefit of the Settlement Class. The Settlement Amount and any interest it earns constitute the Settlement Fund. The Settlement Fund, after deduction of Court-approved attorneys’ fees and litigation expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court, is the Net Settlement Fund. If the Settlement is approved by the Court, the Net Settlement Fund will be distributed to eligible Authorized Claimants – *i.e.*, Settlement Class Members who timely submit valid Claim Forms that are accepted for payment by the Court – in accordance with this proposed Plan of Allocation or such other plan of allocation as the Court may approve. Settlement Class Members who do not timely submit valid Claim Forms will not share in the Net Settlement Fund, but will otherwise be bound by the Settlement. The Court may approve this proposed Plan of Allocation, or modify it, without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the settlement website, www.AltisourceResidentialSettlement.com.

The objective of the Plan of Allocation is to distribute the Net Settlement Fund equitably among those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation is not a formal damages analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants. The computations under the Plan of Allocation are only a method to weigh, in a fair and equitable manner, the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund.

The Plan of Allocation was developed in consultation with Plaintiffs’ damages consultant. In developing the Plan of Allocation, Lead Counsel identified the market declines in the unadjusted prices of RESI’s common stock on particular days during the Class Period. These market declines corresponded to the release of negative news that Plaintiffs allege revealed in part Defendants’ fraudulent conduct to the

market. The Plan of Allocation includes only market declines that Plaintiffs claim were related to the allegations in the Action and that Plaintiffs claim resulted in statistically significant declines relative to the market overall.

The Plan of Allocation adheres to the federal securities laws. In order to have recoverable damages under the federal securities laws, disclosure of an alleged misrepresentation and/or omission must be the cause of the decline in the price of the security. In this Action, Plaintiffs allege that corrective information impacting the price of RESI common stock (referred to as a “corrective disclosure”) was released to the market on various days. In order to have a “Recognized Loss Amount” under the Plan of Allocation, shares of RESI common stock must have been purchased during the Class Period and held through the issuance of at least one of the alleged corrective disclosures.

A “Recognized Loss Amount” will be calculated as set forth below for each share of RESI common stock purchased during the Class Period that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of a claimant’s Recognized Loss Amount results in a negative number (*i.e.*, a gain), that number shall be set to zero.

A claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts as calculated under the Plan.

**CALCULATION OF RECOGNIZED LOSS AMOUNTS ON
RESI COMMON STOCK**

Based on the foregoing, and for purposes of this Settlement only, Recognized Loss Amounts will be calculated as follows:

	Sold							
	On or before 2/19/14	2/20/14 to 2/25/14	2/26/14 to 10/20/14	10/21/14 to 11/3/14	11/4/14 to 11/11/14	11/12/14 to 12/21/14	On or after 12/22/14	
Purchased	On or before 2/19/14	\$0	\$1.40	\$3.53	\$4.77	\$7.23	\$8.61	\$9.98
2/20/14 to 2/25/14		\$0	\$2.13	\$3.37	\$5.83	\$7.21	\$8.58	
2/26/14 to 10/20/14			\$0	\$1.24	\$3.70	\$5.08	\$6.45	
10/21/14 to 11/3/14				\$0	\$2.46	\$3.84	\$5.21	
11/4/14 to 11/11/14					\$0	\$1.38	\$2.75	
11/12/14 to 12/21/14						\$0	\$1.37	
On or after 12/22/14							\$0	

ADDITIONAL PROVISIONS

This will not be the amount of your payment. After the deadline has passed for all Authorized Claimants to send in their Claim Forms, the amount of each Authorized Claimant’s payment will be calculated. The payment you receive will be a proportion of the Net Settlement Fund equal to your Recognized Claim divided by the total Recognized Claims of all Authorized Claimants. Your payment will be made in cash.

If the Recognized Loss is \$0/share, this is because the share was not harmed in accordance with Plaintiffs’ theory of liability and, therefore, there are no recoverable damages.

Purchases and sales of RESI common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of RESI common stock during the Class Period shall not be deemed a purchase of RESI common stock for purposes of the calculation of an Authorized Claimant’s Recognized Claim, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase of such RESI common stock unless (i) the donor or decedent purchased such RESI common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to such RESI common stock; and (iii) it is specifically so provided in the instrument of gift or assignment.

The date of covering a “short sale” is deemed to be the date of purchase of the share of RESI common stock. The date of a “short sale” is deemed to be the date of sale of the respective share of RESI common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on purchases used to cover “short sales” is zero. In the event that a claimant has an opening short position in RESI common stock, the earliest Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered. In the event that a Claimant newly establishes a short position during the Class Period, the earliest subsequent Class Period purchases shall be matched against such short position on a FIFO basis and not be entitled to a recovery.

Option contracts to purchase or sell RESI common stock are not securities eligible to participate in the Settlement. With respect to RESI common stock purchased or sold through the exercise of an option, the purchase/sale date of the RESI common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

An Authorized Claimant's Recognized Claim shall be the amount used to calculate the Authorized Claimant's share of the Net Settlement Fund. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant entitled to receive a payment will receive an amount equal to the Authorized Claimant's Recognized Claim. If, however, the sum total of Recognized Claims of all Authorized Claimants is greater than the Net Settlement Fund, each Authorized Claimant shall receive the percentage of the Net Settlement Fund that his, her, or its Recognized Claim bears to the total Recognized Claims of all Authorized Claimants, *i.e.*, the Authorized Claimant's *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and a distribution will not be made to that Authorized Claimant.

Distributions to eligible Authorized Claimants will be made after claims have been processed. After an initial distribution of the Net Settlement Fund, if there is any balance remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise) after at least six (6) months from the date of initial distribution of the Net Settlement Fund, Lead Counsel shall, if feasible and economical after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, redistribute such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. These redistributions shall be repeated until the balance in the Net Settlement Fund is no longer feasible or economical to distribute to Authorized Claimants. Once it is no longer feasible or economical to make further distributions, any balance that still remains in the Net Settlement Fund after re-distribution(s) and after payment of outstanding Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be contributed to a non-sectarian, not-for-profit 501 (c)(3) charitable organization serving the public interest designated by Plaintiffs.

Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Claimants. No person shall have any claim against Plaintiffs, Lead Counsel, Plaintiffs' damages consultant, Defendants, Defendants' Counsel, any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead Counsel, arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. Plaintiffs, Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the Plan of Allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any claimant. Each claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form.

SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES

If you purchased RESI common stock (ISIN: US35904G1076) during the Class Period for the beneficial interest of a person or entity other than yourself, the Court has directed that **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, YOU MUST EITHER:** (a) provide to the Claims Administrator the name and last known address of each person or entity for whom or which you purchased publicly traded RESI common stock during the Class Period; or (b) request additional copies of this Notice and the Claim Form from the Claims Administrator, which will be provided to you free of charge, and **WITHIN SEVEN (7) DAYS** of receipt, mail the Notice and Claim Form directly to all the beneficial owners of those securities. If you choose to follow procedure (b), the Court has also directed that, upon making that mailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing was made as directed and keep a record of the names and mailing addresses used. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners (not to exceed \$0.65 per mailing). Those expenses will be paid upon request and submission of appropriate supporting documentation and timely compliance with the above directives. All communications concerning the foregoing should be addressed to the Claims Administrator:

Altisource Residential Corporation Securities Litigation
A.B. Data, Ltd.
P.O. Box 173012
Milwaukee, WI 53217

Dated: October 21, 2019

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF VIRGIN ISLANDS