

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

In re: Altisource Portfolio Solutions, S.A.  
Securities Litigation

Case 14–81156 CIV–WPD

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF SETTLEMENT CLASS,  
AND PROPOSED SETTLEMENT; (II) SETTLEMENT HEARING; AND (III) MOTION FOR  
AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO:** All persons or entities who or which purchased or otherwise acquired Altisource Portfolio Solutions S.A. ("Altisource") common stock during the period from April 25, 2013 through December 21, 2014, inclusive (the "Class Period"), and were damaged thereby.<sup>1</sup>

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Southern District of Florida (the "Court").

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Lead Plaintiffs the Pension Fund for the Painters and Allied Trades District Council 35 and the Annuity Fund for the Painters and Allied Trades District Council 35 ("Lead Plaintiffs" or the "Painters Funds"), on behalf of themselves and the other members of the Settlement Class (as defined in ¶ 26 below), have reached a proposed settlement of the Action with defendant Altisource and defendants William C. Erbey ("Erbey"), William B. Shepro ("Shepro") and Michelle D. Esterman ("Esterman") (collectively, the "Individual Defendants" and, together with Altisource, the "Altisource Defendants" or the "Settling Defendants," and together with Lead Plaintiffs, the "Settling Parties") for \$32,000,000 in cash (the "Settlement"). If approved, the Settlement will resolve all claims asserted in the Action.

**PLEASE READ THIS NOTICE CAREFULLY.** This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.

If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please **DO NOT** contact Altisource, any other Defendant in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 86 below).

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that defendants Altisource, Erbey, Shepro, and Esterman violated the federal securities laws by making false and misleading statements regarding Altisource during the Class Period. A more detailed description of the Action is set forth in ¶¶ 11–25 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in ¶ 26 below.

2. **Statement of the Settlement Class's Recovery:** Subject to Court approval, Lead Plaintiffs, on behalf of themselves and the other members of the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$32,000,000 in cash (the "Settlement Amount"), which has been deposited into an escrow account controlled by Lead Counsel. The Net Settlement Fund (i.e., the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (i) any Taxes, (ii) any Notice and Administration Costs, (iii) any Litigation Expenses awarded by the Court, and (iv) any attorneys' fees awarded by the Court) will be distributed to Settlement Class Members in accordance with a plan of allocation that is approved by the Court. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 8–11 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiffs' damages expert's estimate of the number of shares of Altisource common stock purchased during the Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses and costs as described herein) is \$2.78 per affected share of Altisource common stock.<sup>2</sup> Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased/acquired or sold their shares and the total number of shares for which valid Claim Forms are submitted.

4. **Average Amount of Damages Per Share:** The Settling Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail in the Action. Among other things, the Settling Defendants do not agree that they violated the federal securities laws or that damages were suffered (at all, or in the amount contended by Lead Plaintiffs) by any members of the Settlement Class as a result of their conduct.

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated February 8, 2017 (the "Stipulation"), which is available at [www.AltisourceSecuritiesLitigation.com](http://www.AltisourceSecuritiesLitigation.com).

<sup>2</sup> An affected share might have been traded more than once during the Class Period, and this average recovery would be the total for all purchasers of that share.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, who have been prosecuting this Action on a wholly contingent basis since its inception in 2014, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 22% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution, and resolution of the Action, in an amount not to exceed \$1,200,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Lead Plaintiffs and Named Plaintiff West Palm Beach Firefighters' Pension Fund ("West Palm Beach Firefighters", and together with Lead Plaintiffs, the "Plaintiffs") directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid solely from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Court approves Lead Counsel's fee and expense application, the estimated average cost per affected share of Altisource common stock will be approximately \$0.71.

6. **Identification of Attorneys' Representatives:** Lead Plaintiffs and the Settlement Class are represented by Hannah G. Ross, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, (800) 380-8496.

7. **Reasons for the Settlement:** Lead Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risks and delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or no recovery at all – might be achieved after further contested motions, a trial of the Action and the likely appeals that would follow a trial. This process could be expected to last several years. The Settling Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden and expense of further protracted litigation.

| <b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN JULY 11, 2017.</b>                                                                                | This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 34 below) that you have against Defendants and the other Defendants' Releasees (defined in ¶ 35 below), so it is in your interest to submit a Claim Form.                                                                                                                              |
| <b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN MAY 9, 2017.</b> | If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants' Releasees concerning the Released Plaintiffs' Claims.                                                                                                                                                                                                                                                                 |
| <b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN MAY 9, 2017.</b>                               | If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.                                                                                                                                                                  |
| <b>GO TO A HEARING ON MAY 30, 2017 AT 1:15 P.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN MAY 9, 2017.</b>   | Any Settlement Class Member may attend the Settlement Hearing. Filing a written objection and notice of intention to appear by May 9, 2017 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, if you also file a notice of intention to appear, speak to the Court about your objection at the discretion of the Court. |
| <b>DO NOTHING.</b>                                                                                                                                | If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.                                                                                                                                                                   |

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## WHY DID I GET THIS NOTICE?

8. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See ¶ 76 below for details about the Settlement Hearing, including the date and location of the hearing.

9. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased or otherwise acquired Altisource common stock during the Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court has not yet decided whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process can take some time to complete.

## WHAT IS THIS CASE ABOUT?

11. This case is a securities class action and is known as *In re: Altisource Portfolio Solutions, S.A. Securities Litigation*, Case 14–81156 CIV–WPD. The Court in charge of the case is the United States District Court for the Southern District of Florida, and the presiding judge is the Honorable William P. Dimitrouleas.

12. This case began on September 8, 2014 with the filing of a securities class action complaint. In accordance with the Private Securities Litigation Reform Act of 1995 ("PSLRA"), notice to the public was issued stating the deadline by which class members could move the Court for appointment as lead plaintiff.

13. By Order dated December 5, 2014, the Court appointed the Painters Funds as Lead Plaintiffs for the Action and approved Lead Plaintiffs' selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel.

14. On January 30, 2015, following an extensive investigation, Lead Plaintiffs filed and served their Amended Class Action Complaint and on February 2, 2015, filed and served a Corrected Amended Class Action Complaint (the "Amended Complaint") asserting claims against Altisource and the Individual Defendants (the "Altisource Defendants") and Ocwen Financial Corporation ("Ocwen"; collectively with the Altisource Defendants, the "Defendants") under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b–5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. The Amended Complaint alleged, among other things, that Defendants made materially false and misleading statements and omitted material information regarding the nature of the relationship and business dealings between Altisource, a provider of support and technology services for mortgage loan servicing, and Ocwen, the largest nonbank mortgage servicer in the country and Altisource's former parent. Specifically, the Amended Complaint alleged, among other things, that Altisource and Ocwen engaged in purported conflicted transactions that were supposedly approved by Defendant Erbey – who was the board chairman of and had a significant ownership interest in both companies – in violation of Defendants' representations that Erbey recused himself from negotiations and approvals of transactions between Altisource and Ocwen. The Amended Complaint also contained allegations concerning the effectiveness of Altisource's mortgage servicing technology platform, the separation of Altisource's and Ocwen's respective management teams, and the rates at which Altisource provided certain services to or on behalf of Ocwen. The Amended Complaint further alleged that the price of Altisource common stock was artificially inflated as a result of Defendants' allegedly false and misleading statements and omissions, and that the price declined when the truth was revealed. The Defendants have denied all these allegations.

15. On March 23, 2015, the Altisource Defendants and Ocwen each moved to dismiss the Amended Complaint for failure to state a claim. Following full briefing of the motions to dismiss, on September 4, 2015, the Court entered an Omnibus Order Granting Defendants' Motions to Dismiss the Amended Complaint without prejudice after concluding that the Amended Complaint failed to adequately allege false and misleading statements, scienter and loss causation. The Court allowed Lead Plaintiffs until September 25, 2015 to file an amended complaint.
16. On September 25, 2015, Lead Plaintiffs filed their Second Amended Class Action Complaint (the "Second Amended Complaint"), which again alleged the claims asserted in the Amended Complaint, including that the Altisource Defendants and Ocwen defrauded investors and caused artificial inflation in the price of Altisource common stock by, among other things, misrepresenting Defendant Erbey's role in approving and negotiating transactions supposedly between Altisource and Ocwen, the effectiveness of Altisource's mortgage servicing technology platform, the separation of Altisource's and Ocwen's respective management teams, and the rates at which Altisource provided certain services to or on behalf of Ocwen. On October 15, 2015, Lead Plaintiffs filed the Third Amended Class Action Complaint (the "Third Amended Complaint") with Defendants' consent to address events that had occurred since the filing of the Second Amended Complaint.
17. On October 22, 2015, the Altisource Defendants and Ocwen each moved to dismiss the Third Amended Complaint for failure to state a claim. Following full briefing of these motions to dismiss, on December 22, 2015, the Court entered its Second Omnibus Order on Motions to Dismiss (the "Second Omnibus Order"), in which the Court granted Ocwen's Motion to Dismiss in its entirety, and granted in part and denied in part the Altisource Defendants' Motion to Dismiss. Specifically the Court sustained the Third Amended Complaint's Section 10(b) claims against Defendants Altisource and Erbey, and Section 20(a) claims against Defendants Esterman and Shepro based only on allegations that Defendants misrepresented Erbey's participation in transactions supposedly between Altisource and Ocwen. The Court dismissed all remaining claims, including all claims challenging statements about Altisource's mortgage servicing technology platform, the separation of Altisource's and Ocwen's respective management teams, and the rates at which Altisource provided certain services to or on behalf of Ocwen. The Court also dismissed the Section 10(b) claims alleged against Defendants Esterman and Shepro and all claims alleged against Defendant Ocwen, with prejudice. On January 27, 2016, the Altisource Defendants filed their Answer to the Third Amended Complaint, denying the Lead Plaintiffs' allegations.
18. On January 22, 2016, the Altisource Defendants moved for reconsideration of the Court's December 22, 2015 Order seeking dismissal of the remaining claims against them, and moved to stay the case. On January 25, 2016, the Court denied the Altisource Defendants' motion to stay. Following full briefing of the motion for reconsideration, on March 4, 2016, the Court denied the motion for reconsideration.
19. Discovery in the Action commenced in March 2016, and involved extensive work by all parties. For example, Lead Plaintiffs served Altisource and the Individual Defendants with discovery requests on March 2, 2016. Thereafter, Lead Plaintiffs served subpoenas and pursued discovery on numerous third parties including, but not limited to, Ocwen, certain other companies formerly chaired by Defendant Erbey, Altisource's and Ocwen's independent auditor, domestic and foreign members of Altisource's Board of Directors, and Southwest Business Corporation, the third party involved in a transaction supposedly also involving both Ocwen and Altisource, as alleged in the Third Amended Complaint. The Altisource Defendants served document requests on Plaintiffs and Plaintiffs' investment managers, and Plaintiffs and their investment managers produced documents in response to these requests. Between March 3, 2016 and January 18, 2017, the parties engaged in numerous meet and confers and filed and argued numerous motions to compel and motions for protective orders with the Court. Over 1.2 million pages of documents were produced during discovery.
20. On August 12, 2016, as fact discovery was ongoing, Lead Plaintiffs filed their Motion for Class Certification. In connection with the class certification motion, the Altisource Defendants deposed Lead Plaintiffs, Named Plaintiff West Palm Beach Firefighters, Plaintiffs' investment managers, and Plaintiffs' class certification expert. Briefing of this motion was concluded on January 2, 2017.
21. On December 28, 2016, Lead Plaintiffs filed the Fourth Amended Class Action Complaint (the "Fourth Amended Complaint") which included additional allegations based on documents produced in discovery and other events that had occurred since the filing of the Third Amended Complaint. On January 6, 2017, the Altisource Defendants moved to strike certain matter alleged in the Fourth Amended Complaint and moved to dismiss purportedly new claims alleged in that complaint. On January 10, 2017, Defendants filed Defendants' Motion for Leave to File Sur-Reply to Plaintiffs' Motion for Class Certification (the "Motion for Sur-Reply"). On January 12, 2017, the Court denied the Motion for Sur-Reply, and also ruled that it would defer ruling on and administratively terminate the Motion for Class Certification until after its ruling on the Motion to Strike and the Motion to Dismiss the Fourth Amended Complaint. On December 30, 2016 and January 13, 2017, Plaintiffs served Defendants with expert reports.
22. Beginning in late December 2016, as the parties were continuing to pursue extensive fact and expert discovery as well as briefing the Altisource Defendants' motions to strike and dismiss the Fourth Amended Complaint, the parties conducted numerous telephonic discussions and sessions with, and made written submissions to, former United States District Judge Layn Phillips as mediator in an effort to resolve the litigation. Based on a recommendation by the mediator, the parties reached an agreement in principle to settle the Action for \$32,000,000 in cash, which was memorialized in a Term Sheet executed on January 18, 2017.
23. On February 8, 2017, the parties entered into a Stipulation and Agreement of Settlement (the "Stipulation"), which sets forth the terms and conditions of the Settlement. The Stipulation can be viewed at [www.AltisourceSecuritiesLitigation.com](http://www.AltisourceSecuritiesLitigation.com).
24. On February 10, 2017, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.
25. The Settling Defendants deny that they have violated the federal securities laws or any other laws. The Settling Defendants also have denied and continue to deny specifically each and all of the claims and contentions alleged in the Action.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

26. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons or entities who or which purchased or otherwise acquired Altisource common stock during the period from April 25, 2013 through December 21, 2014, inclusive (the “Class Period”), and were damaged thereby.

Excluded from the Settlement Class are the Defendants; the affiliates and subsidiaries of Altisource and Ocwen; members of the Immediate Family of each of the Individual Defendants; the Officers and directors of Altisource and Ocwen during the Class Period; the heirs, successors, and assigns of any excluded person or entity; and any entity in which any excluded person has or had during the Class Period a controlling interest. Also excluded from the Settlement Class are any persons or entities that exclude themselves by submitting a request for exclusion in accordance with all of the requirements set forth in this Notice that is accepted by the Court as valid. See “What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?,” on page 10 below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE MONEY FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JULY 11, 2017.**

**WHAT ARE LEAD PLAINTIFFS’ REASONS FOR THE SETTLEMENT?**

27. Lead Plaintiffs and Lead Counsel believe that the claims asserted in the Action have merit. Lead Plaintiffs and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue the claims asserted in the Action through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages.

28. In particular, Lead Plaintiffs recognize that the Settling Defendants have significant arguments that their alleged misstatements were neither false nor materially misleading and that, even if the Settling Defendants made material misstatements, they did not do so intentionally or recklessly; for example, Lead Plaintiffs acknowledge that the Settling Defendants have substantial arguments that their alleged misstatements in fact accurately described Defendant Erbey’s involvement in supposed related party transactions on behalf of Altisource. Lead Plaintiffs also would face challenges with respect to establishing loss causation and class-wide damages, and in particular Lead Plaintiffs recognize that the Settling Defendants have substantial arguments that the decline in Altisource’s stock price during the Class Period was caused not by the Settling Defendants’ alleged misstatements, but instead was caused entirely by – or could not be separated from – concerns over Altisource’s businesses prospects in light of the contemporaneous intense regulatory scrutiny on Ocwen, Altisource’s largest client. Had any of these arguments been accepted in whole or part, they could have eliminated or, at a minimum, dramatically limited any potential recovery. Moreover, Lead Plaintiffs also acknowledge that the Settling Defendants have substantial arguments that the Class Period should be shortened to reflect differences in the Settling Defendants’ alleged misstatements throughout the Class Period, which – if successful – would not only limit any potential recovery, but would also significantly narrow the number of investors eligible to recover. Further, Lead Plaintiffs would have had to prevail at several stages – class certification, motion for summary judgment and trial – and if they prevailed at those stages, the appeals that were likely to follow. Finally, there were also very real risks to recovering a judgment substantially larger than the Settlement in light of Altisource’s limited officers’ and directors’ insurance. Thus, there were significant risks attendant to the continued prosecution of the Action.

29. In light of these risks and the immediacy of the \$32,000,000 cash recovery, Lead Plaintiffs and Lead Counsel believe that the proposed Settlement is an excellent result, and is in the best interests of the Settlement Class.

30. The Settling Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. The Settling Defendants deny each and all of the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever.

**WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

31. If there were no Settlement and Lead Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Lead Plaintiffs nor the other members of the Settlement Class would recover anything from the Settling Defendants. Also, if the Settling Defendants were successful in proving any of their defenses, either at summary judgment, at trial or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all. For example, if the Settling Defendants established that their alleged misstatements were not misleading but instead accurately described Defendant Erbey’s involvement in supposed related party transactions, the Settlement Class would recover nothing at all. As another example, if the Settling Defendants established that the decline in Altisource’s stock price throughout the Class Period was caused entirely by – or could not be separated from – concerns over Altisource’s business prospects in light of the contemporaneous intense regulatory scrutiny of Altisource’s largest client, Ocwen, the Settlement Class would recover nothing at all. Finally, if the Settling Defendants’ applicable insurance coverage were depleted, that would have likely reduced or eliminated the possibility of an equivalent recovery for the Settlement Class regardless of the merits of the claims.

## HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

32. As a Settlement Class Member, you are represented by Lead Plaintiffs and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel. Settlement Class Members may enter an appearance through an attorney if they so desire, but such counsel must file and serve a notice of appearance as provided in ¶ 81 below and will be retained at the individual Settlement Class Member's expense.

33. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the Action and will provide that, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other Settlement Class Members, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs' Claim (as defined in ¶ 34 below) against the Defendants and the other Defendants' Releasees (as defined in ¶ 35 below), and will forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

34. "Released Plaintiffs' Claims" means any and all claims (including Unknown 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 any kind whatsoever (including, but not limited to, any claims for interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, amounts, or liabilities whatsoever), whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether individual or class in nature, whether arising under federal or state statutory, common, or administrative law, or any other law, rule, or regulation, whether foreign or domestic, that Lead Plaintiffs or any other member of the Settlement Class: (i) asserted in any of the complaints filed in the Action; or (ii) could have asserted in the Action or in any other action or in any other forum that arise out of, are based upon, are related to, or are in consequence of any of the facts, allegations, transactions, matters, events, disclosures, non-disclosures, occurrences, representations, statements, acts or omissions or failures to act that were involved, set forth, or referred to in any of the complaints filed in the Action, and that relate to the purchase or other acquisition of Altisource 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. Released Plaintiffs' Claims do not include: (i) any of the claims asserted in (a) *Broadway Gate Master Fund, Ltd. v. Ocwen Financial Corporation*, No. 16-CV-80056-WPD (S.D. Fla.), (b) *In re Home Loan Servicing Solutions, Ltd. Securities Litigation*, No. 16-CV-60165-WPD-LSS (S.D. Fla.), (c) *In re Ocwen Financial Corporation Securities Litigation*, No. 14-CV-81057-WPD (S.D. Fla.), (d) *In re Ocwen Derivative Action Litigation*, No. 14-CV-81601-WPD (S.D. Fla.), (e) *City of Cambridge Retirement System v. Altisource Asset Management Corporation, et al.*, No. 15-CV-00004-WAL-GWC (D.V.I.), and (f) *Martin v. Altisource Residential Corporation, et al.*, No. 15-CV-00024-AET-GWC (D.V.I.); (ii) any claims relating to the enforcement of the Settlement; or (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court as valid (the "Excluded Claims").

35. "Defendants' Releasees" means the Defendants, 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 and reinsurers, and attorneys, in their capacities as such.

36. "Unknown Claims" means any Released Plaintiffs' Claims which any Lead Plaintiff or other Settlement Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Settling Defendant does not know or suspect to exist in his, her or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and the Settling Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is or has an effect which is similar, comparable, or equivalent to California Civil 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.

Lead Plaintiffs, the other Settlement Class Members, and/or the Settling Defendants may hereafter discover facts, legal theories, or authorities in addition to or different from those which they or any of them now know or believe to be true with respect to the subject matter of the Released Plaintiffs' Claims and the Released Defendants' Claims, but Lead Plaintiffs and the Settling 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 of the Settlement and by operation of the Judgment or the Alternate Judgment, if applicable, shall have settled and released, fully, finally, and forever, any and all Released Plaintiffs' Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities, and whether or not the same were known to Lead Plaintiffs, the other Settlement Class Members, or the Settling Defendants, as applicable, at any time. Lead Plaintiffs and the Settling Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

37. The Judgment will also provide that, upon the Effective Date of the Settlement, the Settling Defendants, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, will have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim (as defined in ¶ 38 below) against Lead Plaintiffs and the other Plaintiffs' Releasees (as defined in ¶ 39 below), and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any or all of the Released Defendants' Claims against any of the Plaintiffs' Releasees.

38. "Released Defendants' Claims" means any and all claims (including Unknown 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 any kind whatsoever (including, but not limited to, any claims for interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, amounts, or liabilities whatsoever), whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, foreseen or unforeseen, whether individual or class in nature, whether arising under federal or state statutory, common or administrative law, or any other law, rule, or regulation, whether foreign or domestic, that arise out of, are based upon, are related to, or are in consequence of the institution, prosecution, or settlement of the claims against Defendants in the Action, except for claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion that is accepted by the Court as valid.

39. "Plaintiffs' Releasees" means Plaintiffs and their attorneys, including Plaintiffs' Counsel, and all other Settlement Class Members, 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 and reinsurers, and attorneys, in their capacities as such.

40. Among other things, the Preliminary Approval Order entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Settlement Class provides that all proceedings in the Action other than proceedings necessary to carry out or enforce the terms and conditions of the Stipulation are stayed, and pending final determination of whether the Settlement should be finally approved, Lead Plaintiffs and all other members of the Settlement Class are barred and enjoined from commencing or prosecuting any and all of the Released Plaintiffs' Claims against each and all of the Defendants' Releasees.

41. In addition, the Stipulation provides, among other things, that upon the Effective Date of the Settlement, Lead Plaintiffs shall covenant, and each of the other Settlement Class Members shall be deemed to have covenanted, and by operation of the Judgment shall have covenanted, on behalf of themselves and their respective heirs, executors, administrators, predecessors, successors, and assigns, in their capacities as such, not to commence, institute, maintain or prosecute any or all of the Released Plaintiffs' Claims against any or all of the Defendants or other Defendants' Releasees.

#### HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

42. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than July 11, 2017**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, [www.AltisourceSecuritiesLitigation.com](http://www.AltisourceSecuritiesLitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at (888) 320-9983 or by emailing the Claims Administrator at [info@AltisourceSecuritiesLitigation.com](mailto:info@AltisourceSecuritiesLitigation.com). Please retain all records of your ownership of and transactions in Altisource common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or you do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

#### HOW MUCH WILL MY PAYMENT BE?

43. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement. A Claimant's recovery will depend upon several factors, including when and at what prices he, she, or it purchased, acquired or sold Altisource shares, and the total number of shares for which valid Claim Forms are submitted.

44. Pursuant to the Stipulation, Altisource has deposited \$32 million into an escrow account controlled by Lead Counsel. The Settlement Amount plus any interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

45. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

46. Neither the Settling Defendants, the Settling Defendants' insurance carriers, nor any other person or entity that paid any portion of the Settlement Amount on behalf of the Settling Defendants is entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund or the plan of allocation.

47. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the finality or the terms of the Settlement, if approved.

48. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form **postmarked on or before July 11, 2017** shall be fully and forever barred from receiving any payment pursuant to the Settlement but will in all other respects

remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member releases the Released Plaintiffs' Claims (as defined in ¶ 34 above) against the Defendants' Releasees (as defined in ¶ 35 above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs' Claims against any of the Defendants' Releasees whether or not such Settlement Class Member submits a Claim Form.

49. Participants in and beneficiaries of a plan covered by the Employee Retirement Income Security Act of 1974 ("ERISA Plan") should NOT include any information relating to their transactions in Altisource common stock held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan's purchases or acquisitions of Altisource common stock during the Class Period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

50. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member or Claimant.

51. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.

52. Only Settlement Class Members, *i.e.*, persons and entities who or which purchased or otherwise acquired Altisource common stock during the Class Period and were damaged as a result of such purchases or acquisitions, will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only security that is included in the Settlement is Altisource common stock.

### **PROPOSED PLAN OF ALLOCATION**

53. The objective of the Plan of Allocation is to distribute the Settlement proceeds 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 damage 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 under the Settlement. 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.

54. In developing the Plan of Allocation, Lead Plaintiffs' damages expert analyzed those allegations in the Third Amended Class Action Complaint that remained in the Action after the Second Omnibus Order was issued. Lead Plaintiffs' damages expert then calculated the estimated amount of alleged artificial inflation in the per share price of Altisource common stock that was allegedly proximately caused by Defendants' alleged materially false and misleading statements and omissions.<sup>3</sup> In calculating the estimated alleged artificial inflation allegedly caused by those misrepresentations and omissions, Lead Plaintiffs' damages expert considered price changes in Altisource common stock in reaction to public disclosures that allegedly corrected the respective alleged misrepresentations and omissions, adjusting those price changes for factors that were attributable to market or industry forces, and for non-fraud related Altisource-specific information.

55. The amounts of alleged artificial inflation per share reflected in Tables A-1 and A-2 below, represents the maximum possible recoverable damages based on the analysis described in ¶ 54 above and are used in the Plan of Allocation for establishing the relative positions of Claimants. The amounts are based on the assumption that Lead Plaintiffs would prevail on all of their alleged claims in all respects. As noted above (see ¶ 28 above), Defendants raised vigorous challenges to Lead Plaintiffs' positions and argued that there were no recoverable damages. As discussed above, Lead Plaintiffs recognize that there was a significant risk that Defendants could prevail on some or even all of their positions. Had Defendants prevailed, recoverable damages would have been significantly reduced and, potentially, could have been eliminated in their entirety.

56. In order to have recoverable damages under the federal securities laws, disclosure of the alleged misrepresentation and/or omission must be the cause of the decline in the price of Altisource common stock. In this Action, taking into account the effect of the Second Omnibus Order, allegedly corrective information released to the market that allegedly impacted the price of Altisource common stock (referred to as a "corrective disclosure") occurred on: February 26, 2014 at 12:30 p.m. New York time, August 4, 2014 at noon New York time, November 12, 2014 before the opening of trading, and December 22, 2014 before the opening of trading.<sup>4</sup> In order to have a "Recognized Loss Amount" under the Plan of Allocation, the shares of Altisource common stock must have been purchased during the Class Period and held through at least one partial corrective disclosure.

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

57. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase or acquisition of Altisource common stock during the Class Period that is listed on the Proof of Claim Form and for which adequate documentation is

<sup>3</sup> As discussed in ¶ 17 above, in the Second Omnibus Order, the Court dismissed claims as to certain alleged misrepresentations and omissions.

<sup>4</sup> With respect to the partial corrective disclosures that occurred on August 4, 2014 and November 12, 2014, the alleged artificial inflation was removed from the price of Altisource common stock over two days.

provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

58. For each share of Altisource common stock purchased or otherwise acquired during the period from April 25, 2013 through and including December 21, 2014, and:

- (a) Sold prior to or on February 26, 2014 prior to 12:30 p.m. New York time, the Recognized Loss Amount will be \$0.00;
- (b) Sold during the period from February 26, 2014 at or after 12:30 p.m. New York time through and including December 21, 2014, the Recognized Loss Amount will be **the lesser of**: (i) the amount of alleged artificial inflation per share as stated in Table A–1 on the date of purchase/acquisition minus the amount of alleged artificial inflation per share as stated in Table A–2 on the date of sale, or (ii) the purchase/acquisition price minus the sale price;
- (c) Sold during the period from December 22, 2014 through and including the close of trading on March 20, 2015, the Recognized Loss Amount will be **the least of**: (i) the amount of alleged artificial inflation per share as stated in Table A–1 on the date of purchase/acquisition, (ii) the purchase/acquisition price minus the sale price, or (iii) the purchase/acquisition price minus the average closing price between December 22, 2014 and the date of sale as stated in Table B at the end of this Notice; and
- (d) Held as of the close of trading on March 20, 2015, the Recognized Loss Amount will be **the lesser of**: (i) the amount of alleged artificial inflation per share as stated in Table A–1 on the date of purchase/acquisition, or (ii) the purchase/acquisition price minus \$23.02, the average closing price for Altisource common stock between December 22, 2014 and March 20, 2015 (the last entry on Table B).<sup>5</sup>

#### **ADDITIONAL PROVISIONS**

59. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 62 below) is \$10.00 or greater.

60. If a Settlement Class Member has more than one purchase/acquisition or sale of Altisource common stock, purchases/acquisitions and sales will be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

61. A Claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

62. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will 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 any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

63. Purchases, acquisitions, and sales of Altisource common stock will 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 Altisource common stock during the Class Period will not be deemed a purchase, acquisition, or sale of Altisource common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of Altisource common stock unless: (i) the donor or decedent purchased or otherwise acquired the shares 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 those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

64. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Altisource common stock. The date of a “short sale” is deemed to be the date of sale of Altisource common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in Altisource common stock, his, her, or its earliest Class Period purchases or acquisitions of Altisource common stock will be matched against the opening short position, and not be entitled to a recovery, until that short position is fully covered.

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

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<sup>5</sup> Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Altisource common stock during the 90-day look-back period. The mean (average) closing price for Altisource common stock during this 90-day look-back period was \$23.02.

66. If a Claimant had a market gain with respect to his, her, or its overall transactions in Altisource common stock during the Class Period, the value of the Claimant's Recognized Claim will be zero. If a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Altisource common stock during the Class Period but that market loss was less than the Claimant's total Recognized Claim calculated above, then the Claimant's Recognized Claim will be limited to the amount of the actual market loss.

67. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in Altisource common stock during the Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount<sup>6</sup> and (ii) the sum of the Total Sales Proceeds<sup>7</sup> and Holding Value.<sup>8</sup> This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in Altisource common stock during the Class Period.

68. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

69. 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 Authorized Claimants. No person shall have any claim against Lead Plaintiffs, Plaintiffs' Counsel, Lead Plaintiffs' damages expert, Settling Defendants, Settling 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. Lead Plaintiffs, Settling 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.

70. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiffs after consultation with Lead Counsel and Lead Plaintiffs' damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.AltisourceSecuritiesLitigation.com](http://www.AltisourceSecuritiesLitigation.com).

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| <p><b>WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?</b><br/><b>HOW WILL THE LAWYERS BE PAID?</b></p> |
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71. Plaintiffs' Counsel have not received any payment for their services in pursuing claims asserted in the Action on behalf of the Settlement Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 22% of the Settlement Fund. At the same time, Lead Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed \$1,200,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid solely from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

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| <p><b>WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?</b><br/><b>HOW DO I EXCLUDE MYSELF?</b></p> |
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72. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion from the Settlement Class (a "Request for Exclusion"), addressed to Altisource Securities Litigation, EXCLUSIONS, c/o GCG, P.O. Box 10361, Dublin, OH 43017-5561. The exclusion request must be **received no later than May 9, 2017**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) be signed by the person or

<sup>6</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for Altisource common stock purchased or acquired during the Class Period.

<sup>7</sup> The Claims Administrator will match any sales of Altisource common stock during the Class Period first against the Claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of Altisource common stock sold during the Class Period will be the "Total Sales Proceeds".

<sup>8</sup> The Claims Administrator will ascribe a value of \$31.49 per share for Altisource common stock purchased or acquired during the Class Period and still held as of the end of the day on December 21, 2014 (the "Holding Value").

entity requesting exclusion or an authorized representative; (c) state that such person or entity “requests exclusion from the Settlement Class in *In re: Altisource Portfolio Solutions, S.A. Securities Litigation*, Case 14–81156 CIV–WPD”; and (d) provide all of the following information with respect to shares of Altisource common stock held, purchased/acquired, and/or sold by the person or entity requesting exclusion: (i) the total number of shares of Altisource common stock owned as of the opening of trading on April 25, 2013; (ii) the total number of shares of Altisource common stock purchased/acquired during the period from April 25, 2013 through and including December 21, 2014, and for each purchase/acquisition during this time period, the purchase/acquisition date, number of shares purchased/acquired, and purchase/acquisition price per share; (iii) the total number of shares of Altisource common stock purchased/acquired from December 22, 2014 through and including March 20, 2015; (iv) the total number of shares of Altisource common stock sold from April 25, 2013 through and including March 20, 2015, and for each sale transaction during this time period, the sale date, number of shares sold, and sale price per share; and (v) the total number of shares of Altisource common stock owned as of the close of trading on March 20, 2015. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above. Lead Counsel may, at its discretion, request from any person or entity requesting exclusion documentation sufficient to prove his, her or its holdings, purchases/acquisitions, and/or sales of Altisource common stock.

73. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs’ Claim against any of the Defendants’ Releasees.

74. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment from the Net Settlement Fund.

75. The Settling Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiffs and the Settling Defendants.

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| <p align="center"><b>WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?<br/>DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?</b></p> |
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76. The Settlement Hearing will be held on May 30, 2017 at 1:15 p.m., before the Honorable William P. Dimitrouleas at the United States District Court for the Southern District of Florida, U.S. Federal Building and Courthouse, Courtroom 205B, 299 East Broward Boulevard, Fort Lauderdale, Florida 33301. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

77. **Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. Participation in the Settlement is not conditioned on attendance at the Settlement Hearing.**

78. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel’s motion for an award of attorneys’ fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk’s Office at the United States District Court for the Southern District of Florida at the address set forth below **on or before May 9, 2017**. You must also serve the papers on Lead Counsel and on Representative Settling Defendants’ Counsel at the addresses set forth below so that the papers are **received on or before May 9, 2017**.

**Clerk’s Office**

United States District Court  
Southern District of Florida  
Clerk of the Court  
U.S. Federal Building and Courthouse  
299 East Broward Boulevard  
Fort Lauderdale, FL 33301

**Lead Counsel**

**Bernstein Litowitz Berger &  
Grossmann LLP**  
Hannah G. Ross, Esq.  
1251 Avenue of the Americas, 44th Floor  
New York, NY 10020

**Representative Settling  
Defendants’ Counsel**

**King & Spalding LLP**  
Michael R. Smith, Esq.  
1180 Peachtree Street, N.E.  
Atlanta, GA 30309

79. Any objection: (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member’s objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court’s attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of Altisource common stock that the objecting Settlement Class Member purchased/acquired and/or sold during the Class Period (*i.e.*, from April 25, 2013 through December 21, 2014, inclusive), as well as the dates, number of shares, and prices of each such purchase/acquisition and sale. Documents sufficient to prove membership in the Settlement Class include brokerage statements, confirmation slips, or authorized statements from a broker containing the transaction and holding information found in a confirmation slip or account statement. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel’s motion for attorneys’ fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

80. You may file a written objection without appearing at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

81. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Representative Settling Defendants' Counsel at the addresses set forth in ¶ 78 above so that it is **received on or before May 9, 2017**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and copies of any exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

82. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Representative Settling Defendants' Counsel at the addresses set forth in ¶ 78 above so that the notice is **received on or before May 9, 2017**.

83. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

84. **Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

#### WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

85. If you purchased or otherwise acquired Altisource common stock from April 25, 2013 through December 21, 2014, inclusive, for the beneficial interest of persons or entities other than yourself, you must either: (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to Altisource Securities Litigation, c/o GCG, P.O. Box 10361, Dublin, OH 43017-5561. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, [www.AltisourceSecuritiesLitigation.com](http://www.AltisourceSecuritiesLitigation.com), by calling the Claims Administrator toll-free at (888) 320-9983, or by emailing the Claims Administrator at [info@AltisourceSecuritiesLitigation.com](mailto:info@AltisourceSecuritiesLitigation.com).

#### CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

86. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of Florida, U.S. Federal Building and Courthouse, 299 East Broward Boulevard, Fort Lauderdale, Florida 33301. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.AltisourceSecuritiesLitigation.com](http://www.AltisourceSecuritiesLitigation.com).

All inquiries concerning this Notice and the Claim Form should be directed to:

Altisource Securities Litigation  
c/o GCG  
P.O. Box 10361  
Dublin, OH 43017-5561  
(888) 320-9983  
[info@AltisourceSecuritiesLitigation.com](mailto:info@AltisourceSecuritiesLitigation.com)  
[www.AltisourceSecuritiesLitigation.com](http://www.AltisourceSecuritiesLitigation.com)

and/or

Hannah G. Ross, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1251 Avenue of the Americas, 44th Floor  
New York, NY 10020  
(800) 380-8496  
[blbg@blbgllaw.com](mailto:blbg@blbgllaw.com)

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: March 10, 2017

By Order of the Court  
United States District Court  
Southern District of Florida

**TABLE A-1**

**Estimated Alleged Artificial Inflation from April 25, 2013  
through and including December 21, 2014  
With Respect to Purchases/Acquisitions of Altisource Common Stock**

| <b>Purchase/Acquisition Transaction Date</b>                               | <b>Inflation Per Share</b> |
|----------------------------------------------------------------------------|----------------------------|
| April 25, 2013 – February 25, 2014                                         | \$54.07                    |
| February 26, 2014: purchased/acquired prior to 12:30 p.m. New York time    | \$54.07                    |
| February 26, 2014: purchased/acquired at or after 12:30 p.m. New York time | \$41.56                    |
| February 27, 2014 – August 3, 2014                                         | \$41.56                    |
| August 4, 2014: purchased/acquired prior to noon New York time             | \$41.56                    |
| August 4, 2014: purchased/acquired at or after noon New York time          | \$23.87                    |
| August 5, 2014 – November 11, 2014                                         | \$23.87                    |
| November 12, 2014                                                          | \$11.05                    |
| November 13, 2014 – December 21, 2014                                      | \$11.05                    |

**TABLE A-2**

**Estimated Alleged Artificial Inflation from April 25, 2013  
through and including December 21, 2014  
With Respect to Sales of Altisource Common Stock**

| <b>Sale Transaction Date</b>                                 | <b>Inflation Per Share</b> |
|--------------------------------------------------------------|----------------------------|
| April 25, 2013 – February 25, 2014                           | \$54.07                    |
| February 26, 2014: sold prior to 12:30 p.m. New York time    | \$54.07                    |
| February 26, 2014: sold at or after 12:30 p.m. New York time | \$41.56                    |
| February 27, 2014 – August 3, 2014                           | \$41.56                    |
| August 4, 2014: sold prior to noon New York time             | \$41.56                    |
| August 4, 2014: sold at or after noon New York time          | \$27.76                    |
| August 5, 2014 – November 11, 2014                           | \$23.87                    |
| November 12, 2014                                            | \$14.93                    |
| November 13, 2014 – December 21, 2014                        | \$11.05                    |

**TABLE B**

**Altisource Closing Price and Average Closing Price  
December 22, 2014 – March 20, 2015**

| <b>Date</b> | <b>Closing Price</b> | <b>Average Closing Price<br/>Between December 22,<br/>2014 and Date Shown</b> | <b>Date</b> | <b>Closing Price</b> | <b>Average Closing Price<br/>Between December 22,<br/>2014 and Date Shown</b> |
|-------------|----------------------|-------------------------------------------------------------------------------|-------------|----------------------|-------------------------------------------------------------------------------|
| 12/22/2014  | \$31.49              | \$31.49                                                                       | 2/6/2015    | \$23.68              | \$25.98                                                                       |
| 12/23/2014  | \$29.44              | \$30.47                                                                       | 2/9/2015    | \$22.39              | \$25.87                                                                       |
| 12/24/2014  | \$33.81              | \$31.58                                                                       | 2/10/2015   | \$21.89              | \$25.75                                                                       |
| 12/26/2014  | \$33.40              | \$32.04                                                                       | 2/11/2015   | \$21.52              | \$25.63                                                                       |
| 12/29/2014  | \$33.89              | \$32.41                                                                       | 2/12/2015   | \$22.23              | \$25.53                                                                       |
| 12/30/2014  | \$34.17              | \$32.70                                                                       | 2/13/2015   | \$22.32              | \$25.45                                                                       |
| 12/31/2014  | \$33.79              | \$32.86                                                                       | 2/17/2015   | \$23.40              | \$25.39                                                                       |
| 1/2/2015    | \$34.17              | \$33.02                                                                       | 2/18/2015   | \$24.16              | \$25.36                                                                       |
| 1/5/2015    | \$32.46              | \$32.96                                                                       | 2/19/2015   | \$23.81              | \$25.32                                                                       |
| 1/6/2015    | \$30.48              | \$32.71                                                                       | 2/20/2015   | \$23.20              | \$25.27                                                                       |
| 1/7/2015    | \$30.34              | \$32.49                                                                       | 2/23/2015   | \$23.56              | \$25.23                                                                       |
| 1/8/2015    | \$31.41              | \$32.40                                                                       | 2/24/2015   | \$23.49              | \$25.19                                                                       |
| 1/9/2015    | \$28.90              | \$32.13                                                                       | 2/25/2015   | \$22.69              | \$25.13                                                                       |
| 1/12/2015   | \$26.94              | \$31.76                                                                       | 2/26/2015   | \$22.20              | \$25.07                                                                       |
| 1/13/2015   | \$16.49              | \$30.75                                                                       | 2/27/2015   | \$20.14              | \$24.96                                                                       |
| 1/14/2015   | \$18.06              | \$29.95                                                                       | 3/2/2015    | \$20.47              | \$24.87                                                                       |
| 1/15/2015   | \$18.37              | \$29.27                                                                       | 3/3/2015    | \$20.22              | \$24.77                                                                       |
| 1/16/2015   | \$27.66              | \$29.18                                                                       | 3/4/2015    | \$18.74              | \$24.65                                                                       |
| 1/20/2015   | \$21.26              | \$28.76                                                                       | 3/5/2015    | \$18.76              | \$24.53                                                                       |
| 1/21/2015   | \$24.71              | \$28.56                                                                       | 3/6/2015    | \$18.54              | \$24.41                                                                       |
| 1/22/2015   | \$23.86              | \$28.34                                                                       | 3/9/2015    | \$17.01              | \$24.27                                                                       |
| 1/23/2015   | \$21.29              | \$28.02                                                                       | 3/10/2015   | \$17.60              | \$24.14                                                                       |
| 1/26/2015   | \$22.15              | \$27.76                                                                       | 3/11/2015   | \$17.58              | \$24.02                                                                       |
| 1/27/2015   | \$21.91              | \$27.52                                                                       | 3/12/2015   | \$18.02              | \$23.91                                                                       |
| 1/28/2015   | \$21.08              | \$27.26                                                                       | 3/13/2015   | \$17.81              | \$23.80                                                                       |
| 1/29/2015   | \$20.56              | \$27.00                                                                       | 3/16/2015   | \$16.39              | \$23.67                                                                       |
| 1/30/2015   | \$20.28              | \$26.75                                                                       | 3/17/2015   | \$15.13              | \$23.53                                                                       |
| 2/2/2015    | \$20.19              | \$26.52                                                                       | 3/18/2015   | \$13.85              | \$23.36                                                                       |
| 2/3/2015    | \$21.75              | \$26.36                                                                       | 3/19/2015   | \$12.48              | \$23.18                                                                       |
| 2/4/2015    | \$20.75              | \$26.17                                                                       | 3/20/2015   | \$13.33              | \$23.02                                                                       |
| 2/5/2015    | \$22.46              | \$26.05                                                                       |             |                      |                                                                               |