

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

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

Case 14-81156 CIV-WPD

**STIPULATION AND AGREEMENT OF SETTLEMENT**

This Stipulation and Agreement of Settlement, dated as of February 8, 2017 (the “Stipulation”), is entered into by and between (a) 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 (defined below); and (b) defendant Altisource Portfolio Solutions S.A. (“Altisource”) and defendants William C. Erbey, William B. Shepro and Michelle D. Esterman (collectively, the “Individual Defendants” and, together with Altisource, the “Settling Defendants”), by and through their respective undersigned counsel, and embodies the terms and conditions of the proposed Settlement between the Settling Parties reached in the above-captioned action (the “Action”). Subject to the approval of the Court and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally and forever compromise, settle, release, resolve, and dismiss with prejudice all of the Released Claims (as defined below).<sup>1</sup>

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<sup>1</sup> All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in ¶ 1 herein. The singular forms of nouns and pronouns include the plural and vice versa.

WHEREAS:

A. On September 8, 2014, the Action was commenced with the filing of a putative securities class action complaint in the United States District Court for the Southern District of Florida, styled *West Palm Beach Firefighters' Pension Fund v. Altisource Portfolio Solutions, S.A., et al.*, Case No. 9:14-cv-81156-WPD.

B. 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.

C. On January 30, 2015, 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, 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 alleges, 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 alleges, among other things, that Altisource and Ocwen engaged in purported conflicted transactions that were supposedly approved by Defendant Erbey – who 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 further alleges 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.

D. On March 23, 2015, the Altisource Defendants and Ocwen each moved to dismiss the Amended Complaint for failure to state a claim. Lead Plaintiffs opposed those motions on May 14, 2015, and Defendants filed reply briefs in support of their motions on June 15, 2015.

E. On September 4, 2015, the Court entered an Omnibus Order Granting Defendants' Motions to Dismiss the Amended Complaint without prejudice. The Court granted Lead Plaintiffs until September 25, 2015 to file an amended complaint.

F. On September 25, 2015, Lead Plaintiffs filed their Second Amended Class Action Complaint (the "Second Amended Complaint"), which again alleges, among other things, 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. 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.

G. On October 22, 2015, the Altisource Defendants and Ocwen each moved to dismiss the Third Amended Complaint for failure to state a claim. Lead Plaintiffs opposed those motions on November 19, 2015, and Defendants filed reply briefs in support of their motions on December 7, 2015.

H. On December 22, 2015, the Court entered its Second Omnibus Order on Motions to Dismiss, 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 on allegations that Defendants misrepresented Erbey's participation in transactions supposedly between Altisource and Ocwen. The Court dismissed all remaining claims, including 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.

I. On January 22, 2016, the Altisource Defendants moved for Reconsideration of the Court's December 22, 2015 Order, and moved to stay the case. On January 25, 2016, the Court denied the Altisource Defendants' motion to stay. On February 8, 2016, Lead Plaintiffs opposed the Altisource Defendants' motion for reconsideration, and on February 19, 2016, the Altisource Defendants filed a reply brief in support of their motion for reconsideration. On March 4, 2016, the Court denied the motion for reconsideration.

J. On March 3, 2016, the Court entered an Order Setting Trial Date & Discovery Deadlines, Referring Case to Mediation & Referring Discovery Motions to United States Magistrate Judge (the "March 3 Scheduling Order"). The March 3 Scheduling Order set deadlines for discovery cut-off, Lead Plaintiffs' motion for class certification, and the deadline for the filing of any amended pleadings. These deadlines were later amended in a September 16, 2016 Order (the "September 16 Scheduling Order.")

K. Discovery 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 *duces tecum* or otherwise

pursued discovery on numerous third parties including, but not limited to, Ocwen, certain other companies formerly chaired by Defendant Erbey, Altisource's independent auditor, members of Altisource's Board of Directors, and Southwest Business Corporation. The Altisource Defendants served document requests on Plaintiffs and Plaintiffs' investment managers. 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.

L. On August 12, 2016, as fact discovery was ongoing, Lead Plaintiffs filed their Motion for Class Certification, Appointment of Class Representatives and Appointment of Class and Liaison Class Counsel (the "Motion for Class Certification"). Several depositions were taken in connection with class certification. On October 27, 2016, the deposition of Lead Plaintiffs was taken pursuant to Federal Rule of Civil Procedure 30(b)(6). On November 3, 2016, the deposition of West Palm Beach Firefighters was taken pursuant to Federal Rule of Civil Procedure 30(b)(6). On November 7, 2016, the deposition of the Painters Funds' investment manager, Punch & Associates Investment Management, Inc., was taken pursuant to Federal Rule of Civil Procedure 30(b)(6). On November 9, 2016, the deposition of Plaintiffs' expert in connection with their Motion for Class Certification was taken. On November 11, 2016, the deposition of West Palm Beach Firefighters' investment manager, Thompson, Siegel & Walmsley LLC, was taken pursuant to Federal Rule of Civil Procedure 30(b)(6).

M. On November 25, 2016, the Altisource Defendants filed their response in opposition to the Motion for Class Certification.

N. On December 2, 2016, Lead Plaintiffs moved for leave to file the Fourth Amended Class Action Complaint (the "Fourth Amended Complaint" or "Complaint"), in accordance with

the Court's September 16 Scheduling Order and based on documents produced in discovery. The Altisource Defendants did not oppose Lead Plaintiffs' motion, but notified the Court via a filing dated December 16, 2017, of their intent to file motions pursuant to Federal Rule of Civil Procedure 12 to address alleged deficiencies in the Fourth Amended Complaint should the Court permit its filing. The Court granted Lead Plaintiffs' motion for leave to file the Fourth Amended Complaint on December 19, 2016.

O. Lead Plaintiffs filed the Fourth Amended Complaint on December 28, 2016.

P. Expert discovery commenced on December 30, 2016. On that date and on January 13, 2017, Lead Plaintiffs served Defendants with two expert reports, in accordance with the Court's Scheduling Order.

Q. On January 2, 2017, Lead Plaintiffs filed their reply in support of the Motion for Class Certification.

R. On January 6, 2017, the Altisource Defendants filed Defendants' Motion to Strike Matter from the Fourth Amended Class Action Complaint (the "Motion to Strike") and Defendants' Motion to Dismiss New Claims Alleged in the Fourth Amended Class Action Complaint (the "Motion to Dismiss the Fourth Amended Complaint").

S. 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.

T. In late December 2016, as the parties were continuing to pursue extensive fact and expert discovery and briefing Defendants' motion to dismiss the Fourth Amended Complaint,

Retired Judge Layn Phillips (the Settling Parties' selected mediator) commenced a mediation process. After numerous telephonic discussions and sessions with Judge Phillips and written submissions by the Settling Parties, the Settling Parties reached an agreement in principle to settle the Action that was memorialized in a term sheet (the "Term Sheet") executed on January 18, 2017. The Term Sheet set forth, among other things, the Settling Parties' agreement to settle and release the Released Claims in return for a cash payment of \$32,000,000 for the benefit of the Settlement Class.

U. This Stipulation (together with the exhibits hereto and the Supplemental Agreement referred to in ¶ 37 below) reflects the final and binding agreement between the Settling Parties.

V. Based upon their investigation, prosecution and mediation of the case, Lead Plaintiffs and Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable and adequate to Lead Plaintiffs and the other members of the Settlement Class, and in their best interests. Based on Lead Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, Lead Plaintiffs have agreed to settle and release the Released Plaintiffs' Claims against the Defendants' Releasees pursuant to the terms and provisions of this Stipulation, after considering, among other things: (a) the substantial financial benefit that Lead Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.

W. This Stipulation constitutes a compromise of matters that are in dispute between the Settling Parties. The Settling Defendants are entering into this Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Settling Defendants denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Settling Defendants with

respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Settling Defendants have, or could have, asserted. The Settling Defendants expressly deny that Lead Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing or damages whatsoever. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Lead Plaintiffs of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Settling Defendants' defenses to liability had any merit. Each of the Settling Parties recognizes and acknowledges, however, that the Action has been initiated, filed and prosecuted by Lead Plaintiffs in good faith and defended by the Settling Defendants in good faith and that the Action is being voluntarily settled with the advice of counsel.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among Lead Plaintiffs (individually and on behalf of all other members of the Settlement Class) and the Settling Defendants, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Settling Parties from the Settlement, all Released Plaintiffs' Claims as against the Defendants' Releasees and all Released Defendants' Claims as against the Plaintiffs' Releasees shall be settled and released, upon and subject to the terms and conditions set forth below.

#### **DEFINITIONS**

1. As used in this Stipulation and any exhibits attached hereto and made a part hereof, the following capitalized terms shall have the following meanings:

(a) “Action” means the consolidated securities class action in the matter styled *In re: Altisource Portfolio Solutions, S.A. Securities Litigation*, Case 14-81156 CIV-WPD, and includes all actions consolidated therein.

(b) “Alternate Judgment” means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation.

(c) “Altisource” or the “Company” means Altisource Portfolio Solutions S.A.

(d) “Authorized Claimant” means a Settlement Class Member who or which submits a Proof of Claim Form to the Claims Administrator that is approved by the Court for payment from the Net Settlement Fund.

(e) “Claim” means a Proof of Claim Form submitted to the Claims Administrator.

(f) “Claim Form” or “Proof of Claim Form” means the form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, that a Claimant or Settlement Class Member must complete and submit should that Claimant or Settlement Class Member seek to share in a distribution of the Net Settlement Fund.

(g) “Claimant” means a person or entity who or which submits a Claim Form to the Claims Administrator seeking to be eligible to share in the proceeds of the Settlement Fund.

(h) “Claims Administrator” means the firm retained by Lead Plaintiffs and Lead Counsel, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlement.

(i) “Class Distribution Order” means an order entered by the Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to Authorized Claimants.

(j) “Class Period” means the period from April 25, 2013 through December 21, 2014, inclusive.

(k) “Court” means the United States District Court for the Southern District of Florida.

(l) “Defendants” means the Settling Defendants and Ocwen.

(m) “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.

(n) “Effective Date” with respect to the Settlement means the first date by which all of the events and conditions subsequent specified in ¶ 33 of this Stipulation have been met and have occurred or have been waived.

(o) “Escrow Account” means an account maintained at Valley National Bank (with headquarters in Wayne, New Jersey), wherein the Settlement Amount shall be deposited and held in escrow under the control of Lead Counsel.

(p) “Escrow Agent” means Valley National Bank.

(q) “Escrow Agreement” means the agreement between Lead Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(r) “Excluded Claims” means (i) 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 that submits a request for exclusion from the Settlement Class that is accepted by the Court as valid.

(s) “Final,” with respect to the Judgment or, if applicable, the Alternate Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys’ fees, costs or expenses, or (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall not in any way delay or preclude a judgment from becoming Final.

(t) “Immediate Family” means children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law,

and sisters-in-law. As used in this paragraph, “spouse” shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

(u) “Judgment” means the final judgment, substantially in the form attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

(v) “Lead Counsel” means the law firm Bernstein Litowitz Berger & Grossmann LLP.

(w) “Lead Plaintiffs” means 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.

(x) “Litigation Expenses” means costs and expenses incurred in connection with commencing, prosecuting and settling the Action (which may include the costs and expenses of Plaintiffs directly related to their representation of the Settlement Class), for which Lead Counsel intend to apply to the Court for reimbursement from the Settlement Fund.

(y) “Liaison Counsel” means Saxena White P.A.

(z) “Net Settlement Fund” means 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.

(aa) “Notice” means the 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, substantially in the form attached hereto as Exhibit 1 to Exhibit A, which is to be mailed to Settlement Class Members.

(bb) “Notice and Administration Costs” means the costs, fees and expenses that are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing notices to the Settlement Class; and (ii) administering the Settlement, including but not limited to

the Claims process, as well as the costs, fees and expenses incurred in connection with the Escrow Account.

(cc) “Officer” means any officer as that term is defined in Securities and Exchange Act Rule 16a-1(f).

(dd) “Person” means any individual or business or corporate entity, including without limitation any corporation, corporate division, corporate subsidiary, general partnership, limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government, government agency, or political subdivision.

(ee) “Plaintiffs” means Lead Plaintiffs and Named Plaintiff West Palm Beach Firefighters.

(ff) “Plaintiffs’ Counsel” means Lead Counsel, Liaison Counsel, and all other legal counsel who, at the direction and under the supervision of Lead Counsel, performed services on behalf of the Settlement Class in the Action.

(gg) “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.

(hh) “Plan of Allocation” means the proposed plan of allocation of the Net Settlement Fund set forth in the Notice.

(ii) “Preliminary Approval Order” means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Settlement Class.

(jj) “Released Claims” means all Released Defendants’ Claims and all Released Plaintiffs’ Claims.

(kk) “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.

(ll) “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 any of the Excluded Claims.

(mm) "Releasee(s)" means each and any of the Defendants' Releasees and each and any of the Plaintiffs' Releasees.

(nn) "Releases" means the releases set forth in ¶¶ 5-6 of this Stipulation.

(oo) "Settlement" means the settlement between Lead Plaintiffs and the Settling Defendants on the terms and conditions set forth in this Stipulation.

(pp) "Settlement Amount" means \$32,000,000 in cash.

(qq) "Settlement Class" means 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 that is accepted by the Court as valid.

(rr) “Settlement Class Member” or “Class Member” means each person and entity who or which is a member of the Settlement Class.

(ss) “Settlement Fund” means the Settlement Amount plus any and all interest earned thereon.

(tt) “Settlement Hearing” means the hearing set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

(uu) “Settling Defendants” means Altisource and the Individual Defendants.

(vv) “Settling Defendants’ Counsel” means the law firms King & Spalding LLP and Jones Day.

(ww) “Settling Parties” means the Settling Defendants and Lead Plaintiffs, on behalf of themselves and the Settlement Class.

(xx) “Summary Notice” means the Summary 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, substantially in the form attached hereto as Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

(yy) “Taxes” means: (i) all federal, state and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; (ii) the expenses and costs incurred by Lead Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants); and (iii) all taxes imposed on payments by the Settlement Fund, including withholding taxes.

(zz) “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.

(aaa) "West Palm Beach Firefighters" means Named Plaintiff West Palm Beach Firefighters' Pension Fund.

### **CLASS CERTIFICATION**

2. Solely for purposes of the Settlement and for no other purpose, the Settling Defendants stipulate and agree to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) appointment of Plaintiffs as the Class Representatives for the Settlement Class; and (c) appointment of Lead Counsel as Class Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

### **PRELIMINARY APPROVAL OF SETTLEMENT**

3. Following execution of this Stipulation and by no later than February 8, 2017, Lead Plaintiffs will move for preliminary approval of the Settlement, certification of the Settlement

Class for settlement purposes only, and the scheduling of a hearing for consideration of final approval of the Settlement, which motion shall be unopposed by the Settling Defendants. Concurrently with the motion for preliminary approval, Lead Plaintiffs shall apply to the Court for, and the Settling Defendants shall agree to, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

**RELEASE OF CLAIMS**

4. The obligations incurred pursuant to this Stipulation are in consideration of: (i) the full and final disposition of the Action; and (ii) the payments and Releases provided for herein.

5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, 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, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Plaintiffs' Claim against the Defendants and the other Defendants' Releasees, and shall 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. Upon the Effective Date of the Settlement, Lead Plaintiffs shall expressly covenant, and each of the other Settlement Class Members shall be deemed to have covenanted, and by operation of the Judgment or the Alternate Judgment, if applicable, 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. This release shall not apply to any of the Excluded Claims.

6. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, 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, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Defendants' Claim against Lead Plaintiffs and the other Plaintiffs' Releasees, 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. This release shall not apply to any claims against any person or entity that submits a request for exclusion from the Settlement Class that is accepted by the Court as valid.

7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment, or the Alternate Judgment, if applicable, shall bar any action by any of the Settling Parties to enforce or effectuate the terms of this Stipulation or the Judgment, or Alternate Judgment, if applicable. Also, for the avoidance of doubt, this Stipulation does not (a) release any claims (including any claims under or relating to any policy of liability, any other insurance policy or any contractual or statutory rights to indemnification) that Altisource or any other Settling Defendant may have against any Person other than any of the Plaintiffs' Releasees; or (b) release any insurer, co-insurer, excess insurer, or re-insurer from any obligation owed to Altisource or any other Settling Defendant for indemnity or coverage under or relating to any policy of liability or other insurance policy.

**THE SETTLEMENT CONSIDERATION**

8. In consideration of the settlement of the Released Plaintiffs' Claims against the Defendants and the other Defendants' Releasees, Altisource shall cause the Settlement Amount to be deposited into the Escrow Account within fifteen (15) business days following the date of entry by the Court of an order preliminarily approving this Settlement, provided that Lead Counsel has first provided Settling Defendants' Counsel with: (a) a W-9 for the Escrow Account, and (b) wire or check mailing instructions for payment to the Escrow Account. The Settlement Amount represents the entirety of the Settling Defendants' financial obligations under this Stipulation and in connection with this Settlement, meaning that it includes all attorneys' fees and expenses, Notice and Administration Costs, Taxes, and costs of any kind whatsoever associated with the Settlement. The full payment of the entire Settlement Amount into the Escrow Account in accordance with this paragraph fully discharges the Settling Defendants' financial obligations under this Stipulation and in connection with the Settlement, meaning that none of the Settling Defendants shall have any other obligation to make any payment into the Escrow Account or to any Settlement Class Member, or any other Person, under this Stipulation or as part of the Settlement once the payment described in this paragraph has been made. For avoidance of doubt, under no circumstances shall the total to be paid by or on behalf of the Settling Defendants under this Stipulation exceed the Settlement Amount.

**USE OF SETTLEMENT FUND**

9. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and Administration Costs; (c) any Litigation Expenses awarded by the Court; and (d) any attorneys' fees awarded by the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 19-31 below.

Defendants' Releasees shall have no responsibility for, interest in, or liability whatsoever with respect to: (i) any act, omission, or determination by Lead Counsel, the Escrow Agent, or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment, or distribution of the Settlement Fund; (iii) the Plan of Allocation or its implementation, administration, or interpretation; (iv) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in value of, the Settlement Fund; or (vi) the payment or withholding of any Taxes, expenses, or costs incurred in connection with the taxation of the Settlement Fund or the filing of any federal, state, or local returns. For the avoidance of doubt, nothing in the foregoing sentence alters Altisource's obligations under this Stipulation with respect to the payment of the Settlement Amount into the Escrow Account, as set forth in ¶ 8 above, and provision of shareholder transfer records, as set forth in ¶ 20 below.

10. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date of the Settlement. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Escrow Account exclusively in United States Treasury Bills (or a mutual fund invested solely in such instruments) and shall collect and reinvest all interest accrued thereon, except that any residual cash balances up to the amount that is insured by the FDIC may be deposited in any account that is fully insured by the FDIC. In the event that the yield on United States Treasury Bills is negative, in lieu of purchasing such Treasury Bills, all or any portion of

the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States. Additionally, if short-term placement of the funds is necessary, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States. All risks related to the investment of the Settlement Fund shall be borne solely by the Settlement Fund.

11. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Counsel shall also be responsible for causing payment to be made from the Settlement Fund of any Taxes owed with respect to the Settlement Fund. The Defendants' Releasees shall not have any liability or responsibility for any such Taxes. Upon written request, the Settling Defendants will provide to Lead Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

12. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid by the Escrow Agent pursuant to the disbursement instructions to be set forth in the Escrow Agreement,

and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. Neither the Settling Defendants nor the other Defendants' Releasees shall have responsibility or liability for the acts or omissions of Lead Counsel or its agents with respect to the payment of Taxes. The Settlement Fund shall indemnify and hold harmless each of the Settling Defendants and the other Defendants' Releasees for Taxes (including, without limitation, Taxes payable by reason of any such indemnification).

13. The Settlement is not a claims-made settlement. Upon the occurrence of the Effective Date of the Settlement, no Settling Defendant, Defendants' Releasee, insurance carrier, or any other person or entity who or which paid any portion of the Settlement Amount shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever, including without limitation, the number of Claim Forms submitted, the collective amount of Recognized Claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

14. Notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from the Settling Defendants or further order of the Court, all Notice and Administration Costs actually incurred up to the sum of \$300,000. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Notice, publishing the Summary Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice, administering the Settlement (including processing the submitted Claims), and the fees, if

any, of the Escrow Agent. Prior to the Effective Date of the Settlement, all such Notice and Administration Costs in excess of \$300,000 shall be paid from the Settlement Fund subject to prior approval of the Court. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration Costs incurred, paid or payable, including any related fees, shall not be returned or repaid to the Settling Defendants, their insurance carriers, any of the other Defendants' Releasees, or any other person or entity who or which paid any portion of the Settlement Amount.

**ATTORNEYS' FEES AND LITIGATION EXPENSES**

15. Lead Counsel will apply to the Court for a collective award of attorneys' fees to Plaintiffs' Counsel to be paid solely from (and out of) the Settlement Fund. Lead Counsel also will apply to the Court for reimbursement of Litigation Expenses, which may include a request for reimbursement of Plaintiffs' costs and expenses directly related to their representation of the Settlement Class, to be paid solely from (and out of) the Settlement Fund. Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between the Settling Defendants and Lead Plaintiffs other than what is set forth in this Stipulation.

16. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Counsel solely from the Settlement Fund immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Lead Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful

collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order reducing or reversing the award has become Final. Lead Counsel shall make the appropriate refund or repayment in full no later than thirty (30) days after: (a) the Settlement is canceled and terminated as provided in ¶¶ 35-37 below; or (b) any order reducing or reversing the award of attorneys' fees and/or Litigation Expenses has become Final. An award of attorneys' fees and/or Litigation Expenses to Plaintiffs' Counsel is not a material term of this Stipulation, is not a condition of the Settlement embodied herein, and shall not affect the finality of any Judgment or Alternate Judgment. Neither Lead Plaintiffs nor Lead Counsel may cancel, terminate, or rescind the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

17. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution and settlement of the Action. Neither the Settling Defendants nor any other Defendants' Releasees shall have any responsibility for or liability whatsoever with respect to the allocation or award of attorneys' fees or Litigation Expenses.

18. The attorneys' fees and Litigation Expenses that are awarded to Plaintiffs' Counsel shall be payable solely from the Escrow Account. Neither the Settling Defendants nor any other Defendants' Releasees shall have any responsibility for the payment of attorneys' fees or Litigation Expenses to Plaintiffs' Counsel beyond Altisource's obligation to cause the Settlement Amount to be deposited into the Escrow Account as set forth in ¶ 8 above.

#### **NOTICE AND SETTLEMENT ADMINISTRATION**

19. As part of the Preliminary Approval Order, Lead Plaintiffs shall seek appointment of a Claims Administrator. The Claims Administrator shall administer the Settlement, including

but not limited to the process of receiving, reviewing and approving or denying Claims, under Lead Counsel's supervision and subject to the jurisdiction of the Court. Other than Altisource's obligation to provide its shareholder records as provided in ¶ 20 below, none of the Settling Defendants, nor any other Defendants' Releasees, shall have any involvement in or any responsibility, authority or liability whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the administration of the Settlement, the Claims process, or disbursement of the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including, but not limited to, Lead Plaintiffs, any other Settlement Class Members or Lead Counsel in connection with the foregoing. Settling Defendants and Settling Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

20. In accordance with the terms of the Preliminary Approval Order to be entered by the Court, Lead Counsel shall cause the Claims Administrator to mail the Notice and Proof of Claim Form to those members of the Settlement Class as may be identified through reasonable effort. Lead Counsel shall also cause the Claims Administrator to have the Summary Notice published in accordance with the terms of the Preliminary Approval Order to be entered by the Court. For the purposes of identifying and providing notice to the Settlement Class, within five (5) business days of the date of entry of the Preliminary Approval Order, Altisource shall provide or cause to be provided to the Claims Administrator in electronic searchable form, such as Excel (at no cost to the Settlement Fund, Lead Counsel or the Claims Administrator), data from shareholder transfer records containing the names and addresses of record holders who purchased or otherwise acquired Altisource common stock during the Class Period.

21. Settling Defendants shall no later than ten (10) calendar days following the filing of this Stipulation with the Court serve upon the appropriate state official of each state in which a Class Member resides and the Attorney General of the United States a notice of the proposed Settlement in compliance with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.* (“CAFA”). Settling Defendants are solely responsible for the costs of the CAFA notice and administering the CAFA notice. At least fourteen (14) calendar days before the Settlement Hearing, Settling Defendants shall cause to be served on Lead Counsel and filed with the Court proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b).

22. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or part, and second, each Authorized Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant’s Recognized Claim compared to the total Recognized Claims of all Authorized Claimants (as set forth in the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as the Court approves). Upon receiving any request(s) for exclusion pursuant to the Notice, the Claims Administrator shall provide Settling Defendants’ Counsel with copies of such request(s) for exclusion and any documentation accompanying them by email within three (3) business days from receipt and in any event no later than fourteen (14) calendar days before the Settlement Hearing.

23. The Plan of Allocation proposed in the Notice is not a necessary term of the Settlement or of this Stipulation, and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Settlement (or this Stipulation) based on this Court’s or any appellate court’s ruling with respect to the Plan of Allocation or any other plan of allocation in this

Action. The Settling Defendants and the other Defendants' Releasees shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action. No Settling Defendant, or any other Defendants' Releasees, shall have any involvement with or liability, obligation or responsibility whatsoever for the application of the Court-approved plan of allocation.

24. Any Settlement Class Member who does not submit a valid Claim Form will not be entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by all of the terms of this Stipulation and Settlement, including the terms of the Judgment or the Alternate Judgment, if applicable, to be entered in the Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against the Defendants' Releasees with respect to the Released Plaintiffs' Claims in the event that the Effective Date occurs with respect to the Settlement.

25. Lead Counsel shall be responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No Settling Defendant, or any other Defendants' Releasees, shall be permitted to review, contest or object to any Claim Form, or any decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any Claim for payment by a Settlement Class Member. Lead Counsel shall have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Claim Forms submitted in the interests of achieving substantial justice.

26. For purposes of determining the extent, if any, to which a Settlement Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Settlement Class Member shall be required to submit a Claim Form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, supported by such documents

as are designated therein, including proof of the Claimant's loss, or such other documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

(b) All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails to submit a Claim Form by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless by Order of the Court such Settlement Class Member's Claim Form is accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Defendants' Releasees with respect to any Released Plaintiffs' Claim. Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date when actually received by the Claims Administrator;

(c) Each Claim Form shall be submitted to and reviewed by the Claims Administrator who shall determine in accordance with this Stipulation and the plan of allocation the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below as necessary;

(d) Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Claims Administrator shall notify, in a timely fashion and in writing,

all Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below; and

(e) If any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

27. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided, however, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery of any Person shall be allowed on the allegations or merits of this Action or on the merits of the Settlement in connection with the processing of Claim Forms.

28. Lead Counsel will apply to the Court, on notice to Settling Defendants' Counsel, for a Class Distribution Order: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; (b) approving payment of any administration fees and expenses associated with the administration of the

Settlement from the Escrow Account; and (c) if the Effective Date of the Settlement has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

29. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Settlement Class Members. All Settlement Class Members whose Claims are not approved by the Court for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action against any and all Defendants' Releasees with respect to any and all of the Released Plaintiffs' Claims.

30. No person or entity shall have any claim against Plaintiffs, Plaintiffs' Counsel, the Claims Administrator or any other agent designated by Lead Counsel, or the Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Lead Plaintiffs and the Settling Defendants, and their respective counsel, and Lead Plaintiffs' damages expert and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

31. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of

law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court, but shall not in any event delay or affect the finality of the Judgment. All Settlement Class Members and Settling Parties expressly waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

**TERMS OF THE JUDGMENT**

32. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Settling Defendants' Counsel shall request that the Court enter a Judgment, substantially in the form attached hereto as Exhibit B.

**CONDITIONS OF SETTLEMENT AND EFFECT OF DISAPPROVAL, CANCELLATION OR TERMINATION**

33. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

(a) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto, as required by ¶ 3 above;

(b) the Settlement Amount has been deposited into the Escrow Account in accordance with the provisions of ¶ 8 above;

(c) none of the Settling Defendants have exercised their option to terminate the Settlement pursuant to the provisions of ¶ 36 or ¶ 37 of this Stipulation;

(d) Lead Plaintiffs have not exercised their option to terminate the Settlement pursuant to the provisions of ¶ 36 of this Stipulation; and

(e) the Court has approved the Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered

an Alternate Judgment and none of the Settling Parties seeks to terminate the Settlement and the Alternate Judgment has become Final.

34. Upon the occurrence of all of the events referenced in ¶ 33 above, any and all remaining interest or right, if any, of any Settling Defendant, Defendants' Releasee, insurance carrier, or any other person or entity who or which funded the Settlement Amount in or to the Settlement Fund, shall be absolutely and forever extinguished and the Releases herein shall be automatically effective.

35. If (i) any of the Settling Defendants exercise their right to terminate the Settlement as provided in this Stipulation; (ii) Lead Plaintiffs exercise their right to terminate the Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement; or (iv) the Effective Date of the Settlement otherwise fails to occur, then:

(a) The Settlement and the relevant portions of this Stipulation shall be canceled and terminated.

(b) Lead Plaintiffs and the Settling Defendants shall revert to their respective litigation positions in the Action as of immediately prior to the execution of the Term Sheet on January 18, 2017, and the Settlement Class will be decertified.

(c) The terms and provisions of this Stipulation, with the exception of this ¶ 35 and ¶¶ 14, 16, 38 and 58, shall have no further force and effect with respect to the Settling Parties and shall not be used in the Action or in any other proceeding for any purpose, and any Judgment, or Alternate Judgment, if applicable, or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

(d) Within five (5) business days after joint written notification of termination is sent by Settling Defendants' Counsel and Lead Counsel to the Escrow Agent, the Settlement Fund

(including accrued interest thereon and any funds received by Lead Counsel consistent with ¶ 16 above), less any Notice and Administration Costs actually incurred, paid or payable and less any Taxes paid, due or owing, shall be refunded by the Escrow Agent to Altisource (or such other persons or entities that Settling Defendants' Counsel may direct in writing). In the event that the funds received by Lead Counsel consistent with ¶ 16 above have not been refunded to the Settlement Fund within the five (5) business days specified in this paragraph, those funds shall be refunded by the Escrow Agent to Altisource (or such other persons or entities that Settling Defendants' Counsel may direct) immediately upon their deposit into the Escrow Account consistent with ¶ 16 above. At the request of Settling Defendants' Counsel, Lead Counsel or its designee shall apply for any tax refund owed on the Settlement Fund and pay the proceeds within five (5) business days of receipt of such proceeds, after deduction of any reasonable fees or expenses incurred in connection with such application for a tax refund, to Altisource (or such other persons or entities that Settling Defendants' Counsel may direct). Notwithstanding any of the foregoing in this ¶ 35(d), the repayment obligations of the Escrow Agent and Lead Counsel pursuant to this paragraph shall not be triggered until receipt of the written repayment instructions from Settling Defendants' Counsel.

36. It is further stipulated and agreed that the Settling Defendants, provided they unanimously agree amongst themselves, and Lead Plaintiffs, provided they unanimously agree amongst themselves, shall each have, in their respective sole and absolute discretion, the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so ("Termination Notice") to the other Settling Parties within thirty (30) days of: (a) the Court's final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court's final refusal to approve the Settlement or any material part thereof; (c) the Court's final refusal to enter the

Judgment in any material respect as to the Settlement; (d) the date upon which the Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Eleventh Circuit or the United States Supreme Court; or (e) the date upon which an Alternate Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Eleventh Circuit or the United States Supreme Court, and the provisions of ¶ 35 above shall apply. However, any decision or proceeding, whether in this Court or any appellate court, with respect to an application for attorneys' fees or reimbursement of Litigation Expenses or with respect to any plan of allocation shall not be considered material to the Settlement, shall not affect the finality of any Judgment or Alternate Judgment, if applicable, and shall not be grounds for termination or rescission of the Settlement.

37. In addition to the grounds set forth in ¶ 36 above, Altisource shall have, in its sole and absolute discretion, the unilateral right to terminate the Settlement in the event that Settlement Class Members timely and validly requesting exclusion from the Settlement Class meet the conditions set forth in the confidential supplemental agreement between the Settling Defendants and Lead Plaintiffs (the "Supplemental Agreement"), in accordance with the terms of that agreement. The Supplemental Agreement, which is being executed concurrently herewith, shall not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement) unless and until the Court otherwise directs or a dispute arises between Lead Plaintiffs and the Settling Defendants concerning its interpretation or application, in which event the Settling Parties shall submit the Supplemental Agreement to the Court in camera and request that the Court afford it confidential treatment.

**NO ADMISSION OF WRONGDOING**

38. Neither the Term Sheet, this Stipulation (whether or not consummated), including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet and this Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, this Stipulation and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any arbitration proceeding or other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall be offered against any of the Plaintiffs' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any arbitration proceeding or other civil, criminal or administrative action

or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(c) shall be offered or construed as evidence that a class should or should not be certified in the Action if the Settlement is not consummated; or

(d) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount that could be or would have been recovered after trial;

*provided, however,* that if this Stipulation is approved by the Court, the Settling Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

#### **MISCELLANEOUS PROVISIONS**

39. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

40. The Settling Defendants warrant that, as to the payments made or to be made by or on behalf of them, at the time of entering into this Stipulation and at the time of such payment they, or to their knowledge any persons or entities contributing to the payment of the Settlement Amount, were not insolvent, nor will the payment required to be made by or on behalf of them render them insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by each of the Settling Defendants and not by their counsel.

41. In the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of the Settling Defendants to be a preference, voidable transfer, fraudulent transfer or similar transaction and is required to be, and has been, returned to Altisource, and such returned amount is not promptly deposited into the Settlement Fund by others, then, at the election of Lead Plaintiffs, Lead Plaintiffs and the Settling Defendants shall jointly move the Court to vacate and set aside the Releases given and the Judgment or Alternate Judgment, if applicable, entered in favor of the Settling Defendants and the other Releasees pursuant to this Stipulation, in which event the Releases and Judgment, or Alternate Judgment, if applicable, shall be null and void, and Lead Plaintiffs and the Settling Defendants shall revert to their respective litigation positions in the Action as provided in ¶ 35 above and any cash amounts in the Settlement Fund not already returned to Altisource (less any Taxes paid, due or owing with respect to the Settlement Fund and less any Notice and Administration Costs actually incurred, paid or payable) shall be returned as provided in ¶ 35 above.

42. The Settling Parties intend this Stipulation and the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Lead Plaintiffs and any other Settlement Class Members against the Defendants' Releasees with respect to the Released Plaintiffs' Claims. Accordingly, the Settling Parties and their respective counsel agree not to assert in any forum that this Action was brought by Lead Plaintiffs or defended by the Defendants in bad faith or without a reasonable basis. The Settling Parties and their respective counsel agree that all parties and their counsel have complied in all respects with Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of this Action, and none of the Lead Plaintiffs, Settling Defendants or any of the other Releasees shall assert any claims of

any violation of Rule 11 in connection therewith. The Settling Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Settling Parties, including through a mediation process supervised and conducted by Judge Phillips, and reflect the Settlement that was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

43. While retaining their right to deny any wrongful conduct or liability and that the claims asserted in the Action were meritorious, the Settling Defendants and their counsel, in any statement made to any media representative (whether or not for attribution), will not assert that the Action was commenced or prosecuted in bad faith, nor will they deny that the Action was commenced and prosecuted in good faith and is being settled voluntarily after consultation with competent legal counsel. Similarly, while retaining their right to deny that the defenses asserted in the Action were meritorious, Lead Plaintiffs and their counsel, in any statement made to any media representative (whether or not for attribution), will not assert that the Action was defended in bad faith, nor will they deny that the Action was defended in good faith and is being settled voluntarily after consultation with competent legal counsel. In all events, Lead Plaintiffs, the Settling Defendants, and their respective counsel shall not make any accusations of wrongful or actionable conduct by any party concerning the prosecution, defense, and resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged. Lead Plaintiffs and the Settling Defendants agree that there will be no public announcements regarding this Settlement until: (a) Altisource has announced or disclosed it; or (b) three (3) business days after the filing of this Stipulation with the Court, whichever comes first.

44. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of Lead Plaintiffs (or their successor(s)-in-interest) and the Settling Defendants (or their successor(s)-in-interest).

45. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

46. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to Settlement Class Members.

47. The waiver by one Settling Party of any breach of this Stipulation by any other Settling Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

48. This Stipulation and its exhibits and the Supplemental Agreement constitute the entire agreement among Lead Plaintiffs and the Settling Defendants concerning the Settlement and this Stipulation and its exhibits, and supersede all prior and contemporaneous oral or written agreements, promises, representations, understandings, and other communications between the Settling Parties relating thereto, including the Term Sheet. All parties hereto acknowledge that no other agreements, representations, warranties, or inducements have been made or relied upon by any party concerning this Stipulation, its exhibits or the Supplemental Agreement other than those contained and memorialized in such documents.

49. This Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

50. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Settling Parties, including any and all Releasees, and any corporation, partnership, or other entity into or with which any Settling Party or Releasee may merge, consolidate or reorganize.

51. The construction, interpretation, operation, effect and validity of this Stipulation, the Supplemental Agreement and all documents necessary to effectuate it shall be governed by the internal laws of the State of Florida without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

52. Any action arising under or to enforce this Stipulation or any portion thereof, shall be commenced and maintained only in the Court.

53. This Stipulation and/or any term(s) hereof shall not be construed more strictly against one Settling Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations between the Settling Parties and all Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

54. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

55. Lead Counsel and Settling Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

56. If any Settling Party is required to give notice to another Settling Party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to Lead Plaintiffs or Lead Counsel: Bernstein Litowitz Berger & Grossmann LLP  
Attn: Hannah G. Ross, Esq.  
1251 Avenue of the Americas  
New York, NY 10020  
Telephone: (212) 554-1400  
Email: hannah@blbglaw.com

If to the Settling Defendants: King & Spalding LLP  
Attn: Michael R. Smith, Esq.  
1180 Peachtree Street, N.E.  
Atlanta, GA 30309  
Telephone: (404) 572-4600  
Email: mrsmith@kslaw.com

Jones Day  
Attn: John M. Newman, Jr., Esq.  
901 Lakeside Avenue  
Cleveland, Ohio 44114-1190  
Telephone: (216) 586-7207  
Email: jmnewman@jonesday.com

57. Except as otherwise provided herein, each Settling Party shall bear its own costs.

58. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date of the Settlement occurs, the Settling Parties

and their counsel shall use their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed and proceedings in connection with the Stipulation confidential.

59. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement.

60. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Settlement Class Members is being given or will be given by the Settling Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Settlement Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Settlement Class Member.

**IN WITNESS WHEREOF**, the parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, as of February 8, 2017.

**BERNSTEIN LITOWITZ BERGER &  
GROSSMANN LLP**

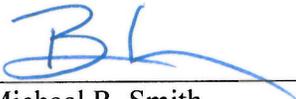
By:   
\_\_\_\_\_  
Hannah G. Ross  
Lauren A. Ormsbee  
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New York, NY 10020  
Telephone: (212) 554-1400  
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***Lead Counsel for Lead Plaintiffs the Pension  
Fund for the Painters and Allied Trades  
District Council 35 and the Annuity Fund for  
the Painters and Allied Trades District  
Council 35 and the Settlement Class***

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*Liaison Counsel for Lead Counsel for 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 and the Settlement Class*

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William B. Shepro and Michelle D. Esterman*

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