

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: GEROVA FINANCIAL GROUP, LTD. SECURITIES
LITIGATION

This document relates to:

In re STILLWATER CAPITAL PARTNERS INC.
LITIGATION

MARGIE GOLDBERG, ET AL., Individually and On Behalf
of All Others Similarly Situated,

Plaintiffs,

vs.

GEROVA FINANCIAL GROUP, LTD., ET AL.,

Defendants.

CASE No.: 11-md-2275-SAS
ECF CASE

No.11-CV-2737-SAS
ECF CASE

No. 11-CV-7107-SAS
ECF CASE

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT OF CLASS ACTION**

A Federal Court authorized this Notice

This is not a solicitation by a lawyer

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above entitled class action lawsuits pending in this Court (the "Actions") if you were an investor in funds (the "Stillwater Funds") managed by Stillwater Capital Partners, Inc. ("Stillwater New York"), or Stillwater Capital Partners, LLC ("Stillwater Delaware," together with Stillwater New York, "Stillwater"), and you incurred damages as a result of either: (1) acquiring the common stock of Gerova Financial Group, Ltd. ("Gerova") pursuant to a share exchange agreement dated December 23, 2009 that was completed on January 20, 2010 (the "Business Combination"), or (2) requesting a full or partial redemption of your investment which you have not received as of January 20, 2010.

NOTICE OF SETTLEMENT: Please also be advised that the plaintiffs in the Actions, on behalf of themselves and the Stillwater Class (defined below), have reached a proposed settlement of the Actions for \$2,058,000 and certain other relief as described below, which will resolve all claims in the Actions (the "Settlement").

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. Please read this Notice carefully and in its entirety.

**Objections or Exclusion Deadline: May 5, 2014
Verification and Release Deadline: June 16, 2014**

1. Description of the Litigation and the Classes: This Notice relates to the pendency and proposed settlement of the Actions against Stillwater, Gerova, Gary Hirst ("Hirst"), Michael Hlavsa ("Hlavsa"), Joseph Bianco ("Bianco"), Jason Galanis ("Galanis"), Arie Van Roon ("Van Roon"), Keith Laslop ("Laslop"), Tore Nag ("Nag"), Jack Doueck ("Doueck"), and Richard Rudy ("Rudy") (collectively referred to as the "Settling Defendants") concerning claims that the Settling Defendants violated certain federal securities disclosure laws and breached duties owed to investors in connection with the Business Combination. This Notice pertains to two of the proposed settlement classes (referred to collectively as the "Stillwater Class" and their members as the "Class Members"):

a. The "Consolidated Class," which is defined as all persons or entities, other than the Named Defendants or the officers and directors of Gerova or any subsidiary of Gerova, and such excluded persons' family members (only spouse and minor children), affiliates and entities controlled by them, who invested in any of the Stillwater Funds and whose interests in any of the Stillwater Funds were transferred in the transactions between Stillwater and Gerova consummated on January 20, 2010, and who (1) submitted a request for full or partial redemption of their accounts in the Stillwater Funds prior to December 23, 2009 and have not been paid in full on those redemption requests and/or (2) received Gerova Series A Preferred Stock, which was converted or was to be converted into restricted, unregistered Gerova ordinary shares; and

b. the "Goldberg Class," which is defined as all persons or entities who were investors in the Stillwater Funds, other than the Named Defendants or the officers and directors of Gerova or of any subsidiary of Gerova, and such excluded persons family members (only spouse and minor children), affiliates and entities controlled by them, who were promised the common stock of Gerova in exchange for their interests in the Stillwater Funds pursuant to a share exchange agreement dated on or about December 23, 2009, and that was completed on January 20, 2010.

2. Description of the Settlement: If approved by the Court, the Settlement will provide the following payment and benefits in resolution of the Settled Claims (defined below):

a. \$2,058,000 in cash, plus interest (the "Cash Settlement Amount");

b. a return to the Stillwater Funds of all remaining assets that they had provided to Gerova in the Business Combination, which will be liquidated and distributed first to pay certain fees and expenses as set forth in the Stillwater Agreement, with the remainder, if any, payable to Class Members (the "Unwind Settlement Amount") in the proportions described in the Stillwater Agreement and summarized in the Plan of Allocation included in this Notice; and

c. the Stillwater Defendants (defined below) will abandon all of the claims that they have against the Stillwater Funds for unpaid management and incentive fees against, and investments in, the Stillwater Funds, in exchange for a series of staggered payments, which depend on the Unwind Settlement Amount, and which will in no case exceed \$1 million (the "Manager Settlement Amount").

3. Statement of the Average Recovery Per Dollar Invested: The Cash Settlement Amount of \$2,058,000 plus the Unwind Settlement Amount, which is estimated by the Funds' administrators to fall within the range of \$8.8 million and \$50.5 million, equals a total recovery range of \$10.858 million to \$52.558 million. Dividing this range of total recovery by the dollars invested in the Stillwater Funds as of December 31, 2009 yields an average recovery per dollar invested of \$0.018 to \$0.088. This estimate solely reflects the average recovery per dollar invested; it is not an estimate of your actual recovery. Your actual recovery will depend on the aggregate losses of all Class Members, the specific fund in which you invested, the total number and amount of claims filed and whether you had sought to redeem your investment prior to the Business Combination.

4. Statement of the Stillwater Class' Recovery: The approximate recovery from the "Net Settlement Fund" (consisting of the Cash Settlement Amount, following deduction of taxes, notice and claims administration costs, attorneys' fees and expenses, and awards to the Plaintiffs approved by the Court), will be distributed in accordance with the Plan of Allocation, which will be approved by the Court and will determine how the Net Settlement Fund shall be allocated to the Class Members. The proposed Plan of Allocation is included in this Notice at pages 9-10 and may be modified by the Court without further notice.

In addition, Class Members may receive distributions of the Unwind Settlement Amount, depending on the total value of the recovered Stillwater assets and the value remaining after distributions required under the Stillwater Agreement, an incorporated part of the Global Settlement Agreement. Evan Blum of GlassRatner Advisory & Capital Group LLC has been appointed manager (the "Manager") over the Stillwater assets comprising the Unwind Settlement Amount, and estimates that the Unwind Settlement Amount may range between \$8.8 million and \$50.5 million over several years. Liquidated

Stillwater assets will first be used to pay certain fees and expenses set forth in the Stillwater Agreement, then allocated amongst the Stillwater Funds and, within each Fund, allocated amongst investors based on whether the investors timely sought to redeem their investments (the “Creditors”) or did not do so (the “Investors”). The percentage of the Stillwater assets that will be allocated to each Stillwater Fund and the percentages that will be allocated to Creditors and Investors are set forth in the Plan of Allocation, below at 9-10.

5. Statement of Attorneys’ Fees and Expenses Sought: Attorneys for the Plaintiffs in the Actions (“Class Counsel”) intend to ask the Court to award them fees of \$700,000, as provided in the Global Settlement Agreement, and reimbursement of litigation expenses not to exceed \$230,000. Collectively, the attorneys’ fees, litigation expenses, and awards to Plaintiffs are estimated to average \$0.0016 per dollar of investment in the Stillwater Funds as of December 31, 2009. If approved by the Court, these amounts will be paid from the Settlement Fund. Class Counsel are not seeking attorneys’ fees, litigation expenses, or awards to Plaintiffs against the Unwind Settlement Amount or the Manager Settlement Amount.

6. Identification of Attorney Representatives: The Goldberg Class and Lead Plaintiffs are being represented by Laurence M. Rosen of The Rosen Law Firm, P.C. The Consolidated Class and Interim Lead Plaintiffs are being represented by Frederic S. Fox of Kaplan Fox & Kilsheimer LLP and Marvin L. Frank of Frank & Bianco LLP.

Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

REMAIN A MEMBER OF THE CLASS AND SUBMIT A VALID RELEASE FORM NO LATER THAN JUNE 16, 2014	This is the only way to get a payment.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION THAT IS RECEIVED NO LATER THAN MAY 19, 2014	Get no payment. This is the only option that allows you to be part of any other lawsuit against the Settling Defendants and related parties with respect to the “Settled Claims” (as defined below).
OBJECT TO THE SETTLEMENT BY SUBMITTING WRITTEN OBJECTIONS SO THAT THEY ARE RECEIVED NO LATER THAN MAY 19, 2014	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation, the request for payment of attorneys’ fees and expenses, or the request for a payment to the Plaintiffs.
FILE A NOTICE OF INTENTION TO APPEAR AT THE FINAL APPROVAL HEARING SO THAT IT IS RECEIVED NO LATER THAN MAY 19, 2014, AND ATTEND THE HEARING	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, the request for payment of attorneys’ fees and expenses, or the request for a payment to the Plaintiffs.
DO NOTHING	Receive no payment, remain in the Class, give up your rights and be bound by the Court’s Order and Final Judgment (including the Release).

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

Class Counsel:

Laurence M. Rosen, Esq.
Phillip Kim, Esq.
Jonathan Horne, Esq.
Kevin Chan, Esq.
The Rosen Law Firm, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016
Tel.: (212) 686-1060
www.rosenlegal.com

or

Frederic S. Fox, Esq.
Donnie Hall, Esq.
Melinda Campbell, Esq.
Kaplan Fox & Kilsheimer LLP
850 3rd Ave., 14th Fl.
New York, NY 10022
Tel: (212) 687-1980
www.kaplanfox.com

or

Marvin L. Frank, Esq.
Bridget v. Hamill, Esq.
Frank & Bianco LLP
275 Madison Ave., Ste. 801
New York, NY 10016
Tel.: (212) 682-1818
www.frankandbianco.com

**COMMON QUESTIONS AND ANSWERS CONCERNING THIS CASE AND
THE SETTLEMENT**

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BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family or household may have been an investor in the Stillwater Funds.

2. What is this lawsuit about?

The Actions and a related action on behalf of certain open-market purchasers of Gerova securities have been consolidated into In re Gerova Financial Group, Ltd. Securities Litigation, Case No. 11-md-2275-SAS, and the judge in charge of the case is the Honorable Shira A. Scheindlin of the United States District Court for the Southern District of New York.

The “Lead Plaintiffs” in the Actions are Maurice Hanan and Prudent Partners LP, and the “Interim Lead Plaintiffs” are Julie Russo, Jack Hafif, Albert Ades, Morris Missry, Valerie Mizrahi, Linda Zonana, and Janet Dayan (referred to together with the Lead Plaintiffs as “Plaintiffs”), all of whom are investors in the Stillwater Funds. Additionally, the Court appointed The Rosen Law Firm, P.A. (“The Rosen Law Firm”) to serve as “Lead Counsel” for the Lead Plaintiffs and the Goldberg Class, and Kaplan Fox & Kilsheimer, LLP (“Kaplan Fox”) and Frank & Bianco, LLP (“Frank & Bianco”) to serve as “Interim Lead Counsel” for the Interim Lead Plaintiffs and the Consolidated Class.

The “Defendants” in this case are Gerova, Stillwater, Hirst, Hlavsa, Bianco, Galanis, Nag, Doueck, Rudy, Van Roon, and Laslop. Gerova, Hirst, Hlavsa, Bianco, Galanis, and Nag are referred to collectively as the “Gerova Defendants.” Stillwater, Doueck, and Rudy are referred to collectively as the “Stillwater Defendants.”

On December 23, 2009, the Stillwater Defendants solicited Stillwater investors’ proxy to allow the Stillwater Funds to be acquired by Gerova, then known as Asia Special Situations Acquisition Corp. (“ASSAC”), which would acquire four other entities along with the Stillwater Funds in the Business Combination. Defendant Gary T. Hirst was Gerova’s President, Hlavsa its Chief Financial Officer, and Arie Jan Van Roon, Keith Laslop, and Tore Nag were its directors. Gerova was a public company. The Stillwater Defendants provided investors with an explanation and risk disclosures regarding the transaction which listed pros and cons with respect thereto, noting the potential for liquidity. Stillwater investors were offered Gerova shares which were ultimately to be registered, enabling Stillwater investors to sell their Gerova shares on a public market. Along with the Proxy, the Stillwater Defendants sent their investors a memorandum from ASSAC.

Over the next twelve months, Stillwater investors’ Gerova stock was not registered, meaning that Stillwater investors could never sell it on the open market. In or around January to February of 2011, Gerova collapsed amidst accusations that it had committed fraud. It has since entered bankruptcy, as has one of the Stillwater Funds.

Lead Plaintiffs allege, but have not proven, that: (1) Stillwater Defendants drafted and provided to the Class a Proxy in favor of the Business Combination with Gerova, but the Proxy omitted to disclose that the Business Combination re-set the high-water mark for the Stillwater Funds, allowing the Stillwater Defendants to start earning incentive fees immediately for any increase in the value of the funds, that Gerova had agreed to assume certain fees which the Stillwater Defendants claimed to have accrued against the Stillwater funds, but which were unpaid and could not easily be paid by the illiquid Stillwater funds, and that the Stillwater Defendants had conducted virtually no investigation into Gerova, and Plaintiffs alleged, but have not proven, that Defendants received a \$10 million sales fee; (2) the memorandum provided by ASSAC, written by certain defendants associated with ASSAC, failed to disclose that two of the three other companies acquired in the Business Companies were owned by Gerova insiders; (3) the Gerova Defendants looted some of

the assets contributed by the Stillwater funds; (4) the Stillwater Defendants breached their fiduciary duties to investors to properly investigate the Business Combination; (5) the defendants breached their contract obligations and/or fiduciary duties in failing to register Stillwater investors' Gerova stock.

The Defendants deny that they engaged in any of the misconduct, violated the securities laws, or breached their fiduciary duties and the Defendants dispute the accuracy and truth of the factual allegations and have submitted documentary evidence that no sales fee was paid. Moreover, notwithstanding extensive investigation of Stillwater Management's activity including access to detailed records there have been no finding of wrongdoing.

The Settling Defendants and Plaintiffs disagree on liability and the existence and amount of damages. The Settling Defendants deny that they or anyone acting on behalf of Stillwater or Gerova engaged in any wrongdoing, and disagree with any claim that they in any respect misled investors, violated the securities laws, or otherwise acted improperly. The Stillwater defendants contend that they provided extensive information regarding the combination and, further contend that, via their own extensive investments in the same Stillwater funds, they took on the same risks as their investors.

3. Why is this a class action?

In a class action, one or more people or entities, called class representatives or lead plaintiffs, sue on behalf of all persons with similar claims, commonly known as the class or the class members. One court resolves all of the issues for all class members, except for those class members who exclude themselves from the class.

4. Why is there a Settlement?

As noted, Plaintiffs and the Settling Defendants do not agree on the merits of Plaintiffs' allegations. This case has not gone to trial and the Court did not decide in favor of Plaintiffs or the Settling Defendants. Instead, both sides agreed to a settlement avoiding the cost and risks of further litigation and trial. The Court has not made any finding that the Released Parties are liable to the Stillwater Class or that the Stillwater Class has suffered any compensable damages. Nor has the Court made any finding that the payments allowed under this Plan of Allocation are an accurate measure of damages.

Given the risks involved in this litigation Plaintiffs and their attorneys think the Settlement is best for all Class Members. Plaintiffs believe that the largest risk in this action is that they will not be able to enforce a judgment because Gerova is presently in bankruptcy, as is one of the Stillwater funds, and the Stillwater Defendants may likewise seek bankruptcy protection. Additionally, there are significant legal challenges that Plaintiffs must overcome in order to obtain a final judgment, including certifying the proposed class, prevailing on summary judgment motions, proving their case to a jury, and winning appeals of both class certification and the judgment. Thus, if this matter is not settled, Class Members may receive little or nothing for their claims, even if the Plaintiffs win the Action.

Additionally, although Plaintiffs were prepared to move forward in the Action and go to trial, and are confident in their ability to present a case, they recognize that they might have lost or might not have been able to collect any judgment obtained. The claims advanced by Plaintiffs involve numerous complex legal and factual issues, requiring extensive witness and expert testimony, which would add considerably to the expenses and duration of the litigation.

In addition, were this case to proceed, the Settling Defendants would assert that: (i) all of their statements were true and accurate and none of the statements made were false or misleading when made, and that they did not breach any duties owed to Plaintiffs and the Stillwater Class; and (ii) many of the factual allegations set forth in the Complaint are false and / or inaccurate

Likewise, if this case were to proceed, the parties would disagree on many other issues that could affect the outcome of the litigation and, if resolved in favor of the Settling Defendants, could result in Class Members receiving little or nothing. Most notably, the Defendants would argue that Stillwater investors' losses were caused exclusively by a broad market-wide collapse, similar to what happened with dozens of other similarly invested real estate asset based hedge funds (where investors sustained similar losses), rather than the disputed allegations which are set forth in the Complaint. If the jury agreed with Defendants, the Stillwater Class might receive little or no money even if Plaintiffs prove all other allegations. Additional issues include: (1) whether a judgment could be pursued against Gerova; (2) whether a Class of Stillwater investors could be certified; (3) whether the statements Defendants made, or the omissions of facts they were required to disclose, were material.

Finally, the Settlement is in the best interest of the Stillwater Class because it provides for the unwind of the Business Combination and the release of the Stillwater Defendants' \$23 million claim, which would have encumbered any judgment the Plaintiffs might have obtained. Though none of the Plaintiffs, the Stillwater Defendants, or the bankruptcy administrator know what the Stillwater Funds' assets are worth, by returning them to the Stillwater Funds, the Unwind Settlement lets the Stillwater Class potentially realize some of the value, if any, remaining in them.

Thus, Plaintiffs and Class Counsel believe this Settlement is fair and reasonable and provides a reasonable recovery to the Stillwater Class.

WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Class settlement?

To be a Class Member, you must have invested in the Stillwater Funds and have not received a complete redemption of your investment as of January 20, 2010.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are:

- (i) a Defendant, a present or former officer or director of Gerova or Stillwater, a member of such excluded person's immediate family, such excluded person's heir, successor or assign, any person, firm, trust, corporation, officer, director, or other individual or entity in which any excluded person has a controlling interest or which is related to or affiliated with any of the excluded persons, or any such excluded person's successors-in-interest or assigns, and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any excluded person, except that the adult children and parents of Stillwater Defendants are not excluded from the Settlement; or
- (ii) you exclude yourself from the Stillwater Class, as described below.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for free help. For more information, you can contact the Manager, by phone at 212-223-2430 by facsimile at 212-845-9772 or you can fill out and return the Release described in Question 9, below.

THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE

8. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for the creation of a “Settlement Fund” from the Cash Settlement Amount, totaling \$2,058,000 in cash. The Settlement will not become effective unless it is approved by the Court. Subject to the Court’s approval, a portion of the Settlement Fund will be used to pay Class Counsel’s attorneys’ fees, reasonable litigation expenses, and an award to the Plaintiffs. A portion of the Settlement Fund will also be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and any notice costs and claims administration expenses incurred in the Actions. After these deductions from the Settlement Fund have been made, the amount remaining (the Net Settlement Fund) will be distributed to Class Members who verify their investment amounts and submit signed release forms as described further below.

In addition to the Settlement Fund, the Settlement calls for potential future cash distributions of the Unwind Settlement Amount, if any. The Unwind Settlement Amount will constitute the value, if any, remaining in the Stillwater assets which are to be returned to the Stillwater Funds for liquidation and distribution. The Settlement also releases the Stillwater Defendants’ claims against the Stillwater Funds, in exchange for a guaranteed payment of \$500,000 and two potential further \$300,000 payments, depending on the value of the Unwind Settlement Amount.

b. What can you expect to receive under the proposed Settlement?

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the value of your Stillwater Fund investments as of December 31, 2009, the number of Class Members who submit the verification and release necessary to participate in the Settlement, the particular Fund(s) in which you invested, whether you were a Creditor or an Investor in the Fund(s), the distribution between Creditors and Investors in the Fund(s), the amount of administrative costs, including costs of notice, and the amount awarded by the Court to Class Counsel for attorneys’ fees, costs, and expenses, and to the Plaintiffs. The Manager will distribute the Net Settlement Fund according to the Global Settlement Agreement and Stillwater Agreement after the deadline for submission of verification and release forms has passed.

The Manager will determine each Class Member’s share of the Net Settlement Fund based upon the value of each Class Member’s Stillwater Fund investment(s) as of December 31, 2009, the Fund(s) in which the Class Member invested, and whether the Class Member was a Creditor or Investor in the Fund(s) (the “Individual Recovery”). **The Individual Recovery formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; it also is not an estimate of the amount that will be paid to Class Members pursuant to the Settlement.** The Individual Recovery formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Class Members with valid claims.

The Net Settlement Fund will be distributed to Class Members who submit valid, timely verification and release forms (“Authorized Claimants”) under the following Plan of Allocation.

PLAN OF ALLOCATION

1. For purposes of determining the amount an Authorized Claimant will recover from the Settlement, Defendants have provided Class Counsel with a listing of the investors in each Stillwater Fund as of December 31, 2009 and the purported value of their investment(s) as of that date.
2. The Court has not made any finding that the Released Parties are liable to the Stillwater Class or that the Stillwater Class has suffered any compensable damages, nor has the Court made any

finding that the payments allowed under this Plan of Allocation are an accurate measure of damages.

3. The Manager will allocate the Net Settlement Fund to the Stillwater Funds in the following proportions:

Stillwater Fund	Fund Split Percentage
Stillwater Asset Backed Fund LP	5.21%
Stillwater Asset Backed Fund II, LP	2.89%
SABF Onshore SPV	13.04%
Stillwater Market Neutral Fund LP	0.31%
Stillwater Market Neutral Fund II, LP	5.87%
Stillwater Market Neutral Fund Ltd.	9.76%
Stillwater Matrix Fund LP	1.86%
Stillwater Real Estate Partners LP	7.17%
Stillwater WPB Venture LP	2.08%
Stillwater WPB Venture II	2.25%
Stillwater Asset Backed Offshore Fund LP (the "Offshore Fund")	22.28%
Stillwater Asset Backed Fund SPV	27.29%
TOTAL:	100%

4. The Manager will then allocate each Fund's proceeds between Creditors and Investors as follows: for all Funds except the Offshore Fund and the Stillwater Asset Backed Fund SPV, Creditors will receive the lesser of (i) 75% of the Fund's share of the Cash Settlement Amount and (ii) the total claims held by such Creditors (the "Creditor Portion"), to be distributed on a pro rata basis. Investors in all Funds except the Offshore Fund and the Stillwater Asset Backed Fund SPV will receive the portion remaining after deduction of the Creditor Portion, to be distributed on a pro rata basis.

With respect to the Offshore Fund's share of the Net Settlement Fund, the entire sum will be distributed to the Offshore Fund's Creditors.

With respect to the Stillwater Asset Backed Fund SPV's share of the Net Settlement Fund, 80% will be distributed to the Fund's Creditors and 20% will be distributed to its Investors.

5. You will receive a distribution equal to your pro rata share of the funds for your investment category (i.e., Creditor or Investor) for each Fund.

Numerical Example: Stillwater Asset Backed Fund SPV will receive 27.29% of the Net Settlement Fund. Creditors of the Stillwater Asset Backed Fund SPV will receive 80% of the distributions to the Stillwater Asset Backed Fund SPV. Thus, if the Net Settlement Fund is \$1 million, then the Stillwater Asset Backed Fund SPV will receive \$272,900, and \$218,320 will be distributed on a pro rata basis to Creditors, while \$54,580 will be distributed on a pro rata basis to Investors.

HOW YOU RECEIVE A PAYMENT – VERIFYING A CLAIM

9. How can I get a payment?

To qualify for a payment, you must be an eligible Class Member and must sign and return the documentation you receive concerning your claim. Specifically, if the Settlement is approved, you will receive a form setting forth the amount of your investment in the Stillwater Funds as of December 31, 2009. You must indicate whether this information is correct, and if it is incorrect, provide supporting documentation for your claim, and sign and return the form with any such

documentation within the period indicated. Once all valid claims have been verified, you will receive a second form indicating the amount that will be distributed to you and explaining the claims you are releasing. You must sign and return this form to receive a payment.

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

If you are a Class Member and do not exclude yourself, you will give up and release any claims you might have against the Settling Defendants relating to the “Settled Claims,” as described more fully below. All of the Court’s orders will apply to you and legally bind you. ***If you are a Class Member, this will be true even if you do nothing.***

If the proposed Settlement is approved, the Court will enter an Order and Final Judgment of Dismissal with prejudice. The Judgment will dismiss the Settled Claims with prejudice as to all Settling Defendants, and any of their current, former or future parents, subsidiaries, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, advisors, accountants, insurers, associates and/or any other individual or entity in which any Settling Defendant has a controlling interest (the “Released Parties”). The Judgment will provide that all Class Members on behalf of themselves, their current and former heirs, executors, administrators, successors, attorneys, legal representatives, and assigns, shall be deemed to have released and to have forever relinquished and discharged all Settled Claims against all Released Parties.

Each Settling Defendant will also release all claims it may have against any Class Member to the extent set forth in the Stipulation of Settlement.

“Settled Claims” means any and all claims, debts, demands, liabilities, rights and causes of action of every nature and description whatsoever (including but not limited to any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether suspected or unsuspected, asserted or unasserted, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or not matured, including both known claims and “Unknown Claims” (defined below), (i) that have been alleged or asserted in the Action by the Plaintiffs and/or Class Members or any of them against any of the Settling Defendants; or (ii) that could have been alleged or asserted in the Action, or in any other action or forum, including but not limited to any claim arising out of or relating to any of the acts, omissions, misrepresentations, facts, events, matters, transactions or occurrences referred to in the Action or otherwise alleged or asserted in the Action; provided, however, that Settled Claims do not include any claims to enforce any of the terms of this Stipulation or of the Order and Final Judgment. “Settled Claims” also includes claims by the Stillwater Defendants against the Stillwater funds for (iii) all unpaid and/or deferred management and/or incentive fees, (iv) claims and fees under the Investment Management Agreement dated January 19, 2010, and (v) right to distributions from the Unwind Settlement or the Cash Settlement.

“Unknown Claims” means any Settled Claim which Lead Plaintiff or any member of the Class does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which if known by him, her or it, might have affected his, her or its decision with respect to the Settlement, including, but not limited to, the decision not to object to the Settlement, and any Settling Defendants’ Claims which any Settling Defendant does not know or expect to exist in his or its favor, which if known by him or it might have affected his or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settling Defendants’ Claims, the Parties stipulate and agree that upon the Effective Date, the Lead Plaintiffs and Settling Defendants shall expressly waive, and each Class Member shall be deemed to have and by operation of the Order and Final Judgment 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, which is similar, comparable or equivalent to Cal. Civ. Code § 1542 which provides: “A general release

does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

If you desire, please read the Stipulation of Settlement at the website (or call for a copy of it) for a fuller explanation of the definition of Settled Claims, all of which you will be deemed to release if the Settlement is approved by the Court and you do not exclude yourself from the Class.

If you do not exclude yourself from the Class, you may sign and submit the verification and release forms you receive in order to claim a share in the Net Settlement Fund. You may also receive a distribution in the future based on any applicable Unwind Settlement Amount.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement or you want to keep the right to sue the Settling Defendants with respect to the Settled Claims, then you must take steps to get out of the Settlement. This is called excluding yourself from -- or “opting out” of -- the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from In re Gerova Financial Group, Ltd., Case No. 11-md-2275-SAS. You must include your name, address, telephone number, e-mail address and your signature, along with an accurate account of your ownership of Gerova stock and/or your Stillwater Fund investment(s). You must mail your exclusion request so that it is **received** no later than May 19, 2014, to the following three addresses:

In re Gerova Financial Group, Ltd. Securities Litigation
 Manager:

Evan Blum
 GlassRatner Advisory & Capital Group LLC
 One Grand Central Place
 60 East 42nd Street
 Suite 1062
 New York, NY 10165

CLASS COUNSEL	DEFENSE COUNSEL
<p style="text-align: center;">Any one of:</p> <p>Laurence M. Rosen, Esq. The Rosen Law Firm, P.A. 275 Madison Avenue, 34th Floor New York, NY 10016 212-686-1060</p> <p style="text-align: center;">-or-</p> <p>Frederic S. Fox, Esq. Kaplan Fox & Kilsheimer LLP 850 3rd Ave., 14th Fl. New York, NY 10022 Tel: (212) 687-1980</p> <p style="text-align: center;">-or-</p>	<p>Arthur Jakoby Herrick, Feinstein LLP 2 Park Avenue New York, NY 10016 212-592-1426</p> <p><i>Counsel for Defendant Stillwater Capital Partners, LLC, Stillwater Capital Partners, Inc., Jack Doueck, and Richard Rudy</i></p>

Marvin L. Frank, Esq. Bridget V. Hamill, Esq. Frank & Bianco LLP 275 Madison Ave., Ste. 801 New York, NY 10016 Tel.: (212) 682-1818	
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You cannot exclude yourself by telephone or by e-mail or at the website.

If you are a Class Member of both the Consolidated Class and the Goldberg Class, you cannot choose to exclude yourself from one Class but remain in the other; if the Settlement is approved, your choice to remain in either Class will result in the release of all of your related claims against the Defendants.

If you properly exclude yourself, you will not receive a Settlement payment, you cannot object to the Settlement, and you will not be legally bound by anything that happens in the Actions.

12. If I do not exclude myself, can I later sue Settling Defendants on the same claims?

No. Unless you exclude yourself, you give up any right to sue the Settling Defendants or the Released Parties for the Settled Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in this case?

The Court appointed Class Counsel to represent you and the other Class Members. You will not be individually charged for the work of these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for Class Counsel is provided above.

14. How will the lawyers be paid?

Class Counsel and counsel working under their direction have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves. As is customary in this type of litigation, they did so with the expectation that if they were successful in recovering money for the Stillwater Class, they would receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses otherwise. Therefore, Class Counsel will file a motion asking the Court to make a payment of attorneys' fees in an amount not to exceed \$700,000, and for reimbursement of their already paid or incurred litigation expenses not to exceed \$230,000. Class Counsel also intends to ask the Court to grant the Plaintiffs a total of up to \$25,000. These requests are in the range of fees and awards granted to counsel and plaintiffs, respectively, in other cases of this type. The Court may award less than these amounts. *Any amounts awarded by the Court will come out of the Cash Settlement Fund.*

If the above amounts for fees, expenses, and awards to Plaintiffs are requested and approved by the Court, the average cost per dollar invested in the Stillwater Funds will be \$0.0016.

On or before May 12, 2014 the filed copy of Class Counsel's request for attorneys' fees and expenses will be available on the Class Counsel's websites: www.kaplanfox.com/stillwater

OBJECTING TO THE SETTLEMENT

15. How do I tell the Court that I do not like the Settlement or any part of it?

If you are a Class Member, you can tell the Court you do not agree with the Settlement or any part of it, including the proposed Plan of Allocation, or the request for attorneys’ fees and expenses to Class Counsel, or the request for payment to Plaintiffs. You must mail a letter stating that you object to the Settlement in In re Gerova Financial Group, Ltd., Securities Litigation, 11-md-2275-SAS and must include your name, address, telephone number, e-mail address, signature, a description of your ownership of Stillwater Capital assets in order to show your membership in the Class, and all of the reasons you object to the Settlement or any part of it or any request for payment. Be sure to mail the letter to the following four addresses, so that it is **received** no later than May 19, 2014, so the Court will consider your views:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of New York 500 Pearl St. New York, NY 10007-1312	<p style="text-align: center;">Any one of:</p> Laurence M. Rosen, Esq. The Rosen Law Firm, P.A. 275 Madison Avenue, 34 th Floor New York, NY 10016 212-686-1060 <p style="text-align: center;">-or-</p> Frederic S. Fox, Esq. Kaplan Fox & Kilsheimer LLP 850 3rd Ave., 14th Fl. New York, NY 10022 Tel: (212) 687-1980 <p style="text-align: center;">-or-</p> Marvin L. Frank, Esq Bridget V. Hamill, Esq. Frank & Bianco LLP 275 Madison Ave., Ste. 801 New York, NY 10016 Tel.: (212) 682-1818	Arthur Jakoby Herrick, Feinstein LLP 2 Park Avenue New York, NY 10016 212-592-1426 <i>Counsel for Defendants Stillwater Capital Partners, Inc., Stillwater Capital Partners, LLC., Jack Doueck, and Richard Rudy</i>

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

Objecting is telling the Court you do not like something about the Settlement, the proposed Plan of Allocation, or the requests for attorneys’ fees or similar payments. You can object only if you remain a Class Member. By contrast, requesting exclusion is telling the Court that you do not want to be a Class Member and participate in the Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer affects you.

THE COURT'S FINAL SETTLEMENT HEARING

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

The Court will hold a Final Settlement Hearing on June 9, 2014, at 4:30 p.m., at the United States District Court for the Southern District of New York, Courtroom 15C, 500 Pearl Street, New York, NY 10007.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses and how much money to award Plaintiffs. The Court may adjourn or postpone the date of the hearing without further notice to the Stillwater Class.

18. Do I have to come to the hearing?

No, although you are welcome to attend at your own expense. If you object to the Settlement in writing, and do so in compliance with the instructions set forth in this Notice, the Court will consider it, and you do not have to come to Court to talk about it. If, however, you, or an attorney you hire at your own cost, intend to appear and speak at the hearing, you must indicate that you will do so in the letter containing your objections or in a separate letter which must be sent to the same persons by the same deadline as noted in Question No. 15 above. You must indicate who will speak, any witnesses you will question and all evidence you will ask the Court to consider.

IF YOU DO NOTHING

19. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, if the Settlement is approved, you or anyone acting or purporting to act on your behalf will be permanently and forever enjoined from prosecuting, attempting to prosecute, or assisting others in the prosecution of any Settled Claims against the Released Parties.

20. How can I get more information about the Settlement and Class Counsel's request for attorneys' fees and expenses and for payment to Plaintiffs?

This is only a summary of the Settlement and the other matters discussed here. You can get more information about the Settlement by contacting the Claims Administrator or Class Counsel at the addresses and numbers noted above. A copy of the full Stipulation and Agreement of Settlement, which has been filed with the Court, and all related documents can be found on the websites of Class Counsel.

The papers submitted in support of the Settlement and Class Counsel's request for the Court's approval of an award of fees and expenses, and request for payment to Plaintiffs, will be filed by May 12, 2014 and posted on Class Counsel's websites: www.kaplanfox.com/stillwater

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you acquired Gerova Stock through the asset exchange with Stillwater for the beneficial interest of a person or organization other than yourself, the Court has directed that within fourteen (14) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such persons or entities, or (2) provide a list of the names and addresses of such persons or entities to the Manager.

If you choose to mail the Notice yourself, you may obtain from the Manager (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

In either case, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Manager.

DATED: March 18, 2014.

BY ORDER OF THE UNITED STATES DISTRICT
COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK