

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE: GEROVA FINANCIAL GROUP, LTD.
SECURITIES LITIGATION

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

This document relates
to:

In re STILLWATER CAPITAL PARTNERS INC.
LITIGATION

No.11-CV-2737-SAS
ECF CASE

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

Plaintiffs,

vs.

GEROVA FINANCIAL GROUP, LTD., ET AL.,

Defendants.

No. 11-CV-7107-SAS
ECF CASE

**SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT
OF CLASS ACTIONS AND SETTLEMENT HEARING**

TO: ALL PERSONS AND ENTITIES WHO INVESTED IN FUNDS (THE “STILLWATER FUNDS”) MANAGED BY STILLWATER CAPITAL PARTNERS, INC. OR STILLWATER CAPITAL PARTNERS, LLC (TOGETHER, “STILLWATER”) AND EITHER (1) ACQUIRED 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) REQUESTED A FULL OR PARTIAL REDEMPTION OF YOUR INVESTMENT WHICH YOU HAVE NOT RECEIVED AS OF JANUARY 20, 2010.

YOU ARE HEREBY NOTIFIED pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order by the United States District Court for the Southern District of New York (i) of the pendency of putative class actions captioned *In re Stillwater Capital Partners Inc.*

Litigation, Case No. 11-cv-2737-SAS (S.D.N.Y.) and *Goldberg v. Gerova Financial Group, Ltd.*, Case No. 11-cv-7107-SAS (S.D.N.Y.) (collectively referred to as the “Actions”), which have been consolidated with a third putative class action for certain pretrial purposes under the caption *In re Gerova Financial Group, Ltd. Securities Litigation*, Case No. 11-md-2275-SAS (S.D.N.Y.), on behalf of the persons and entities described above (the “Classes”), except for certain persons and entities who are excluded from the Classes as provided in the Notice (defined below); and (ii) that a settlement (the “Settlement”) reached in these Actions has been proposed that will fully and finally settle all claims against and release all Defendants (*i.e.*, a settlement with Gerova, Stillwater, the Individual Defendants, and certain of their insurers). The Settlement provides for: (i) a Cash Settlement Amount of \$2,058,000.00; (ii) a return to the Stillwater Funds of all remaining assets that they had provided to Gerova in the Business Combination (the “Unwind Settlement Amount”); and (iii) the abandonment of the claims certain Stillwater entities or former employees may have against the Stillwater Funds for unpaid management and incentive fees against, and investments in, the Stillwater Funds (amounting to approximately \$23 million) in exchange for a series of staggered payments based upon the Unwind Settlement Amount, which will in no case exceed \$1 million. A hearing will be held before the Honorable Shira A. Scheindlin in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, Courtroom 15C, New York, NY 10007, at 4:30 p.m. on June 9, 2014, to determine: (1) whether the Actions should be finally certified, for settlement purposes only, as class actions under Rules 23(a) and (b) of the Federal Rules of Civil Procedure on behalf of the Classes; (2) whether the proposed Settlement should be approved by the Court as fair, reasonable, and adequate; (3) whether the Plan of Allocation is fair, reasonable and adequate and therefore should be approved in connection with the Settlement; (4) whether the application

for attorneys' fees and litigation expenses should be approved; (5) whether the application for an award for the Plaintiffs should be approved; and (6) whether the Actions should be dismissed with prejudice against the Settling Defendants as set forth in the Stipulation and Agreement of Settlement, dated February 4, 2014 and filed with the Court.

IF YOU ARE A CLASS MEMBER, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT, AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND.

If you have not yet received the Notice of Pendency and Proposed Settlement of Class Actions ("Notice"), you may obtain copies of these documents by contacting:

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

If you are a Class Member, in order to be eligible to share in the distribution of the Net Settlement Fund, you must return the verification and release forms you will receive in the time described in the forms. You will be bound by any judgment(s) entered in the Actions whether or not you submit the verification and release forms.

If you desire to be excluded from the Classes, you must submit a request for exclusion to be received by May 5, 2014, in the manner and form explained in the Notice. All Class Members who do not request exclusion from the Classes will be bound by any judgment(s) entered in the Actions.

Any objection to the proposed Settlements, Plan of Allocation, application for attorneys' fees and litigation expenses, or application for award to the Plaintiffs must be filed with the Court

and delivered to be received by Class Counsel no later than May 5, 2014, in the manner and form set forth in the Notice.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Inquiries may be made to Class Counsel:

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Dated: March 18, 2014

By Order of the Clerk of the Court
United States District Court
for the Southern District of New York