

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA
Case No. 14-CIV-81057-WPD

IN RE OCWEN FINANCIAL CORPORATION
SECURITIES LITIGATION

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

TO: All persons and entities who purchased or otherwise acquired Ocwen Financial Corporation ("Ocwen") common stock from May 2, 2013 through December 19, 2014, inclusive (the "Class Period"), and were damaged thereby (the "Class").

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

NOTICE OF SETTLEMENT: This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of Florida ("Court"). Please be advised that the Court-appointed representatives for the Class, Sjunde AP-Fonden and Jay E. Thren (together, "Class Representatives"), on behalf of themselves and the other members of the Court-certified Class (as defined in ¶27 below), have reached a proposed settlement of the above-captioned securities class action ("Action") with defendants Ocwen, William C. Erbey and Ronald M. Faris (collectively, "Defendants") for total consideration of \$56,000,000 in value, consisting of \$49,000,000 in cash plus the number of shares of Ocwen common stock that equate to \$7,000,000 in value. The terms and provisions of the proposed settlement ("Settlement") are contained in the Stipulation of Settlement dated August 16, 2017 ("Stipulation").¹ If approved, the Settlement will resolve all claims asserted in the Action.

This Notice is directed to you in the belief that you may be a member of the Class whose rights might be affected by the Settlement. If you do not meet the Class definition or if you previously excluded yourself from the Class in connection with the Notice of Pendency of Class Action previously disseminated in December 2016 ("Notice of Pendency") and are listed on Exhibit C to the Stipulation, this Notice does not apply to you.

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

If you have questions about this Notice, the Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Ocwen, any other Defendant in the Action, or their counsel. All questions should be directed to Class Counsel or the Claims Administrator (see ¶62 below).

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN DECEMBER 8, 2017.	This is the <u>only</u> way to be eligible to receive a payment from the Settlement Fund. If you are a Class Member, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (as defined in ¶38 below) that you have against Defendants and the other Defendants' Releasees (as defined in ¶39 below), so it is in your interest to submit a Claim Form.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN DECEMBER 1, 2017.	If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses, including Class Representatives' request for reimbursement of costs and expenses incurred in connection with their representation of the Class, you may write to the Court and explain why you do not like them. You can only object to the Settlement, the Plan of Allocation or the fee and expense request if you are a Class Member. See ¶¶50-56 below for details.
FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN DECEMBER 1, 2017, AND GO TO A HEARING ON DECEMBER 22, 2017.	Any Class Member may attend the Final Approval Hearing. Filing a written objection and notice of intention to appear by December 1, 2017 allows you to speak in Court, at the discretion of the Court, about the fairness of the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses, including Class Representatives' request for reimbursement of costs and expenses incurred in connection with their representation of the Class. If you submit a written objection, you may (but you do not have to) attend the hearing and, if you also file a notice of intention to appear, speak to the Court about your objection at the discretion of the Court.
DO NOTHING.	If you are a Class Member and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

The rights and options set forth above -- and the deadlines to exercise them -- are explained in this Notice.

¹The Stipulation can be viewed at www.ocwensecuritieslitigation.com. Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation.

SUMMARY OF THE NOTICE

1. **Description of the Action and the Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging, among other things, that Defendants violated the federal securities laws by issuing misrepresentations and omissions regarding Ocwen during the Class Period. A more detailed description of the Action is set forth in ¶¶11-26 below. The Settlement, if approved by the Court, will settle claims of the Class, as defined in ¶27 below.

2. **Statement of the Class's Recovery:** Subject to Court approval, Class Representatives, on behalf of themselves and the other members of the Class, have agreed to settle the Action in exchange for total consideration of \$56,000,000 in value, subject to the limitation set forth in ¶6(c) of the Stipulation, consisting of \$49,000,000 in cash (the "Cash Settlement Amount") plus the number of shares of Ocwen common stock that equates to \$7,000,000 in value (the "Settlement Shares" and, together with the Cash Settlement Amount, the "Settlement Amount").² The Net Settlement Fund (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (i) any Taxes, (ii) any Notice and Administration Costs, (iii) any Litigation Expenses awarded by the Court, (iv) any attorneys' fees awarded by the Court, and (v) other costs, expenses or amounts as may be approved by the Court) will be distributed to Class Members according to a Court-approved plan of allocation. The proposed Plan of Allocation is set forth in Appendix A hereto.

3. **Estimate of Average Amount of Recovery Per Share:** Class Representatives' damages expert estimates that 77.21 million shares of Ocwen common stock purchased during the Class Period (that have not previously been subject to exclusion in connection with the Notice of Pendency) may have been affected by the conduct at issue in the Action. Assuming that all Class Members elect to participate in the Settlement, the estimated average recovery (before deducting any Court-approved fees, expenses and costs as described herein) is \$0.73 per affected share of Ocwen common stock.³ **Class Members should note, however, that the foregoing average recovery per share is only an estimate, and Class Members may recover more or less than this estimated amount.** A Class Member's actual recovery will depend on, among other factors, when and at what prices they purchased/acquired or sold their shares of Ocwen common stock, and the total number of valid Claim Forms submitted.

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

5. **Attorneys' Fees and Expenses Sought:** Court-appointed lead counsel for the Class, Kessler Topaz Meltzer & Check, LLP ("Class Counsel") together with Court-appointed liaison counsel for the Class, Sallah Astarita & Cox, LLC ("Liaison Class Counsel") have prosecuted the Action on a wholly contingent basis since its inception in 2014. Class Counsel and Liaison Class Counsel aggressively litigated the Class's claims for three years, reaching an agreement-in-principle to settle the Action with Defendants on the eve of trial. Class Counsel and Liaison Class Counsel have not received any payment of attorneys' fees for their representation of the Class and have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Class Counsel will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund, which award shall be apportioned proportionally between the Cash Settlement Amount and any Settlement Shares (including any Additional Settlement Shares). Class Counsel also will apply for reimbursement of Litigation Expenses paid or incurred by Class Counsel and Liaison Class Counsel in connection with the institution, prosecution and resolution of the Action, in an amount not to exceed \$3.3 million, plus interest, which amount may include an application for reimbursement of the reasonable costs and expenses incurred by Class Representatives directly related to their representation of the Class, in an aggregate amount not to exceed \$80,000. Class Members are not personally liable for any such fees or expenses. Any Court-awarded fees and expenses will be paid from the Settlement Fund. If the Court approves Class Counsel's fee and expense application, the estimated average cost per affected share of Ocwen common stock will be approximately \$0.22. **Please note that this amount is only an estimate.**

6. **Identification of Attorney Representatives and Further Information:** Class Representatives and the Class are represented by Sharan Nirmul, Esq. and Richard A. Russo, Jr., Esq. of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087, (610) 667-7706, info@ktmc.com. Further information regarding the Action, the Settlement, and this Notice may be obtained by contacting Class Counsel, or the Court-appointed Claims Administrator at: Ocwen Financial Corporation Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173027, Milwaukee, WI 53217, (866) 905-8125, info@ocwensecuritieslitigation.com.

7. **Reasons for the Settlement:** Class Representatives' principal reason for entering into the Settlement is the guaranteed benefit to the Class without the risks and delays inherent in further litigation. Here, had the Settlement not been reached, the Parties would have proceeded to a jury trial. The Settlement was reached approximately three business days before a jury trial was scheduled to commence. The benefit of the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might have been achieved after trial, or after the likely and lengthy appeals that would have followed a trial, including individual reliance

²As set forth in ¶6(c) of the Stipulation, Ocwen's contribution of Settlement Shares is subject to the limitation that, in no event, shall Ocwen be required to issue more than four percent (4%) of Ocwen's outstanding shares of common stock as of the date of the Court's Final Approval Hearing to fund the Settlement Amount. *See* ¶29 below. Ocwen may elect to substitute \$7,000,000 in cash in lieu of the Settlement Shares at any time before the Final Approval Hearing. *See* Stipulation at ¶6(d); *see also* ¶29 below.

³An affected share might have been traded more than once during the Class Period, and this estimated average recovery amount would be the total for all purchasers of that share.

challenges that necessarily would have followed any trial victory by the Class. In addition, in reaching the Settlement, Class Counsel also considered Ocwen’s public disclosures concerning its current financial condition and the potential impact of pending litigation and regulatory matters on its future financial condition. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further litigation.

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WHY DID I GET THIS NOTICE?

8. The purpose of this Notice is to inform you of the terms of the proposed Settlement of the Action, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation and the motion by Class Counsel for an award of attorneys’ fees and reimbursement of Litigation Expenses (the “Final Approval Hearing”). See ¶48 below for details about the Final Approval Hearing, including the date and location of the hearing.

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

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

WHAT IS THIS CASE ABOUT?

11. This case is a securities class action and is known as *In re Ocwen Financial Corporation Securities Litigation*, Case No. 14-CIV-81057-WPD. The Court in charge of the case is the United States District Court for the Southern District of Florida, and the presiding judge is the Honorable William P. Dimitrouleas.

12. This case began in August 2014 when three putative securities fraud class actions were filed in this Court against Ocwen and certain of its officers, asserting violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”). By Order dated November 5, 2014, the Court consolidated these actions under Case No. 14-CIV-81057-DIMITROULEAS. By Order dated November 7, 2014, the Court appointed Sjunde AP-Fonden (“AP7”) as Lead Plaintiff, pursuant to the Private Securities Litigation Reform Act of 1995, and approved AP7’s selection of counsel, Kessler Topaz Meltzer & Check, LLP, as Lead Counsel.

13. On December 8, 2014, following an extensive investigation, Lead Plaintiff filed its Consolidated Class Action Complaint asserting claims that Defendants issued misrepresentations and omissions during the Class Period (*i.e.*, May 2, 2013 through December 19, 2014, inclusive) purportedly regarding Ocwen’s compliance with regulations imposed upon Ocwen by regulators, including the New York Department of Financial Services and the National Mortgage Settlement, and in connection with Ocwen’s policies, practices and procedures over its transactions with other entities chaired by Defendant William C. Erbey (“Erbey”).

Thereafter, on February 6, 2015, with the consent of Defendants and approval of the Court, Lead Plaintiff filed its Consolidated Amended Class Action Complaint (“Amended Complaint”) to include certain additional allegations, the basis for which came to light following the filing of the previous complaint.

14. Defendants moved to dismiss the Amended Complaint on March 23, 2015. Defendants’ motion was fully briefed, and by Order dated September 4, 2015, the Court granted Defendants’ motion and dismissed the Amended Complaint without prejudice. By the same Order, the Court granted Lead Plaintiff leave to file an amended complaint. On September 25, 2015, Lead Plaintiff filed its Consolidated Second Amended Class Action Complaint (“Second Amended Complaint”).

15. Following the filing of the Second Amended Complaint, the United States Securities and Exchange Commission (“SEC”) filed Release No. 76074 against Home Loan Servicing Solutions (“HLSS”), alleging that Defendant Erbey participated in approving certain transactions between Ocwen and HLSS during 2012-2014. With Defendants’ consent, on October 13, 2015, Lead Plaintiff filed the operative complaint in the Action, the Consolidated Third Amended Class Action Complaint (“Third Amended Complaint”) to incorporate these new allegations.

16. Defendants moved to dismiss the Third Amended Complaint on October 27, 2015. Defendants’ motion was fully briefed. By Order dated December 22, 2015, the Court granted in part and denied in part Defendants’ motion. Thereafter, on January 22, 2016, Defendants filed their Answer to the Third Amended Complaint, denying all surviving allegations of the Third Amended Complaint and asserting certain defenses.

17. On March 2, 2016, the Court entered its Order Setting Trial Date & Discovery Deadlines, Referring Case to Mediation & Referring Discovery Motions to United States Magistrate Judge (“Scheduling Order”). The Scheduling Order, among other things, set deadlines for discovery, Lead Plaintiff’s motion for class certification, and pretrial motions. In addition, by this Order, trial was set to commence on or around July 24, 2017.

18. Thereafter, the Parties embarked on discovery which involved extensive work by both sides. In total, the Parties took twenty-one depositions and exchanged hundreds of thousands of documents. The Parties also engaged in numerous meet-and-confer sessions and filed and argued several motions to compel and motions for protective orders with the Court. The Parties also conducted substantial expert discovery, exchanging multiple expert reports.

19. While discovery was ongoing, and pursuant to Paragraph 6 of the Scheduling Order, which provides that “[a]ll parties are required to participate in mediation” and that “Plaintiff’s counsel, or another attorney agreed upon by all counsel of record and any unrepresented parties, shall be responsible for scheduling the mediation conference,” Class Counsel filed a Notice of Agreement of Mediator on March 16, 2016, stating that the Parties had agreed to retain as their mediator the Honorable Layn R. Phillips (Ret.) (“Judge Phillips”), former U.S. District Court Judge for the Western District of Oklahoma. An in-person mediation session attended by counsel for the Parties, certain of the Parties themselves and representatives for all insurance carriers was held in New York, New York on July 14, 2016, and subsequent telephonic conversations followed thereafter. The Parties, however, were too far apart in their respective positions at this point in the litigation, and these efforts to resolve the Action did not prove successful at that time or in the many months following that session.

20. On August 12, 2016, Lead Plaintiff filed its motion for class certification, which Defendants opposed on October 11, 2016. On November 17, 2016, the Court issued an Order granting Lead Plaintiff’s motion and certifying the Class. By the same Order, the Court appointed AP7 and Jay E. Thren as class representatives and appointed Kessler Topaz Meltzer & Check, LLP as lead class counsel and Sallah Astarita & Cox, LLC as liaison class counsel for the Class. Thereafter, on November 28, 2016, the Court granted Class Representatives’ motion to approve the form and manner of notifying the Class of the pendency of the Action as a class action. The Notice of Pendency was provided to the Class and a summary notice was published. The Notice of Pendency and summary notice each informed potential Class Members that requests for exclusion from the Class were to be submitted no later than March 20, 2017. Out of the thousands of Notices of Pendency distributed, a total of twenty-three requests for exclusion from the Class were received, as listed on Exhibit C to the Stipulation.⁴

21. On April 17, 2017, Class Representatives filed a motion for partial summary judgment seeking to narrow the issues for trial and Defendants filed a motion for summary judgment to dismiss the Action in its entirety. These motions were fully briefed. On June 13, 2017, the Court granted in part and denied in part Class Representatives’ motion for partial summary judgment, finding, as a matter of law, that certain statements that Ocwen had adopted policies, procedures, and practices to prevent conflicts of interest between Ocwen and certain companies chaired by Defendant Erbey, including Mr. Erbey’s recusal from negotiations and approval of Ocwen’s transactions with such companies, were false and misleading. The following day, June 14, 2017, the Court granted in part and denied in part Defendants’ motion for summary judgment, finding, as a matter of law, that the December 2013 NMS Compliance Statement was true, but allowed Class Representatives’ remaining claims to proceed to trial.

22. While the Parties’ summary judgment motions were pending, Defendants, on May 22, 2017, had moved to exclude the expert testimony of Class Representatives’ loss causation and damages expert, Dr. Zachary Nye, as well as their expert on regulatory

⁴Pursuant to its Order Preliminarily Approving Settlement and Providing for Notice; Administratively Closing Case (“Preliminary Approval Order”) dated August 17, 2017, the Court is not permitting Class Members a second opportunity to exclude themselves from the Class.

compliance, Mr. Geoffrey A. Oliver. On the same day, Class Representatives moved to exclude the testimony of Defendants' regulatory compliance expert, Mr. Marcel A. Bryar. On June 19, 2017, the Court heard argument on Defendants' motions, and on June 21, 2017, the Court found that Dr. Nye's testimony concerning one corrective disclosure was not admissible but otherwise denied Defendants' motions, finding that the proposed testimony of both Dr. Nye and Mr. Oliver satisfied the standards set out in *Daubert*, thereby permitting certain of their opinions to be heard by the jury in the trial scheduled to commence on July 24, 2017.

23. On July 7, 2017, the Parties filed with the Court a Joint Pre-Trial Stipulation which included the Parties' trial exhibit lists, deposition designations and objections thereto. Concurrently, the Parties filed eleven *in limine* motions in which each side sought to exclude certain facts or arguments from being presented to the jury. On July 14, 2017, the Parties filed their oppositions to the motions *in limine*, together with proposed competing jury instructions and verdict forms and objections thereto. The final pretrial conference before the Court was scheduled for July 21, 2014 in which the Court was scheduled to hear argument on Class Representatives' motion to exclude Defendants' regulatory compliance expert, Mr. Marcel A. Bryar, and the pending *in limine* motions.

24. As the Parties made their final preparations for trial, another attempt was made to resolve the Action. Following substantial negotiations with the assistance of Judge Phillips and Clay M. Cogman, Esq., also of Phillips ADR Enterprises, the Parties ultimately accepted a mediator's proposal to settle the Action, memorializing their agreement-in-principle in a term sheet executed on July 19, 2017 ("Term Sheet"). The Term Sheet set forth, among other things, the Parties' agreement to settle and release the Released Plaintiffs' Claims (as defined in ¶38 below) in return for total consideration of \$56 million in value for the benefit of the Class. At the Parties' request, the Court, by Order dated July 20, 2017, adjourned the trial and other deadlines in the Action, pending its disposition of Class Representatives' motion for preliminary approval of the Settlement.

25. On August 16, 2017, the Parties entered into the Stipulation, which sets forth the terms and conditions of the Settlement. The Stipulation can be viewed at www.ocwensecuritieslitigation.com. Class Representatives thereafter filed with the Court the Parties' Stipulation and supporting documentation, along with their motion for preliminary approval of the Settlement.

26. On August 17, 2017, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Class Members, and scheduled the Final Approval Hearing to consider whether to grant final approval of the Settlement, among other things.

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

27. If you are a member of the Class who has not previously sought exclusion in connection with the Notice of Pendency, you are subject to the Settlement. The Class certified by Order of the Court dated November 17, 2016 consists of

all persons and entities who purchased or otherwise acquired Ocwen common stock from May 2, 2013 through December 19, 2014, inclusive, and were damaged thereby.

Excluded from the Class are: Defendants and members of Defendants' immediate families (as defined in 17 C.F.R. § 229.404, Instructions (1)(a)(iii) and (1)(b)(ii)), any person, firm, trust, corporation, officer, director, or other individual or entity in which any Defendant has or had a controlling interest, or which is related or affiliated with any Defendant, and the legal representatives, agents, affiliates, heirs, successors-in-interest, or assigns of any such excluded party. Also excluded from the Class are the persons and entities who previously requested exclusion in connection with the Notice of Pendency as set forth on Exhibit C to the Stipulation, which can be viewed on the website, www.ocwensecuritieslitigation.com.

PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN DECEMBER 8, 2017.

WHAT DOES THE SETTLEMENT PROVIDE?

28. The full terms and provisions of the Settlement are set forth in the Stipulation, which can be viewed at www.ocwensecuritieslitigation.com.

29. In full and final settlement of the claims in the Action, Ocwen has agreed to provide to the Class total consideration of \$56,000,000 in value, consisting of \$49,000,000 in cash (*i.e.*, the Cash Settlement Amount) plus the number of shares of Ocwen common stock that equates to \$7,000,000 in value (*i.e.*, the Settlement Shares). As set forth in the Stipulation, the floor amount of Ocwen common stock to be contributed to the Settlement Amount by Ocwen (*i.e.*, 2,500,000 shares) was calculated utilizing \$2.80 per share, the average daily adjusted closing price of Ocwen common stock over the immediate five (5) trading days preceding the execution of the Term Sheet. In the event that Ocwen common stock has an average daily adjusted closing price over the immediate five (5) trading days before the Court's Final Approval Hearing of *less than* \$2.80 per share, then Ocwen shall contribute additional Settlement Shares (*i.e.*, the Additional Settlement Shares) to the Settlement Amount to ensure that the Class receives equity with a total value of \$7 million, provided, however, that in no event shall Ocwen be required to issue more than 4% of Ocwen's outstanding shares of common stock as of the date

of the Court's Final Approval Hearing. At any time prior to the date of the Court's Final Approval Hearing, Ocwen shall have the ability, at its option, to make an additional cash payment to the Class of \$7,000,000, instead of issuing stock.

30. At any time following the delivery of the Settlement Shares, and any Additional Settlement Shares, to the Class but prior to distribution to Authorized Claimants, Class Counsel may dispose of all or any Settlement Shares, on the open market or otherwise, on behalf of the Class, provided that the proceeds of such sales, less reasonable costs associated with such sales (including any commissions or Taxes owed thereon), be placed into the Escrow Account maintaining the Settlement Fund pending distribution in accordance with the Stipulation and the Class Distribution Order.

WHAT ARE CLASS REPRESENTATIVES' REASONS FOR THE SETTLEMENT?

31. The Settlement is the result of three years of vigorous, hard-fought litigation and extensive arm's-length negotiations by the Parties, and was reached just days before trial. Class Representatives and Class Counsel believe that the claims asserted against Defendants have merit; however, they recognize the substantial risks they faced in successfully obtaining a favorable verdict for the Class at trial and through the likely appeals that would follow.

32. In particular, Class Representatives recognize that Defendants have significant arguments that certain of their alleged misstatements were neither false nor materially misleading, that the truth regarding Defendants' alleged misstatements was already known to the market and thus could not have been material to investors and that, even if Defendants made materially misleading statements, they did not do so intentionally or recklessly. Class Representative also faced challenges with respect to establishing that the stock price declines associated with the Class's damages were attributable to the alleged false statements sustained by the Court and which were proceeding to trial, and thus the actual damages a jury might award. Specifically, and among other arguments, Defendants argued that the decline in Ocwen's stock price during the Class Period resulted from factors unrelated to the correction of alleged misstatements and that the alleged corrective disclosures identified by Class Representatives' damages expert were unrelated to the misrepresentations sustained by the Court. Had the jury accepted any of Defendants' contrary arguments or viewed the facts in favor of Defendants in whole or in part, or if the Court of Appeals in subsequent proceedings accepted these arguments or theories, Class Representatives' ability to obtain a recovery for the Class could have been reduced or eliminated. Further, even if completely or partly successful at trial, Class Representatives still would have to prevail on the appeals that would likely follow, including appeals of the Court's summary judgment opinions, any decisions on the *in limine* motions, and the jury verdict itself. Defendants also advised Class Counsel that they would seek an additional round of proceedings designed to test the individual reliance of each Class Member in the event that a jury verdict withstood all appellate challenges. Class Counsel also considered Ocwen's public disclosures concerning its current financial condition and the potential impact of pending litigation and regulatory matters on its future financial condition. Thus, there were significant risks attendant to the continued prosecution of the Action.

33. In light of these risks, Class Representatives and Class Counsel believe that the proposed Settlement is fair, reasonable, adequate, and in the best interests of the Class.

34. Defendants have agreed to the Settlement solely to eliminate the uncertainty, burden, and expense of further litigation, including trial, and expressly deny all allegations of fault, liability and/or wrongdoing made against them in the Action.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

35. If there were no Settlement and Class Representatives failed to establish any essential legal or factual element of their claims against Defendants at trial, neither Class Representatives nor the other members of the Class would recover anything from Defendants. Also, if Defendants were successful in pursuing any of their defenses at trial, or on appeal, the Class could recover substantially less than the Settlement Amount, or nothing at all.

HOW ARE CLASS MEMBERS AFFECTED BY THE SETTLEMENT? WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

36. As a Class Member, you are represented by Class Representatives and Class Counsel, unless you enter an appearance through counsel of your own choice, at your own expense. You are not required to retain your own counsel. Class Members may enter an appearance through an attorney if they so desire, but such counsel must file and serve a notice of appearance as provided in ¶54 below and will be retained at the individual Class Member's expense.

37. If you are a Class Member, you will be bound by any orders and judgments issued by the Court in the Action, regardless of whether you submit a Claim Form. If the Settlement is approved, the Court will enter a judgment ("Judgment"). The Judgment will dismiss with prejudice the claims alleged in the Action against Defendants and will provide that, upon the Effective Date, Class Representatives and each of the other 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 released, relinquished, waived, discharged and dismissed each and every Released Plaintiffs' Claim (as defined in ¶38 below) against Defendants and the other Defendants' Releasees (as defined in ¶39 below), regardless of whether or not such Class Member executes and delivers a Claim Form, and shall be forever barred and enjoined from commencing, instituting, prosecuting or maintaining any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

38. “Released Plaintiffs’ Claims” means any and all claims, debts, disputes, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, sums of money due, judgments, suits, amounts, matters, issues and charges of any kind whatsoever, whether based on federal, state, foreign or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class and/or individual in nature, including both known claims and Unknown Claims (as defined in ¶40 below), that Class Representatives or any other member of the Class: (i) asserted in this Action against any of the Defendants’ Releasees; or (ii) could have, or in the future might have, asserted in the 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 Ocwen 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. Notwithstanding the foregoing, Released Plaintiffs’ Claims do not include (i) claims of the individuals and entities who requested exclusion from the Class pursuant to the Notice of Pendency issued in December 2016 (as listed on Exhibit C to the Stipulation); (ii) any securities class action claims asserted in the putative securities class action styled *Carvelli v. Ocwen Financial Corporation, et al.*, 17-cv-80500 (S.D. Fla.), and all cases consolidated therein (provided however, that this exclusion will not pertain to any claims which may be asserted therein with regard to purchases of Ocwen common stock during the Class Period or the misstatements or omissions alleged in the Action); and (iii) any claims asserted by the plaintiffs in the direct action captioned *Broadway Gate Master Fund, Ltd. et al. v. Ocwen Financial Corporation et al.*, 9:16-cv-80056-WPD (S.D. Fla.). Released Plaintiffs’ Claims also do not include any claims related to the enforcement of the Settlement.

39. “Defendants’ Releasees” means Defendants and their attorneys, including Defendants’ Counsel, their current and former parents, affiliates and subsidiaries, and each of their respective current and former officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts or holdings of personal or family assets, employees, Immediate Family members, insurers and reinsurers, and attorneys, in their capacities as such.

40. “Unknown Claims” means any and all Released Plaintiffs’ Claims which any Class Representative or other 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 Defendant does not know or suspect to exist in his 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 the Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date, Class Representatives and Defendants shall expressly waive, and each of the other 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 otherwise, 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.

Class Representatives, the other Class Members, and/or 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 Class Representatives and Defendants shall expressly, fully, finally and forever settle and release, and each Class Member shall be deemed to have settled and released, and upon the Effective Date 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 Class Representatives, the other Class Members, or Defendants, as applicable, at any time. The Parties acknowledge, and each of the 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, of which this release is a material and essential part.

41. The Judgment will also provide that, upon the Effective Date, 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 released, relinquished, waived, discharged and dismissed each and every Released Defendants’ Claim (as defined in ¶42 below) against Class Representatives and the other Plaintiffs’ Releasees (as defined in ¶43 below), and shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any or all of the Released Defendants’ Claims against any of the Plaintiffs’ Releasees. This release shall not apply to any claims against any Person that submitted a request for exclusion from the Class in connection with the Notice of Pendency as set forth on Exhibit C to the Stipulation.

42. “Released Defendants’ Claims” means any and all claims, debts, disputes, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, sums of money due, judgments, suits, amounts, matters, issues and charges of any kind whatsoever, whether based on federal, state, foreign or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class and/or individual in nature, including both known claims and Unknown Claims (as defined in ¶40 above), that arise out of, or are based upon, the

institution, prosecution or settlement of the claims against Defendants in the Action. Notwithstanding the foregoing, Released Defendants' Claims do not include (i) any claims relating to the enforcement of the Settlement; (ii) any claims against any Person who or which submitted a request for exclusion in connection with the Notice of Pendency, as listed on Exhibit C to the Stipulation; (iii) any claims that any Defendant in the Action may have against any party other than any of Plaintiffs' Releasees; or (iv) any claims that any Defendant in the Action may have under or relating to any policy of liability, any other insurance policy or any contractual or statutory right to indemnification. For the avoidance of doubt the Stipulation shall not release any insurer, co-insurer, excess insurer, or re-insurer from any obligation owed to any Defendant in the Action for indemnity or coverage under or relating to any policy of liability or other insurance policy.

43. "Plaintiffs' Releasees" means Class Representatives and their attorneys, including Class Counsel and Liaison Class Counsel, and all other 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.

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

44. To be potentially eligible for a payment from the proceeds of the Settlement, you must be a member of the Class and you must timely complete and return the Claim Form with adequate supporting documentation, **postmarked no later than December 8, 2017**, to:

Ocwen Financial Corporation Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173027
Milwaukee, WI 53217

A Claim Form is included with this Notice. You may also obtain a Claim Form from the website maintained by the Claims Administrator, www.ocwensecuritieslitigation.com, or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at (866) 905-8125 or by emailing the Claims Administrator at info@ocwensecuritieslitigation.com. Please retain all records of your ownership of and transactions in Ocwen common stock, as they may be needed to document your claim. If you previously requested exclusion from the Class in connection with the Notice of Pendency or you do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

**HOW MUCH WILL MY PAYMENT BE?
WHAT IS THE PROPOSED PLAN OF ALLOCATION?**

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

46. Appendix A to this Notice sets forth the Plan of Allocation for allocating the Net Settlement Fund among Authorized Claimants, as proposed by Class Representatives and Class Counsel. Defendants had no involvement in the proposed Plan of Allocation. The Court may modify the Plan of Allocation, or approve a different plan of allocation, without further notice to the Class.

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?
HOW WILL THE LAWYERS BE PAID?**

47. Class Counsel and Liaison Class Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have Class Counsel or Liaison Class Counsel been reimbursed for their out-of-pocket expenses. Before final approval of the Settlement, Class Counsel, on behalf of itself and Liaison Class Counsel, will apply to the Court for an award of attorneys' fees in an amount not to exceed 25% of the Settlement Fund, which award shall be apportioned proportionally between the Cash Settlement Amount and Settlement Shares (including any Additional Settlement Shares). At the same time, Class Counsel also intend to apply for reimbursement of Litigation Expenses in an amount not to exceed \$3.3 million, plus interest, which amount may include an application for reimbursement of the reasonable costs and expenses incurred by Class Representatives directly related to their representation of the Class, in an aggregate amount not to exceed \$80,000. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?
DO I HAVE TO COME TO THE HEARING?
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

48. The Final Approval Hearing will be held on **December 22, 2017 at 10:30 a.m.**, before the Honorable William P. Dimitrouleas at the United States District Court for the Southern District of Florida, U.S. Federal Building and Courthouse, Courtroom 205B, 299 East Broward Boulevard, Fort Lauderdale, Florida 33301. The Court reserves the right to approve the Settlement, the Plan

of Allocation, Class Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and/or any other matter related to the Settlement at or after the Final Approval Hearing without further notice to the members of the Class.

49. Class Members do not need to attend the Final Approval Hearing. The Court will consider any submission made in accordance with the provisions of this Notice even if a Class Member does not attend the hearing. Participation in the Settlement is not conditioned on attendance at the Final Approval Hearing.

50. Any Class Member who did not previously request exclusion from the Class in connection with the Notice of Pendency may object to the Settlement, the Plan of Allocation, or Class Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of Florida at the address set forth below **on or before December 1, 2017**. You must also serve the papers on Class Counsel and Defendants' Counsel at the addresses set forth below so that the papers are **received on or before December 1, 2017**.

Clerk's Office

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

Class Counsel

**Kessler Topaz Meltzer
& Check, LLP**
Sharan Nirmul, Esq.
Richard A. Russo, Jr., Esq.
280 King of Prussia Road
Radnor, PA 19087

Defendants' Counsel

**Kramer Levin Naftalis
& Frankel LLP**
John P. Coffey, Esq.
Jonathan M. Wagner, Esq.
1177 Avenue of the Americas
New York, NY 10036

51. Any objection (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove the objector's membership in the Class, including the number of shares of Ocwen common stock that the objecting Class Member purchased/acquired and/or sold during the Class Period (*i.e.*, from May 2, 2013 through December 19, 2014, inclusive), as well as the dates and prices of each such purchase/acquisition and sale. Documents sufficient to prove membership in the Class include brokerage statements, confirmation slips, or authorized statements from a broker containing the transaction and holding information found in a confirmation slip or account statement. You may not object to the Settlement, the Plan of Allocation, or Class Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you are not a member of the Class.

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

53. If you wish to be heard orally at the Final Approval Hearing in opposition to the approval of the Settlement, the Plan of Allocation or Class Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Class Counsel and Defendants' Counsel at the addresses set forth above so that it is **received on or before December 1, 2017**. Persons who intend to object and desire to present evidence at the Final Approval Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

54. You are not required to hire an attorney to represent you in making written objections to any aspect of the Settlement or in appearing at the Final Approval Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Class Counsel and Defendants' Counsel at the addresses set forth in ¶50 above so that the notice is **received on or before December 1, 2017**.

55. The Final Approval Hearing may be adjourned by the Court without further written notice to the Class. If you plan to attend the Final Approval Hearing, you should confirm the date and time with Class Counsel.

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

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

57. **Please Note:** If you previously provided the names and addresses of persons and entities on whose behalf you purchased or otherwise acquired Ocwen common stock during the period from May 2, 2013 through December 19, 2014, inclusive, in connection with the Notice of Pendency, and (i) those names and addresses remain current and (ii) you have no additional names and addresses for potential Class Members to provide to the Claims Administrator, **you need do nothing further at this time.** The Claims Administrator will mail a copy of the Notice and the Claim Form (together, the "Notice Packet") to the beneficial owners whose names and addresses were previously provided in connection with the Notice of Pendency. If you elected to mail the Notice of Pendency directly to beneficial owners, you were advised that you must retain the

mailing records for use in connection with any further notices that may be provided in the Action. If you elected this option, the Claims Administrator will forward the same number of Notice Packets to you to send to the beneficial owners. If you require more copies of the Notice Packet than you previously requested in connection with the Notice of Pendency mailing, please contact A.B. Data, Ltd. toll-free at (866) 905-8125 and let them know how many additional Notice Packets you require. You must mail the Notice Packets to the beneficial owners within seven (7) calendar days of your receipt of the Notice Packets.

58. If you have not already provided the names and addresses for persons and entities on whose behalf you purchased or otherwise acquired Ocwen common stock during the period from May 2, 2013 through December 19, 2014, inclusive, in connection with the Notice of Pendency, then, the Court has ordered that you must, **WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE**, either: (a) send the Notice Packet to all beneficial owners of such Ocwen common stock, or (b) send a list of the names and addresses of such beneficial owners to the Claims Administrator at Ocwen Financial Corporation Securities Litigation, c/o A.B. Data, Ltd., P.O. Box 173027, Milwaukee, WI 53217, in which event the Claims Administrator shall promptly mail the Notice Packet to such beneficial owners. **AS STATED ABOVE, IF YOU HAVE ALREADY PROVIDED THIS INFORMATION IN CONNECTION WITH THE NOTICE OF PENDENCY, UNLESS THAT INFORMATION HAS CHANGED (E.G., BENEFICIAL OWNER HAS CHANGED ADDRESS), IT IS UNNECESSARY TO PROVIDE SUCH INFORMATION AGAIN.**

59. Upon full compliance with these directions, nominees who mail the Notice Packet to beneficial owners may seek reimbursement of their reasonable expenses actually incurred by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Such properly documented expenses incurred by nominees shall be paid from the Settlement Fund, with any disputes as to the reasonableness or documentation of expenses incurred subject to review by the Court.

60. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, www.ocwensecuritieslitigation.com, by calling the Claims Administrator toll-free at (866) 905-8125, or by emailing the Claims Administrator at info@ocwensecuritieslitigation.com.

**CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS OR WOULD LIKE ADDITIONAL INFORMATION?**

61. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of Florida, U.S. Federal Building and Courthouse, 299 East Broward Boulevard, Fort Lauderdale, Florida 33301. Additionally, copies of the Stipulation, this Notice, the Claim Form, the proposed Judgment, and any related orders entered by the Court are available on the case website, www.ocwensecuritieslitigation.com.

62. All inquiries concerning this Notice and the Claim Form, or requests for additional information, should be directed to:

Ocwen Financial Corporation Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173027
Milwaukee, WI 53217
(866) 905-8125
info@ocwensecuritieslitigation.com
www.ocwensecuritieslitigation.com

and/or

Sharan Nirmul, Esq.
Richard A. Russo, Jr., Esq.
**KESSLER TOPAZ MELTZER
& CHECK, LLP**
280 King of Prussia Road
Radnor, PA 19087
Telephone: (610) 667-7706
Facsimile: (610) 667-7056
info@ktmc.com
www.ktmc.com

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

DATED: AUGUST 28, 2017

BY ORDER OF THE COURT
United States District Court for the Southern District of Florida

APPENDIX A

Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants

The Plan of Allocation set forth herein is the plan that is being proposed to the Court for approval by Class Representatives after consultation with their damages expert. The Court may approve the Plan of Allocation with or without modification, or approve another plan of allocation, without further notice to the Class. Any Orders regarding a modification of the Plan of Allocation will be posted on the website for this Action, www.ocwensecuritieslitigation.com. The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. Defendants have had, and will have, no involvement or responsibility for the terms or application of the Plan of Allocation.

The objective of the proposed Plan of Allocation is to equitably distribute the Net Settlement Fund among those Class Members who purportedly suffered economic losses as a result of the alleged violations of the federal securities laws set forth in the Third Amended Complaint, as opposed to economic losses caused by market or industry factors or company-specific factors unrelated thereto. To that end, Class Representatives' damages expert calculated the estimated amount of alleged artificial inflation in the per-share price of Ocwen common stock, over the course of the Class Period, that was allegedly proximately caused by Defendants' alleged materially false and misleading misrepresentations and omissions. In calculating the estimated alleged artificial inflation allegedly caused by those misrepresentations and omissions, Class Representatives' damages expert considered price changes in Ocwen common stock, net of market- and industry-wide effects, in reaction to public disclosures that allegedly corrected the respective alleged misrepresentations and omissions. The calculations made pursuant to the Plan of Allocation, however, do not represent a formal damages analysis that has been adjudicated in the Action. The calculations also are not intended to measure the amounts that Class Members would recover after a trial, nor are the calculations in any way agreed to or conceded by Defendants. These calculations additionally are not intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. Accordingly, to have a "Recognized Loss Amount" pursuant to the Plan of Allocation, the Ocwen common stock must have been purchased or otherwise acquired during the Class Period (*i.e.*, from May 2, 2013 through December 19, 2014, inclusive) and held through at least one of the alleged corrective disclosures that removed alleged artificial inflation related to that information. Taking into account the Court's findings in its June 21, 2017 Omnibus Order Denying Defendants' *Daubert* Motions, Class Representatives' damages expert has identified eight dates on which alleged corrective disclosures removed alleged artificial inflation from the price of Ocwen common stock: February 6, 2014; February 26, 2014; August 4, 2014; October 21, 2014; October 22, 2014; December 16, 2014; December 22, 2014; and December 23, 2014.

CALCULATION OF RECOGNIZED LOSS AMOUNTS

1. For purposes of determining whether a Claimant has a "Recognized Claim," purchases, acquisitions, and sales of Ocwen common stock will first be matched on a First In, First Out ("FIFO") basis as set forth in ¶6 below.

2. A "Recognized Loss Amount" will be calculated as set forth below for each share of Ocwen common stock purchased or otherwise acquired from May 2, 2013 through December 19, 2014, inclusive, that is listed in the Claim Form and for which adequate documentation is provided. The sum of a Claimant's Recognized Loss Amounts will be the Claimant's "Recognized Claim."

3. For each share of Ocwen common stock purchased or otherwise acquired from May 2, 2013 through December 19, 2014, inclusive, and sold on or before March 19, 2015,⁵ an "Out of Pocket Loss" will be calculated. Out of Pocket Loss is defined as the per-share purchase/acquisition price (excluding all fees, taxes, and commissions) *minus* the per-share sale price (excluding all fees, taxes, and commissions). To the extent that the calculation of an Out of Pocket Loss results in a negative number, that number shall be set to zero.

4. A Claimant's Recognized Loss Amount per share of Ocwen common stock purchased or otherwise acquired during the Class Period will be calculated as follows:

A. For each share of Ocwen common stock purchased or otherwise acquired during the Class Period and subsequently sold prior to the opening of trading on February 6, 2014, the Recognized Loss Amount is \$0.

⁵March 19, 2015 represents the last day of the 90-day period subsequent to the end of the Class Period, *i.e.*, subsequent to December 19, 2014 (the "90-day look-back period"). The PSLRA imposes a statutory limitation on recoverable damages using the 90-day look-back period. This limitation is incorporated into the calculation of a Class Member's Recognized Loss Amount. Specifically, a Class Member's Recognized Loss Amount cannot exceed the difference between the purchase price paid for the Ocwen common stock and the average price of Ocwen common stock during the 90-day look-back period if the share was held through March 19, 2015, the end of this period. Losses on Ocwen common stock purchased/acquired during the period from May 2, 2013 through December 19, 2014 and sold during the 90-day look-back period cannot exceed the difference between the purchase price paid for the Ocwen common stock and the average price of Ocwen common stock during the portion of the 90-day look-back period elapsed as of the date of sale (the "90-Day Look-back Value"), as set forth in **Table 2** below.

B. For each share of Ocwen common stock purchased or otherwise acquired during the Class Period and subsequently sold after the opening of trading on February 6, 2014 and prior to the close of trading on December 19, 2014, the Recognized Loss Amount shall be *the lesser of*:

- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below *minus* the dollar amount of alleged artificial inflation applicable to each such share on the date of sale as set forth in **Table 1** below; or
- (ii) the Out of Pocket Loss.

C. For each share of Ocwen common stock purchased or otherwise acquired during the Class Period and subsequently sold after the close of trading on December 19, 2014 and prior to the close of trading on March 19, 2015 (*i.e.*, the last day of the 90-day look-back period), the Recognized Loss Amount shall be *the lesser of*:

- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below *minus* the dollar amount of alleged artificial inflation applicable to each such share on the date of sale as set forth in **Table 1** below;
- (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* the 90-Day Look-back Value on the date of sale as set forth in **Table 2** below; or
- (iii) the Out of Pocket Loss.

D. For each share of Ocwen common stock purchased or otherwise acquired during the Class Period and still held as of the close of trading on March 19, 2015 (*i.e.*, the last day of the 90-day look-back period), the Recognized Loss Amount shall be *the lesser of*:

- (i) the dollar amount of alleged artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in **Table 1** below; or
- (ii) the purchase/acquisition price of each such share (excluding all fees, taxes, and commissions) *minus* \$9.70 (the average closing price of Ocwen common stock during the 90-day look-back period (*i.e.*, December 22, 2014 through March 19, 2015), as shown on the last line in **Table 2** below).

ADDITIONAL PROVISIONS

5. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶10 below) is \$10.00 or greater.

6. If a Class Member has more than one purchase/acquisition or sale of Ocwen common stock during the Class Period, all purchases/acquisitions and sales shall be matched on a FIFO basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

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

8. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Ocwen common stock. The date of a “short sale” is deemed to be the date of sale of Ocwen common stock. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on “short sale” is zero. In the event that a Claimant has an opening short position in Ocwen common stock, the earliest purchases or acquisitions during the Class Period shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

9. Ocwen common stock is the only security eligible for recovery under the Plan of Allocation. Option contracts to purchase or sell Ocwen common stock are not securities eligible to participate in the Settlement. With respect to Ocwen common stock purchased or sold through the exercise of an option, the purchase/sale date of the Ocwen common stock shall be the exercise date of the option and the purchase/sale price shall be the closing price of Ocwen common stock on the date of the exercise of the option. Any Recognized Loss Amount arising from purchases of Ocwen common stock acquired during the Class Period through the exercise of an option on Ocwen common stock⁶ shall be computed as provided for other purchases of Ocwen common stock in the Plan of Allocation.

⁶This includes (1) purchases of Ocwen common stock as the result of the exercise of a call option and (2) purchases of Ocwen common stock by the seller of a put option as a result of the buyer of such put option exercising that put option.

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

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

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

TABLE 1		
Estimated Alleged Artificial Inflation in Ocwen Common Stock		
From	To	Inflation per Share
5/2/2013	2/5/2014	\$21.73
2/6/2014	2/25/2014	\$18.93
2/26/2014	8/3/2014	\$16.19
8/4/2014	10/20/2014	\$15.33
10/21/2014	10/21/2014	\$10.20
10/22/2014	12/15/2014	\$8.05
12/16/2014	12/21/2014	\$6.85
12/22/2014	12/22/2014	\$1.13
12/23/2014	Thereafter	\$0.00

TABLE 2
Ocwen Common Stock 90-Day Look-Back Value by Sale/Disposition Date

Sale Date	90-Day Look-Back Value	Sale Date	90-Day Look-Back Value
12/22/2014	\$16.01	2/5/2015	\$10.27
12/23/2014	\$15.52	2/6/2015	\$10.22
12/24/2014	\$15.30	2/9/2015	\$10.15
12/26/2014	\$15.06	2/10/2015	\$10.09
12/29/2014	\$15.00	2/11/2015	\$10.05
12/30/2014	\$14.95	2/12/2015	\$10.02
12/31/2014	\$14.97	2/13/2015	\$9.99
1/2/2015	\$14.98	2/17/2015	\$9.98
1/5/2015	\$14.87	2/18/2015	\$9.97
1/6/2015	\$14.73	2/19/2015	\$9.97
1/7/2015	\$14.61	2/20/2015	\$9.96
1/8/2015	\$14.50	2/23/2015	\$9.97
1/9/2015	\$14.37	2/24/2015	\$9.97
1/12/2015	\$14.22	2/25/2015	\$9.96
1/13/2015	\$13.79	2/26/2015	\$9.95
1/14/2015	\$13.37	2/27/2015	\$9.91
1/15/2015	\$13.04	3/2/2015	\$9.88
1/16/2015	\$12.77	3/3/2015	\$9.87
1/20/2015	\$12.50	3/4/2015	\$9.85
1/21/2015	\$12.26	3/5/2015	\$9.83
1/22/2015	\$12.04	3/6/2015	\$9.81
1/23/2015	\$11.78	3/9/2015	\$9.79
1/26/2015	\$11.57	3/10/2015	\$9.79
1/27/2015	\$11.37	3/11/2015	\$9.78
1/28/2015	\$11.17	3/12/2015	\$9.78
1/29/2015	\$10.96	3/13/2015	\$9.78
1/30/2015	\$10.78	3/16/2015	\$9.76
2/2/2015	\$10.62	3/17/2015	\$9.74
2/3/2015	\$10.49	3/18/2015	\$9.72
2/4/2015	\$10.36	3/19/2015	\$9.70