

**In re GEROVA FINANCIAL GROUP, LTD.
SECURITIES LITIGATION**

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The Lead Plaintiffs allege that Gerova's stock price was inflated by the defendants' material misrepresentations and omissions regarding, among other things, several substantial stock-based transactions in January 2010, including, but not limited to, the acquisition of the Stillwater Funds, acquisition of a controlling interest in Amalphis Group Inc., and acquisition of the assets and investments held by the Wimbledon Funds. Specifically, in connection with these transactions, Lead Plaintiffs allege that defendants misrepresented and/or omitted material information concerning the capitalization of the Company, the financial condition of the Stillwater Funds, the extent to which these transactions involved insiders and other related parties, the payment of excessive fees to related parties, and subsequent sales of stock by insiders.

The Settling Defendants and all former defendants have denied and continue to deny all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Amended Complaint. Specifically, the Settling Defendants and all former defendants contend, among other things, that they did not make any false or misleading statements concerning any of Gerova's stock-based transactions in January 2010 and that the risks associated with these transactions were adequately disclosed.

Nonetheless, the Settling Defendants have concluded that further conduct of the Action could be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the parties' Stipulation and Agreement of Settlement ("Stipulation") and in the Global Settlement Agreement ("GSA") in order to limit further expense, inconvenience and distraction, to dispose of the burden of protracted litigation involving multiple lawsuits, and to permit the Supreme Court of Bermuda and the U.S. Bankruptcy Court to address the Company's financial affairs. The Settling Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. The Settling Defendants have, therefore, determined that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation and the GSA. The Settling Defendant entered into the Stipulation and the GSA without in any way admitting to or acknowledging any fault, liability, or wrongdoing of any kind. There has been no adverse determination by any court against the Settling Defendants on the merits of the claims asserted by the Lead Plaintiffs.

Neither the Stipulation, nor the GSA, nor any of their terms or provisions, nor any of the negotiations or proceedings connected with them, shall be construed as an admission or concession by any of the parties released by the Stipulation and/or the GSA (the "Released Parties") of the merit or truth of any of the allegations or wrongdoing of any kind on the part of the Released Parties. Neither the Stipulation, nor the GSA, nor any of the terms or provisions, nor any of the negotiations or proceedings connected therewith, shall be offered as evidence in the Action or in any pending or future civil, criminal, or administrative action or other proceeding to establish any liability or admission by the Released Parties or any other matter adverse to the Released Parties or any of their respective related entities, except as expressly set forth in the Stipulation.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial, and likely appeals. A trial is a risky proposition. The claims in the Action involve numerous complex legal and factual issues, many of which would require expert testimony. The Settling Parties disagree on both liability and damages, and do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiffs were to have prevailed on each claim alleged. Among the many issues about which Lead Plaintiffs and the Settling Defendants disagree are: (1) whether the Settling Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the misrepresentations and omissions alleged by the Lead Plaintiffs were material, false, misleading or otherwise actionable under the securities laws; (3) the extent (if any) that the alleged misrepresentations and omissions influenced the trading prices of Gerova securities during the relevant period; and (4) the method for determining whether, and the extent to which, purchasers of Gerova securities suffered injury and damages that could be recovered at trial.

In addition, the Settlement must be compared to the risk of no recovery based on the uncertainty created by Gerova's bankruptcy filings in both the Supreme Court of Bermuda and the U.S. Bankruptcy Court. Upon the restructuring and/or liquidation of the Company, and the settlement of claims of other creditors, there exists the possibility that there would be no remaining assets from which to pay any judgment, even assuming Lead Plaintiffs ultimately prevailed at trial and after exhaustion of all appeals.

Attorneys' Fees and Expenses: Co-Lead Counsel have not received any payment for their work or expenses incurred in investigating the facts, prosecuting this Action, and negotiating the Settlement on behalf of Lead Plaintiffs and the Settlement Class. Lead Counsel will ask the Court for attorneys' fees not to exceed 33% of the Settlement Consideration and expenses not to exceed \$150,000 to be paid from the Settlement Fund.

If the above amounts are requested and approved by the Court, the estimated recovery per share before any additional settlement administration fees and expenses and any awards to the Lead Plaintiffs is estimated to be \$ 0.22 per damaged share.

Dismissal and Releases: If the proposed Settlement is approved after a fairness hearing ("Settlement Hearing"), the Court will enter a Judgment and Order of Final Approval (the "Judgment"). The Judgment will dismiss the Settlement Class Claims and the Defendant Claims with prejudice as to both the Released Parties and the Lead Plaintiffs, Co-Lead Counsel, and any Settlement Class Members, respectively. The Judgment will provide that all Settlement Class Members shall be deemed to have released and forever discharged all Settlement Class Claims (to the extent that Settlement Class Members have such claims) against all Released Parties (which includes, but is not limited to, the Settling Defendant and any subsidiaries and affiliates, and all of their employees, directors and officers). The terms of the releases, including the meaning of the term "Settlement Class Claims," are set forth in the Stipulation.

Deadlines:

Submit Claim:	May 20, 2014
File Objection:	May 19, 2014
Request Exclusion	May 12, 2014

Court Hearing on Fairness of Settlement:

June 9, 2014

More Information:

Settlement Administrator:
 Gerova Financial Group, Ltd. Securities Litigation
 c/o Strategic Claims Services
 P.O. Box 230
 600 N. Jackson Street, Suite 3
 Media, PA 19063
 Tel: (866)274-4004
 Fax: (610) 565-7985
 info@strategicclaims.net

Co-Lead Counsel:
 Jeremy A. Lieberman
 Pomerantz Grossman Hufford
 Dahlstrom & Gross LLP
 600 Third Avenue
 New York, NY 10016
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 Wohl & Fruchter LLP
 570 Lexington Avenue, 16th Floor
 New York, NY 10022
 Tel: (212) 758-4000
 ewohl@wohlfruchter.com

- *Your legal rights are affected whether you act, or don't act. Read this Notice carefully.*

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM	The only way to receive a payment.
OBJECT	You may write to the Court if you do not like this Settlement, the Plan of Allocation, Co-Lead Counsel's request for attorneys' fees and expenses, or the reimbursement to Lead Plaintiffs for costs and expenses.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to participate in another lawsuit against the Released Parties relating to the claims being released in this case.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement at the Settlement Hearing on June 9, 2014.
DO NOTHING	Receive no payment.

- You may submit a claim or object, or do both, or do nothing. However, if you timely exclude yourself that is the **only** thing you can do; you cannot then also object in writing, appear at the Settlement Hearing to state any objections, or submit a claim.
- If you object and do not request exclusion, you will remain a Settlement Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.
- Unless you timely request exclusion from the Settlement Class, or unless the Court rejects the proposed Settlement, you are bound by the Stipulation and Agreement of Settlement, whether or not you submit a claim or object.
- These rights and options are explained in this Notice. ***Please take careful note of the deadlines to exercise them, set forth above.***
- The Court presiding over this case must decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.
- The Court has authorized this Notice, but no money will be paid to anyone until the Court holds the Settlement Hearing on June 9, 2014. The Court has not decided on the merits of this case.

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BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or otherwise acquired Gerova Financial Group, Ltd. (“Gerova”) securities on the New York Stock Exchange (“NYSE”) or the NYSE Alternext US Exchange (later named the NYSE Amex Exchange) between January 8, 2010 and February 23, 2011, inclusive, and incurred damages.

This Notice was sent because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections or appeals are resolved, the Settlement Administrator appointed by the Court will make the payments to those persons who timely submit claims in the manner described below.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, and the case is known as *Arar, et al. v. Gerova Financial Group, Ltd., et al.*, Case No. 11-CV-3081-SAS. Rutland Baker, Bruce Henry, and Ali Arar are called the Lead Plaintiffs, and the Company, Gary T. Hirst, Arie Jan van Roon, Michael Hlavsa, Joseph J. Bianco, Keith Laslop, Stillwater Capital Partners, Inc., Stillwater Capital Partners, LLC, Jack Doueck, and Richard Rudy are the Settling Defendants. The Lead Plaintiffs and the Settling Defendant are referred to together as the “Parties.”

2. What Is This Lawsuit About?

This Action alleges violations of the Federal Securities Laws (specifically Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §78j(b) and 78(t)(a)) and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5) against the Settling Defendants.

Gerova was incorporated in Bermuda as of August 30, 2010. Prior to that date, the Company was incorporated in the Cayman Islands. During the Settlement Class Period, Gerova's principal executive offices were located in Grand Cayman, Cayman Islands until May 2010, and were subsequently located in Hamilton, Bermuda. Gerova was formed in March 2007 as a "blank check" company, that is, a company organized for the purpose of acquiring one or more operating businesses to be identified after formation. During the Settlement Class Period, Gerova securities traded on the NYSE Alternext US Exchange (later the NYSE Amex Exchange) and on the NYSE under the ticker symbols GFC, GFC.WS, and GFC.U.

Lead Plaintiffs allege that, during the Settlement Class Period, Gerova's stock price was artificially inflated as a result of a series of untrue or materially misleading statements the Settling Defendants made concerning several substantial transactions in January 2010. Specifically, Lead Plaintiffs allege that Gerova failed to inform investors that, among other things, (i) the Company was unprofitable and in poor financial condition during the Settlement Class Period; (ii) the Stillwater Funds were in poor financial condition at the time they were acquired; (iii) the Company engaged in several transactions with related parties and entities controlled by Gerova insiders; and (iv) insiders were permitted to sell the Company's securities at artificially inflated prices. Lead Plaintiffs further contend that the Settling Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation.

The Settling Defendants have denied and continue to deny the allegations, and contend that the disclosures concerning the Company's transactions in January 2010 were accurate and not misleading; that the Settling Defendants did not act with scienter in making or causing any alleged material misrepresentation or omission; and that Lead Plaintiffs and the Settlement Class suffered no damages because the decline in Gerova's share price on February 23, 2011 was not a result of any prior misstatement or omission by the Settling Defendants.

3. Why Is This A Class Action?

Class actions are generally used in lawsuits that affect a large number of individuals. The class action operates to consolidate into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct, thus alleviating the need for members of the class to file their own individual lawsuits to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of members of the class, except for those members of the class, if any, who specifically choose to exclude themselves from the class.

As part of the preliminary approval process, Lead Plaintiffs will ask the Court to certify a class for settlement purposes only. The proposed Settlement Class will consist of all persons or entities who, during the Settlement Class Period, purchased or otherwise acquired shares of Gerova securities on the NYSE or the NYSE Alternext US Exchange (later named the NYSE Amex Exchange). Excluded from the Settlement Class are: (a) the Settling Defendants, Jason Galanis, Tore Nag, the officers and directors of Gerova or of any subsidiary of Gerova, and members of any of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest; and (b) any potential members of the Settlement Class who timely and validly exclude themselves from the Settlement Class in accordance with the requirements set forth herein. All Settlement Class Period purchasers or acquirers of Gerova securities are members of the Settlement Class, except those persons who timely file a request for exclusion by May 12, 2014. All persons who do not timely exclude themselves from the Settlement Class will be bound by the proposed Settlement and its accompanying Release.

4. Why Is There A Settlement?

The Court did not decide in favor of the Lead Plaintiffs or the Settling Defendants. Instead, both sides agreed to a Settlement. This permits the parties to avoid the cost, delay, and uncertainty of a trial, and permits eligible Settlement Class Members who submit valid claims to receive some compensation rather than risk ultimately receiving nothing. Both the Lead Plaintiffs and the Settling Defendants have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action. The Lead Plaintiffs and their attorneys believe the Settlement is best for all Settlement Class Members. The Settling Defendants have concluded that further defense of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a possible Settlement Class Member.

5. How Do I Know if I Am Part of the Settlement?

The potential Settlement Class includes all persons or entities that purchased or otherwise acquired Gerova securities on the NYSE or the NYSE Alternext US Exchange (later named the NYSE Amex Exchange) between January 8, 2010, and February 23, 2011, inclusive.

6. What Are the Exceptions to Being Included?

You are not a member of the Settlement Class if you are a Settling Defendant, Jason Galanis, Tore Nag, the officers and directors of Gerova or of any subsidiary of Gerova, and members of any of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can contact the Settlement Administrator at Gerova Financial Group, Ltd. Securities Litigation, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 3, Media, PA 19063, by toll-free phone at 866-274-4004, or by visiting the website at www.strategicclaims.net, for more information. Or you can fill out and return the claim form described in question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

The Settlement will result in a fund of almost \$1.4 million in cash. The balance of this fund, after payment of Court-approved attorneys' fees and expenses, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing the Internet wire service notice, and any award granted to the Lead Plaintiffs (the "Net Settlement Fund"), will be divided among all eligible Settlement Class Members who send in valid claim forms.

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Settlement Class Members send in, the number of shares of Gerova securities you purchased during the Settlement Class Period, and the timing of your purchases and sales. You will not receive a payment, however, if your proportionate share of the Net Settlement Fund is less than \$10.00.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. After all Settlement Class Members have sent in their Proof of Claim and Release forms, the payment you receive will reflect your Recognized Claim in relation to the Recognized Claims of all persons submitting valid Proof of Claim forms. The Recognized Claim is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund is to be allocated among all persons submitting claims.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

10. How Will I Obtain A Payment?

To qualify for payment, you must be an eligible Settlement Class Member, send in a valid Proof of Claim and Release form by the deadline, and properly document your claim as requested in the Claim Form. A Proof of Claim and Release form is enclosed with this Notice. You may also get a Proof of Claim and Release form on the internet at www.strategicclaims.net. Read the instructions carefully, fill out the Proof of Claim and Release form, include the documents required by that form, sign it, and mail it postmarked no later than May 20, 2014 to: Gerova Financial Group, Ltd., c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 3, Media, PA 19063.

11. When Will I Receive My Payment?

The Court will hold a hearing on June 9, 2014, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be an appeal of such approval. It is always uncertain whether there will be an appeal and when any appeal will be resolved, and resolving an appeal can take time, perhaps more than a year. Even if no appeals are filed, it will take several months for the Settlement Administrator to process all of the Proof of Claim and Release forms and determine the ultimate distribution amounts.

12. What Am I Giving Up to Receive A Payment?

As a Settlement Class Member, you will be giving up certain rights that you currently have if the Court approves the Settlement. Unless you timely exclude yourself from the Settlement Class by the May 12, 2014 deadline, you are a Settlement Class Member and will be bound by the Release of claims against the Released Parties. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Released Parties about the Settlement Class Claims in this Action. It also means that all of the Court's orders will apply to you and legally bind you, and you will release your claims in this Action against the Released Parties. The terms of the Release are included in the Proof of Claim and Release form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from the Settlement, but you want to keep the right to sue or continue to sue the Settling Defendants on your own for the Settlement Class Claims, then you must take steps to get out of the Settlement Class. This is called excluding yourself, or is sometimes referred to as "opting out" of the class.

13. How Do I Get Out of the Settlement Class?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *Arar, et al. v. Gerova Financial Group, Ltd., et al.*, Case No. 11-CV-3081-SAS. You must include your name, address, telephone number, your signature, and the number of shares of Gerova securities you purchased or acquired between January 8, 2010 and February 23, 2011, inclusive, the number of shares of common stock sold during this time period, if any, the dates of such purchases and/or sales, and the price paid or received per share for each purchase or sale. You must mail your exclusion request so that it is received no later than May 12, 2014 to:

Gerova Financial Group, Ltd. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to receive any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Action.

14. If I Do Not Exclude Myself, Can I Sue the Released Parties for the Same Thing Later?

No. Unless you exclude yourself from the Settlement Class, you give up any right to sue the Released Parties for the Settlement Class Claims in the Settlement. If you have a pending lawsuit against the Settling Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is May 12, 2014.

15. If I Exclude Myself, Can I Receive Money from the Net Settlement Fund?

No. If you exclude yourself, do not send in a Proof of Claim and Release form.

THE LAWYERS REPRESENTING YOU

16. Do I Have A Lawyer in This Case?

The Court appointed the law firms of Pomerantz LLP and Wohl & Fruchter LLP to represent you and other Settlement Class Members. These lawyers are called Co-Lead Counsel. You will not be personally liable for the fees and expenses incurred by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Co-Lead Counsel will ask the Court for attorneys' fees of up to 33% of the Settlement Fund and for expenses up to \$150,000 which were advanced in connection with the Action. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Co-Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Since the case began in 2011, Co-Lead Counsel have conducted all of the investigation, briefing, and motions practice necessary to prepare the case for trial, and consulted experts regarding the calculation of damages and issues relating to class certification. To date, Co-Lead Counsel have not been paid for their services or out-of-pocket expenses in prosecuting this Action on behalf of the Lead Plaintiffs and the Settlement Class. Lead Counsel have expended to date more than 750 hours of attorney time in prosecuting the Settlement Class's claims and will ask the Court for an award

of fees and reimbursement of actual expenses (such expenses not to exceed \$150,000) in prosecuting the Action. The fee requested will compensate Co-Lead Counsel for their efforts in achieving the Settlement Consideration.

Co-Lead Counsel shall file a formal motion with the District Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses not later than May 5, 2014. That motion will argue that Co-Lead Counsel's requested fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court determines what counsel should receive from the Settlement Fund for fees and expenses, and may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *Arar, et al. v. Gerova Financial Group, Ltd., et al.*, Case No. 11-CV-3081-SAS. Be sure to include your name, address, telephone number, your signature, the number of shares of Gerova securities purchased or acquired between January 8, 2010 and February 23, 2011, inclusive, and the reasons you object. The motions in support of the Settlement and the request for attorneys' fees will be filed no later than May 5, 2014, and they will be available from Lead Counsel, the Settlement Administrator or the Court. (The Settlement Administrator's contact information is listed in Section 23, below.) Any objection must be mailed or delivered such that it is received by **each** of the following no later than May 19, 2014:

<i>Court:</i>	<i>Lead Counsel Designee:</i>	<i>Settling Defendant's Counsel</i>
Clerk of the Court	Jeremy A. Lieberman	<i>Designee:</i>
United States District Court	Pomerantz Grossman Hufford	Scott W. Reynolds
Southern District of New York	Dahlstrom & Gross LLP	Hogan Lovells US LLP
Daniel Patrick Moynihan U.S.	600 Third Avenue	875 Third Avenue
Courthouse	New York, NY 10016	New York, NY 10022
500 Pearl St.		
New York, NY 10007-1312		

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

19. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing at 4:30 p.m., on June 9, 2014, at the courthouse for the United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St. New York, New York 10007-1312. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also consider how much money from the Settlement Fund will be allocated to pay Co-Lead Counsel for their work on the Action and to reimburse their expenses, and whether the Plan of Allocation is fair, reasonable and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

20. Do I Have to Come to the Hearing?

No. Co-Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *Arar, et al. v. Gerova Financial Group, Ltd., et al.*, Case No. 11-CV-3081-SAS. Be sure to include your name, address, telephone number, your signature, and the number of shares of Gerova securities you purchased or acquired from January 8, 2010 to February 23, 2011, inclusive. Your notice of intention to appear must be received no later than May 19, 2014, by the Clerk of the Court, Lead Counsel Designee and the Settling Defendant's Counsel Designee, at the three addresses listed in question 18.

IF YOU DO NOTHING

22. What Happens if I Do Nothing at All?

If you do nothing, all of your claims against the Released Parties will be released, but you will not receive any money from this Settlement because it is necessary to submit a Proof of Claim and Release form to share in the Settlement proceeds.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation dated as of February 4, 2014 and the GSA. You can obtain a copy of the Stipulation or the GSA or more information about the Settlement by contacting Lead Counsel:

Jeremy A. Lieberman
Pomerantz Grossman Hufford
Dahlstrom & Gross LLP
600 Third Avenue
New York, NY 10016
Tel: (212) 661-1100
jalieberman@pomlaw.com

or the Settlement Administrator:

Gerova Financial Group, Ltd., Securities
Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Toll-Free: 866-274-4004

or by visiting www.strategicclaims.net

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court
United States District Court
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl St.
New York, NY 10007-1312

UNDERSTANDING YOUR PAYMENT

The Net Settlement Fund shall be distributed to Class Members who submit acceptable Proofs of Claim and Release forms ("Authorized Claimants") in the following manner:

The Settlement Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described below. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Authorized Claimants. The Recognized Loss formula is not an estimate of what an Authorized Claimant would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement.

As within the groups of Authorized Claimants described below, an Authorized Claimant's actual share of the Net Settlement Fund will be determined by the ratio of the Authorized Claimant's Recognized Loss divided by the aggregate of the Recognized Loss of all Authorized Claimants within the Claimant's group.

This Plan of Allocation is based on the following principles applicable to Class Members if the Action had gone to trial: Lead Plaintiffs asserted claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 ("Section 10(b)"). Damages under Section 10(b) are calculated, among other things, by determining the stock price drop caused by the disclosure of information correcting prior materially false and misleading statements or reflecting materializations of risks which were a foreseeable consequence of the alleged concealment. Lead Plaintiffs contended in the Action, among

other things, that the first corrective disclosure or materialization of the risk of materially false and misleading statements complained of occurred on January 10, 2011.

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 or value of the security. Lead Plaintiffs have alleged that corrective information released to the market had an impact on the market prices of Gerova securities on ten separate days: January 10, 2011; January 11, 2011; January 18, 2011; January 19, 2011; January 20, 2011; February 11, 2011; February 14, 2011; February 15, 2011; February 16, 2011; and May 20, 2011. In order to have a Recognized Loss under the Plan of Allocation, with respect to Common Stock, Warrants and Units, the common stock, warrants, or units must have been purchased during the Class Period and held through at least one of the dates identified above.

CALCULATION OF RECOGNIZED LOSS PER SECURITY

Gerova Common Stock, Warrants, and Units

1. For Gerova common stock, warrants, units purchased between January 8, 2010 and February 23, 2011:
 - a. *sold between January 8, 2010 and February 23, 2011*, an Authorized Claimant's Recognized Loss per Security shall be the lesser of (but not less than zero): (i) the amount paid for the security minus the amount received upon sale of the security; or (ii) the Loss per Security at purchase as shown in the table below minus the Loss per Security at sale shown in the table below;
 - b. *if held as of the close of trading on February 23, 2011*, an Authorized Claimant's Recognized Loss per Security shall be the lesser of (but not less than zero): (i) the amount paid for the security minus the holding value shown in the table below; or (ii) the Loss per Security at purchase as shown in the table below.

Table—Security Loss Per Share

		Loss Per Security		
Period Start	Period End	Common Stock	Warrants	Units
January 8, 2010	January 7, 2011	\$20.66	\$0.41	\$5.99
January 10, 2011	January 10, 2011	\$19.60	\$0.30	\$5.99
January 11, 2011	January 14, 2011	\$18.87	\$0.23	\$5.19
January 18, 2011	January 18, 2011	\$15.89	\$0.21	\$5.19
January 19, 2011	January 19, 2011	\$14.83	\$0.23	\$5.19
January 20, 2011	February 10, 2011	\$13.57	\$0.21	\$4.59
February 11, 2011	February 11, 2011	\$13.01	\$0.16	\$4.59
February 14, 2011	February 14, 2011	\$9.87	\$0.21	\$4.59
February 15, 2011	February 15, 2011	\$7.17	\$0.16	\$4.59
February 16, 2011	February 23, 2011	\$4.26	\$0.14	\$3.64
	Holding Value	\$1.02	\$0.02	\$0.11

2. No claim will be recognized for Gerova common stock, warrants, or units purchased after February 23, 2011.

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

3. The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible securities that participate in the Settlement, and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

4. A purchase or sale of Gerova securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

5. Acquisition by Gift, Inheritance, or Operation of Law: If a Class Member acquired Gerova securities during the Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that Gerova securities were originally purchased prior to commencement of the Class Period, the Recognized Loss for that acquisition shall be deemed to be Zero (\$0.00).

6. Notwithstanding any of the above, receipt of Gerova securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Gerova securities.

7. The first-in-first-out ("FIFO") basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against the securities held as of the close of trading on January 7, 2010 (the last day before the Class Period begins) and then against the purchases during the Class Period.

8. The Recognized Loss with respect to a purchase or acquisition of a Gerova security (stock, warrant, or unit), is calculated by multiplying the number of units of each such security by the appropriate recognized loss for a single unit of that security, as described above.¹

9. No Authorized Claimant whose proportionate share of cash distributions from the Net Settlement Fund is less than \$10.00 shall receive a distribution from the Settlement Fund.

10. Class Members who do not submit a timely request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims, will not share in the recovery, but nevertheless will be bound by the Settlement and the Judgment of the Court dismissing this Action.

11. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

¹ The prices/numbers of each security should be adjusted to reflect the splits that occurred during the Class Period.

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any Gerova securities purchased or acquired between January 8, 2010, and February 23, 2011, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Settlement Administrator:

Gerova Financial Group, Ltd. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Toll-free phone: 866-274-4004
www.strategicclaims.net

If you choose to mail the Notice and Proof of Claim and Release form yourself, you may obtain from the Settlement Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for administrative costs actually 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 Settlement Administrator.

DATED: FEBRUARY 6, 2014

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