

**UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION**

KINNIE MA IRA, JEFFERY S. GRAMM IRA;
STACY GREASOR IRA; VICTOR WADE IRA;
KAZUE BELL; DEAN CROOKS, CORRI RENE
EDEN; CATHERINE KOMINOS; KAREN LOCH;
ROBERT A. STONE LIVING TRUST; SHIRLEY
STONE LIVING TRUST; THE STANLEY S. AND
MILLCENT R. BARASCH LIVING TRUST; AND
LORETTA DEHAY, individually and on behalf of all
others similarly situated,

Case No. 1:19-cv-01050-RP

Plaintiffs,

v.

ASCENDANT CAPITAL, LLC, *et al.*,

Defendants.

PROPOSED PLAN OF ALLOCATION

1. The Settlement Amount¹ of \$46 million and any interest earned thereon is the “Gross Settlement Fund.” The Gross Settlement Fund, less (1) any and all Taxes, (2) any and all costs of Administration of the Settlement, including all fees and costs paid or owing to the Settlement Administrator; (3) any and all costs of maintaining the Escrow Account, including all fees and costs paid or owing to the Escrow Agent; (4) any and all attorneys fees’ and costs paid to Plaintiffs’ Counsel in the Actions, as awarded by the Court; and (5) any service awards to the Settlement Class Representatives, as awarded by the Court (the “Net Settlement Fund”) shall be distributed to Settlement Class Members who submit timely and valid Claim Forms to the Claims Administrator² (“Authorized Claimants”).

2. The Proposed Plan of Allocation (the “Plan of Allocation” or “Plan”) set forth below is the plan for the distribution of the Net Settlement Fund that is being proposed by the putative Settlement Class Representatives and Settlement Class Counsel to the Court for approval. The Court may approve this Plan of Allocation or modify it without additional notice to the

¹ All capitalized terms used in this Plan of Allocation that are not otherwise defined herein shall have the meanings provided in the Parties’ Stipulation and Agreement of Settlement, dated December 3, 2024 (“Settlement Agreement”), which is available at www.GPBSecuritiesSettlement.com.

² The Claims Administrator is Epiq and can be contacted by telephone at (888) 550-9942 Monday through Friday between 9:00 am to 5:00 pm ET.

Settlement Class. Any order modifying the Plan of Allocation will be posted on the Settlement website at www.GPBSecuritiesSettlement.com.

3. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation 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.

4. Based on the formula set forth below, the “Net Loss” shall be calculated by the Claims Administrator based on an Authorized Claimant’s aggregate amount of investments in a GPB Fund(s) made during the Settlement Class Period, as listed in the Claim Form and for which adequate documentation is provided or exists.

5. Each Authorized Claimant who is eligible for payment will receive their share of the Net Settlement Fund. An Authorized Claimant’s individual settlement payment will be calculated pursuant to the Plan of Allocation and will be paid on a proportional, or “pro rata”, basis based on each Authorized Claimant’s “Net Loss” as a percentage of all Authorized Claimants’ aggregate Net Losses.

6. “Net Loss” means the total principal amount that a claimant invested in any GPB Fund(s) during the Class Period, minus any prior amounts received by that claimant on account of his or her investment(s) (including any amounts previously received as redemptions or from sales (“Total Sales/Redemption Proceeds”), dividends or distributions received from GPB (“Total Distribution Amounts”), or the sum of gross distributions received from the GPB Funds’ appointed monitor or receiver, and/or from any other source as a result of any actual or threatened litigation or arbitration concerning the GPB Funds (“Total Other Recoveries”).

7. Claimants who have received amounts (through Total Sales/Redemption Proceeds, Total Distribution Amounts, and Total Other Recoveries) greater than the total principal amount that claimant invested in any GPB Fund(s) have not suffered a Net Loss and will not receive any payment from the Net Settlement Fund or otherwise in connection with this Settlement.

8. It is not possible to determine how much any individual Authorized Claimant may receive from the Net Settlement Fund at this time.

9. For purposes of determining whether a claimant had a Net Loss with respect to his, her, or its overall transactions in any GPB Funds during the Class Period, the Claims Administrator shall determine the difference between (i) the Total Principal Amount Paid and (ii) the sum of Total Sales/Redemption Proceeds received, Total Distribution Amounts received, and Total Other Recoveries (collectively, the “Total Recovery”). If the claimant’s Total Principal Amount Paid minus the Total Recovery is a positive number, that number will be the claimant’s Net Loss on the

investment(s); if the number is a negative number or zero, that number will be the claimant's Net Gain on the investment(s).

10. Net Losses will be calculated across all GPB Fund investments on an aggregated basis. A Net Loss in one GPB Fund investment could be offset by a Net Gain in a different GPB Fund investment.

11. Settlement Class Counsel created the above Plan of Allocation in consultation with a damages expert who has reviewed this Plan of Allocation and has concluded that it is fair, reasonable, and just.

12. Determination of Distribution Amount: The Net Settlement Fund will be distributed to Authorized Claimants on a pro rata basis based on the relative size of their Net Losses. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's total Net Losses divided by the total Net Losses of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

13. 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 such Authorized Claimant. Any Distribution Amounts of less than \$10.00 will be included in the pool distributed to those Authorized Claimants whose Distribution Amounts are \$10.00 or greater.

14. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund at least nine (9) months after the initial distribution, if Settlement Class Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining, after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants, who have cashed their prior checks and who would receive at least \$10.00 in such additional re-distributions, may occur thereafter if Settlement Class Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective.

15. When it is determined that the re-distribution 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 Settlement Class Counsel and approved by the Court.

16. 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 Settlement Class Members. No person shall have any claim against Settlement Class Representatives, Settlement Class Counsel, Settlement Class Counsel's consulting damages expert, Settling Defendants, Settling Defendants'

Counsel, or any of the other Released Parties, or the Claims Administrator or other agent designated by Settlement 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.

17. Settlement Class Representatives, Settling Defendants and their respective counsel, and all other Released Parties, shall have no responsibility or liability whatsoever for the investment or distribution of the Gross Settlement Fund, 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 owed by the Settlement Fund, or any losses incurred in connection therewith.