

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

PHILIP FRYMAN, *et al.*,

Plaintiffs,

v.

ATLAS FINANCIAL HOLDINGS, INC.,  
SCOTT D. WOLLNEY, and PAUL A. ROMANO,

Defendants.

Case No. 1:18-cv-01640

Hon. Franklin U. Valderrama  
United States District Judge

Hon. Sheila M. Finnegan  
United States Magistrate Judge

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

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

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the “Action”)<sup>1</sup> pending in the United States District Court for the Northern District of Illinois (the “Court”), if, during the period from February 22, 2017, through April 30, 2019, inclusive (the “Settlement Class Period”), you purchased or otherwise acquired Atlas Financial Holdings, Inc. (“Atlas” or the “Company”) common stock (“Atlas Common Stock”), and/or Atlas 6.625% Senior Unsecured Notes due 2022 (“Atlas Notes”),<sup>2</sup> and/or publicly traded call options on Atlas Common Stock (“Atlas Call Options”), and/or wrote publicly traded put options on Atlas Common Stock (“Atlas Put Options”), and were damaged thereby. Atlas Common Stock, Atlas Notes, Atlas Call Options, and Atlas Put Options are collectively referred to as “Atlas Securities.”

**NOTICE OF SETTLEMENT:** Please also be advised that the Plaintiffs in the Action, on behalf of themselves and the Settlement Class (as defined in ¶ 27 below), have reached a proposed settlement of the Action for \$5,000,000 in cash that, if approved, will resolve all claims in the Action (the “Settlement”).

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

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact Atlas, any other Defendants in the Action, or their counsel. All questions should be directed to Lead Counsel or the Claims Administrator (see ¶ 92 below).**

1. **DESCRIPTION OF THE ACTION AND THE SETTLEMENT 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 Atlas, Scott D. Wollney, and Paul A. Romano (the “Individual Defendants,” and with Atlas, the “Defendants”) violated the federal securities laws by making false and misleading statements regarding Atlas. Defendants deny all allegations of wrongdoing or liability. A more detailed description of the Action is set forth in paragraphs 11-26 below. The proposed Settlement, if approved by the Court, will settle claims of the Settlement Class, as defined in paragraph 27 below.

2. **STATEMENT OF THE SETTLEMENT CLASS’S RECOVERY:** Subject to Court approval, Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle the Action in exchange for a settlement payment of \$5,000,000 in cash (the “Settlement Amount”) to be deposited into an escrow account. The Settlement Amount plus any and all interest earned thereon (the “Settlement Fund”) less any (a) Taxes, (b) Notice and Administration Costs,

<sup>1</sup> All capitalized terms used in this Notice that are not defined have the meanings provided in the Stipulation and Agreement of Settlement, dated November 28, 2022 (the “Stipulation”), which is available at [www.AtlasFinancialSecuritiesSettlement.com](http://www.AtlasFinancialSecuritiesSettlement.com).

<sup>2</sup> The Atlas Notes were represented by CUSIP G06207123 and 049323108. During the Settlement Class Period, the Atlas Notes were offered to the public on or about April 26, 2017. Subsequently, in May 2017, the notes were listed on the Nasdaq Global Market under the symbol “AFHBL.” On October 17, 2019, the Atlas Notes moved to the OTC Pink Sheets.

(c) Litigation Expenses awarded by the Court, and (d) attorneys' fees awarded by the Court (the "Net Settlement Fund") will be distributed in accordance with a plan of allocation that is approved by the Court, which will determine how the Net Settlement Fund shall be allocated among members of the Settlement Class. The proposed plan of allocation (the "Plan of Allocation") is set forth in paragraphs 52-76 below.

3. **ESTIMATE OF AVERAGE AMOUNT OF RECOVERY PER SHARE OR NOTE:** Based on Plaintiffs' damages expert's estimates, the conduct at issue in the Action affected approximately 6.8 million shares of Atlas Common Stock and 1.0 million Atlas Notes<sup>3</sup> purchased during the Settlement Class Period. Assuming all eligible Settlement Class Members elect to participate in the Settlement, the estimated average recovery would be approximately \$0.59 per affected share of Atlas Common Stock and \$0.97 per affected Atlas Note, before the deduction of any Court-approved fees, expenses, and costs as described herein. Settlement Class Members should note, however, that the foregoing average recovery per security is only an estimate. Some Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they acquired or sold their Atlas Securities, and the total number of valid Claim Forms submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein<sup>4</sup> (see paragraphs 52-76, below) or such other plan of allocation as may be ordered by the Court.

4. **AVERAGE AMOUNT OF DAMAGES PER SHARE OR NOTE:** The Parties do not agree on the average amount of damages per Atlas Security that would be recoverable if Plaintiffs were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that any damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **ATTORNEYS' FEES AND EXPENSES SOUGHT:** Plaintiffs' Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2018, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute this Action. Court-appointed Lead Counsel, Glancy Prongay & Murray LLP, will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 33⅓% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution and resolution of the claims against the Defendants, in an amount not to exceed \$215,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. Estimates of the average cost per affected security if the Court approves Lead Counsel's fee and expense application is \$0.22 per affected share of Atlas Common Stock and \$0.36 per affected Atlas Note.

6. **IDENTIFICATION OF ATTORNEYS' REPRESENTATIVES:** Plaintiffs and the Settlement Class are represented Kara M. Wolke, Esq. of Glancy Prongay & Murray LLP, 1925 Century Park East, Suite 2100, Los Angeles, CA 90067, (888) 773-9224, settlements@glancylaw.com.

7. **REASONS FOR THE SETTLEMENT:** Plaintiffs' principal reason for entering into the Settlement is the substantial immediate cash benefit for the Settlement Class without the risk or the delays inherent in further litigation. Moreover, the substantial cash benefit provided under the Settlement must be considered against the significant risk that a smaller recovery – or no recovery at all – might be achieved after contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could last several years. 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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<sup>3</sup> One Atlas Note refers to a bond with \$25.00 par value.

<sup>4</sup> Pursuant to the Plan of Allocation, the total recovery for Atlas Call Options and Atlas Put Options is limited to 1.0% of the Net Settlement Fund.

**YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:**

<p><b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN OCTOBER 10, 2023.</b></p>	<p>This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you remain in the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs’ Claims (defined in ¶ 36 below) that you have against Defendants and the other Defendants’ Releasees (defined in ¶ 37 below), so it is in your interest to submit a Claim Form.</p>
<p><b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN AUGUST 16, 2023.</b></p>	<p>If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Defendants’ Releasees concerning the Released Plaintiffs’ Claims.</p>
<p><b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN AUGUST 16, 2023.</b></p>	<p>If you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.</p>
<p><b>GO TO A HEARING ON SEPTEMBER 6, 2023 AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN AUGUST 16, 2023.</b></p>	<p>Filing a written objection and notice of intention to appear by August 16, 2023 allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys’ fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection.</p>
<p><b>DO NOTHING.</b></p>	<p>If you are a member of the Settlement Class 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 Settlement 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.</p>

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## WHY DID I GET THIS NOTICE?

8. 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 Atlas Common Stock, Atlas Notes, and/or Atlas Call Options, and/or may have written Atlas Put Options during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement 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 may generally affect your legal rights. If the Court approves the Settlement and the Plan of Allocation (or some other plan of allocation), the claims administrator selected by Plaintiffs and approved by the Court will make payments pursuant to the Settlement after any objections and appeals are resolved.

9. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, 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 Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 83 below for details about the Settlement Hearing, including the date and location of the hearing.

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 still has to decide 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. A class action complaint was filed in the Court on March 5, 2018, styled *Fryman v. Atlas Financial Holdings, Inc., et al.*, No. 1:18-cv-01640.

12. By Order dated May 15, 2018, the Court appointed Lead Plaintiffs and approved their selection of Glancy Prongay & Murray LLP as Lead Counsel and Lawrence Kamin, LLC as Liaison Counsel.

13. On July 30, 2018, Lead Plaintiffs filed and served their Amended Class Action Complaint for Violations of the Federal Securities Laws (the "First Amended Complaint") asserting claims against all Defendants under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and against the Individual Defendants under Section 20(a) of the Exchange Act. Among other things, the First Amended Complaint alleged that Defendants made materially false and misleading statements about Atlas's loss reserves that caused the prices of Atlas's publicly traded securities to be artificially inflated.

14. On September 28, 2018, Defendants moved to dismiss the First Amended Complaint, which Lead Plaintiffs opposed in subsequent filings.

15. On April 1, 2019, before the Court issued any ruling on Defendants' motion to dismiss the First Amended Complaint, Lead Plaintiffs filed and served their unopposed motion for leave to file a second amended complaint. On April 9, 2019, Lead Plaintiffs filed and served their Second Amended Class Action Complaint for Violations of the Federal Securities Laws (the "Second Amended Complaint"), asserting claims under the Exchange Act against Defendants based upon allegations similar to those in the First Amended Complaint, but also included allegations relating to additional loss reserve insufficiencies subsequent to those alleged in the First Amended Complaint.

16. On June 4, 2019, before Defendants answered or responded to the Second Amended Complaint, Lead Plaintiffs filed and served their unopposed motion for leave to file a third amended complaint. On June 11, 2019, Lead Plaintiffs filed and served their Third Amended Class Action Complaint for Violations of the Federal Securities Laws (the "Third Amended Complaint"), asserting claims under the Exchange Act against Defendants based upon allegations similar to those in the First and Second Amended Complaints, but also included allegations relating to additional loss reserve insufficiencies subsequent to those alleged in the First and Second Amended Complaints.

17. On July 17, 2019, Defendants moved to dismiss the Third Amended Complaint, which Lead Plaintiffs opposed in subsequent filings. On May 26, 2020, the Court entered an Order granting Defendants' motion to dismiss the Third Amended Complaint, with leave to amend.

18. On June 30, 2020, Lead Plaintiffs filed and served their Fourth Amended Class Action Complaint for Violations of the Federal Securities Laws (the "Complaint"), asserting claims under the Exchange Act against Defendants based upon allegations similar to those in the First, Second, and Third Amended Complaints, but also including additional allegations relating to alleged loss reserve insufficiencies.

19. On August 17, 2020, Defendants moved to dismiss the Complaint, which Lead Plaintiffs opposed in subsequent filings.
20. On April 18, 2022, the Court entered an Order granting in part and denying in part Defendants' motion to dismiss the Fourth Amended Complaint. On May 9, 2022, Defendants filed and served their answer to the Complaint.
21. From June to September 2022, the Parties engaged in fact discovery.
22. While discovery was ongoing, the Parties agreed to mediate. On September 21, 2022, Lead Counsel and Defendants' Counsel participated in a full-day mediation session before Jed Melnick, Esq. of JAMS ADR. The session ended without any agreement being reached.
23. Mr. Melnick conducted further discussions with the Parties, which culminated in a mediator's recommendation to resolve the Action for \$5,000,000 for the benefit of the Settlement Class, which the Parties accepted.
24. Based on the investigation, litigation and mediation of the case and Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, each of the Plaintiffs has agreed to settle and release the claims raised in the Action pursuant to the terms and provisions of the Stipulation, after considering, among other things, (a) the substantial financial benefit that Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation and trial.
25. Defendants are entering into the Stipulation solely to eliminate the uncertainty, burden and expense of further protracted litigation. Each of the Defendants denies any fault, liability, or wrongdoing.
26. On May 2, 2023, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

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

27. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

All persons who and entities that purchased or otherwise acquired Atlas Common Stock, and/or Atlas Notes, and/or Atlas Call Options, and/or wrote Atlas Put Options, during the period from February 22, 2017 through April 30, 2019, inclusive, and were damaged thereby.<sup>5</sup>

Excluded from the Settlement Class are: (i) Defendants; (ii) any person who served as an executive officer or director of Atlas during the Settlement Class Period and members of their Immediate Families; (iii) present and former parents, subsidiaries, affiliates, and predecessors of Atlas; (iv) any trust for which an Individual Defendant is the settlor or that is for the benefit of an Individual Defendant or member(s) of that person's Immediate Family; and (v) the legal representatives, affiliates, heirs, successors, and assigns of any person or entity excluded under provisions (i) through (iv) hereof. Also excluded from the Settlement Class are any persons or entities that exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?" on page 16 below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT 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 OCTOBER 10, 2023.**

<sup>5</sup> Exchange-traded options are traded in units called "contracts." Each call (put) option contract entitles the holder of the call (put) option contract to purchase (sell) 100 shares of the underlying stock upon exercise, in this case Atlas Common Stock.

## WHAT ARE PLAINTIFFS' REASONS FOR THE SETTLEMENT?

28. Plaintiffs and Lead Counsel believe that the claims asserted against Defendants have merit. They recognize, however, the expense and length of continued proceedings necessary to pursue their claims through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. For example, Defendants argued and would have continued to argue that based on the opinions of their independent actuaries and predictive analytics, they reasonably believed that Atlas's reserves were appropriate when set throughout the Settlement Class Period, and that as a result there was no basis to allege that they had any intent to commit, or that they had committed, securities fraud, contrary to Plaintiffs' allegations. Additionally, Plaintiffs would have to prevail at several stages—class certification, motions for summary judgment, and trial—and if they prevailed on those, on the appeals that would likely have followed. Thus, there were very significant risks attendant to the continued prosecution of the Action.

29. In light of these risks, the amount of the Settlement and the immediacy of recovery to the Settlement Class, Plaintiffs and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Plaintiffs and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$5,000,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller or no recovery after summary judgment, trial, and appeals, possibly years in the future.

30. Defendants have denied the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Accordingly, the Settlement may not be construed as an admission of any wrongdoing by Defendants.

## WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

31. If there were no Settlement and Plaintiffs failed to establish any essential legal or factual element of their claims against Defendants, neither Plaintiffs nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

## HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?

32. As a Settlement Class Member, you are represented by Plaintiffs and Lead 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, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her appearance on the attorneys listed in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?" below.

33. If you are a Settlement Class Member and do not wish to remain a Settlement Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section entitled, "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?" below.

34. If you are a Settlement Class Member and you wish to object to the Settlement, the Plan of Allocation, or Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?" below.

35. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims against Defendants and will provide that, upon the Effective Date of the Settlement, Plaintiffs and each of the other members of the Settlement Class, on behalf of themselves, and their respective heirs, predecessors, successors, assigns, executors, administrators, representatives, attorneys, and agents, 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 compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim (as defined in ¶ 36 below) against the Defendants and the other Defendants' Releasees (as defined in ¶ 37 below), and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims against any of the Defendants' Releasees.

36. “Released Plaintiffs’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims (as defined in ¶ 38 below), whether arising under federal, state, common, or foreign law, that Plaintiffs or any other member of the Settlement Class: (i) asserted in the Action; or (ii) could have asserted, whether directly or indirectly, against any of the Defendants’ Releasees in the Action or in any forum that arise out of, are based upon, or relate in any way to the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to in the Action, and that relate to the purchase, acquisition, transfer, holding, disposition, or sale of publicly traded Atlas Securities during the Settlement Class Period. Released Plaintiffs’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims of any person or entity that submits a request for exclusion that is accepted by the Court.

37. “Defendants’ Releasees” means Defendants, the members of their respective Immediate Families (for individuals), and their respective past, present and future direct and indirect parent entities, subsidiaries, affiliates, general partners, limited partners, principals, shareholders, investors (however denominated), joint ventures, officers, directors, managers, managing directors, employees, contractors, consultants, auditors, accountants, financial advisors, investment bankers, insurers, reinsurers, trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, all in their capacities as such.

38. “Unknown Claims” means any Released Plaintiffs’ Claims that Plaintiffs or any other member of the Settlement Class 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 that any Defendant or any other Defendants’ Releasee does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, that, 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 of the Settlement, Plaintiffs and Defendants shall expressly waive, and each of the other members of the Settlement Class and each of the other Defendants’ Releasees 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 foreign law, that is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members and each of the other Defendants’ Releasees 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.

39. “Released Defendants’ Claims” means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action. Released Defendants’ Claims do not include: (i) any claims relating to the enforcement of the Settlement; and (ii) any claims against any person or entity that submits a request for exclusion from the Settlement Class that is accepted by the Court.

40. “Plaintiffs’ Releasees” means Plaintiffs, all other plaintiffs in the Action, and all other members of the Settlement Class, and the members of each of their respective Immediate Families (for individuals), and their respective past, present and future direct and indirect parent entities, subsidiaries, affiliates, general partners, limited partners, principals, shareholders, investors (however denominated), joint ventures, officers, directors, managers, managing directors, employees, contractors, consultants, auditors, accountants, financial advisors, investment bankers, insurers, reinsurers, trustees, trustors, agents, attorneys, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, all in their capacities as such.

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

41. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **online or postmarked no later than October 10, 2023**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, [www.AtlasFinancialSecuritiesSettlement.com](http://www.AtlasFinancialSecuritiesSettlement.com).

## HOW MUCH WILL MY PAYMENT BE?

42. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement.
43. Pursuant to the Settlement, Atlas has agreed to pay or cause to be paid five million dollars (\$5,000,000) in cash. The Settlement Amount will be deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the “Settlement Fund.” If the Settlement is approved by the Court and the Effective Date occurs, the “Net Settlement Fund” (that is, the Settlement Fund less (a) all federal, state and/or local taxes on any income earned by the Settlement Fund and the reasonable costs incurred in connection with determining the amount of and paying taxes owed by the Settlement Fund (including reasonable expenses of tax attorneys and accountants); (b) the costs and expenses incurred in connection with providing notice to Settlement Class Members and administering the Settlement on behalf of Settlement Class Members; and (c) any attorneys’ fees and Litigation Expenses awarded by the Court) will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.
44. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal or review has expired.
45. Neither Atlas nor any other person or entity that paid any portion of the Settlement Amount on its behalf are entitled to get back any portion of the Settlement Fund once the Court’s order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or any Court-approved plan of allocation.
46. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.
47. Unless the Court otherwise orders, any Settlement Class Member who fails to submit a Claim Form postmarked on or before October 10, 2023 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member who or that has not submitted a timely request for exclusion that is accepted by the Court (*see* ¶¶ 78-81, below) releases the Released Plaintiffs’ Claims (as defined in ¶ 36, above) against Defendants’ Releasees (as defined in ¶ 37, above) and will be enjoined and prohibited from filing, prosecuting, or pursuing any of the Released Plaintiffs’ Claims against any of Defendants’ Releasees, whether or not such Settlement Class Member submits a Claim Form.
48. Participants in and beneficiaries of a plan covered by ERISA (“ERISA Plan”) should NOT include any information relating to their transactions in Atlas Securities held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares or notes that they purchased or acquired outside of the ERISA Plan. Claims based on any ERISA Plan’s purchases or acquisitions of Atlas Securities during the Settlement Class Period may be made by the plan’s trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.
49. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.
50. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her or its Claim Form.
51. Only Settlement Class Members will be eligible to share in the distribution of the Net Settlement Fund. Persons and entities that are excluded from the Settlement Class by definition or exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only securities that are included in the Settlement are Atlas Securities.

### **PROPOSED PLAN OF ALLOCATION**

52. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged misstatements and omissions, as opposed to losses caused by market- or industry-wide factors, or company-specific factors unrelated to the alleged fraud. The Claims Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon the recognized loss formulas described below (“Recognized Loss”).



53. A Recognized Loss will be calculated for each share of Atlas Common Stock, each Atlas Note, and each Atlas Call Option purchased or otherwise acquired during the Settlement Class Period, and each Atlas Put Option sold during the Settlement Class Period. The calculation of Recognized Loss will depend upon several factors, including when the Atlas Securities were purchased or otherwise acquired during the Settlement Class Period, and in what amounts, and whether those securities were sold, and if sold, when they were sold, and for what amounts. The Recognized Loss is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund equitably to the extent that it is economically feasible.

54. The Plan of Allocation was created with the assistance of a consulting damages expert and reflects the assumption that the prices of Atlas Common Stock and Atlas Notes were artificially inflated throughout the Settlement Class Period. The estimated alleged artificial inflation in the prices of Atlas Common Stock and Atlas Notes during the Settlement Class Period is reflected in Table 1, below. The computation of the estimated alleged artificial inflation in the prices of Atlas Common Stock and Atlas Notes during the Settlement Class Period is based on certain misrepresentations alleged by Plaintiffs and the price change in the securities, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Plaintiffs.

55. U.S. securities laws allow investors to seek to recover losses caused by disclosures that correct the defendants' previous misleading statements or omissions. In this Action, Plaintiffs allege that corrective disclosures removed the artificial inflation in the prices of Atlas Common Stock and Atlas Notes on the following dates: March 2, 2018; March 15, 2018; June 15, 2018; June 18, 2018; March 4, 2019; March 5, 2019; April 30, 2019; and May 1, 2019 (the "Corrective Disclosure Dates"). Defendants deny that they made any misleading statements or omissions and therefore also deny that corrective disclosures were made. In order for a Settlement Class Member to have a Recognized Loss under the Plan of Allocation, with respect to Atlas Common Stock, Atlas Notes and Atlas Call Options, the stock, notes, or call options must have been purchased or acquired during the Settlement Class Period and held through at least one of these Corrective Disclosure Dates; and, with respect to Atlas Put Options, those options must have been sold (written) during the Settlement Class Period and not closed immediately prior to at least one of these Corrective Disclosure Dates:<sup>6</sup>

<b>Table 1</b>			
<b>Artificial Inflation in Atlas Common Stock and Atlas Notes**</b>			
<b>From</b>	<b>To</b>	<b>Common Stock (Per-Share)</b>	<b>Notes (Per \$25 Par Value)</b>
February 22, 2017	February 22, 2017	\$0.00	N/A
February 23, 2017	March 1, 2018	\$16.48	\$13.59
March 2, 2018	March 14, 2018	\$8.74	\$12.68
March 15, 2018	June 14, 2018	\$8.09	\$12.40
June 15, 2018	June 17, 2018	\$7.88	\$12.25
June 18, 2018	March 3, 2019	\$6.94	\$12.25
March 4, 2019	March 4, 2019	\$4.75	\$11.94
March 5, 2019	April 29, 2019	\$0.62	\$4.09
April 30, 2019	April 30, 2019	\$0.28	\$2.19
May 1, 2019	Thereafter	\$0.00	\$0.00

\*\* For each day during the Settlement Class Period, the artificial inflation in Atlas Common Stock shall be limited to that day's closing price.

56. The per-security Recognized Loss for Atlas Common Stock and Atlas Notes shall be the Recognized Loss amount as described below in "Atlas Common Stock and Atlas Notes Recognized Loss Calculations." The per-option Recognized Loss for Atlas Call Options and Atlas Put Options shall be the Recognized Loss amount as described below in "Atlas Call and Put Option Recognized Loss Calculations."

<sup>6</sup> The earliest alleged materially false and/or misleading statement or omission occurred after market close on February 22, 2017. Accordingly, there is no alleged inflation in the price of Atlas Common Stock until the next trading day (*i.e.*, February 23, 2017), and the Recognized Loss for purchases on February 22, 2017 is \$0.00. The latest alleged corrective disclosure occurred prior to market open on April 30, 2019. Accordingly, the Recognized Loss for purchases on April 30, 2019 is \$0.00.

57. The “90-day look back” provision of the Private Securities Litigation Reform Act of 1995 (“PSLRA”) is incorporated into the calculation of the Recognized Loss for Atlas Common Stock and Atlas Notes. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on Atlas Common Stock and Atlas Notes purchased during the Settlement Class Period and held as of the close of the 90-day period subsequent to the Settlement Class Period (the “90-Day Lookback Period”) cannot exceed the difference between the purchase price paid for such securities and its average price during the 90-Day Lookback Period. The Recognized Loss on Atlas Common Stock and Atlas Notes purchased during the Settlement Class Period and sold during the 90-Day Lookback Period cannot exceed the difference between the purchase price paid for such securities and its rolling average price during the portion of the 90-Day Lookback Period elapsed as of the date of sale.

58. In the calculations below, all purchase and sale prices shall exclude any fees, taxes, and commissions. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero. Any transactions in Atlas Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

59. With respect to shares of Atlas Common Stock, Atlas Notes, and Atlas Call and Put Options, a Recognized Loss will be calculated as set forth below for each purchase or acquisition of Atlas Common Stock, Atlas Notes and Call Option contracts, and for each writing of Atlas Put Option contracts during the Settlement Class Period, that is listed in the Claim and Release Form and for which adequate documentation is provided.

### **Atlas Common Stock and Atlas Notes Recognized Loss Calculations**

For each share of Atlas Common Stock and each Atlas Note purchased or otherwise acquired during the Settlement Class Period (*i.e.*, February 22, 2017 through April 30, 2019, inclusive), the Recognized Loss per security shall be calculated as follows:

- I. For each security that was sold prior to March 2, 2018, the Recognized Loss is \$0.00.
- II. For each security purchased on February 22, 2017 or April 30, 2019, the Recognized Loss is \$0.00.
- III. For each security purchased during the period February 23, 2017 through April 29, 2019, inclusive,
  - a. that was sold during the period March 2, 2018 through April 30, 2019, inclusive, the Recognized Loss is *the lesser of*:
    - i. the amount of per-security price inflation on the date of purchase as appears in Table 1 above *minus* the amount of per-security price inflation on the date of sale as appears in Table 1; or
    - ii. the purchase price *minus* the sale price.
  - b. that was sold during the period May 1, 2019 through July 29, 2019, inclusive (*i.e.*, the 90-Day Lookback Period), the Recognized Loss is *the least of*:
    - i. the amount of per-security price inflation on the date of purchase as appears in Table 1; or
    - ii. the purchase price *minus* the sale price; or
    - iii. the purchase price *minus* the “90-Day Lookback Value” for the security on the date of sale as provided in Table 2.
  - c. that was sold or held after July 29, 2019, the Recognized Loss is *the lesser of*:
    - i. the amount of per-security price inflation on the date of purchase as appears in Table 1; or
    - ii. the purchase price *minus* the “90-Day Lookback Value” for the security on July 29, 2019 as provided in Table 2.

**Table 2****90-Day Lookback Value by Sale/Disposition Date**

<b>Sale / Disposition Date</b>	<b>Atlas Common Stock (Per Share)</b>	<b>Atlas Notes (Per \$25 Par Value)</b>
5/1/2019	\$0.99	\$9.76
5/2/2019	\$0.99	\$9.97
5/3/2019	\$0.97	\$10.27
5/6/2019	\$0.97	\$10.68
5/7/2019	\$0.96	\$10.87
5/8/2019	\$0.96	\$11.05
5/9/2019	\$0.95	\$11.17
5/10/2019	\$0.95	\$11.24
5/13/2019	\$0.94	\$11.24
5/14/2019	\$0.94	\$11.23
5/15/2019	\$0.93	\$11.21
5/16/2019	\$0.93	\$11.14
5/17/2019	\$0.93	\$11.08
5/20/2019	\$0.92	\$11.08
5/21/2019	\$0.92	\$11.02
5/22/2019	\$0.91	\$10.98
5/23/2019	\$0.91	\$10.94
5/24/2019	\$0.90	\$10.87
5/28/2019	\$0.89	\$10.84
5/29/2019	\$0.88	\$10.80
5/30/2019	\$0.87	\$10.76
5/31/2019	\$0.87	\$10.72
6/3/2019	\$0.86	\$10.69
6/4/2019	\$0.85	\$10.66
6/5/2019	\$0.85	\$10.65
6/6/2019	\$0.84	\$10.58
6/7/2019	\$0.83	\$10.57
6/10/2019	\$0.83	\$10.55
6/11/2019	\$0.82	\$10.51
6/12/2019	\$0.82	\$10.47
6/13/2019	\$0.81	\$10.46
6/14/2019	\$0.81	\$10.44
6/17/2019	\$0.81	\$10.42
6/18/2019	\$0.81	\$10.40
6/19/2019	\$0.81	\$10.37
6/20/2019	\$0.82	\$10.34
6/21/2019	\$0.82	\$10.31
6/24/2019	\$0.82	\$10.28

6/25/2019	\$0.81	\$10.27
6/26/2019	\$0.81	\$10.25
6/27/2019	\$0.81	\$10.21
6/28/2019	\$0.81	\$10.18
7/1/2019	\$0.81	\$10.14
7/2/2019	\$0.81	\$10.10
7/3/2019	\$0.81	\$10.07
7/5/2019	\$0.81	\$10.02
7/8/2019	\$0.80	\$9.99
7/9/2019	\$0.80	\$9.96
7/10/2019	\$0.80	\$9.93
7/11/2019	\$0.80	\$9.90
7/12/2019	\$0.79	\$9.87
7/15/2019	\$0.79	\$9.76
7/16/2019	\$0.79	\$9.97
7/17/2019	\$0.78	\$10.27
7/18/2019	\$0.78	\$10.68
7/19/2019	\$0.77	\$10.87
7/22/2019	\$0.77	\$11.05
7/23/2019	\$0.77	\$11.17
7/24/2019	\$0.76	\$11.24
7/25/2019	\$0.76	\$11.24
7/26/2019	\$0.75	\$11.23
7/29/2019	\$0.75	\$11.21

### Atlas Call And Put Option Recognized Loss Calculations

For each Atlas Call Option purchased or otherwise acquired during the Settlement Class Period, the Recognized Loss per option shall be calculated as follows:

- I. For each Atlas Call Option purchased on February 22, 2017 or April 30, 2019, the Recognized Loss is \$0.00.
- II. For each Atlas Call Option not held at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss is \$0.00.
- III. For each Atlas Call Option purchased during the period February 23, 2017 through April 29, 2019, inclusive, and held at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  - a. that was subsequently sold prior to May 1, 2019, the Recognized Loss is the purchase price *minus* the sale price.
  - b. that was subsequently exercised prior to May 1, 2019, the Recognized Loss is the purchase price *minus* the intrinsic value of the Atlas Call Option on the date of exercise, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the closing price of Atlas Common Stock on the date of exercise *minus* the strike price of the option.
  - c. that expired unexercised prior to May 1, 2019, the Recognized Loss is equal to the purchase price.
  - d. that was still held as of the opening of trading May 1, 2019, the Recognized Loss is the purchase price *minus* the intrinsic value of the Atlas Call Option as of the close of trading on May 1, 2019, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) \$0.99<sup>7</sup> *minus* the strike price of the option.

<sup>7</sup> \$0.99 is the closing price of Atlas Common Stock on May 1, 2019.

No Recognized Loss shall be calculated based upon the purchase or acquisition of any Atlas Call Option that had been previously sold or written.

For each Atlas Put Option written during the Settlement Class Period, the Recognized Loss per option shall be calculated as follows:

- I. For each Atlas Put Option sold on February 22, 2017 or April 30, 2019, the Recognized Loss is \$0.00.
- II. For each Atlas Put Option not open (*i.e.*, not outstanding) at the opening of trading on at least one of the Corrective Disclosure Dates as defined above, the Recognized Loss is \$0.00
- II. For each Atlas Put Option sold during the period February 23, 2017 through April 29, 2019, inclusive, and still outstanding at the opening of trading on one or more of the Corrective Disclosure Dates as defined above,
  - a. that was subsequently purchased prior to May 1, 2019, the Recognized Loss is the purchase price *minus* the sale price.
  - b. that was subsequently exercised (*i.e.*, assigned) prior to May 1, 2019, the Recognized Loss is the intrinsic value of the Atlas Put Option on the date of exercise *minus* the sale price, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* the closing price of Atlas Common Stock on the date of exercise.
  - c. that expired unexercised prior to May 1, 2019, the Recognized Loss \$0.00.
  - d. that was still outstanding as of the opening of trading May 1, 2019, the Recognized Loss is the intrinsic value of the Atlas Put Option as of the close of trading on May 1, 2019 *minus* the sale price, where the intrinsic value shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$0.99.

No Recognized Loss shall be calculated based upon the sale or writing of any Atlas Put Option that had been previously purchased or acquired.

60. **MAXIMUM RECOVERY FOR OPTIONS:** Settlement proceeds available for Atlas Call Options purchased during the Settlement Class Period and Atlas Put Options written during the Settlement Class Period shall be limited to a total amount equal to 1.0% of the Net Settlement Fund.<sup>8</sup>

#### **ADDITIONAL PROVISIONS**

61. **CALCULATION OF CLAIMANT’S “RECOGNIZED CLAIM”:** A Claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her or its Recognized Loss amounts as calculated above with respect to all Atlas Securities.

62. **FIFO MATCHING:** If a Settlement Class Member made more than one purchase/acquisition or sale of any Atlas Security during the Settlement Class Period, all purchases/acquisitions and sales of the like security shall be matched on a First In, First Out (“FIFO”) basis. With respect to Atlas Common Stock, Atlas Notes and Call Options, Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Settlement Class Period. For Atlas Put Options, Settlement Class Period purchases will be matched first to close out positions open at the beginning of the Settlement Class Period, and then against Atlas Put Options sold (written) during the Settlement Class Period in chronological order.

63. **“PURCHASE/SALE” DATES:** Purchases or acquisitions and sales of Atlas Securities 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 Atlas Securities during the Settlement Class Period shall not be deemed a purchase, acquisition or sale of these Atlas Securities for the calculation of a Claimant’s Recognized Loss, nor shall such receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of such Atlas Securities unless (i) the donor or decedent purchased or otherwise acquired such Atlas Securities during the Settlement Class Period; (ii) the instrument of gift or assignment specifically provides that it is intended to transfer such rights; and (iii) 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 Atlas Securities.

<sup>8</sup> Atlas Call and Put Option trading accounted for less than 1.0% of total dollar trading volume for Atlas Securities during the Settlement Class Period. As such, claims for Atlas Call and Put Option transactions are allotted 1.0% of the Settlement pursuant to the Plan of Allocation.

64. **SHORT SALES:** With respect to Atlas Common Stock, the date of covering a “short sale” is deemed to be the date of purchase or acquisition of the stock. The date of a “short sale” is deemed to be the date of sale of the Atlas Common Stock. In accordance with the Plan of Allocation, however, the Recognized Loss on “short sales” is zero.

65. In the event that a Claimant has an opening short position in Atlas Common Stock, the earliest purchases or acquisitions of Atlas Common Stock during the Settlement Class Period shall be matched against such opening short position, and shall not be entitled to a recovery, until that short position is fully covered.

66. If a Settlement Class Member has “written” Atlas Call Options, thereby having a short position in the Call Options, the date of covering such a written position is deemed to be the date of purchase or acquisition of the Call Option. The date on which the Atlas Call Option was written is deemed to be the date of sale of the Call Option. In accordance with the Plan of Allocation, however, the Recognized Loss on “written” Atlas Call Options is zero. In the event that a Claimant has an opening written position in Atlas Call Options, the earliest purchases or acquisitions of like Call Options during the Settlement Class Period shall be matched against such opening written position, and shall not be entitled to a recovery, until that written position is fully covered.

67. If a Settlement Class Member has purchased or acquired Atlas Put Options, thereby having a long position in the Put Options, the date of purchase/acquisition is deemed to be the date of purchase/acquisition of the Put Option. The date on which the Atlas Put Option was sold, exercised, or expired is deemed to be the date of sale of the Put Option. In accordance with the Plan of Allocation, however, the Recognized Loss on purchased/acquired Put Options is zero. In the event that a Claimant has an opening long position in Atlas Put Options, the earliest sales or dispositions of like Put Options during the Settlement Class Period shall be matched against such opening position, and shall not be entitled to a recovery, until that long position is fully covered.

68. **COMMON STOCK PURCHASED/SOLD THROUGH THE EXERCISE OF OPTIONS:** With respect to Atlas Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the stock is the exercise date of the option and the purchase/sale price of the stock is the strike price of the option. Any Recognized Loss arising from purchases of Atlas Common Stock acquired during the Settlement Class Period through the exercise of an option on Atlas Common Stock shall be computed as provided for other purchases of Atlas Common Stock in the Plan of Allocation.

69. **MARKET GAINS AND LOSSES:** With respect to all Atlas Common Stock, Atlas Notes and Call Options purchased or acquired or Atlas Put Options sold during the Settlement Class Period, the Claims Administrator will determine if the Claimant had a Market Gain or a Market Loss with respect to his, her or its overall transactions in those securities during the Settlement Class Period. For purposes of making this calculation, with respect to Atlas Common Stock, Atlas Notes, and Call Options, the Claims Administrator shall determine the difference between (i) the Claimant’s Total Purchase Amount<sup>9</sup> and (ii) the sum of the Claimant’s Sales Proceeds<sup>10</sup> and the Claimant’s Holding Value.<sup>11</sup> For Atlas Common Stock, Atlas Notes and Call Options, if the Claimant’s Total Purchase Amount *minus* the sum of the Claimant’s Sales Proceeds and the Holding Value is a positive number, that number will be the Claimant’s Market Loss; if the number is a negative number or zero, that number will be the Claimant’s Market Gain. With respect to Atlas Put Options, the Claims Administrator shall determine the difference between (i) the sum of

<sup>9</sup> For Atlas Common Stock, Atlas Notes and Call Options, the “Total Purchase Amount” is the total amount the Claimant paid (excluding all fees, taxes, and commissions) for all such Atlas Securities purchased or acquired during the Settlement Class Period.

<sup>10</sup> For Atlas Common Stock, Atlas Notes and Call Options, the Claims Administrator shall match any sales of such Atlas Securities during the Settlement Class Period first against the Claimant’s opening position in the like Atlas Securities (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received for sales of the remaining like Atlas Securities sold during the Settlement Class Period is the “Sales Proceeds.”

<sup>11</sup> For each share of Atlas Common Stock and each Atlas Note purchased or acquired during the Settlement Class Period that was still held as of the close of trading on April 30, 2019, the Claims Administrator shall ascribe a “Holding Value” of \$0.99 and \$9.76, respectively. For each Atlas Call Option purchased or acquired during the Settlement Class Period that was still held as of the close of trading on April 30, 2019, the Claims Administrator shall ascribe a “Holding Value” for that option which shall be *the greater of*: (i) \$0.00 or (ii) \$0.99 *minus* the strike price of the option.

the Claimant's Total Purchase Amount<sup>12</sup> and the Claimant's Holding Value<sup>13</sup> and (ii) the Claimant's Sale Proceeds.<sup>14</sup> For Atlas Put Options, if the sum of the Claimant's Total Purchase Amount and the Claimant's Holding Value *minus* the Claimant's Sales Proceeds is a positive number, that number will be the Claimant's Market Loss; if the number is a negative number or zero, that number will be the Claimant's Market Gain.

70. If a Claimant had a Market Gain with respect to his, her, or its overall transactions in Atlas Securities during the Settlement Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall Market Loss with respect to his, her, or its overall transactions in Atlas Securities during the Settlement Class Period but that Market Loss was less than the Claimant's Recognized Claim calculated above, then the Claimant's Recognized Claim will be limited to the amount of the Market Loss.

71. **DETERMINATION OF DISTRIBUTION AMOUNT:** If the sum total of Recognized Claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The *pro rata* share shall be the Authorized Claimant's Recognized Claim divided by the total of Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

72. If the Net Settlement Fund exceeds the sum total amount of the Recognized Claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

73. The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation (*i.e.*, the Recognized Claim will be deemed to be zero) and no distribution will be made to that Authorized Claimant. Any prorated amounts of less than \$10.00 will be included in the pool distributed to those whose prorated payments are \$10.00 or greater.

74. 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 nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator will 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 on such additional re-distributions may occur thereafter if Lead 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. At such time as 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 Chicago Legal Aid, the Court approved *cy pres* beneficiary.

75. 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, and there shall be no appeal to any court, including the U.S. Court of Appeals for the Seventh Circuit. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be deemed to have knowingly and intentionally waived the right to appeal any decision of the Court with respect to the administration, processing, payment, and determination of Claims and the determination of all controversies relating thereto. No person shall have any claim against Plaintiffs, Lead Counsel, Plaintiffs' damages expert, Defendants, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants' Releasees, or the Claims Administrator or other agent designated by Lead 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. Plaintiffs, 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.

<sup>12</sup> For Atlas Put Options, the Claims Administrator shall match any purchases during the Settlement Class Period to close out positions in Atlas Put Options first against the Claimant's opening position in Atlas Put Options (the total amount paid with respect to those purchases will not be considered for purposes of calculating market gains or losses). The total amount paid for the remaining purchases during the Settlement Class Period to close out positions in Put Options is the "Total Purchase Amount."

<sup>13</sup> For each Atlas Put Option sold (written) during the Settlement Class Period that was still outstanding as of the close of trading on April 30, 2019, the Claims Administrator shall ascribe a "Holding Value" for that option which shall be *the greater of*: (i) \$0.00 or (ii) the strike price of the option *minus* \$0.99.

<sup>14</sup> For Atlas Put Options, the total amount received for put options sold (written) during the Settlement Class Period is the "Sales Proceeds."

76. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. No Defendant, nor any other Defendants' Releasees, shall have any involvement with or liability, obligation, or responsibility whatsoever for the application of the Court-approved plan of allocation. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.AtlasFinancialSecuritiesSettlement.com](http://www.AtlasFinancialSecuritiesSettlement.com).

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

77. Plaintiffs' Counsel has not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor has Plaintiffs' Counsel been reimbursed for their expenses. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 33⅓% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$215,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class in an amount not to exceed \$7,500 per Plaintiff. 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. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?  
HOW DO I EXCLUDE MYSELF?**

78. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class, addressed to *Atlas Financial Securities Settlement, EXCLUSIONS*, c/o Epiq, P.O. Box 5386, Portland, OR 97208-5386. The exclusion request must be *received* no later than August 16, 2023. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *Fryman v. Atlas Financial Holdings, Inc.*, Case No. 1:18-cv-01640"; and (c) be signed by the person or entity requesting exclusion or an authorized representative. In addition, a request for exclusion must state: (a) the number of shares of Atlas Common Stock and publicly traded Atlas Call Options and Atlas Put Options that the person or entity requesting exclusion purchased, acquired and sold during the Settlement Class Period (*i.e.*, from February 22, 2017, through April 30, 2019, inclusive), as well as the dates and prices of each such purchase/acquisition and sale, and/or (b) the face value of the Atlas Notes purchased/acquired and/or sold during the Settlement Class Period, including the dates, face value, and prices of each such purchase and sale. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

79. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Defendants' Releasees.

80. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

81. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Plaintiffs and Defendants.

**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?**

82. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. You can participate in the Settlement without attending the Settlement Hearing.



83. The Settlement Hearing will be held telephonically on September 6, 2023 at 10:00 a.m., before the Honorable Franklin U. Valderrama, District Court Judge for the United States District Court for the Northern District of Illinois. The call-in number is (888) 808-6929, and the access code is 5348076. Persons granted remote access to proceedings are reminded of the general prohibition against photographing, recording, and rebroadcasting of court proceedings. Violation of these prohibitions may result in sanctions, including removal of court-issued media credentials, restricted entry to future hearings, denial of entry to future hearings, or any other sanctions deemed necessary by the Court. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead 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 Settlement Hearing without further notice to the members of the Settlement Class. The Court also reserves the right to hold the Settlement Hearing in person or via videoconference.

84. Any Settlement Class Member that does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead 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 Northern District of Illinois at the address set forth below on or before August 16, 2023. You must also serve the papers on Lead Counsel and on Defendants' Counsel at the addresses set forth below so that the papers are **received on or before August 16, 2023**.

**Clerk's Office**

United States District Court  
Northern District of Illinois  
Clerk of the Court  
United States Courthouse  
219 S. Dearborn Street  
Chicago, IL 60604

**Lead Counsel**

**Glancy Prongay & Murray LLP**  
Kara M. Wolke, Esq.  
1925 Century Park East  
Suite 2100  
Los Angeles, CA 90067

**Defendants' Counsel**

**DLA Piper LLP (US)**  
John J. Clarke, Jr., Esq.  
1251 Avenue of the Americas  
New York, NY 10020

85. Any objection must: (a) state the name, address and telephone number of the person or entity objecting and must be signed by the objector; (b) contain a statement of the Settlement Class Member's objection or objections, and the specific reason(s) for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) include documents sufficient to prove membership in the Settlement Class, including (i) the number of shares of Atlas Common Stock and publicly traded Atlas Call Options and Atlas Put Options that the person or entity objecting purchased, acquired and sold during the Settlement Class Period (*i.e.*, from February 22, 2017, through April 30, 2019, inclusive), as well as the dates and prices of each such purchase/acquisition and sale, and/or (ii) documents showing the face value of the Atlas Notes purchased/acquired and/or sold during the Settlement Class Period, including the dates, face value, and prices of each such purchase and sale. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

86. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement 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.

87. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, in addition to timely filing and serving a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is **received on or before August 16, 2023**. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

88. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement 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 Lead Counsel and Defendants' Counsel at the addresses set forth in ¶ 84 above so that the notice is **received on or August 16, 2023**.

89. The Settlement Hearing may be adjourned by the Court, or held in person or via videoconference, without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date, time, and location on the settlement website [www.AtlasFinancialSecuritiesSettlement.com](http://www.AtlasFinancialSecuritiesSettlement.com), or with Lead Counsel.

90. Unless the Court orders otherwise, any Settlement 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 Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.

#### WHAT IF I BOUGHT ATLAS SECURITIES ON SOMEONE ELSE'S BEHALF?

91. If you purchased or otherwise acquired Atlas Common Stock, and/or Atlas Notes, and/or Atlas Call Options, and/or wrote Atlas Put Options, from February 22, 2017, through April 30, 2019, inclusive, for the beneficial interest of persons or entities other than yourself, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *Atlas Financial Securities Settlement*, c/o Epiq, P.O. Box 5386, Portland, OR 97208-5386. If you choose the second option, the Claims Administrator will send a copy of the Notice and the Claim Form to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred—up to a maximum of \$0.15 per Notice Packet mailed, plus postage at the rate used by the Claims Administrator; \$0.05 per Notice Packet transmitted by email; or \$0.10 per name, mailing address, and email address (to the extent available) provided to the Claims Administrator—by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Any dispute concerning the reasonableness of reimbursement costs shall be resolved by the Court. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, [www.AtlasFinancialSecuritiesSettlement.com](http://www.AtlasFinancialSecuritiesSettlement.com), or by calling the Claims Administrator toll-free at 1-855-891-4364.

#### CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

92. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this 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 Northern District of Illinois, Everett McKinley Dirksen United States Courthouse, 219 S. Dearborn Street, Chicago, IL 60604. Additionally, copies of the Stipulation and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.AtlasFinancialSecuritiesSettlement.com](http://www.AtlasFinancialSecuritiesSettlement.com).

All inquiries concerning this Notice and the Claim Form should be directed to:

*Atlas Financial Securities Settlement*  
c/o Epiq  
P.O. Box 5386  
Portland, OR 97208-5386  
855-891-4364  
[www.AtlasFinancialSecuritiesSettlement.com](http://www.AtlasFinancialSecuritiesSettlement.com)

and/or

Kara M. Wolke, Esq.  
GLANCY PRONGAY & MURRAY LLP  
1925 Century Park East, Suite 2100  
Los Angeles, CA 90067  
(888) 773-9224  
[settlements@glancylaw.com](mailto:settlements@glancylaw.com)

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

Dated: June 7, 2023

By Order of the Court  
United States District Court  
Northern District of Illinois