

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE CRM HOLDINGS, LTD.
SECURITIES LITIGATION

This Document Relates to:

ALL ACTIONS.

No. 10-cv-00975-RPP

Hon. Robert P. Patterson

CLASS ACTION

STIPULATION OF SETTLEMENT

This Stipulation of Settlement dated as of August ____, 2014 (the "Stipulation"), is made and entered into pursuant to Rule 23 of the Federal Rules of Civil Procedure, and contains the terms of a settlement by and among the following parties to the above-entitled Litigation: (i) Plaintiffs Brett Brandes, Beverly L. Munter, and B&B Investors, LP ("Plaintiffs") (on behalf of themselves and each of the Class Members, as defined below), and (ii) Defendants Daniel G. Hickey, Jr., Martin D. Rakoff, James J. Scardino, and Daniel G. Hickey, Sr. ("Defendants") (collectively, the "Settling Parties"), by and through their respective undersigned counsel of record in the Litigation. Subject to the approval of the Court, the Stipulation is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Litigation and the Released Claims, as defined below, upon and subject to the terms and conditions hereof (the "Settlement").

I. THE LITIGATION

On February 5, 2010, a federal securities class action complaint, titled *Munter v. CRM Holdings, Ltd. et al.*, 10-cv-00975-RPP (S.D.N.Y.) (the "Complaint"), was filed against the Defendants and CRM Holdings, Ltd. (subsequently renamed Majestic Capital, Ltd., but generally referred to herein as "CRM" or the "Company"). On May 21, 2010, the Court appointed Brett Brandes and Beverly Munter as Lead Plaintiffs, and designated Glancy Binkow & Goldberg LLP as Lead Counsel.

Lead Plaintiffs filed a Consolidated Amended Class Action Complaint for violations of the federal securities laws ("Amended Complaint") on September 10, 2010.

The Amended Complaint alleges that Defendants caused violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, by causing or allowing CRM to disseminate to the market materially misleading inaccurate information through public statements relating to the Company's business, operations and prospects.

On April 29, 2011, the Company filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code, in the United States Bankruptcy Court for the Southern District of New York, Poughkeepsie Division (Case No. 11-36225).

On September 27, 2011, Plaintiffs filed a proof of claim against the Company in the Majestic Capital, Ltd. bankruptcy case.

On May 10, 2012, the Court entered an Opinion and Order granting Defendants' motion to dismiss the Amended Complaint with respect to the Defendants, without leave to amend. In that Opinion and Order, the Court stated that "the entire action with respect to [the Company] is stayed, and this decision is confined to the claims levied against the Individual Defendants in this matter."

On May 24, 2012, Plaintiffs made a motion for reconsideration of the Opinion and Order, which the Court subsequently denied on March 4, 2013.

Plaintiffs filed a Notice of Appeal with the Second Circuit Court of Appeals on June 8, 2012, and an Amended Notice of Appeal on March 5, 2013.

On June 28, 2013, Plaintiffs' claim against the Company was withdrawn with prejudice.

On July 30, 2013, the Court entered a final judgment, pursuant to Rule 54(b) of the Federal Rules of Civil Procedures, in favor of the Defendants.

On August 29, 2013, Plaintiffs filed a Notice of Appeal with the Second Circuit Court of Appeals with respect to the final judgment in favor of the Defendants.

On November 15, 2013, the Settling Parties participated in a mediation facilitated by the CAMP office of the Court of Appeals for the Second Circuit. As a result of the mediation and continued settlement negotiations, the parties agreed to the material terms of a settlement of this Litigation.

On December 12, 2013, the Settling Parties filed a stipulation with the Court of Appeals provisionally withdrawing the appeal, pursuant to Local Rule 42.1 of the Local Rules of the Court of Appeals for the Second Circuit. The stipulation provides, in part, that on or before June 6, 2014, "the parties will jointly seek to reinstate the case by filing written notice with the Clerk, pursuant to Fed. R. App. P. 12.1, requesting that the case be held in abeyance but for a limited remand of the matter for disposition of the motions for preliminary and final settlement approval." By further stipulation, dated June 6, 2014, that date was extended to July 30, 2014.

On February 27, 2014, the bankruptcy court in *In re Majestic Capital, Ltd., et al.*, Case No. 11-36225 (CGM), entered a Supplemental Order Permitting the Use of Insurance Proceeds to Fund the Settlement of Certain Claims Against Directors and Officers of the Debtors (the "Bankruptcy Court Order"), which authorized the Insurer to pay up to \$1,950,000 to fund the settlement of this Litigation pursuant to the terms of Executive and Organization Liability Insurance Policy No. 01-420-85-51.

II. THE DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Each of the Defendants has expressly denied and continues to deny all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged in the Complaint and/or the Amended Complaint. Specifically, the Defendants have denied and continue to deny, *inter alia*, the allegations that Plaintiffs or the Class Members have suffered damages or that any of the Defendants made or caused any alleged misrepresentation or omission. Pursuant to the terms set forth below, this Stipulation shall in no event be construed as, or deemed to be, evidence of an admission or concession by the Defendants with respect to any claim of fault, liability, wrongdoing, or damage whatsoever.

Nonetheless, the Defendants have concluded that further Litigation could be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Litigation. The Defendants have, therefore, determined that it is desirable and beneficial that the Litigation be settled in the manner and upon the terms and conditions set forth in this Stipulation.

III. CLAIMS OF PLAINTIFFS AND BENEFITS OF SETTLEMENT

Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims asserted. However, Plaintiffs and counsel for Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against Defendants through trial and through appeals. Plaintiffs also

have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Litigation, and the difficulties and delays inherent in such litigation. Plaintiffs also are mindful of the inherent problems of proof under and possible defenses to the claims of securities law violations asserted in the Litigation. Plaintiffs believe that the Settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs and Lead Counsel have determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiffs and the Class and, therefore, determined that it is desirable and beneficial to Plaintiffs and the Class that the Litigation be settled upon the terms and conditions set forth in this Stipulation.

IV. PROVISIONAL CLASS CERTIFICATION

For purposes of settlement pursuant to this Stipulation only, Defendants shall not object to the certification of a class, subject to the Court's approval. If this Stipulation is not approved by the Court, however, then Defendants shall retain all rights to object to and oppose class certification, and this Stipulation and any motion or other papers filed in support of its approval shall not be offered as evidence of any agreement, admission or concession that any class should be or remain certified in this matter.

V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among Plaintiffs (for themselves and the Class Members) and the Defendants, by and through their respective counsel or attorneys of record, that, subject to the approval of the Court, and in consideration of the benefits flowing to the Settling Parties from this Settlement, the Litigation and all Released Claims shall be finally and fully compromised, settled and released, and the Litigation shall be dismissed with prejudice, upon and subject to the terms and conditions of the Stipulation, as follows.

1. Definitions

As used in the Stipulation, the following terms have the meanings specified below. In the event of any inconsistency between any definition set forth below and any definition set forth in

any document attached as an exhibit to this Stipulation, the definition set forth below shall control.

1.1 “Amended Complaint” means the Consolidated Amended Class Action Complaint in this action, dated September 10, 2010.

1.2 “Authorized Claimant” means any Class Member who, in accordance with the terms of this Stipulation, is entitled to a distribution from the Settlement Fund pursuant to any Plan of Allocation or any order of the Court.

1.3 “Claims Administrator” means The Garden City Group, Inc. , which shall administer the Settlement.

1.4 “Class” means all persons or entities who purchased or otherwise acquired the publicly traded common stock of CRM between December 21, 2005, and November 5, 2008, inclusive. Excluded from the Class shall be the Defendants, members of their immediate families, their heirs, successors and assigns, and any present or former officers or directors of the Company.

1.5 “Class Member” means a Person who falls within the definition of the Class as set forth in ¶1.4 above and who does not validly request exclusion from the Class in accordance with the procedures to be established by the Court in connection with the approval of this Stipulation and the Settlement.

1.6 “Class Period” means the period between December 21, 2005, and November 5, 2008, inclusive.

1.7 “Court” means the United States District Court for the Southern District of New York.

1.8 “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York.

1.9 “Confidential Information” means the communications and discussions and any information exchanged in connection with any mediations or settlement discussions between the

Settling Parties or their counsel, including the negotiations that led to this Stipulation and the Settlement.

1.10 “Effective Date” means the first date by which all of the events and conditions specified in ¶7.1 of this Stipulation have been met and have occurred.

1.11 “Escrow Agent” means The Garden City Group, Inc. , or its successor, or such other person or entity designated by the Court.

1.12 “Insurer” means Illinois National Insurance Company.

1.13 “Judgment” means the judgment to be rendered by the Court, in the form attached as Exhibit B hereto.

1.14 “Initial Notice Costs” means the cost of providing initial notice of the proposed Settlement to the Class, as well as all taxes, fees, administration costs, or other costs related thereto and actually incurred, in an amount not exceeding \$50,000.

1.15 “Lead Counsel” refers to the law firm of Glancy Binkow & Goldberg LLP.

1.16 “Lead Plaintiffs” means Plaintiffs Brett Brandes and Beverly L. Munter. “Plaintiffs” refers to Plaintiffs Brett Brandes, Beverly L. Munter, and B&B Investors LP.

1.17 “Litigation” or “Class Action” means *In re CRM Holdings, Ltd. Securities Litigation*, 10-cv-00975-RPP (S.D.N.Y.).

1.18 “Person” means an individual, corporation, limited liability company, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity together with their spouses, heirs, predecessors, successors, representatives, or assignees of any of the foregoing.

1.19 “Plan of Allocation” means a plan or formula of allocation of the Settlement Fund, to be approved by the Court, whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of or provision for expenses of notice and administration of the Settlement, Taxes and Tax Expenses, and such attorneys’ fees, costs, expenses, and interest

as may be awarded by the Court. Any Plan of Allocation is not part of this Stipulation, and the Released Persons shall not have any responsibility or liability with respect thereto.

1.20 "Proof of Claim and Release" means the form to be sent to Class Members, in the form attached as Exhibit A-2 hereto, upon further order(s) of the Court, by which any Class Member may make claims against the Settlement Fund for damages allegedly incurred by reason of his, her, or its investment(s) in CRM publicly traded common stock.

1.21 "Released Claims" means any and all claims, causes of action, proceedings, obligations, suits, debts, damages (including interest, attorneys' fees, expert or consulting fees, and any other costs), demands, agreements, promises, controversies or liabilities whatsoever, whether based on federal, state, local, statutory, or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, direct or indirect, past or present, known or unknown, which the Plaintiffs or any Class Member asserted or could have asserted in the Complaint and/or the Amended Complaint as a result of purchasing, acquiring, selling, exercising, holding or voting, during the Class Period, any security issued by CRM (including, without limitation, all claims arising out of or related to any disclosures, public filings, registration statements, proxy statements or other statements by CRM, or by any of the Defendants, or by any current or former officer or director of CRM), based upon or arising out of any facts, allegations or claims set forth in, or that could have been set forth in, the Complaint and/or the Amended Complaint.

1.22 "Released Persons" means each and every one of the following: the Defendants and, whether or not identified in any complaint filed or proposed to be filed in the Litigation, each and all of every Defendant's past and present directors, officers and employees, controlling stockholders, partners, members, affiliates, principals, agents, representatives, stockholders, predecessors, successors, parents, subsidiaries, divisions, joint ventures, attorneys, investment bankers, commercial bankers, underwriters, financial or investment advisors, advisors, consultants, accountants, insurers, co-insurers and reinsurers, spouses, heirs, assigns, executors,

personal representatives, marital communities, associates, related or affiliated entities, general or limited partners or partnerships, limited liability companies, member firms, estates, administrators, or any members of their immediate families, or any trusts for which any of them are trustees, settlers or beneficiaries, or any persons or other entities in which any Defendant has a controlling interest or which is related to or affiliated with any Defendant, and any other representatives of any of these Persons or other entities, whether or not any such Persons were named, served with process or appeared in the Litigation.

1.23 “Settlement Fund” means one million and nine hundred and fifty thousand dollars (\$1,950,000) in cash, plus all interest earned thereon, as provided in ¶12.3.

1.24 “Settling Parties” means, collectively, the Defendants and the Lead Plaintiffs, on behalf of the Plaintiffs and each of the Class Members.

1.25 “Unknown Claims” means any and all Released Claims which Settling Parties or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. Unknown Claims include those claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed, concealed, or hidden. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Settling Parties shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code § 1542, which provides:

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

Settling Parties shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment 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, which is similar, comparable or equivalent in effect to California Civil Code §1542. Settling Parties and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Settling Parties shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing, heretofore have existed, or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, rule or regulation, without regard to the subsequent discovery or existence of such different or additional facts. Settling Parties acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

2. The Settlement

a. The Settlement Consideration

2.1 The Defendants shall pay or cause to be paid the principal amount of the Settlement Fund (\$1,950,000) in the form of a check, and shall and deposit the check with the Escrow Agent within twenty (20) business days from the date on which the Court has granted preliminary approval of the Settlement, as referenced in ¶ 3.1 below. The Plaintiffs acknowledge that the obligation to make this settlement payment shall rest solely with the Insurer.

2.2 All costs relating to notice, administration, taxes, fees, or expenses in connection with this Stipulation or the Settlement shall be paid from the Settlement Fund. Under no circumstances will the Defendants be required to pay or cause to be paid more than the principal amount of the Settlement Fund pursuant to this Stipulation and the Settlement set forth herein.

b. The Escrow Agent

2.3 The Escrow Agent shall invest the Settlement Fund, transferred pursuant to ¶2.1 above, in instruments either fully insured or backed by the full faith and credit of the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates. All risks related to the investment of the Settlement Fund shall be borne by the Settlement Fund and not by any of the Defendants.

2.4 The Escrow Agent shall permit Lead Counsel or the Claims Administrator to withdraw from the Escrow Account the reasonable and necessary costs of administration, notice to Class Members, and relevant taxes without further order of the Court upon funding of the Settlement Fund by the Defendants as set forth in ¶2.1 above. Other than amounts disbursed for providing notice to the Class, customary administration costs, Taxes and Tax Expenses, and the Fee and Expense Award (which shall be paid to Lead Counsel immediately following the Court's execution of an order awarding such fees and expenses), the Settlement Fund shall not be distributed until the Settlement is reduced to a final, non-appealable judgment, subject to the provisions of ¶7.1.

2.5 Subject to further order(s) and/or direction(s) as may be made by the Court, or as provided in this Stipulation, the Escrow Agent is authorized to execute such transactions as are consistent with the terms of this Stipulation.

2.6 All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to this Stipulation and/or further order(s) of the Court.

2.7 The Escrow Agent shall not be responsible for the payment of any sums due to Authorized Claimants or other Persons, except to the extent of maintaining account of and appropriately paying sums as required by this Stipulation, but only to the limited extent that such sums have been delivered into the Escrow Account as required by this Stipulation. The Escrow

Agent shall be liable only for acts of gross negligence or willful misconduct. The assumption of duties as Escrow Agent shall not preclude Lead Counsel from continuing to represent, as the case may be, Plaintiffs or Class Members.

c. Taxes

2.8 (a) The Settling Parties and the Escrow Agent shall treat the escrow account as a “qualified settlement fund” for purposes of §468B of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder. The Escrow Agent and the Settling Parties shall timely make such elections as are necessary or advisable to carry out this provision, including, without limitation, the “relation-back election” described in Treas. Reg. §1.468B-1 back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Escrow Agent to prepare and deliver timely and properly the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

(b) The Escrow Agent shall be the escrow account’s “administrator” as that term is used in Treas. Reg. §1.468B-2. As administrator, the Escrow Agent shall satisfy the administrative requirements imposed by Treas. Reg. §1.468B-2 by, *e.g.*, (i) obtaining a taxpayer identification number, (ii) satisfying any information reporting or withholding requirements imposed on distributions from the Settlement Fund, and (iii) timely and properly filing applicable federal, state or local tax returns necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. §1.468B-2(k)) and paying any taxes reported thereon. Such returns (as well as the election described in this provision) shall be consistent with this provision and in all events shall reflect that all Taxes, as defined below, on the income earned by the Settlement Fund and shall be paid out of the Settlement Fund as provided below.

(c) All (i) taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including, without limitation, any

taxes or tax detriments that may be imposed upon the Defendants or their counsel with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a “qualified settlement fund” for federal or state income tax purposes (collectively, “Taxes”), and (ii) expenses and costs incurred in connection with the operation and implementation of this provision, including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this provision (collectively, “Tax Expenses”), shall be paid out of the Settlement Fund; in all events neither the Defendants nor their counsel shall have any liability or responsibility for the Taxes or the Tax Expenses, and the Escrow Agent shall indemnify and hold harmless the Defendants and their counsel for Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall timely be paid by the Escrow Agent out of the Settlement Fund without prior order from the Court and the Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. §1.468B-2(1)(2)); neither the Defendants nor their counsel are responsible therefor, nor shall they have any liability therefor. The Settling Parties agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

3. Notice Order and Settlement Hearing

3.1 Promptly after execution of this Stipulation, Lead Counsel shall submit the Stipulation to the Court and shall apply for entry of an order (the “Notice Order”) attached hereto as Exhibit A, requesting, *inter alia*, the preliminary approval of the Settlement set forth in this

Stipulation, approval for the mailing of a settlement notice (the "Notice") in the form attached as Exhibit A-1 hereto, and publication of a summary notice (the "Summary Notice") in the form attached as Exhibit A-3 hereto. The Notice shall include the general terms of the Settlement set forth in this Stipulation, the proposed Plan of Allocation, the general terms of the Fee and Expense Application, and the date of the Settlement Hearing as defined below. The Defendants do not take any position as to the proposed Plan of Allocation at this time.

3.2 Lead Counsel shall request that the Court hold a hearing (the "Settlement Hearing") at which time Lead Counsel shall request that the Court finally approve the Settlement of the Litigation as set forth herein.

3.3 At the Settlement Hearing, the Settling Parties shall jointly request entry of a Judgment in the form attached hereto as Exhibit B:

(a) finally approving the Settlement as fair, reasonable, and adequate, within the meaning of Rule 23 of the Federal Rules of Civil Procedure, and directing its consummation pursuant to its terms;

(b) directing that the Litigation be dismissed with prejudice; directing that the Settling Parties are to bear their own costs, except as otherwise provided in this Stipulation, and releasing the Released Claims;

(c) permanently barring and enjoining the institution and prosecution, by Plaintiffs and the Class Members, of any other action against the Released Persons in any court or other tribunal, forum, or proceeding, asserting any Released Claims;

(d) providing that the administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court and that the Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Stipulation;

(e) finding that the Complaint and the Amended Complaint were filed on a good faith basis in accordance with the Private Securities Litigation Reform Act of 1995 (the "PSLRA") and Rule 11 of the Federal Rules of Civil Procedure;

(f) discharging and releasing, in the broadest scope permitted under law, all claims for contribution, equitable indemnification, or subrogation, including but not limited to the contribution bar as set forth in Section 201(a)(7)(A)(i) and (ii) of the Private Securities Litigation Reform Act of 1995 (15 U.S.C. § 78u-4(f)(7)(A)(i)-(ii)); and

(g) containing such other and further provisions consistent with the terms of this Stipulation to which the Settling Parties expressly consent in writing.

3.4 At the Settlement Hearing, Lead Counsel also will request that the Court approve the proposed Plan of Allocation, the Fee and Expense Application, and the request for payment of Plaintiffs' expenses.

3.5 The Plaintiffs and the Defendants expressly warrant that, in entering into the Settlement, they relied solely upon their own knowledge and investigation, and not upon any promise, representation, warranty, or other statement by any party or any person representing any party to this Stipulation, not expressly contained in this Stipulation, except those supplemental agreements specifically identified in ¶9.7 below.

4. Releases and Bar Order

4.1 Upon the Effective Date, Plaintiffs and each of the Class Members, for themselves and for each of their respective officers, directors, shareholders, employees, agents, spouses, subsidiaries, heirs at law, successors and assigns, and any other Person claiming (now or in the future) through or on behalf of them, and regardless of whether any such Plaintiffs or Class Member ever seeks or obtains by any means, including, without limitation, by submitting a Proof of Claim and Release, any distribution from the Settlement Fund, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Persons and shall have covenanted not to sue the Released Persons with respect to all such Released Claims, and shall be permanently barred and enjoined from instituting, commencing, or prosecuting any Released Claims against the Released Persons except to enforce the releases and other terms and conditions contained in this Stipulation or the Judgment entered pursuant thereto. This release includes both known

claims and Unknown Claims. This release shall include the discharge and release, in the broadest scope permitted under law, of all claims for contribution, equitable indemnification, or subrogation, including but not limited to the contribution bar as set forth in Section 201(a)(7)(A)(i) and (ii) of the Private Securities Litigation Reform Act of 1995 (15 U.S.C. § 78u-4(f)(7)(A)(i)-(ii)).

4.2 Upon the Effective Date, each of the Defendants and their Release Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Class (except any Class Member who opts out of the Settlement), Plaintiffs and Lead Counsel from all claims (including Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement, or resolution of the Litigation or the Released Claims except to enforce the releases and other terms and conditions contained in this Stipulation or any Court order (including, but not limited to, the Judgment) entered pursuant thereto.

5. Administration and Calculation of Claims, Final Awards and Supervision and Distribution of the Settlement Fund, and CAFA Notice

5.1 The Claims Administrator, subject to such supervision and direction of the Court as may be necessary or as circumstances may require, shall administer and calculate the claims submitted by Class Members and shall oversee distribution of the Net Settlement Fund (as defined below) to Authorized Claimants pursuant to the Plan of Allocation.

5.2 The Settlement Fund shall be applied as follows:

(i) to pay Plaintiffs' Counsel's attorneys' fees and expenses with interest thereon and the expenses of Plaintiffs (the "Fee and Expense Award"), if and to the extent allowed by the Court;

(ii) to pay all the costs and expenses reasonably and actually incurred in connection with providing notice, locating Class Members, soliciting Class claims, assisting with the filing of claims, administering and distributing the Net Settlement Fund to Authorized

Claimants, processing Proof of Claim and Release forms, and paying escrow fees and costs, if any;

(iii) to pay the Taxes and Tax Expenses described in ¶2.7 above; and

(iv) to distribute the balance of the Settlement Fund (the "Net Settlement Fund") to Authorized Claimants as allowed by the Stipulation, the Plan of Allocation, and order of the Court.

5.3 Upon the Effective Date and thereafter, and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further approval and further order(s) of the Court as may be necessary or as circumstances may require, the Net Settlement Fund shall be distributed to Authorized Claimants, subject to and in accordance with the following.

5.4 Within one hundred-twenty (120) calendar days after the mailing of the Notice or such other time as may be set by the Court, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim and Release, substantially in the form agreed to by the Settling Parties, signed under penalty of perjury, and supported by such documents as are specified in the Proof of Claim and Release and as are reasonably available to such Person.

5.5 Except as otherwise ordered by the Court, any and all Class Members who fail to timely submit a Proof of Claim and Release within the period described in ¶5.4, or such other period as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Stipulation and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained herein, and the Judgment. Notwithstanding the foregoing, Lead Counsel shall have the discretion to accept late-submitted claims for processing by the Claims Administrator so long as distribution of the Net Settlement Fund is not materially delayed thereby.

5.6 The Net Settlement Fund shall be distributed to Authorized Claimants substantially in accordance with the Plan of Allocation set forth in the Notice and approved by the Court. Any such Plan of Allocation is not a part of this Stipulation. No funds from the Net

Settlement Fund shall be distributed to Authorized Claimants until the Effective Date. If there is any balance remaining in the Net Settlement Fund after six (6) months from the date of distribution of the Net Settlement Fund, Lead Counsel shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. Thereafter, any balance which still remains in the Net Settlement Fund shall be donated to one or more appropriate nonprofit §501(c)(3) organization(s) selected by Lead Counsel.

5.7 Neither the Released Persons nor their counsel shall have any responsibility for, interest in, or liability whatsoever with respect to the investment or distribution of the Settlement Fund or Net Settlement Fund, the Plan of Allocation, the determination, administration, or calculation of claims, the payment or withholding of Taxes, or any losses incurred in connection with any such matters. No Class Member shall have any claim against the Released Persons or their counsel arising from or relating to the management of, distributions from, or the disposition of the Settlement Fund or the Net Settlement Fund, and Plaintiffs and each Class Member hereby fully, finally, and forever release, relinquish, and discharge the Released Persons and their counsel from any and all such liability.

5.8 No Person shall have any claim against Plaintiffs, Lead Counsel, the Claims Administrator, or their counsel based on the distributions made in accordance with the Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

5.9 It is understood and agreed by the Settling Parties that any proposed Plan of Allocation of the Net Settlement Fund including, but not limited to, any adjustments to an Authorized Claimant's claim set forth therein, is not a part of this Stipulation and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel the Stipulation or affect the finality of the Court's Judgment approving the Stipulation and the Settlement set forth therein, or any other orders entered pursuant to the Stipulation. The time to

appeal from approval of the Settlement shall commence upon the Court's entry of the Judgment, regardless of whether a Plan of Allocation has been submitted to the Court or has been approved.

5.10 All Class Members shall be subject to and bound by the provisions of this Stipulation, the releases contained herein, and the Judgment with respect to all Released Claims, regardless of whether such Persons seek or obtain by any means, including, without limitation, by submitting a Proof of Claim and Release or any similar document, any distribution from the Settlement Fund or the Net Settlement Fund.

5.11 Within ten (10) business days following the submission of this Stipulation to the Court for approval pursuant to ¶ 3.1, the Defendants shall cause to be served upon the appropriate State official of each State and the Attorney General of the United States the Class Action Fairness Act Notice ("CAFA Notice") pursuant to 28 U.S.C. § 1715(b). The Defendants shall promptly notice Lead Counsel upon service of the CAFA Notice. All expenses incurred in connection with the preparation and service of the CAFA Notice shall be borne by Defendants and under no circumstances will be borne by Lead Counsel, Lead Plaintiffs, or the Class Members, and will not be payable from the Settlement Fund.

5.12 All costs and expenses associated with the Settlement, including but not limited to any taxes, administrative costs, and costs of providing notice of the proposed Settlement to the Class Members, shall be paid from the Settlement Fund, and in no event shall any of the Settling Parties or their counsel bear any responsibility for any such costs or expenses, except as specifically provided in ¶ 5.11]

6. Lead Counsel's Attorneys' Fees and Expenses

6.1 Lead Counsel may submit an application or applications (the "Fee and Expense Application") for distributions to Plaintiffs' Counsel from the Settlement Fund for: (a) an award of attorneys' fees; plus (b) the payment of reasonable expenses incurred in connection with prosecuting the Litigation (including, but not limited to the fees and expenses of experts and consultants), plus any interest on such attorneys' fees and expenses at the same rate and for the same periods as earned by the Settlement Fund (until paid) as may be awarded by the Court, and

for payment of Plaintiffs' reasonable costs and expenses (including lost wages) directly related to their representation of the Class in this Litigation. Lead Counsel reserve the right to make additional applications to the Court for fees and expenses incurred.

6.2 The fees and expenses, as awarded by the Court, shall be paid to Lead Counsel from the Settlement Fund as provided in ¶2.4. Lead Counsel may thereafter allocate the attorneys' fees among other Plaintiffs' counsel in a manner in which they in good faith believe reflects the contributions of such counsel to the initiation, prosecution, and resolution of the Litigation. If, and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the Fee and Expense Award is overturned, modified, or lowered, or if the Settlement is terminated or is not approved by the Court, or if there is an appeal and any order approving the Settlement does not become final and binding upon the Class, then, within ten (10) business days from receiving notice from the Defendants' counsel or from a court of appropriate jurisdiction, Lead Counsel and any other Plaintiffs' counsel that has received a portion of such fees and expenses shall refund to the Settlement Fund such fees and expenses previously paid to them from the Settlement Fund plus interest thereon at the same rate as earned on the Settlement Fund in an amount consistent with such reversal or modification. Each such Plaintiffs' counsel's law firm receiving fees and expenses, as a condition of receiving such fees and expenses, on behalf of itself and each partner and/or shareholder of it, agrees that the law firm and its partners and/or shareholders are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

6.3 The procedure for and the allowance or disallowance by the Court of any applications by Lead Counsel for attorneys' fees and expenses, or the expenses of Plaintiffs, to be paid out of the Settlement Fund are not part of the Settlement set forth in the Stipulation, and are to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation; and any order or proceeding relating to the Fee and Expense Application or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the

Stipulation, or affect or delay the finality of the Judgment and the Settlement of the Litigation set forth therein.

6.4 The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, any payment or allocation of the Settlement Funds or Net Settlement Funds of any type or nature whatsoever, including attorneys' fees and expenses of Plaintiffs' counsel. The Released Persons do not and shall not take any position as to Lead Counsel's request for attorneys' fees and expenses and/or Lead Counsel's request for the reimbursement of Plaintiffs' reasonable costs and expenses (including lost wages) directly related to their representation of the Class in this Litigation.

6.5 The Released Persons shall have no responsibility for, and no liability whatsoever with respect to, the allocation among Plaintiffs' counsel, and/or any other Person who may assert some claim thereto, of any Fee and Expense Award that the Court may make in the Litigation.

7. Conditions of Settlement, Effect of Disapproval, Cancellation, or Termination

7.1 The Effective Date of the Stipulation shall be the date on which all of the following events have occurred:

- (a) the Court has entered the Notice Order, as required by ¶3.1 above;
- (b) the time to appeal the Bankruptcy Court Order has expired;
- (c) the Court has approved the Settlement as described herein, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and has entered the Judgment;
- (d) the payment of the Settlement Fund in accordance with ¶2.1 above; and
- (e) the time for appeal or review of such Judgment has expired, or, if any appeal is filed and not dismissed, such Judgment is upheld on appeal in all material respects and is no longer subject to review upon appeal, review by writ of certiorari or mandamus. Any proceeding or order, or any appeal or petition for a writ of certiorari pertaining solely to any plan

of allocation and/or applications for attorneys' fees, costs or expenses shall not in any way delay or preclude the Judgment from becoming final in accordance with the terms of this provision.

7.2 Upon the occurrence of all of the events referenced in ¶7.1 above, any and all remaining interest or right of the Defendants in or to the Settlement Fund shall be absolutely and forever extinguished.

7.3 Upon the occurrence of all of the events referenced in ¶7.1 above, the Plaintiffs will withdraw with prejudice the appeal now pending in this action (Dockets Nos. 12-2370 and 13-3330).

7.4 If the conditions specified in ¶7.1(a), (b) or (c) are not met and there is no longer any possibility that these conditions can be met, then the Stipulation shall be canceled and terminated subject to ¶7.5 below unless Lead Counsel and counsel for the Defendants mutually agree in writing to proceed with the Stipulation.

7.5 Unless otherwise ordered by the Court, in the event the Effective Date does not occur or this Stipulation shall terminate, or be canceled, or otherwise fail to become effective for any reason, including, without limitation, in the event that the Settlement as described herein is not approved by the Court or the Judgment is reversed or vacated following any appeal taken therefrom, then:

(a) within fourteen (14) business days after written notification of such event is sent by counsel for the Defendants or Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest) and all payments disbursed, including all expenses, costs, and any Fee and Expense Award, excluding only the expended portion of the Initial Notice Costs, will be refunded, reimbursed, and repaid by the Escrow Agent in accordance with the instructions of counsel for the Defendants; if said amount or any portion thereof is not returned within such fourteen (14) business day period, then interest shall accrue thereon at the same rate as earned by the Settlement Fund until the date that said amount is returned;

9.4 This Stipulation shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that this Stipulation is the result of arm's-length negotiations between the Settling Parties and all Settling Parties have contributed substantially and materially to its preparation.

9.5 Neither this Stipulation nor the Settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity or infirmity of any Released Claim, any allegation made in the Complaint and/or the Amended Complaint, or any wrongdoing or liability of the Defendants; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault, or omission of any of the Defendants in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Neither this Stipulation nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Stipulation or the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Defendants may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.6 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

9.7 The Stipulation and the Supplemental Agreement referred to in ¶7.7 above constitute the entire agreement among the parties hereto and no representations, warranties, or inducements have been made to any party concerning the Stipulation other than the representations, warranties, and covenants contained and memorialized in such documents. It is understood by the Settling Parties that, except for the matters expressly represented herein, the

facts or law with respect to which this Stipulation is entered into may turn out to be other than or different from the facts now known to each party or believed by such party to be true; each party therefore expressly assumes the risk of the facts or law turning out to be so different, and agrees that this Stipulation shall be in all respects effective and not subject to termination by reason of any such different facts or law.

9.8 Except as otherwise expressly provided herein, each party shall bear her, his, or its own costs in connection with this Stipulation and the Settlement.

9.9 Lead Counsel, on behalf of the Class, is expressly authorized by Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to the Stipulation to effectuate its terms and is expressly authorized to enter into any modifications or amendments to the Stipulation on behalf of the Class which it deems appropriate. Plaintiffs and Lead Counsel represent and warrant that none of Plaintiffs' claims or causes of action referred to herein or that could have been alleged in the Litigation have been assigned, encumbered or in any manner transferred in whole or in part.

9.10 Each counsel or other Person executing the Stipulation and any documents prepared in furtherance of the Stipulation on behalf of any party hereto hereby represents and warrants that such Person has the full authority to do so and has the authority to bind the party on whose behalf they are executing this Stipulation. The performance by any Class Member and the Settling Parties of their obligations under this Stipulation have been duly authorized and any necessary third-party consents, if any, have been obtained.

9.11 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument, each of which shall be deemed an original notwithstanding that all of the parties hereto are not signatories to the same counterpart. A complete set of executed counterparts shall be filed with the Court. The Settling Parties agree that facsimile or scanned signatures shall have the same force and effect as original signatures.

9.12 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the parties hereto.

9.13 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and all parties and counsel for the parties hereto submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation.

9.14 This Stipulation shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of New York, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of New York without giving effect to that State's choice-of-law principles.

9.15 All of the Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

9.16 Any notices, documents, or correspondence of any nature required to be sent pursuant to this Stipulation shall be transmitted by both e-mail and Federal Express, to the following recipients:

If to the Defendants:

Arthur H. Aufses III
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Tel: 212-715-9100
aaufses@kramerlevin.com

If to the Plaintiffs or Class Members:

Lionel Z. Glancy
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067
Tel: (310) 201-9150
lglancy@glancylaw.com

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IN WITNESS WHEREOF, the parties hereto have caused the Stipulation to be executed, by their duly authorized attorneys, dated as of August ___, 2014.

DATED: *August 21, 2014*

GLANCY BINKOW & GOLDBERG LLP

By: *L. Z. Glancy*
Lionel Z. Glancy

Lead Counsel for Lead Plaintiffs

DATED:

KRAMER LEVIN NAFTALIS & FRANKEL LLP

By: *Arthur H. Aufses III*
Arthur H. Aufses III

Counsel for Defendants

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE CRM HOLDINGS, LTD
SECURITIES LITIGATION

Case No. 10-cv-00975-RPP

This Document Relates to:

EXHIBIT A-1

ALL ACTIONS.

Hon. Robert P. Patterson

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR
ATTORNEYS' FEES, EXPENSES, AND INCENTIVE AWARDS, AND SETTLEMENT
FAIRNESS HEARING**

IF YOU PURCHASED OR ACQUIRED CRM HOLDINGS, LTD. SECURITIES BETWEEN DECEMBER 21, 2005 AND NOVEMBER 5, 2008, INCLUSIVE, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

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

Security and Time Period: CRM Holdings, Ltd. ("CRM") securities purchased or acquired between December 21, 2005 and November 5, 2008, inclusive (the "Class Period").

Settlement Fund: \$1.95 Million Dollars (\$1,950,000) in cash. Your recovery will depend on the number of shares of CRM securities you, and other Class Members¹ who file claims, purchased and sold and the prices at which you, and the other Class Members who file claims, purchased and sold those securities. The estimated average recovery per share of common stock will be approximately \$0.15 per share before deduction of Court-approved fees and expenses and costs of notice and claims administration.

Reasons for Settlement: The case has been aggressively litigated since February 2010. On April 29, 2011, CRM (which was renamed Majestic Capital, Ltd.) filed a Voluntary Petition for relief under Chapter 11 of the Bankruptcy Code and, on April 27, 2012, the Bankruptcy Court confirmed the First Amended Joint Plan of Liquidation. Following the bankruptcy filing, Plaintiffs proceeded herein against the individual defendants. The District Court dismissed all claims against them. The Plaintiffs and Lead Counsel believe that the Settlement provides the Class with a benefit now, instead of the possibility of no recovery at all.

CRM served as a third party administrator for eight self-insured workers' compensation trusts in New York State. Plaintiffs allege that CRM's business was dependent upon the trusts

¹ All capitalized terms have the same definition as in the Stipulation of Settlement dated August 21, 2014 (the "Stipulation").

being fully funded and operating, as CRM was paid administrative fees based on trust membership; that Defendants misrepresented and or omitted material facts concerning the funding levels of the trusts; and that New York State took regulatory action against CRM as a result.

The Defendants have denied and continue to deny each and all of the allegations made in the Complaint and the Amended Complaint and all claims brought by Plaintiffs, deny that they engaged in any wrongdoing, deny that they committed any violation of law and deny that they acted improperly in any way. Defendants maintain that they have meritorious defenses. The Defendants contend that all disclosures made to the investing public were proper, did not contain any misrepresentations of a material fact, and did not omit any material fact. Defendants also have denied and continue to deny the allegations that Plaintiffs or the Class have suffered damages, that the prices of CRM securities were artificially inflated by reason of alleged misrepresentations, non-disclosures, or otherwise, or that Plaintiffs or the Class were harmed by the conduct alleged in the Complaint, the Amended Complaint, or otherwise. The Defendants allege that they did not act with the *scienter* necessary to sustain the alleged violations. If the Litigation were tried, recoverable damages, if any, would have been limited to losses caused by conduct actionable under the laws and, had the Litigation gone to trial, the Defendants intended to assert that the Class Members' losses, if any, were caused by non-actionable market, industry or general economic factors. The Defendants have asserted various other defenses.

Nonetheless, Defendants and each of them have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Defendants have taken into account the uncertainty and risks inherent in any litigation, especially

in complex cases like this Litigation. The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by any of the Defendants with respect to any claim of any fault or liability or wrongdoing or damage to the Class Members in this Litigation. Should this case not be fully and finally settled, the proposed settlement may not be used for any purpose against the Defendants, and each of them, and no statements made by either the Defendants or the Plaintiffs may be deemed to constitute admissions against interest.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery. Even were an appellate court to have reversed the dismissal of the claims alleged, Plaintiffs would have still had to obtain Court-approval to proceed as a class action and may have faced dispositive motions prior to trial. Had a class been certified and its claims survived summary judgment, a trial is a risky proposition. The claims in the Litigation 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 Plaintiffs were to have prevailed on each claim alleged. Among the many key issues about which Plaintiffs and Defendants do not agree are: (1) whether the Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the misrepresentations and omissions alleged by the 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 CRM securities during the relevant period; (4) the extent to which external factors, such as general market conditions, influenced the trading price of CRM securities at various times during the Class Period; and (5) the method for determining whether, and the extent to which, purchasers of CRM's securities suffered injury and damages that could be recovered at trial.

Attorneys' Fees and Expenses: Lead Counsel have not received any payment for their work or expenses incurred in investigating the facts, conducting this Litigation and negotiating the Settlement on behalf of the Plaintiffs and the Class. Lead Counsel will ask the Court for attorneys' fees not to exceed 33% of the Settlement Fund and expenses not to exceed \$60,000 to be paid from the Settlement Fund. Plaintiffs will also request reimbursement of their actual costs and expenses (including lost wages) directly related to their representation of the Class, which also will be paid from the Settlement Fund: (1) one plaintiff will request an amount not to exceed \$2,500; (2) the second plaintiff will request an amount not to exceed \$2,500; and (3) the third plaintiff will request an amount not to exceed \$2,500.

If the above amounts are requested and approved by the Court, the average settlement recovery per share of common stock will be approximately \$0.15 per share, making the estimated recovery per share after fees and expenses approximately \$0.10.

Dismissal and Releases: If the proposed Settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice (the "Judgment"). The Judgment will dismiss the Released Claims with prejudice as to the Released Persons, which include but are not limited to, the Defendants, their parents, subsidiaries and affiliates, and all of their employees, directors and officers. The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Persons. The terms of the releases, including the meaning of the term "Released Claims," are set forth in the Proof of Claim and Release form that is enclosed.

Deadlines:

Submit Claim: _____, 2014

File Objection: _____, 2015

Request Exclusion _____, 2015

Court Hearing on Fairness of Settlement: _____, 2015

More Information: www.gcgincl.com

Claims Administrator:

The Garden City Group, Inc.
P.O. Box 10129
Dublin, OH 43017-3129
Toll-Free Number: (844) 322-8246

Lead Counsel:²

Lionel Z. Glancy, Esq.
Ex Kano S. Sams II, Esq.
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067
1-888-773-9224
settlements@glancylaw.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.
EXCLUDE YOURSELF	Receive no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the class claims being released in this case.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement.
DO NOTHING	Receive no payment.

² As a Class Member, you may contact one or both of these representatives to answer any question you might have concerning any matter contained in this Notice.

- 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 may not object in writing, you may not appear at the Court Hearing on Fairness of Settlement to state any objections, and you may not submit a claim.
- If you object and do not request exclusion, you will remain a member of the Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.
- Unless you timely request exclusion from the Class, or unless the Court rejects the proposed Settlement, you are bound by the Stipulation of Settlement and its Releases, whether or not you submit a claim or object.
- These rights and options — *and the deadlines to exercise them* — are explained in this Notice.
- 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 after the Court holds the Settlement Hearing on _____, 2015. The Court has not decided the merits of this case.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

1. **Why did I receive this notice package?**
2. **What is this lawsuit about?**
3. **Why is this a class action?**
4. **Why is there a settlement?**

WHO IS IN THE SETTLEMENT

5. **How do I know if I am part of the Settlement?**
6. **What are the exceptions to being included?**
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16. Do I have a lawyer in the case?
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GETTING MORE INFORMATION

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UNDERSTANDING YOUR PAYMENT – PLAN OF ALLOCATION

SPECIAL NOTICE TO NOMINEES

BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired CRM Holdings, Ltd. (“CRM”) securities between December 21, 2005 and November 5, 2008, inclusive (the “Class Period”).

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 Claims 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 *In re CRM Holdings, Ltd. Securities Litigation*, 10-cv-00975-RPP. Lead plaintiffs Brett Brandes and Beverly L. Munter, along with plaintiff B&B Investors, LP are collectively referred to as Plaintiffs, and the persons they sued are collectively called the Defendants. The Settling Parties include Plaintiffs and the Defendants.

2. What Is This Lawsuit About?

This Litigation 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 Defendants. CRM served as a third party administrator for eight self-insured workers’ compensation trusts in New York State. Plaintiffs allege that CRM’s business was dependent upon the trusts being fully funded and operating, as CRM was paid administrative fees based on trust membership; that Defendants

misrepresented and or omitted material facts concerning the funding levels of the trusts; and that New York State took regulatory action against CRM as a result.

3. Why Is This A Class Action?

Class actions are generally used in lawsuits that affect a large number of individuals; in effect, 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.

If the Court approves the proposed Settlement, the Litigation will be certified as a class action on behalf of all persons or entities who purchased or otherwise acquired the securities of CRM Holdings, Ltd. between December 21, 2005 and November 5, 2008, inclusive, other than Defendants and certain persons affiliated with them. All Class Period purchasers of CRM securities stock are Members of the Class, except those persons who timely file a request for exclusion by [28 days prior to the Settlement Hearing] _____, 2015. All persons who do not timely exclude themselves from the Class will be bound by the proposed Settlement and its accompanying Releases.

4. Why Is There a Settlement?

This Notice is not an expression of opinion by the Court about the merits of any of the claims or defenses asserted by any party in the Litigation. Both sides agreed to a Settlement. This permits them to avoid the cost and uncertainty of further litigation, and permits eligible Class Members who submit valid claims to receive compensation. The Plaintiffs and their attorneys believe the Settlement is best for all Class Members. The Defendants have concluded

that further defense of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation of Settlement. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Litigation.

WHO IS IN THE SETTLEMENT

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

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

The Class includes all persons or entities who purchased or otherwise acquired the securities of CRM Holdings, Ltd. between December 21, 2005 and November 5, 2008, inclusive.

6. What Are the Exceptions to Being Included?

You are not a Class Member if you are a Defendant, an officer or director of CRM, at all relevant times, members of their immediate families, any entity in which any Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any Defendant.

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 call Lionel Z. Glancy of Glancy Binkow & Goldberg LLP at 1-888-773-9224 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 \$1.95 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 newspaper notice (the “Net Settlement Fund”) will be divided among all eligible 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 Class Members send in, the number of CRM securities you purchased or acquired during the relevant 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 in the attached Plan of Allocation. After all 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 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 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 Class Member, send in a valid Proof of Claim and Release form, 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.gcginc.com. Read the instructions carefully, fill out the Proof of Claim and Release form, include the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than _____, 2014.

11. When Will I Receive My Payment?

The Court will hold a hearing on _____, 2015, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain when these appeals will be resolved, and resolving them can take time, perhaps more than a year. Even if no appeals are filed, it will take several months for the Claims 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?

If the Court approves the Settlement, then as a Class Member, you will be giving up certain rights that you currently have. Unless you timely exclude yourself from the Class by the [28 days prior to the Settlement Hearing] _____, 2015 deadline, you are a Member of the Class and will be bound by the Release of claims against the Defendants. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Released Claims in this case. 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 case against the Defendants. The terms of the Release are included in the claim form that is enclosed. Note: If you object, but the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Members of the Class who do not object.

EXCLUDING YOURSELF FROM THE CLASS ACTION SETTLEMENT

If you do not want a payment from the class action Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own for the Released Claims in the class action then you must take steps to get out of the 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 Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *In re CRM Holdings, Ltd. Securities Litigation*, 10-cv-00975-RPP. You must include your name, address, telephone number, your signature, and the number of shares of CRM securities you purchased or acquired between December 21, 2005 and November 5, 2008, inclusive, the number of shares sold during this time period, if any, and the dates of such purchases and/or sales, and the price paid or received per share for each such purchase or sale. You must mail your exclusion request postmarked no later than _____, 2015 to:

CRM Holdings, Ltd. Securities Litigation
The Garden City Group, Inc.
P.O. Box 10129
Dublin, OH 43017-3129
Toll-Free Number: (844) 322-8246

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 class action Settlement. You will not be legally bound by anything that happens in the class action lawsuit.

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

No. Unless you exclude yourself from the Class, you give up any right to sue the Defendants or the Released Persons for the Released Claims in the class action Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is [28 days prior to the Settlement Hearing] _____, 2015.

15. If I Exclude Myself, Can I Receive Money from the Class Action Settlement?

No. If you exclude yourself, do not send in a Claim Form.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firm of Glancy Binkow & Goldberg LLP to represent you and other Class Members. These lawyers are called 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?

Lead Counsel will ask the Court for attorneys' fees not to exceed 33% of the Settlement Fund and for expenses up to \$60,000, which were advanced in connection with the Litigation. The three Plaintiffs will also request reimbursement of their actual costs and expenses (including lost wages) directly related to their representation of the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to 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 2010, Lead Counsel have conducted all of the investigation, document review, briefing and motions practice necessary to prepare the case for litigation, and employed various experts. To date, Lead Counsel have not been paid for their services in conducting this Litigation on behalf of the Plaintiffs and the Class, nor for their substantial expenses incurred on behalf of the Class. Lead Counsel have expended substantial time in prosecuting the Class's claims and will ask the Court for actual expenses not to exceed \$60,000 in prosecuting the Litigation. The fee requested will compensate Lead Counsel for their work in achieving the Settlement Fund. Plaintiffs will also seek incentive awards of no more

than \$2,500 each for their participation in the action, which also will be paid from the Settlement Fund.

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 35 days prior to the Settlement Hearing. That motion will argue that 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 Lead Counsel and Plaintiffs 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 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 *In re CRM Holdings, Ltd. Securities Litigation*, 10-cv-00975-RPP. Be sure to include your name, address, telephone number, your signature, the number of shares of CRM securities you purchased or acquired between December 21, 2005 and November 5, 2008, 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 [35 days prior to the Settlement Hearing], _____, 2015, and they will be available from Lead Counsel, the Claims Administrator or the Court: their contact information is listed in Section 23, below. Any objection must be mailed or delivered to each of the following such that

it is received by each of the following no later than [28 days prior to the Settlement Hearing],

_____, 2015:

Clerk of the Court:

Clerk of the Court
United States District Court
Southern District of New York
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007

Lead Counsel Designees:

Lionel Z. Glancy, Esq.
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067
1-888-773-9224
settlements@glancylaw.com

Defendants' Counsel Designee:

Arthur H. Aufses III
Kramer Levin Naftalis & Frankel LLP
1177 6th Avenue
New York, New York 10036

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 ____:____ .m., on _____, 2015, at the at the United States District Court, Southern District of New York, Daniel Patrick Moynihan, United States Courthouse, 500 Pearl Street, New York, NY 10007. 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 to award to Lead Counsel for fees and 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. 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 *In re CRM Holdings, Ltd. Securities Litigation*, 10-cv-00975-RPP. Be sure to include your name, address, telephone number, your signature, the number of shares of CRM securities you purchased or acquired between December 21, 2005 and November 5, 2008, inclusive. Your notice of intention to appear must be received no later than [28 days prior to the Settlement Hearing], _____, 2015, by the Clerk of the Court, Lead Counsel Designees and Defendants' Counsel Designee, at the 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 Defendants 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.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of August 21, 2014. You can obtain a copy of the Stipulation of Settlement or more information about the Settlement by contacting Lead Counsel:

Lionel Z. Glancy, Esq.
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067
settlements@glancylaw.com
1-888-773-9224

or the Claims Administrator:

CRM Holdings, Ltd. Securities Litigation
The Garden City Group, Inc.
P.O. Box 10129
Dublin, OH 43017-3129
Toll-Free Number: (844) 322-8246

or by visiting www.gcgin.com

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
United States Courthouse
500 Pearl Street
New York, NY 10007

UNDERSTANDING YOUR PAYMENT – PLAN OF ALLOCATION

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

- a. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss")

described in the Plan of Allocation, which is attached hereto as Tab 1. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Class Members. The Recognized Loss formula is not an estimate of what a Class Member would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement.

b. A Class Member's actual share of the Net Settlement Fund will be determined by the ratio of the Class Member's Recognized Loss divided by the aggregate of the Recognized Loss of all Class Members.

c. This Plan of Allocation is based on the following principles applicable to Class Members if the Litigation had gone to trial: 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.

d. A purchase or sale of CRM securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

e. The receipt or grant by gift, devise or operation of law of CRM securities during the Class Period shall not be deemed a purchase or sale of CRM securities for the calculation of an Authorized Claimant's Recognized Loss nor shall it be deemed an assignment of any claim relating to the purchase of such securities. The grantor of the gift or devise, who purchased CRM securities during the Class Period, shall retain the right to file a claim in this Litigation unless that right to file a claim was specifically transferred in the instrument of gift or assignment.

f. The receipt of CRM securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of CRM securities.

g. Any gains on sales of CRM securities shall be offset against losses in calculating the Recognized Loss. To the extent a Claimant had an overall gain from transactions in CRM securities during the Class Period, the value of the Recognized Loss will be zero.

h. No Authorized Claimant whose proportionate share of the Net Settlement Fund is less than \$10.00 shall receive a distribution from the Net Settlement Fund. Rather, that Claimant's proportionate share of the Net Settlement Fund shall be redistributed among all remaining Authorized Claimants.

i. 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 Order and Final Judgment of the Court dismissing this Litigation.

j. 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

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any CRM securities purchased or acquired between December 21, 2005 and November 5, 2008, inclusive, as nominee for a beneficial owner, then, within twenty (20) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

CRM Holdings, Ltd. Securities Litigation
The Garden City Group, Inc.
P.O. Box 10129
Dublin, OH 43017-3129
Toll-Free Number: (844) 322-8246

If you choose to mail the Notice and Proof of Claim and Release yourself, you may obtain from the Claims 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 Claims Administrator.

**CRM Holdings, Ltd. Securities Litigation
Proposed Plan of Allocation**

For shares of common stock purchased or otherwise acquired between December 20, 2005 and November 5, 2008:

- A. For shares held at the end of trading on February 3, 2009, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and \$1.43.¹
- B. For shares sold between December 20, 2005 and November 5, 2008, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable purchase date artificial inflation per share figure less the applicable sales date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share.
- C. For shares sold between November 6, 2008 and February 3, 2009, the Recognized Loss shall be the lesser of:
- (1) the applicable purchase date artificial inflation per share figure, as found in Table A; or
 - (2) the difference between the purchase price per share and the sales price per share; or
 - (3) the difference between the purchase price per share and the average closing price between November 6, 2008 and the date of sale².

Table A

<u>Purchase or Sale Date Range</u>	<u>Artificial Inflation Per Share</u>
12/20/2005 – 04/16/2008	\$2.21

¹ Pursuant to Section 21(D)(e)(1) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated." The mean (average) closing price of CRMH common stock during the 90-day period beginning on November 6, 2008 and ending on February 3, 2009 was \$1.43.

² Pursuant to Section 21(D)(e)(2) of the Private Securities Litigation Reform Act of 1995, "in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff's damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security."

04/17/2008 – 10/05/2008	\$0.65
10/06/2008 – 10/06/2008	\$0.45
10/07/2008 – 11/05/2008	\$0.13

CRM Holdings, Ltd. Securities Litigation
Summary of Damages and Settlement Recovery Under Proposed Allocation

		<u>Calculation</u>
(1)	Number of Shares Purchased and Damaged:	12,680,485
(2)	Total Damages Based on Plan of Allocation:	\$27,994,371
(3)	Average Compensable Damage per Share:	\$2.21 (2) / (1)
(4)	Settlement Amount:	\$1,950,000
(5)	Settlement Amount as % of Damages:	6.97% (4) / (2)
(6)	Average Settlement Recovery per Share:	\$0.154 (5) x (3)
(7)	Attorney's Fees and Expenses:	\$0.056 (33% x (4) + \$67,500) / (1)
(8)	Average Recovery per share after Attorneys Fees and Expenses:	\$0.098 (6) - (7)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE CRM HOLDINGS, LTD
SECURITIES LITIGATION

This Document Relates to:

ALL ACTIONS.

Case No. 10-cv-00975-RPP

EXHIBIT A-2

Hon. Robert P. Patterson

PROOF OF CLAIM AND RELEASE

I. GENERAL INSTRUCTIONS

1. To recover as a Member of the Class based on your claims in the action entitled, *In re CRM Holdings, Ltd. Sec. Litig.*, Civil Action No. 10-cv-00975-RPP (the “Action”), you must complete and, on page ____ hereof, sign this Proof of Claim and Release. Even if you do not fill out this Proof of Claim and Release, any and all claims you may have against the Defendants in this Action are released to the full extent defined below by virtue of your participation in this Class Action as a non-excluded Class Member. If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Net Settlement Fund created in connection with the proposed Settlement of the Action.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of Settlement in the Action.

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE POSTMARKED ON OR BEFORE _____, 2014, ADDRESSED AS FOLLOWS:

In re CRM Holdings, Ltd. Sec. Litig.
The Garden City Group, Inc.
P.O. Box 10129
Dublin, OH 43017-3129
Toll-Free Number: (844) 322-8246

If you are NOT a Member of the Class, as defined in the Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Settlement Fairness Hearing (“Notice”), DO NOT submit a Proof of Claim and Release form.

4. If you are a Member of the Class, you are bound by the terms of any Judgment entered in the Action, including the Release included in the Settlement Agreement, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE FORM.

II. DEFINITIONS

5. “Claims Administrator” means The Garden City Group.

6. “Class” means:

All persons or entities who purchased CRM Holdings, Ltd. common stock between December 20, 2005 and November 5, 2008, inclusive, and were purportedly damaged thereby. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families, any entity in which any Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any Defendant.

7. Also excluded from the Class are those Persons who timely and validly request exclusion from the Class by the _____, 2015 deadline pursuant to the Notice of Proposed Settlement of Class Action.

8. “Class Member” or “Member of the Class” means a Person who falls within the definition of the Class.

9. “Defendants” mean Defendants Daniel G. Hickey, Jr., Martin D. Rakoff, James J. Scardino, and Daniel G. Hickey, Sr.

10. “CRM” means CRM Holdings, Ltd.

11. “Parties” means, collectively, each of the Defendants, and the Plaintiffs on behalf of themselves and the Class Members.

12. “Related Parties” means parents, subsidiaries and affiliates, and all their past, present and future respective directors, officers, employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys, accountants, auditors, advisors, investment advisors, personal or legal representatives, predecessors, successors, divisions, joint

ventures, assigns, spouses, heirs, related or affiliated entities, any entity in which Defendants have a controlling interest. This Release shall be of no force or effect unless and until the Court approves the Stipulation of Settlement and it becomes effective on the Effective Date.

13. “Released Claims” means any and all claims, causes of action, proceedings, obligations, suits, debts, damages (including interest, attorneys’ fees, expert or consulting fees, and any other costs), demands, agreements, promises, controversies or liabilities whatsoever, whether based on federal, state, local, statutory, or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, direct or indirect, past or present, known or unknown, which the Plaintiffs or any Class Member asserted or could have asserted in the Complaint and/or the Amended Complaint as a result of purchasing, acquiring, selling, exercising, holding or voting, during the Class Period, any security issued by CRM (including, without limitation, all claims arising out of or related to any disclosures, public filings, registration statements, proxy statements or other statements by CRM, or by any of the Defendants, or by any current or former officer or director of CRM), based upon or arising out of any facts, allegations or claims set forth in, or that could have been set forth in, the Complaint and/or the Amended Complaint.

14. “Released Persons” means each and every one of the following: the Defendants and, whether or not identified in any complaint filed or proposed to be filed in the Litigation, each and all of every Defendant’s past and present directors, officers and employees, controlling stockholders, partners, members, affiliates, principals, agents, representatives, stockholders, predecessors, successors, parents, subsidiaries, divisions, joint ventures, attorneys, investment bankers, commercial bankers, underwriters, financial or investment advisors, advisors,

consultants, accountants, insurers, co-insurers and reinsurers, spouses, heirs, assigns, executors, personal representatives, marital communities, associates, related or affiliated entities, general or limited partners or partnerships, limited liability companies, member firms, estates, administrators, or any members of their immediate families, or any trusts for which any of them are trustees, settlers or beneficiaries, or any persons or other entities in which any Defendant has a controlling interest or which is related to or affiliated with any Defendant, and any other representatives of any of these Persons or other entities, whether or not any such Persons were named, served with process or appeared in the Litigation.

15. “Unknown Claims” means any and all Released Claims which Settling Parties or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. Unknown Claims include those claims in which some or all of the facts comprising the claim may be suspected, or even undisclosed, concealed, or hidden. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Settling Parties shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code §1542, which provides:

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

Settling Parties shall expressly waive, and each of the Class Members shall be deemed to have, and by operation of the Judgment 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, which is similar, comparable or equivalent in effect to

California Civil Code §1542. Settling Parties and Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Settling Parties shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing, heretofore have existed, or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, rule or regulation, without regard to the subsequent discovery or existence of such different or additional facts. Settling Parties acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

III. CLAIMANT IDENTIFICATION

16. If you purchased or acquired CRM common stock and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm through which you purchased the stock, you are the beneficial purchaser and the third party is the record purchaser.

17. Use Part I of this form entitled “Claimant Identification” to identify each purchaser of record (“nominee”), if different from the beneficial purchaser of CRM securities which form the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER/ACQUIROR OR PURCHASERS/ACQUIRORS, OR THE**

LEGAL REPRESENTATIVE OF SUCH PURCHASER/ACQUIROR OR PURCHASERS/ACQUIRORS OF CRM COMMON STOCK UPON WHICH THIS CLAIM IS BASED.

18. All joint purchasers or acquirors must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of Persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The last four digits of the Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

IV. CLAIM FORM

19. Use Part II of this form entitled “Schedule of Transactions in CRM Common Stock” to supply all required details of your transaction(s) in CRM common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

20. On the schedules, provide all of the requested information with respect to all of your purchases/acquisitions and all of your sales of CRM common stock which took place at any time between December 20, 2005 and November 5, 2008, inclusive (the “Class Period”), whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

21. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

22. Broker confirmations, brokerage statements reflecting your purchases, or other documentation of your transactions in CRM common stock should be attached to your claim. If you do not have documentation from your broker, you may also attach any documents or schedules that you attached to any federal tax return that reflect Class Period purchases of CRM common stock, the sale of CRM stock. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

23. The above requests are designed to provide the minimum amount of information necessary to process the simplest claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In some cases where the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Class with the information provided, the Claims Administrator may condition acceptance of the claim upon the production of additional information that it may, in its discretion, require to process the claim.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

In re CRM Holdings, Ltd. Securities Litigation

No. 10-cv-00975-RPP

PROOF OF CLAIM AND RELEASE

Must Be Postmarked No Later Than:

_____, 2014

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last)

Street Address

City

State

Zip Code

Foreign Province

Foreign Country

Last four digits of Social Security
Number or Taxpayer Identification Number

Individual

Corporation/Other

Area Code

Telephone Number (work)

Area Code

Telephone Number (home)

Record Owner's Name (if different from beneficial owner listed above)

E-mail Address

PART II: SCHEDULE OF TRANSACTIONS IN CRM COMMON STOCK

- A. Purchases or acquisitions of CRM common stock (December 20, 2005 – February 3, 2009, inclusive (must be documented)):

Trade Date Month Day Year	Number of Shares Purchased or Acquired	Total Purchase or Acquisition Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

- B. Sales of CRM common stock (from December 20, 2005 to February 3, 2009, inclusive (must be documented)):

Trade Date Month Day Year	Number of Shares Sold	Total Sales Price
1. _____	1. _____	1. _____
2. _____	2. _____	2. _____
3. _____	3. _____	3. _____

- D. Unsold Holdings: State the number of shares of CRM common stock owned on February 3, 2009, inclusive (must be documented). If none, write “zero” or “0”:

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ AND SIGN THE RELEASE ON PAGE _____.

V. SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I (We), _____ submit this Proof of Claim and Release under the terms of the Settlement Agreement and Release dated as of _____, 2014 (“Settlement Agreement”) described in the Notice. I (We) also submit to the jurisdiction of the United States District Court for the Southern District of New York, with respect to my (our) claim as a Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to Lead Counsel or the Claims Administrator to support this claim if required to do so. I (We) have not submitted any other claim covering the same purchases/acquisitions or sales of CRM common stock during the Class Period and know of no other Person having done so on my (our) behalf.

VI. RELEASE

24. I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally, and forever settle, release, relinquish and discharge, all of the Released Claims against each and all of the Defendants and each and all of their “Related Parties.”

25. This Release shall be of no force or effect unless and until the Court approves the Settlement Agreement and it becomes effective on the Effective Date.

26. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this Release or any other part or portion thereof.

VII. CERTIFICATION

Under penalty of perjury, I (we) hereby certify and represent that I (we) have included information about all of my (our) transactions in CRM common stock that occurred during the Class Period as well as the number of shares of CRM common stock held by me (us) as of the

date of this certification and that such information is true and correct to the best of my (our) knowledge. By executing this certification, I (we) acknowledge and agree to be bound by the Release set forth above.

Executed this _____ day of _____,
(Month/Year)

in _____, _____.
(City) (State/Country)

(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing, *e.g.* Beneficial
Purchaser,
Executor or Administrator)

SUBSTITUTE FORM W-9

Request for Taxpayer Identification Number (“TIN”) and Certification

Please see www.irs.gov for instructions regarding completing Substitute Form W-9.

Please note that your accountant should also be able to provide you with these instructions.

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign both the claim form at Paragraph VII and the Substitute Form W-9 above.
2. Remember to attach supporting documentation, if available.
3. Do not send original stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it

Certified Mail, Return Receipt Requested.

6. If you move, please send us your new address.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE CRM HOLDINGS, LTD
SECURITIES LITIGATION

Case No. 10-cv-00975-RPP

This Document Relates to:

EXHIBIT A-3

ALL ACTIONS.

Hon. Robert P. Patterson

SUMMARY NOTICE

TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR ACQUIRED CRM HOLDINGS, LTD. COMMON STOCK BETWEEN DECEMBER 21, 2005 AND NOVEMBER 5, 2008.

1. YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Southern District of New York, that a hearing will be held on _____, 2015, at __:__ __.m., before The Honorable Robert P. Patterson, at the Daniel P. Moynihan U.S. Courthouse, 500 Pearl Street, Courtroom 24A, New York, New York, for the purpose of determining (1) whether the proposed Settlement of the claims in the Action for the sum of \$1,950,000 in cash should be approved by the Court as fair, reasonable and adequate to Members of the Class; (2) whether, thereafter, this Action should be dismissed with prejudice pursuant to the terms and conditions set forth in the Settlement Agreement dated as of August 21, 2014; (3) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, reasonable and adequate and therefore should be approved; and (4) whether the application of Lead Counsel for the payment of attorneys' fees and expenses incurred in connection with this Action should be approved.

2. If you purchased or acquired CRM Holdings, Ltd. common stock between December 21, 2005 and November 5, 2008, inclusive, your rights may be affected by this Settlement. If you have not received a detailed Notice of Proposed Settlement of Class Action, Motion for Attorneys' Fees and Settlement Fairness Hearing ("Notice") and a copy of the Proof of Claim and Release, you may obtain copies by writing to *In re CRM Holdings, Ltd. Securities Litigation*, Claims Administrator, c/o The Garden City Group, or you can download a copy at www.gcginco.com. If you are a Class Member, in order to share in the distribution of the Net

Settlement Fund, you must submit a Proof of Claim and Release postmarked no later than _____, 2014, establishing that you are entitled to recovery.

3. **PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.** If you have any questions about the Settlement, you may contact Lead Counsel at the address listed below:

Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, CA 90067
settlements@glancylaw.com
1-888-773-9224

4. or go to the following website: www.gcginc.com.

DATED:

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE CRM HOLDINGS, LTD
SECURITIES LITIGATION

Case No. 10-cv-00975-RPP

This Document Relates to:

EXHIBIT B

ALL ACTIONS.

Hon. Robert P. Patterson

FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE

This matter came before the Court for hearing pursuant to an Order of this Court, dated _____, (the “Notice Order”), on the application of the Settling Parties for approval of the Settlement set forth in the Stipulation of Settlement dated as of August 21, 2014 (the “Stipulation”). Due, proper, and adequate notice having been given of the Settlement as required in said Order and pursuant to Constitutional, rule and statutory requirements, and the Court having considered all papers filed and proceedings held herein and otherwise being fully informed, and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. The Stipulation is incorporated by reference in this Judgment, and all capitalized terms used herein shall have the same meanings assigned to them in the Stipulation.

2. This Court has jurisdiction over the subject matter of the Litigation and over all parties to the Litigation, including all members of the Class who did not timely file a request for exclusion from the Class by the _____, 2014 deadline pursuant to the Notice Order.

3. The Court finds that the prerequisites for a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that: (a) the number of Class Members is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the Class; (c) the claims of the Court-appointed Lead Plaintiffs are typical of the claims of the Class they represent; (d) the Plaintiffs have and will continue to fairly and adequately represent the interests of the Class; (e) the questions of law and fact common to the members of the Class predominate over any questions affecting only individual members of the Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finally certifies this action as a class action on behalf of all persons or entities who purchased or otherwise acquired the securities of CRM Holdings, Ltd. between December 21, 2005 and November 5, 2008, inclusive. Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families, any entity in which any Defendant has or had a legal controlling interest, and the legal representatives, heirs, successors, or assigns of any Defendant. Also excluded from the Class are persons and entities who submitted valid and timely requests for exclusion in accordance with the Notice, who are listed on Exhibit 1 hereto.

5. The distribution of the Notice and the publication of the Summary Notice, as provided for in the Notice Order, constituted the best notice practicable under the circumstances, including individual notice to all members of the Class who could be identified through reasonable effort. Said notices: (i) provided the best notice practicable under the circumstances of those proceedings and of the matters set forth therein, including the proposed Settlement set forth in the Stipulation of Settlement, to all Persons entitled to such notices; (ii) constitute due, adequate and sufficient notice to all Persons entitled to receive notice and (iii) fully satisfy the requirements of Federal Rule of Civil Procedure 23, Section 21D(a)(7) of the Securities Exchange Act of 1934, the Due Process Clause(s) of the United States Constitution, the rules of this Court and any other applicable law.

6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the Settlement set forth in the Stipulation and finds that said Settlement is, in all respects, fair, reasonable and adequate to, and is in the best interests of the Plaintiffs, the Class and each of the Class Members. This Court further finds the Settlement set forth in the

Stipulation is the result of arm's-length negotiations between experienced counsel representing the interests of the Plaintiffs, Class Members and the Defendants. Accordingly, the Settlement embodied in the Stipulation is hereby approved in all respects and shall be consummated in accordance with its terms and provisions. The Settling Parties are hereby directed to perform the terms of the Stipulation.

7. Except as to any individual claim of those Persons (identified in Exhibit 1 attached hereto), who timely requested exclusion from the Class before the _____, 2014 deadline, the Litigation and all claims contained therein, including all of the Released Claims, are dismissed with prejudice as to the Plaintiffs and the other Class Members, and as against each and all of the Released Persons. The Settling Parties are to bear their own costs, except as otherwise provided in the Stipulation.

8. Upon the Effective Date, the Plaintiffs and each of the Class Members (other than those Persons or entities listed on Exhibit 1 who have timely and validly requested exclusion from the Class) shall conclusively be deemed to have, and by operation of this Judgment shall have, dismissed with prejudice all claims asserted against the Defendants in the Litigation and, by operation of this Judgment, to have: (i) fully, finally and forever released, relinquished and discharged all of the Released Claims (including Unknown Claims) whether or not such Class Member executes and delivers a Proof of Claim and Release form; (ii) covenanted not to sue any of the Released Persons or otherwise to assert, directly or indirectly, any of the Released Claims against any of the Released Persons; and (iii) agreed to be forever barred and enjoined from doing so, in any court of law or equity, or in any other forum.

9. Upon the Effective Date hereof, each of the Released Persons shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released,

relinquished and discharged the Plaintiffs, each and all of the Class Members, and Lead Counsel from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Litigation or the Released Claims.

10. Upon the Effective Date, in accordance with Section 21D(f)(7)(A) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(f)(7)(A), each of the Defendants by virtue of this Judgment is fully and finally released and discharged from all claims for contribution that have been or may hereafter be brought by or on behalf of any Persons based upon, relating to, or arising out of the Released Claims. Accordingly (i) any and all Persons are permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any such claim for contribution against any of the Defendants based upon, relating to, or arising out of the Released Claims, and (ii) the Defendants are hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for contribution against any Person based upon, relating to, or arising out of the Released Claims.

11. Any further orders or proceedings solely regarding the Plan of Allocation shall in no way disturb or affect this Judgment and shall be separate and apart from this Judgment.

12. Neither the Stipulation nor the Settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the Settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of the Defendants; or (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the Released Persons in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Subject to applicable law and rules, the Released

Persons may file the Stipulation and/or the Judgment in any other litigation that may be brought against them.

13. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of this Settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses, including the reimbursement of expenses to Plaintiffs, in the Litigation; and (d) the Settling Parties hereto for the purpose of construing, enforcing and administering the Stipulation.

14. No Person shall have any claim or cause of action, however denominated, whatsoever against the Defendants, Defendants' Counsel or any of the Released Persons arising from or related to any distributions made, or not made, from the Settlement Fund, and any such claims or causes of action, however denominated, are fully and finally released and discharged.

15. The Court finds that during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11 and particularly with Rule 11(b) of the Federal Rules of Civil Procedure.

16. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

17. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation of Settlement.

18. The Court hereby **GRANTS** Lead Counsel attorneys' fees of _____% of the Settlement Fund and expenses in an amount of \$_____ together with the interest earned thereon for the same time period and at the same rate as that earned on the Settlement Fund until paid. Said fees shall be allocated by Lead Counsel among Plaintiffs' counsel in a manner which, in Lead Counsel's good-faith judgment, reflects each counsel's contribution to the institution, prosecution and resolution of the Litigation. The Court finds that the amount of fees awarded is fair and reasonable in light of the time and labor required, the novelty and difficulty of the case, the skill required to prosecute the case, the experience and ability of the attorneys, awards in similar cases, the contingent nature of the representation and the result obtained for the Class.

19. The Court hereby **GRANTS** Lead Plaintiff Brett Brandes reimbursement of his reasonable costs and expenses (including lost wages) directly related to his representation of the Class in the amount of \$_____.

20. The Court hereby **GRANTS** Lead Plaintiff Beverly L. Munter reimbursement of her reasonable costs and expenses (including lost wages) directly related to her representation of the Class in the amount of \$_____.

21. The Court hereby **GRANTS** Plaintiff B&B Investors, LP reimbursement of its reasonable costs and expenses (including lost wages) directly related to its representation of the Class in the amount of \$_____.

22. The awarded attorneys' fees and expenses, and interest earned thereon, and the awarded costs and expenses of Plaintiffs, shall be paid from the Settlement Fund immediately after the date this Order is executed subject to the terms, conditions, and obligations of the Stipulation, which terms, conditions, and obligations are incorporated herein.

DATED: _____

The Honorable Robert P. Patterson
United States Senior District Judge

EXHIBIT 1

List of Persons and Entities Excluded from the Class in

In re CRM Holdings, Ltd. Securities Litigation, 10-cv-00975-RPP

The following persons and entities, and only the following persons and entities, properly excluded themselves from the Class by the _____, 2014 deadline pursuant to the Court's Order dated _____, 2014:

IN RESPONSE TO THE NOTICE OF PENDENCY OF CLASS ACTION	