

## PROPOSED PLAN OF ALLOCATION

55. The objective of the Plan of Allocation is to distribute the Settlement proceeds equitably among those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The Plan of Allocation is not a formal damage analysis, and the calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Funds.

56. The Plan of Allocation reflects Plaintiffs' damages expert's analysis taken to that end, including a review of publicly available information regarding MBI and statistical analyses of the price movements of MBI common stock and the price performance of relevant market and industry indices during the Settlement Class Period as well as the statutory provisions for recovery under a claim for violation of Section 11 of the Securities Act.

57. As discussed above, claims were asserted in the Action under both the Securities Act and the Exchange Act. Not all Defendants, however, were alleged to have violated both Acts. Moreover, there are material differences imposed by law on who can recover under each theory, and the showings necessary to recover under the two Acts are materially different. For instance, it is unnecessary to demonstrate Defendants' scienter to recover under the Securities Act. The Plan of Allocation recognizes these considerations and the requirements imposed by law as to who is eligible to recover under the different theories asserted in the Action. Accordingly, the proceeds of the Settlement will be distributed to the Settlement Class Members based on the claims they have and, to that end, the proceeds will be divided into three separate funds as follows:

- a. **"Fund #1: The IPO Fund"** – Fund #1, which totals \$153,667, applies to claims asserted under the Securities Act with respect to the IPO.<sup>3</sup> As a result, all Settlement Class Members, to the extent they have Recognized Loss Amounts under the formulas set forth in ¶ 59-62 below with respect to the IPO Securities Act Claims, will be eligible to receive a *pro rata* distribution from Settlement Fund #1 subject to their satisfying the other conditions for receiving a distribution.
- b. **"Fund #2: The Secondary Fund"** – Fund #2, which totals \$3,869,616, applies to claims asserted under the Securities Act with respect to the Secondary Offering. As a result, all Settlement Class Members, to the extent they have Recognized Loss Amounts under the formulas set forth in ¶ 63-66 below with respect to the Secondary Securities Act Claims, will be eligible to receive a *pro rata* distribution from Settlement Fund #2 subject to their satisfying the other conditions for receiving a distribution.
- c. **"Fund #3: The Exchange Act Fund"** – Fund #3, which totals \$7,976,717, applies to claims asserted under the Exchange Act with respect to purchases of MBI common stock during the Section 10(b) Class Period. As a result, all Settlement Class Members, to the extent they have Recognized Loss Amounts under the formulas set forth in ¶ 67-70 below with respect to the Exchange Act Claims, will be eligible to receive a *pro rata* distribution from Settlement Fund #3 subject to their satisfying the other conditions for receiving a distribution.

The IPO Fund and the Secondary Fund are collectively referred to as the "Securities Act Funds." A purchase of MBI common stock may result in a Recognized Loss under multiple Funds. Eligibility for and participation in one Fund does not preclude in any way participation in another Fund for which a purchase is eligible. Claimants, however, can only receive a recovery under one of the Securities Act Funds or the Exchange Act Fund with respect to the same share for the same violation, not both. With respect to Class Members who purchased or otherwise acquired a share of MBI common stock as to which a claim can be stated with respect to both the Securities Act or the Exchange Act, the Recognized Loss Amount for such purchases will be the greater of the recovery under the Securities Act or the Exchange Act, as further described in ¶¶ 57-68 below.

Under no circumstances will an Eligible Claimant receive more than 100% of their Recognized Loss amount from any particular Fund. Should there be excess funds in either of the Securities Act Funds, those funds will revert to the other Securities Act Fund.

## CALCULATION OF RECOGNIZED LOSS AMOUNTS

58. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase of MBI common stock during the Settlement Class Period that is listed on the Proof of Claim Form and for which adequate documentation is provided. Such "Recognized Loss Amounts" will be aggregated across all purchases relevant for each Fund to determine the "Fund Recognized Claim" that each Settlement Class Member has against each Fund.

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<sup>3</sup> Please note, all "Fund" amounts are a portion of the gross Settlement Amount obtained before the deduction of any costs and expenses (see ¶ 5 for a description of amounts that will be deducted from the Settlement Amount).

## IPO SECURITIES ACT CLAIMS CALCULATIONS

59. The IPO Section 11 Securities Act claims asserts in the Action serve as the basis for the calculation of IPO Securities Act Recognized Loss Amounts. Section 11 provides a statutory formula for the calculation of damages under that provision. The formula set forth below, developed by Plaintiffs' damages expert, generally tracks the statutory formula. For purposes of the calculations, September 1, 2015 is the date of suit, and August 1, 2016 is the proxy for the date of judgment.

60. Recognized Loss Amounts will be calculated pursuant to the following formula for each share that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of any Recognized Loss Amount results in a negative number, that number shall be set to zero.

61. The Securities Act predicates recovery from the IPO Fund on a claimant demonstrating that each share of MBI common stock was purchased directly in or "traceable" to the IPO. For purposes of this plan of allocation, this means that recovery from the IPO Fund is limited to those purchases made before January 29, 2014, the date MBI's post-IPO lock-up period ends.

62. For each share of MBI common stock purchased before January 29, 2014 and:

- A. **Sold before the opening of trading on August 7, 2014**, the Recognized Loss Amount shall be zero.
- B. **Sold after the opening of trading on August 7, 2014 through August 31, 2015**, the Recognized Loss Amount shall be the purchase/acquisition price (not to exceed the issue price at the offering of \$12.00) *minus* the sale price.
- C. **Sold on or after September 1, 2015**, the Recognized Loss Amount shall be the purchase/acquisition price (not to exceed the issue price at the offering of \$12.00) *minus* the sale price (not to be less than \$2.02, the closing share price on September 1, 2015).
- D. **Retained through August 1, 2016**, the Recognized Loss Amount shall be the purchase/acquisition price (not to exceed the issue price at the offering of \$12.00) *minus* \$2.02, the closing share price on September 1, 2015.

## SECONDARY SECURITIES ACT CLAIMS CALCULATIONS

63. The Secondary Section 11 Securities Act claims asserts in the Action serve as the basis for the calculation of Secondary Securities Act Recognized Loss Amounts. Section 11 provides a statutory formula for the calculation of damages under that provision. The formula set forth below, developed by Plaintiffs' damages expert, generally tracks the statutory formula. For purposes of the calculations, November 3, 2014 is the date of suit, and August 1, 2016 is the proxy for the date of judgment.

64. Recognized Loss Amounts will be calculated pursuant to the following formula for each share that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of any Recognized Loss Amount results in a negative number, that number shall be set to zero.

65. The Securities Act predicates recovery from the Secondary Fund on a claimant demonstrating that each share of MBI common stock was purchased directly in or "traceable" to the Secondary Offering. For purposes of this plan of allocation, this means that recovery from the Secondary Fund is limited to those purchases directly in the Secondary Offering on June 6, 2014.

66. For each share of MBI common stock purchased in the Secondary Offering and:

- A. **Sold before the opening of trading on August 7, 2014**, the Recognized Loss Amount shall be zero.
- B. **Sold after the opening of trading on August 7, 2014 through November 3, 2014**, the Recognized Loss Amount shall be the purchase/acquisition price (not to exceed the issue price at the offering of \$9.50) *minus* the sale price.
- C. **Sold on or after November 4, 2014**, the Recognized Loss Amount shall be the purchase/acquisition price (not to exceed the issue price at the offering of \$9.50) *minus* the sale price (not to be less than \$2.53, the closing share price on November 4, 2014).
- D. **Retained through August 1, 2016**, the Recognized Loss Amount shall be the purchase/acquisition price (not to exceed the issue price at the offering of \$9.50) *minus* \$2.53, the closing share price on November 4, 2014.

## EXCHANGE ACT CLAIMS CALCULATION

67. Exchange Act claims were asserted under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, as well as Section 20(a) of the Exchange Act. The calculations for Exchange Act Recognized Loss Amounts reflect Plaintiffs' allegations that the prices of MBI securities were artificially inflated during the Class Period due to Defendants' alleged misrepresentations and/or omissions. Plaintiffs' damages expert has estimated the artificial inflation in MBI securities during the Settlement Class Period as reflect in Table A below.

68. In order to have recoverable Exchange Act damages, disclosure of the alleged misrepresentations or omissions must be the cause of the decline in the price of MBI common stock. In this case, Plaintiffs allege that Defendants made false statements and omitted material facts during the period from August 1, 2013 through and including November 9, 2015, which had the effect of artificially inflating the prices of MBI common stock. Plaintiffs further allege that corrective disclosures removed artificial inflation from the price of MBI common stock on August 7, 2014, September 3, 2014, November 14, 2014, May 18, 2015, and November 10, 2015. In order to have an Exchange Act Recognized Loss Amount with respect to any given purchase, MBI common stock must have been purchased/acquired during the Section 10(b) Class Period and held through at least one of the alleged corrective disclosures.

69. Exchange Act Recognized Loss Amounts will be calculated pursuant to the following formula for each share that is listed in the Claim Form and for which adequate documentation is provided. To the extent that the calculation of any Recognized Loss Amount results in a negative number, that number shall be set to zero.

70. For each share of MBI common stock purchased or otherwise acquired from August 1, 2013 through and including November 10, 2015, and:

- A. **Sold before the opening of trading on August 7, 2014**, the Recognized Loss Amount shall be zero.
- B. **Sold after the opening of trading on August 7, 2014 and before the close of trading on November 10, 2015**, the Recognized Loss Amount shall be *the lesser of*:
  - (1) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Column [2] of Table A below *minus* the dollar artificial inflation applicable to each such share on the date of sale as set forth in Column [2] of Table A below; or
  - (2) the actual purchase/acquisition price *minus* the actual sales price.
- C. **Sold after the close of trading on November 10, 2015 and before the close of trading on February 8, 2016**, the Recognized Loss Amount shall be *the least of*:
  - (1) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Column [2] of Table A below;
  - (2) the actual purchase/acquisition price *minus* the average closing price of MBI common stock from November 10, 2015, up to the date of sale as set forth in Column [3] of Table B below<sup>4</sup>; or
  - (3) the actual purchase/acquisition price *minus* the actual sales price.
- D. **Held as of the close of trading on February 8, 2016**, the Recognized Loss Amount shall be *the lesser of*:
  - (1) the dollar artificial inflation applicable to each such share on the date of purchase/acquisition as set forth in Column [2] of Table A below; or
  - (2) the purchase price minus \$1.34, the average closing price for MBI common stock between November 10, 2015 and February 8, 2016 (the last entry in Column [3] of Table B).

#### ADDITIONAL PROVISIONS

71. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in ¶ 75 below) is \$10.00 or greater.

72. If a Settlement Class Member has more than one purchase or sale of MBI common stock, purchases and sales will be matched on a First In, First Out (“FIFO”) basis. Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Settlement Class Period.

73. A Claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

74. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total

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<sup>4</sup> Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act 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 to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of MBI common stock during the 90-day look-back period. The mean (average) closing price for MBI common stock during this 90-day look-back period was \$1.34.

amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

75. Purchases and sales of MBI common stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance, or operation of law of MBI common stock during the Settlement Class Period will not be deemed a purchase or sale of MBI common stock for the calculation of an Authorized Claimant's Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase of MBI common stock unless (i) the donor or decedent purchased the shares during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

76. The date of covering a "short sale" is deemed to be the date of purchase of the MBI common stock. The date of a "short sale" is deemed to be the date of sale of MBI common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on "short sales" is zero. In the event that a Claimant has an opening short position in MBI common stock, his, her, or its earliest Settlement Class Period purchases of MBI common stock will be matched against the opening short position, and not be entitled to a recovery, until that short position is fully covered.

77. Option contracts are not securities eligible to participate in the Settlement. With respect to shares of MBI common stock purchased or sold through the exercise of an option, the purchase/sale date of the MBI common stock is the exercise date of the option and the purchase/sale price of the MBI common stock is the exercise price of the option.

78. If a Claimant had a market gain with respect to his, her, or its overall transactions in MBI common stock during the Settlement Class Period, the value of the Claimant's Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in MBI common stock during the Settlement Class Period but that market loss was less than the Claimant's total Recognized Claim calculated above, then the Claimant's Recognized Claim will be limited to the amount of the actual market loss.

79. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in MBI common stock during the Settlement Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount<sup>5</sup> and (ii) the sum of the Total Sales Proceeds<sup>6</sup> and Holding Value.<sup>7</sup> This difference will be deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in MBI common stock during the Settlement Class Period.

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

81. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Plaintiffs, Plaintiffs' Counsel, Plaintiffs' damages expert, the Settling Defendants, MBI, Defendants' Counsel, or any of the other Plaintiffs' Releasees or Defendants'

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<sup>5</sup> The "Total Purchase Amount" is the total amount the Claimant paid (excluding commissions and other charges) for MBI common stock purchased during the Settlement Class Period.

<sup>6</sup> The Claims Administrator will match any sales of MBI common stock during the Settlement Class Period first against the Claimant's opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of MBI common stock sold during the Settlement Class Period will be the "Total Sales Proceeds."

<sup>7</sup> The Claims Administrator will ascribe a value of \$2.21 per share for MBI common stock purchased during the Settlement Class Period and still held as of the close of trading on November 10, 2015 (the "Holding Value"). The Holding Value is based on the closing price of MBI common stock on November 11, 2015, the day after the last day of the Settlement Class Period.

Releasees, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further orders of the Court. Plaintiffs, the Settling Defendants and their respective counsel, and all other Defendants' Releasees, shall have no responsibility or liability whatsoever for: the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

82. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Plaintiffs after consultation with their damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.MBISecuritiesLitigationSettlement.com](http://www.MBISecuritiesLitigationSettlement.com).

**TABLE A**

**Estimated Artificial Inflation from August 1, 2013  
through and including November 10, 2015**

<b>Transaction Date [1]</b>	<b>Inflation Per Share [2]</b>
August 1, 2013 – August 7, 2014	\$7.75
August 8, 2014 – September 3, 2014	\$4.09
September 4, 2014 – September 5, 2014	\$1.64
September 6, 2014 – November 17, 2014	\$1.49
November 18, 2014 – May 19, 2015	\$1.18
May 20, 2015	\$0.59
May 21, 2015 – November 10, 2015	\$0.30

**TABLE B****MBI Closing Price and Average Closing Price  
November 10, 2015 to February 8, 2016**

<b>Date [1]</b>	<b>Closing Price [2]</b>	<b>Average Closing Price Between November 10, 2015 and Date Shown [3]</b>
11/10/2015	2.3	2.30
11/11/2015	2.21	2.26
11/12/2015	2.22	2.24
11/13/2015	2.35	2.27
11/16/2015	2.25	2.27
11/17/2015	2.19	2.25
11/18/2015	2.15	2.24
11/19/2015	2.06	2.22
11/20/2015	2.11	2.20
11/23/2015	2.07	2.19
11/24/2015	1.96	2.17
11/25/2015	1.97	2.15
11/27/2015	1.99	2.14
11/30/2015	1.86	2.12
12/1/2015	1.96	2.11
12/2/2015	1.91	2.10
12/3/2015	1.87	2.08
12/4/2015	1.75	2.07
12/7/2015	1.67	2.04
12/8/2015	1.50	2.02
12/9/2015	1.36	1.99
12/10/2015	1.31	1.96
12/11/2015	1.11	1.92
12/14/2015	1.16	1.89
12/15/2015	1.12	1.86
12/16/2015	1.12	1.83
12/17/2015	1.23	1.81
12/18/2015	1.29	1.79
12/21/2015	1.30	1.77
12/22/2015	1.24	1.75

<b>Date [1]</b>	<b>Closing Price [2]</b>	<b>Average Closing Price Between November 10, 2015 and Date Shown [3]</b>
12/23/2015	1.25	1.74
12/24/2015	1.23	1.72
12/28/2015	1.19	1.70
12/29/2015	1.19	1.69
12/30/2015	1.05	1.67
12/31/2015	1.10	1.66
1/4/2016	1.09	1.64
1/5/2016	1.04	1.62
1/6/2016	1.01	1.61
1/7/2016	0.91	1.59
1/8/2016	0.85	1.57
1/11/2016	0.89	1.56
1/12/2016	0.90	1.54
1/13/2016	0.85	1.53
1/14/2016	0.72	1.51
1/15/2016	0.78	1.49
1/19/2016	0.76	1.48
1/20/2016	0.80	1.46
1/21/2016	0.85	1.45
1/22/2016	0.86	1.44
1/25/2016	0.85	1.43
1/26/2016	0.86	1.42
1/27/2016	0.89	1.41
1/28/2016	0.88	1.40
1/29/2016	0.91	1.39
2/1/2016	0.95	1.38
2/2/2016	0.99	1.37
2/3/2016	0.94	1.37
2/4/2016	0.90	1.36
2/5/2016	0.90	1.35
2/8/2016	0.91	1.34