

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

HOWARD L. HOWELL, Lead Plaintiff, ELLISA
PANCOE, Individually and on Behalf of All Others
Similarly Situated,
Plaintiffs,
v.
JBI, INC., f/k/a 310 HOLDINGS, INC., JOHN
BORDYNUIK, and RONALD BALDWIN, JR.,
Defendants.

Case No. 3:11-CV-00545-RCJ-WGC

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

IF YOU PURCHASED OR ACQUIRED JBI, INC. SECURITIES BETWEEN AUGUST 28, 2009 AND JANUARY 4, 2012, 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: JBI, Inc., formerly 310 HOLDINGS, Inc. ("JBI" or "310 Holdings" or the "Company") common stock (stock symbol: JBII) purchased or acquired between August 28, 2009 and January 4, 2012, inclusive (the "Class Period").

Settlement Fund: Between 1.75 million and 3 million shares (the number of shares is dependent on the price per share at the conclusion of this Litigation) of JBI, Inc. common stock. Your recovery will depend on the number of shares of JBI stock you, and other Class Members who file claims, purchased and sold and the prices at which you, and the other Class Members who file claims, purchased and sold those shares. The estimated average recovery per share of common stock will be approximately \$0.07 per share¹ before deduction of Court-approved fees and expenses and costs of notice and claims administration. See "Statement of Recovery" and Question 8 below for more detail.

Reasons for Settlement: The case has been litigated since July 2011. The Plaintiffs and Lead Counsel believe that the Settlement provides the Class with a benefit now, instead of years of further uncertain litigation, including disposition of summary judgment motions, a contested trial and likely appeals, with the possibility of no recovery at all. Additionally, Plaintiffs have factored in that Defendants are currently without insurance coverage, which could preclude Defendants ability to finance a future judgment.

Plaintiffs allege that JBI's stock price was artificially inflated as a result of a series of untrue or materially misleading statements concerning JBI's improper valuation of media credits acquired by the Company in connection with its acquisition of JavaCo, Inc. Plaintiffs further contend that the Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation.

The Defendants have denied and continue to deny each and all of the allegations made and claims brought by Plaintiffs, maintain that they have meritorious defenses and contend that many of the factual allegations are materially inaccurate. The Defendants also have denied and continue to deny, *inter alia*, the allegations that Plaintiffs or the Class have suffered damages, that the prices of JBI common stock 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 or otherwise.

Nonetheless, the Defendants 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. The Defendants also 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.

If the Case Had Not Settled: The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial and likely appeals. A trial is a risky proposition. The claims in the 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 the 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 JBI securities during the Class Period; and (4) the method for determining whether, and the extent to which, purchasers of JBI stock suffered injury and damages that could be recovered at trial.

¹ Between April 11, 2014 and July 10, 2014, the average closing price for the Company's common stock was \$0.13847. Accordingly, if the settlement amount were calculated as of July 10, 2014, the value of the Company's shares under the terms of the proposed settlement would be \$415,423 (the average closing price of \$0.13847 x 3,000,000 shares). Along with the \$35,437 for the proposed amount of reimbursement of litigation expenses and \$164,563 for the proposed amount for the provision of settlement administration costs, the total value of the settlement as of July 10, 2014 would be \$615,423. Under the terms of the proposed settlement, the actual value of the settlement will be dependent upon the price of JBI's common stock as of the date of entry of final judgment.

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 one-fourth (1/4 or 25%) of the Settlement Fund. The Lead Plaintiffs will also request reimbursement of their actual costs and expenses (including lost wages) directly related to their representation of the Class, not to exceed \$5,000 each.

As part of the Settlement, Defendants are reimbursing Lead Counsel for mediation related expenses. Lead Counsel will not move the Court for the reimbursement of any other expenses.

If the above amounts are requested and approved by the Court, the average cost per share of common stock will be approximately \$0.07 per share, making the estimated recovery per share after fees and expenses approximately \$0.06.²

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 the Defendants (including, but not limited to, 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 (to the extent Members of the Class have such 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:	April 17, 2015
File Objection:	April 6, 2015
Request Exclusion:	April 6, 2015
Court Hearing on Fairness of Settlement:	April 27, 2015

More Information: www.JBISecuritiesLitigation.com

Claims Administrator:
JBI, Inc. Securities Litigation
 Gilardi & Co. LLC
 P.O. Box 8040
 San Rafael, CA 94912-8040
 1-888-283-2856

Lead Counsel:
 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

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.

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 Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.

Unless you timely request exclusion from the 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 the Court holds the Settlement Hearing on April 27, 2015. The Court has not decided the merits of this case.

WHAT THIS NOTICE CONTAINS

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² These amounts are based on the valuation provided in Note 1 above.

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UNDERSTANDING YOUR PAYMENT

BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or acquired JBI securities between August 28, 2009 and January 4, 2012, inclusive.

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 District of Nevada, and the case is known as *Howell v. JBI, Inc. et al.*, Case No. 3:11-cv-00545-RCJ-WGC. Howard L. Howell is called the Lead Plaintiff, and the Lead Plaintiff and plaintiff Ellisa Pancoe are together referred to as Plaintiffs. The companies and persons they have sued, including JBI, 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.

JBI is a Nevada corporation with its principal executive offices located at 1783 Allanport Road, Thorold, Ontario, L0S 1K0. JBI purports to be a domestic alternative oil and gas company. During the Class Period, JBI securities traded on the OTC Bulletin Board ("OTCBB") and the OTCQX U.S. Premier marketplace ("OTCQX") under the ticker symbol "JBII."

Plaintiffs allege that, during the Class Period, JBI's stock price was artificially inflated as a result of a series of untrue or materially misleading statements concerning JBI's improper valuation of media credits acquired by the Company in connection with its acquisition of JavaCo, Inc. Plaintiffs further contend that the Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation.

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.

As part of the settlement approval process, Plaintiffs will ask the court to certify a Class for settlement purposes only. The proposed class will consist of all persons or entities who purchased or otherwise acquired JBI's securities between August 28, 2009 and January 4, 2012, inclusive, and who were damaged thereby. All Class Period purchasers of JBI securities are members of the Class, except those persons who timely file a request for exclusion by April 6, 2015. All persons who do not timely exclude themselves from the Class will be bound by the proposed Settlement and its accompanying Release.

4. Why Is There a Settlement?

The Court did not decide in favor of the Plaintiffs or the Defendants. Instead, both sides agreed to a Settlement. This permits them to avoid the cost and uncertainty of a trial, 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. The 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 JBI's securities between August 28, 2009 and January 4, 2012, inclusive, and who were damaged thereby.**

6. What Are the Exceptions to Being Included?

You are not a Class Member if you are a Defendant, their corporate affiliates, members of their immediate families, and their heirs, successors and assigns, and any officers or directors of JBI.

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 1.75 million and 3 million shares (the number of shares is dependent on the price per share at the conclusion of this Litigation) of JBI, Inc. common stock. Per the Stipulation of Settlement: if the price of JBI's common stock is less than \$0.50 per share (based upon the average closing price for the 90 days preceding Court's entry of the Judgment) on the date of the Judgment, the Company will issue three (3) million shares of common stock which will comprise the Settlement Fund; if the price of JBI's common stock falls between \$0.50 and \$0.70 per share (based upon the average closing price for the 90 days preceding Court's entry of the Judgment) on the date of the Judgment, the Company will issue two and one-half (2.5) million shares of common stock which will comprise the Settlement Fund; and, if the price of JBI's common stock is more than \$0.70 per share (based upon the average closing price for the 90 days preceding Court's entry of the Judgment) on the date of the Judgment, the Company will issue one and three-quarters (1.75) million shares of common stock which will comprise the Settlement Fund. Between April 11, 2014 and July 10, 2014, the average closing price for the Company's common stock was \$0.13847. Accordingly, if the settlement amount were calculated as of July 10, 2014, the value of the Company's shares under the terms of the proposed settlement would be \$415,423 (the average closing price of \$0.13847 x 3,000,000 shares). Along with the \$35,437 for the proposed amount of reimbursement of litigation expenses and \$164,563 for the proposed amount for the provision of settlement administration costs, the total value of the settlement as of July 10, 2014 would be \$615,423. Under the terms of the proposed settlement, the actual value of the settlement will be dependent upon the price of JBI's common stock as of the date of entry of final judgment.

The distribution of the stock shall be pursuant to Section 3(a)(10) of the Securities Act of 1933. The stock shall not constitute "restricted securities" pursuant to the Securities Act of 1933, and may be sold or transferred by recipients thereof who are not affiliates of JBI (as that term is defined in Rule 144 of the Securities Act of 1933) or recipients deemed to be underwriters under the Securities Act of 1933 without registration under § 5 of the Securities Act of 1933 or compliance with Rule 144.

The balance of this fund after payment of Court-approved attorneys' fees, and the award to Plaintiffs for their time and effort in prosecuting this Litigation (the "Net Settlement Fund") will be divided among all eligible Class Members who send in valid claim forms.

Separately from the Settlement Fund, Defendants will directly pay for the cost of the claims administration, which includes the mailing of notice to Class Member, and will reimburse Lead Counsel for mediation related expenses.

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 JBI shares 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 shown below in the 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.JBISecuritiesLitigation.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 April 17, 2015.

11. When Will I Receive My Payment?

The Court will hold a hearing on April 27, 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?

As a Class Member, you will be giving up certain rights that you currently have if the Court approves the Settlement. Unless you timely exclude yourself from the Class by the April 6, 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 *Howell v. JBI, Inc. et al.*, Case No. 3:11-cv-00545-RCJ-WGC. You must include your name, address, telephone number, your signature, and the number of shares of JBI stock you purchased or acquired between August 28, 2009 and January 4, 2012, inclusive, the number of shares sold during this time period, if any, and the dates of such purchases and/or sales. You must mail your exclusion request postmarked no later than April 6, 2015 to:

JBI, Inc. Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040
1-888-283-2856

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 their 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 April 6, 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 of one-fourth (1/4) of the Settlement Fund. The Plaintiffs will also request reimbursement of their actual costs and expenses (including lost wages) directly related to their representation of the Class, not to exceed \$5,000 each. 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.

As part of the Settlement, Defendants are reimbursing Lead Counsel for mediation related expenses. Lead Counsel will not move the Court for the reimbursement of any other expenses.

The attorneys' fees 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 July 2011, Lead Counsel have conducted all of the investigation, research and briefing necessary to prepare the case for trial, and consulted experts regarding the damages. To date, Lead Counsel has not been paid for their services in conducting this Litigation on behalf of the Plaintiffs and the Class, nor for their expenses. Lead Counsel have expended to date more than 600 hours of attorney time in prosecuting the Class's claims. The fee requested will compensate Lead Counsel for their work in achieving 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 counsel should receive from the Settlement Fund for fees, 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 *Howell v. JBI, Inc. et al.*, Case No. 3:11-cv-00545-RCJ-WGC. Be sure to include your name, address, telephone number, your signature, the number of shares of JBI common stock purchased and/or acquired between August 28, 2009 and January 4, 2012, 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 March 23, 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 such that it is received by **each** of the following no later than April 6, 2015:

Court:

Clerk of the Court
Bruce R. Thompson Federal Building & U.S. Courthouse
400 S. Virginia St.
Reno, Nevada 89501

Lead Counsel Designee:

Lionel Z. Glancy, Esq.
Glancy Binkow & Goldberg LLP
1925 Century Park East, Suite 2100
Los Angeles, California 90067

Defendants' Counsel Designee:

Michael R. MacPhail, Esq.
3200 Wells Fargo Center
1700 Lincoln Street
Denver, CO 80203-4532

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 on April 27, 2015, at 10:00 a.m., before Chief Judge Robert C. Jones, at the United States District Court for the District of Nevada, Bruce R. Thompson Federal Building & U.S. Courthouse, 400 S. Virginia St., Courtroom 6, Reno, Nevada 89501. 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 pay to Lead Counsel 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 *Howell v. JBI, Inc. et al.*, Case No. 3:11-cv-00545-RCJ-WGC. Be sure to include your name, address, telephone number, your signature, the number of shares of JBI common stock purchased and/or acquired between August 28, 2009 and January 4, 2012, inclusive. Your notice of intention to appear must be received no later than April 6, 2015, by the Clerk of the Court, Lead Counsel Designee and the Defendants' Counsel Designee, at the three addresses listed in question 18.

IF YOU DO NOTHING

22. What Happens if I Do Nothing at All?

If you do nothing, all of your claims against the 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 8, 2013. 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
1-888-773-9224
settlements@glancylaw.com

or the Claims Administrator:
JBI, Inc. Securities Litigation
Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040
1-888-283-2856

or by visiting www.JBISecuritiesLitigation.com

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

Clerk of the Court
Bruce R. Thompson Federal Building & U.S. Courthouse
400 S. Virginia St.
Reno, Nevada 89501

UNDERSTANDING YOUR PAYMENT

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

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 below. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Class Members. The Recognized Loss formula, which is also known as the Plan of Allocation, 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.

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.

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.

JBI, Inc. Securities Litigation Proposed Plan of Allocation

For shares of common stock purchased or otherwise acquired between August 28, 2009 and January 4, 2012:

- A. For shares held at the end of trading on April 2, 2012, 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 \$1.400.³
- B. For shares sold between August 28, 2009 and January 3, 2012, 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 January 4, 2012 and April 2, 2012, 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 average closing price between January 4, 2012 and the date of sale.⁴

Table A

Purchase or Sale Date Range	Artificial Inflation Per Share
08/28/2009 – 05/20/2010	\$2.58
05/21/2010 – 07/20/2011	\$1.92
07/21/2011 – 01/04/2012	\$1.29

³ 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 closing price of JBI common stock during the 90-day period beginning on January 4, 2012 and ending on April 2, 2012 was \$1.400.

⁴ 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."

JBI, Inc. Securities Litigation
Summary of Damages and Settlement Recovery Under Proposed Allocation

			<u>Calculation</u>
(1)	Number of Shares Purchased and Damaged:	8,693,847	
(2)	Total Damages Based on Plan of Allocation:	\$7,491,115	
(3)	Average Compensable Damage per Share:	\$0.862	(2) / (1)
(4)	Settlement Amount:	\$615,423	
(5)	Settlement Amount as % of Damages:	8.21%	(4) / (2)
(6)	Average Settlement Recovery per Share:	\$0.071	(5) x (3)
(7)	Attorney's Fees and Expenses:	\$0.016	(25% x \$415,423) + \$35,437 / (1)
(8)	Average Recovery per share after Attorneys' Fees and Expenses:	\$0.55	(6) - (7)

Notes:

(4) Calculation of Settlement Amount @ 7/10/2014:

\$415,423	(04/11/2014 - 07/10/2014 Average Closing Price \$0.13847 x 3,000,000 shares)
\$35,437	Proposed Amount of Reimbursement of Litigation Expenses
+ \$164,563	<u>Settlement Administration Cost Provision</u>
= \$615,423	Total Value of Settlement

(7) Attorney's Fees and Expenses include \$35,437 reimbursement for expenses incurred during litigation.

(8) This amount does not include the costs of claims administration.

A purchase or sale of JBI common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

The receipt or grant by gift, devise or operation of law of JBI common stock during the Class Period shall not be deemed a purchase or sale of JBI common stock shares 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 JBI common stock 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.

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

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

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.

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.

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 JBI common stock purchased or acquired between August 28, 2009 and January 4, 2012, 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:

JBI, Inc. Securities Litigation
 Claims Administrator
 c/o Gilardi & Co. LLC
 P.O. Box 8040
 San Rafael, CA 94912-8040

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.