

From: EEA Investors [mailto:EEAInvestors@gmail.com]
Sent: 17 July 2014 03:57
To: 'Emma Bailey'; Mark Colton; EEA Secretary
Cc: 'Mark Le Page'; 'Carpenter, Tom'; 'martyn dorey'; 'William Amos'
Subject: EEA Potential Run-off Share Sale

Further to my earlier letters, I now have the following updates to report from our members which is further evidence (from the real world) of the cracks and failings in this shambolic process.

EEA Investors need proper Protection, Proper Information / documentation, a Fair and Transparent process and enough time to make proper and informed decisions.

In our opinion, this current process should be stopped immediately, and replaced by a proper and fair proposal to all shareholders and in full accordance with the AIFMD Directive.

Kind Regards

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Standard Life, Edinburgh (Fri 11th July 09:37am) – Email to IFAs)

This email requires you to take action : OFP835 – EEA Life Settlements (the “Fund”) : You have client(s) invested in the above named fund ...

What you have to do : Please read the attached communication and then complete the statement of interest ...

Please return the statement of interest to [Standard Life] as soon as possible but no later than close of business on the **16 July** so we can complete the forms and return them to IAG.

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Friends Provident International (Fri 11th July) (Email to IFAs and clients worldwide – received by a member in Thailand)

Please find attached the latest information we have received regarding [EEA]

If you are interested in participating in such a process as a seller of Run-Off Shares, please send your signed instruction to reach us here no later than **9AM (UK time) on 16th July 2014**. If no expression of interest is received no vote will be logged on your behalf.

[Not sure what the chances are of getting a signed response back from Thailand to the Isle of Man in two working days]

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FG (Fri 11th July 15:30) (Email from European IFA to clients invested in EEA)

- “An institution has performed due diligence on the EEA Life Settlements fund and they are prepared to invest \$ 100m on a ‘predatory’ basis. i.e. they see an opportunity to purchase the assets cheaply.
- On this basis if you are keen to or need to sell some or all of your EEA shares at a discount to the current value (as of the end of May price) this represents an opportunity for you so to do.

- However the institution is after those who are prepared to sell at the lowest price which we are led to believe will at 65% discount i.e. 35% of the current NAV.
- If you wish to make a bid we need to be informed **in writing no later than midnight 15th July** as we need to forward your bid to the life company and await the response.
- Despite the wording in the letter it is available for distribution. **[This was not disclosed in the EEA Letter]**
- Please note that if you opt to sell some or all of your shares and the option is accepted you will not receive any of the potential [June Run-off Redemption] Payment. **[This was not disclosed in the EEA Letter]**
- The time frame is impractically short. EEA say they are regulated by a very short time scale in the UK and have to be consistent with all shareholders. “
[On further enquiry, a source “close” to EEA revealed that
“EEA say they are regulated by a very short time scale. Apparently, due to an AIFMD ruling all such applications have to be submitted by the 22nd July. This ... affects the UK market rather than offshore but EEA have to be consistent in their offering”
EEA have been preparing this process for more than six months, and the UK transition period for AIFMD has been known since before July 2013 (see http://en.wikipedia.org/wiki/Alternative_Investment_Fund_Managers_Directive)
So now the whole EEA investor world has to suffer the consequences of EEA's incompetence and last minute rush to avoid having to comply with the AIFMD Directive.]

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PC (Sat 12th July) (An overseas investor through a Jersey Pension Plan)

Just had my " Shareholders " letter from my IFA in Jersey via email today , said she could not advise me on the issue but wanted to know if i would participate or not asapI would expect to take a hit of 20% at most but that does not seem to fit in with their sell price " parameters " of 30 % - 50 % so my question is if I go for a sell price of 75% (which i think is the ceiling) of the shares and there is no sale would it be best to wait in line until further funds become available ? The whole situation seems to be sketchy on EEA's part and the IFA is as usual no assistance at all .
[There is no actual “ceiling” of 75% that can be offered]

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DW (Sun 13th July 13:18pm) An investor in Spain through Royal Skandia

I have not received anything from Skandia about the proposed sale.
The only thing I have received is the info I sent you last week from [my IFA]. I don't understand enough of this to make an informed decision, so have not done anything yet.

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SS and SK (Sun 13th July) Response to phone calls from two elderly UK investors through Meteor
Thanks for your phone calls this morning. It appears that you didn't receive an email from Meteor because you might not have given them your email address, and they haven't been given the time to send out postal documentation for this scheme.

I'm pleased that we have been able to bridge this gap by sending you the information and documents ourselves and our help to fill them in and get them posted in time.

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DP (Mon 14th July 16:00) (a UK IFA with 13 clients invested in EEA through Scottish Widows and Standard Life)

“Nothing from Standard Life yet but they normally are behind others in sending detail.

I will not be recommending any clients to take part in this blind auction. This is the way to run charity events not a business venture. Especially after what has happened to date”

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PL (Mon 14th July 12:05pm) A UK investor through Transact)

Does the [sale] and statements of interest have any bearing for continuous share holders?
[Continuing shareholders are barred from participating but might see 30-40% of total EEA shares in the hands of two or three hedge funds, without their knowledge]

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FR (Mon 14th July 16:08) A UK IFA with 14 clients invested in EEA through Transact [We believe that Transact Nominees hold almost 5% of EEA shares]

“I have just received the following email from Transact with information about the sale. How are Continuing shareholders affected ?”

[He would now have to contact his clients to explain / discuss and take appropriate actions before the Transact deadline of midnight on 16th July]

[As a result of the potential sale, Continuing shareholders might see 30-40% of total EEA shares in the hands of two or three hedge funds, without their knowledge]

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Generali Europe (Tue 15th July 10:17am) (Email response to an international IFA with more than 30 clients worldwide invested in EEA through Generali)

“ We did not send [anything] out to shareholders as this would have suggested that we wanted their expression of interest. “

xxx : Senior Administrator , Professional Portfolio Client Services Team

MH (Tue 15th July 14:50pm) (Investor from Spain through Royal London 360)

Just had a conversation with [my IFA] who sounded genuinely shocked. He says that he has now determined that the [Run-off Redemption payment] next month is much more likely to be in line with what you were saying [1 – 2%]. He was shocked because he says that he took the 10% from an official letter from EEA which was not for distribution beyond IFAs.

I find this most disturbing that they are officially spreading lies and in the same breath looking for a decision on selling out. Nothing short of criminal and [my IFA] agreed.

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LR (Tue 15th July 11:57am) (An investor in Thailand through Friends Provident International who didn't receive anything from FPI and asked EEA why the Shareholder Letter for the run-off sale was not on the EEA website)

Dear LR - The letter you refer to contains commercially sensitive information which is only available to shareholders and their professional advisers. You should contact FPI or your professional adviser for more information.

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EJ (Wed 16th July 19:18pm) (An investor in Scotland with EEA shares in a pension fund, which she would like to have offered for sale at 30 – 40%.

“I have done a bit of phoning around this morning and I have found out that SEB (formerly Irish Life) will be responding to the letter regarding sale on behalf of their investors and they will be asking for market value at the NAV level. I have clarified that communication should flow from EEA - SEB - Hornbuckle and Mitchell - IFA - me!
At least in all of this we have alerted my IFA to the impending sale and communication.”

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PH (Wed 16th July 16:07pm) (A Direct EEA shareholder from Barbados, currently visiting family in the UK)

I have not been checking online whilst with family but now see your note about EEA share sale ... form to be completed by 17th July !!
Please could you enlighten me as to what this is about and if possible send copy of form to send as soon as I can or hopefully online.

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