

By Donna Horowitz  
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Fearing that few shareholders in the EEA Life Settlements Fund PCC will be able to make back-to-back annual meetings in Guernsey on Dec. 31 due to a lack of flights that day, the EEA Investors Group has asked the fund manager to cancel the meetings.

In a letter sent Tuesday, Dec. 17, to Mark Colton, chairman of London-based EEA Fund Management Ltd., David Trinkwon, co-organizer of the group, said he planned to attend the meetings representing a number of shareholders, but it would be better if they were canceled because they conflict with holiday arrangements and the lack of flights.

The group instead suggested that the company reconvene the meetings in January.

"Given the circumstances of the Company during 2011 and 2012, these are very important meetings from the shareholder's perspective, and our first request is that you cancel both meetings and reconvene them for a date in January 2014," Trinkwon said in his letter.

He also said most shareholders had not yet received notices and proxy forms and many providers don't appear to be sending out information to shareholders.

Trinkwon said the investors' group has distributed the meeting notices and forms to its own members, but they are having difficulty getting letters of representation or proxies from their intermediaries or nominee shareholders.

"This was entirely foreseeable, and possibly deliberate on the part of the Company," he said in his letter.

The meetings were scheduled by the fund manager to present the fund's financial statements for 2011 and 2012.

"These Reports are especially critical during these troubled times for the Company. Shareholders must have proper opportunity to question them and accept or reject them," Trinkwon's letter said.

He said the investors' group, which claims to represent 200 shareholders, is preparing a number of questions to ask about the fund's financial affairs, so more time is needed. In addition, he said that the fund manager needs to make sure that all the directors, accountant and auditors are present to respond.

"We would also like the Board to include a Resolution that enables the shareholders to censure the Board for repeatedly failing to meet deadlines for the publication of interim and final accounts for 2011, 2012 (and 2013 ?), for failing to resolve differences with the auditor for 2011 (still unresolved even now), and for failing to keep shareholders properly informed of the actual reasons for the repeated delays," the letter said.

Trinkwon sent a copy of the letter to Mark Le Page, assistant director of the Guernsey Financial Services Commission, which regulates the fund.

Neither Colton nor the company's outside public relations representative Martin Stott were immediately available to respond.

EEA's 2012 annual report, which was released Dec. 12, showed that the value of the fund had dropped by \$178 million in 2012. The fund held 588 life insurance policies valued at \$693 million at the end of 2012 compared to 674 policies valued at \$871 million at the end of 2011.

The fund manager suspended redemptions from the fund at the end of 2011. The U.K.'s Financial Services Authority called life settlements a "toxic" asset that year, prompting an onslaught of redemption requests.