

EEA Life Settlements
Fund PCC Limited

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By Email

Dear Mr Trinkwon

25 January 2018

We write further to your letter of 23 December 2017 and our response of 4 January 2018.

Since responding to your letter, it has come to the Fund's attention that you have been corresponding directly with Williams and Connolly LLP, the US law firm representing Coventry Capital US LLC ("Coventry") in the proceedings against EEA Life Settlements, Inc. ("EEA Inc") entitled *Coventry Capital US LLC v. EEA Life Settlements, Inc. et al.*, 17-cv-07417. We refer, in particular, to your letter dated 12 December 2017 and email dated 19 January 2018, copies of which are attached for ease of reference.

In your letter to Williams and Connolly LLP, you state that you are the "Coordinator of the UK based EEA Investors Group", established to "to improve outcomes for investors" in the Fund. Other similar statements are made by you on the EEA Investor Group website. Despite purporting to represent such interests, which we assume include a desire for the Fund to deliver the best possible financial returns for investors, you go on to provide Coventry's counsel with comments, information and recommendations, which you believe Coventry "will find helpful" in pursuing its claim against EEA Inc.

You will forgive us for perhaps stating the obvious, but we feel duty bound to remind you of what Coventry is seeking to achieve through the US proceedings against EEA Inc:

1. An order for specific performance which would require EEA Inc to engage in negotiations (exclusively with Coventry) with a view to concluding a final agreement within the framework envisaged by the Letter of Intent of 27 April 2017.

[DT Comment] This is a matter for Coventry, EEA Inc and the Courts. Our only position is that any such sale should be subject to Investor Approval, as per previous correspondence between us

2. Injunctive relief to prevent EEA Inc from (a) selling, transferring, or assigning the policies to anyone other than Coventry or (b) soliciting or entertaining offers from other parties until EEA Inc fulfils its alleged contractual obligations to Coventry. Such an order would clearly undermine EEA Inc's ability to seek out and negotiate a better deal either with Coventry (against a backdrop of competing bids) or with other potential purchasers. The impact that could have on EEA Inc's negotiating position vis-a-vis Coventry should be immediately apparent to you, although your letter suggests that it may not be.

[DT Comment] This is a matter for Coventry, EEA Inc and the Courts. Our only position is that any such sale (to anyone) should be subject to Investor Approval, as per previous correspondence between us

3. Compensatory damages in an amount in excess of \$40M. These damages are sought in addition to any order requiring EEA Inc to negotiate a sale exclusively with Coventry. In the event that Coventry were able to obtain such damages, those damages would have to be paid irrespective of whether a sale proceeds.

[DT Comment] The situation between Coventry and EEA Inc was created by The Manager (presumably with the knowledge and approval of the Fund's Board) who was then

responsible for the relevant negotiations. We have (twice) asked you to confirm that any costs, expenses and damages incurred by EEA Inc must be to the account of The Manager, but you have chosen (twice) not to respond to these requests.

4. Attorneys' fees and expenses that relate to the pursuit of the contemplated transaction and the litigation to exceed \$100,000 and all costs and expenses of pursuing a Definitive Agreement, including time spent by Coventry.

[DT Comment] We have (twice) asked you to confirm that any costs, expenses and damages incurred by EEA Inc must be to the account of The Manager, but you have chosen (twice) not to respond to these requests.

In addition, you will appreciate that EEA Inc is having to incur significant legal costs in defending this unmeritorious claim, which costs are likely to have increased as a direct result of your intervention. The inaccuracies contained in your correspondence (which we are not addressing in detail here) will only add to those costs.

[DT Comment] We have (twice) asked you to confirm that any costs, expenses and damages incurred by EEA Inc must be to the account of The Manager, but you have chosen (twice) not to respond to these requests. We are not aware of any inaccuracies in our correspondence but would be happy to correct any errors if you would be kind enough to point them out.

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As stated, EEA Inc believes that the allegations advanced by Coventry are wholly without merit and, accordingly, it has instructed US counsel vigorously to defend the US proceedings. Even if Coventry is unsuccessful in its claim against EEA Inc, the allegations you have made will undoubtedly result in additional legal costs being incurred in having to address them, if and when they are relied upon by Coventry in the US proceedings.

[DT Comment] This is speculation on your part. If Coventry use any facts from the information that we have provided then that is their prerogative – facts are facts. We're not aware that we have made any "allegations" against EEA Inc, but again we would be happy to correct our information if you would be kind enough to provide the examples or evidence.

Despite the obvious harm that the claim by Coventry may cause to the Fund, you state in your letter that "you welcome Coventry's initiative in bringing these matters to light [namely issues concerning the price at which a sale might proceed, and what if any obligation there was on the Fund to seek investor consent to the proposed sale] and in pursuing them in Court". Remarkably, you then go on to state "please feel free to use the information in this letter and the Appendix in any relevant way as you proceed with Coventry's complaint [against EEA Inc.]".

[DT Comment] Correct

Your above statements are directly at odds with your previous assurance given in an email dated 12 October 2017 (which has not been posted to the EEA Investor Group website) that you would not comment on the allegations in Coventry's complaint, leaving any comments for the lawyers and court to address.

[DT Comment] We have NOT commented on the Coventry allegations – they will be argued in Court by the relevant parties. We have tried to correct Coventry's understanding of some of the information contained within their Complaint and the subsequent Court documents (e.g. that Guernsey is not in the UK). In response to your comment that our email of 12 October 2017 has not been posted on our website, I have now added it to the Coventry tab.

Your efforts to support a third party which is pursuing a claim against EEA Inc, in furtherance only of its own interests and, we believe, to divert attention from what is in our view its own bad faith attempt to negotiate through litigation, is a matter of grave concern to the Fund, and we believe should also be of concern to investors generally.

[DT Comment] We are not a party to the dispute or the Court proceedings, but we do have an interest in the outcome. We also don't necessarily trust the Manager or the Board to always act in the best interest of investors – which we have told you and GFSC many times. We have asked a number of detailed questions of the Fund on these matters but have not received any substantive response. Our position (as investors) was clearly summarised in our letter to Williams and Connolly.

We should emphasise that it is entirely a matter for you to decide whether to continue to assist Coventry. However, if your objective is, indeed, to further the interests of investors in the Fund, then we do not believe that supporting a third party which is pursuing an entirely unrelated and, we believe, unmeritorious cause of action against the Fund is consistent with that objective. In this regard, the Fund reserves its rights against you in full.

[DT Comment] We are not assisting Coventry *per se* and we have no view on the merits or otherwise of their Complaint or how it should proceed. We DO have concerns about the conduct of The Manager and EEA Inc on behalf of the Fund and some of the information revealed in the Coventry Complaint regarding the remaining portfolio. We are not pursuing any unmeritorious causes of action against the Fund.

In the interest of transparency, and in view of the fact that you chose to publish your letter of 12 December 2017 on the EEA Investor Group website, please ensure that this communication, from the Fund, is published with similar prominence and that the undisclosed investors, whom you purport to represent, are specifically advised of the Fund's serious concerns regarding your actions.

[DT Comment] I have placed this annotated version of your letter on our website, and will cover the matter in our next Update to all members, which is awaiting your own publication of the December NAVs / Fact sheet and the January Redemptions position.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'M Colton', with a long horizontal stroke extending to the right.

Mark Colton
Director