

Deadline Approaching for EEA Investors' Class Action

All EEA Life Settlements Investors (anywhere in the World) should register to participate in a proposed Class Action against the UK Financial Conduct Authority (FCA). That's the recommendation of an updated Bulletin on the EEA Investors' Group web site. A deadline of 14th February 2015 has just been announced for investors to register their participation in the "no win – no fee" Class Action proposal.

The Action is being launched by the separate **Action Group For Life Settlement Fund Investors** based on alleged breaches under the UK Financial Services and Marketing Act (FSMA) 2000 and the European Convention on Human Rights (ECHR), as enacted under the UK Human Rights Act (HRA) 1998.

The allegations relate to an announcement by the UK Financial Services Authority (FSA) on 28th November 2011 which triggered the two-year suspension of the EEA Life Settlements Fund, which is now in "Run-off" mode with no new investment, severe restrictions on redemptions and many unanswered questions about the Fund's future performance and returns for the investors.

The proposed Action claims that the "inappropriate" FSA Announcement, at the start of a Consultation process, was against FSMA2000 and in addition deprived investors of the "peaceful enjoyment of their property" against the HRA.

A spokesman for the EEA Investors' Group says that

"we fully endorse this proposal by our sister Action Group and have posted a Bulletin on our website www.EEAInvestors.com which describes the background and alternatives for EEA investors.

We urge all our members, and other remaining EEA investors, worldwide to participate and register their details on the Action Group website <https://investoraction.wordpress.com/news/> .

They have **NOTHING TO LOSE** and **EVERYTHING TO GAIN** by registering before the 14th February Deadline. If shares are held within Pension, ISA or certain Insurance wrappers then the Administrator or Trustee will have to register for the Action under instruction form the Investor(s), but still within the registration deadline of 14th February.

This includes investors who are already pursuing claims against their UK or other Financial Advisors, where the compensation might be less because of restrictions by the Advisors or their insurers, the UK Financial Ombudsman Service (FOS) or the UK Financial Services Compensation Scheme (FSCS). These actions can proceed in parallel and the final settlements will take any other (partial) compensation received into account. "

The EEA Investors' Group will itself continue to press EEA, its auditors and the Guernsey Regulator to investigate and pursue improved and faster returns for the remaining investors, who currently face a 10 – 20 year wait for their money back, based on current performance and predictions..

BACKGROUND

The EEA Life Settlements Fund was launched in Guernsey in 2005, and has purchased 926 policies on the lives of United States persons diagnosed with illnesses or otherwise short life expectancy of 2-4 years (exceptionally up to eight years). The Fund was suspended in November 2011, following a controversial announcement by the UK Financial Services authority (FSA) that the investments in Traded Life Policies (TLPs) were “toxic” and possibly unsuitable for retail investors.

In 2013 the Company announced a 20% de-valuation of the Fund due to a re-assessment of the outstanding policies, and following severe qualifications by the Auditor (Ernst & Young) of the much delayed 2011 Annual Report and Financial Statements. Ernst & Young subsequently resigned and a new Auditor (Grant Thornton) was appointed in August 2013. The Company announced it’s long awaited Restructuring proposals in September 2013 and these came into effect on 1st January 2014. The Restructuring included dividing the original share “Cells” into Continuing and Run-off classes on the basis of an irrevocable investor election in October 2013. Although investors and the Guernsey Regulator approved the Restructure, the Channel Islands Securities Exchange Authority subsequently refused to relist the EEA shares, which are currently not quoted on any stock exchange and can only be redeemed on the terms specified in the restructuring documents.

The EEA Investors’ Group and the **Action Group for Life Settlements Investors** were formed in October 2013 and February 2014 respectively, as described in the attached joint Bulletin.

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Joint Statement

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Life Settlement 'Investor Action' Group and 'EEA Investors' Group'

In October 2013 the *EEA Investors Group* was established with the aim of furthering the interests of investors (worldwide) who had been adversely affected by the suspension of the EEA Life Settlement Fund in November 2011 and the subsequent restructuring proposed by the Directors of the Fund in September 2013.

In February 2014, the *Action Group for Life Settlement Investors* was set up with the aim of recovering compensation from the UK Government and/or the FSA [now FCA] for the loss of access to investments, subsequent added value, and a consideration for the distress caused by the untimely and inflammatory announcement made by the UK Financial Services Authority (FSA) in November 2011. The FSA announcement resulted in the immediate suspension of the EEA Life Settlement Fund and, over two [now three] years later, investors are still denied access to their savings. The *Action Group* is focused on the actions of the FSA at the time.

The *EEA Investors Group* agrees that the FSA announcement directly caused the EEA Fund suspension, but is focused on concerns about the management of the Fund by EEA, as well as the action of the Guernsey Regulator (GFSC) in approving the eventual restructuring of the Company without suggested conditions or restrictions for the protection of investors. The Group believes that management of the assets, expenses, and valuation-based fees and charges prior to and during the suspension was less than optimal and should be greatly improved for the future, and that this is the best way to maximise the eventual returns to EEA investors worldwide.

Both groups will cooperate fully with each other in pursuing their complementary aims. The success or failure in either of their respective endeavours will have an impact on the ongoing success of the other Group. We believe that the existence of both Groups and their cooperation will benefit all investors in the re-opened EEA Fund going forwards.

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