

*If the links in this update (or on our web page [www.EEAInvestors.com](http://www.EEAInvestors.com)) don't work for you then please let me know*

➤ **FCA Warning to Investors - Claims against UK IFAs**

It's taken longer than expected, but I attach the Bulletin that I promised in my last update. This is in three parts (attached – also available from our website) :

- [Working Paper 8A](#) : Claims Against UK IFAs
- [Working Paper 8b](#) : Risks
- **Working Paper 8C** : Sample Claims Letter ([PDF](#) and [Word](#) formats)

Before deciding whether to submit a claim, please read the **Introduction** and **other warnings in WP8A**. Claims could put many FAs out of business because they are no longer insured for UCIS investments such as EEA and you will not have recourse to the Financial Services Compensation Scheme (FSCS). If it wasn't for the FCA Warning and the impending FOS deadlines, then we would not be recommending claims against FAs except in specific circumstances. We believe that most FAs acted in good faith at the time, based on flawed or missing information from EEA, approved by the Guernsey Regulator. Next week we will be publishing additional information about the many ways in which EEA have apparently mismanaged and misrepresented the Fund, and still seem to be doing so today. Nonetheless, investors don't have a means of recourse against EEA and under the UK Regulatory rules you can only claim for bad or deficient advice from your FA.

➤ **FCA Alert to UK IFAs re Sales to EEA Investors**

I know that I'm going to receive even more flak from endangered FAs

I want to repeat what I said in my last update and in our Press Release dated 27<sup>th</sup> September – we do NOT believe that you are the culprits in this situation, and we have not been recommending investors to claim against you. In the circumstances of the FCA Notice and the impending FOS deadlines then we believe that Investors must now reconsider their positions and options more carefully, and proceed accordingly. To a large extent this was always inevitable, but that doesn't make it any easier to swallow.

However, we also believe that many of you relied (too) heavily on the material and other statements issued by EEA and it's agents and that you and your insurers might have recourse to take action against the Board, the Fund Manager, the Compliance Officer and/or the Marketing Agents. If so then we will provide whatever information and support we can to help you recover some of the costs of meeting claims from Investors. You can investigate and pursue such actions yourselves (or through your trade associations), or we can put you in touch with like minded FA members and/or lawyers if you would like to pursue a collective approach. None of us are enjoying this situation, and wish that the problems had never happened, but we have to deal with circumstances as they are, not as we would have liked them to be.

➤ **FA's - We are NOT your enemy – We Want to be Your Ally**

We believe that many FAs have been over reliant on EEA's views of the Fund and its prospects / problems, and less than willing to give fair consideration to other views, such as ours. We hope that these differences will become clearer next week when we publish our next Working Paper on the EEA Portfolio Analysis and Management. We want to be your ally and supporter in tackling the real causes of all our problems – and it's not the FSA/FCA or the Investors' Group.

➤ **Run-off Shares – June 2014 Redemption (September 2014) and Scam Alert**

Payments are starting to trickle into your bank accounts, but many of you have complained that your money hasn't turned up yet. There seem to be a number of problems, including:

- EEA haven't yet received your W8-BEN forms and anti-Money Laundering paperwork
- Because of FATCA (don't ask) EEA have got to do more checks with nominees and platforms, and they might now be asking you for additional documentation before EEA will release the cash to them.
- Some platforms use external nominees and the cash has to flow back through a bulk chain and be broken down into individual accounts. This seems to be taking a while in some cases.
- One platform appears to have used the payment to offset some of its own charges due, leaving nothing for the investor.

If you can't see your cash by the end of this week then I suggest that you contact your platform and/or IAG (EEA) to check that everything is happening, and unblock whichever part of the pipeline is currently constipated.

The redemptions Please keep me informed of progress / non-progress. Please also email me the actual number of your run-off shares that have been redeemed and the redemption value so that I can update my shareholding records.

➤ **Continuing Shares – Optional / Discretionary 5% Redemption (December 2014)**

We have approached a number of newspapers to spread the word about claiming this 5% redemption, but so far without success. Please continue to spread the word as best you can and let me know how you get on with your particular applications / platforms / intermediaries and any problems that you encounter or help that you need.

It still seems very doubtful whether there will be enough cash available for any redemption payments in December / January (whether for Run-off or Continuing shares) but maybe EEA can find a way to pull a \$50m rabbit from out of a hat somewhere.

➤ **September 2014 Results**

So far, we have only received information on five policies (two lives) that matured during September with a total NDB of almost \$6m. There seem to have been no maturities posted since 7<sup>th</sup> September but we are trying to confirm or update this view. Premium payments and expense for September would be around \$7.3m so with the \$14.6m redemption payment as well, the cash balance at the end of September has probably fallen to around \$133m, \$10m less than is required to maintain a two year premium reserve. We'll try to get a firmer view of September and the year-end projections for next week's update.

➤ **Donations**

I haven't mentioned this for a few weeks. There has been a steady (and welcome) trickle from investors, but still nothing from most of the FAs. I've probably now destroyed any prospects of further donations from that quarter, but every little helps (as the other Company with accounting and auditor difficulties keeps saying). The easiest way is to click on the DONATE button on our web page at [www.EEAInvestors.com](http://www.EEAInvestors.com)

- **ShareSoc Meeting – 14<sup>th</sup> October 16:30 – 18:00**  
**3<sup>rd</sup> Reminder - ShareSoc Campaign.** On the **14<sup>th</sup> October** The UK Individual Shareholder Society is launching a campaign to give full rights to ALL shareholders. At present most private investors purchase shares through nominee accounts. With a very few exceptions this means that they have no automatic rights to vote, to attend General Meetings of companies or even receive information on the affairs of the company.

[Please visit this web page](#) for more info and to register your attendance (it's free, by the way). Please do so NOW to guarantee a place as ShareSoc expect it to be fully booked. Anyone with an interest in restoring shareholder democracy is welcome to attend. Refreshments will be provided.

Speakers at the meeting will include **Stan Grierson** and **Roger Lawson** from **ShareSoc**, **Peter Swabey** from **ICSA**, **John Lee** (Lord Lee of Trafford, a well known FT writer and private investor), **John Kay** (author of the Kay Review and FT writer), and **Michael Kempe** from Capita representing the **ICSA Registrars Group**.

**When: Tuesday the 14th October, commencing at 4.30 p.m.** Duration likely to be approx. 90 minutes.

**Where: The Institute of Chartered Secretaries and Administrators (ICSA), Saffron House, 6-10 Kirby Street, London, EC1N 8TS.** The nearest underground station is Farringdon

I shall be there. If any of you would like to meet me before or after the meeting to discuss EEA stuff then please let me know. I currently also have some spare time between a morning meeting and the ShareSoc meeting. If anyone else in London would like me to pop in for a chat then please let me know.

Kind Regards

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