

*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*

➤ **EEA Announcements (Dec 2014 – Feb 2015)**

- **Updates of Scheme Particulars (Information Memorandum and Supplements)**
- **Fund Commentary and Fact Sheets – Maturity Performance, Cash Balances and Predictions**
- **Appointment of an independent Valuation Agent and Change to Valuation Methodology**
- **Continuing Shareholders 5% Redemption Process**

We have reviewed the above material, plus our other outstanding issues and concerns.

Click to see our [Letter to EEA](#) and the associated [Working Paper WP7D](#)

We now await a response from the Company.

➤ **Class Action Against UK FCA**

The deadline for registration has now passed.

[Around 500 shareholdings have been registered for Stage One](#), representing nearly £50m of original investment.

[Click here to send me an email](#) if you haven't already told me about your registration, or if you have any questions, or if you are interested in a "late" registration, if the opportunity arises.

[Click Here to go to the Class Action website](#) to follow their blog if you haven't already signed up.

➤ **Deadlines for Claims Against UK IFAs**

As described in the FCA September Notice there are three-year and six-year deadlines related to lodging Claims for mis-selling (unsuitable advice) against UK IFAs, and similarly for anyone considering legal actions. [Click Here to see the updated WP8A](#) that covers the subject.

Additional information is available from our [website](#).

We have added a fourth lawyer to our "panel" – Myersons LLP of Altrincham in Cheshire.

I'm aware of about twenty members with claims in process, either directly against the IFA concerned or via the UK Financial Ombudsman Service (FOS) or financial Services Compensation Scheme (FSCS). I have also been helping members address their claim possibilities in Belgium, Spain and Cyprus and am in touch with someone focussed on Hong Kong. We also have members in Thailand, Switzerland and South Africa looking (in vain) for solutions. Please let me know of your interests (if I don't know already) so that I can put groups of you together and help the process along.

The de Vere Group also pops up from time to time and it's not clear whether they are operating under local regulators or under passports from the UK, in which case you might be eligible to claim under their UK registration with the FCA. Any comments or suggestions would be welcomed.

➤ **Other Funds in Trouble**

A new member has asked if anyone knows about Secure Capital SA (Luxembourg). Please let me know if you know anything – also if there are any other problem funds that you'd like to find contacts for.

The lawyers mentioned above also handle additional problem funds such as :

[Tobias Haynes \(Regulatory Legal\)](#) - Brandeaux, Mansion and Braemar Student Accommodation Funds.

(There have been some recent updates regarding the Mansion Students Fund – let me know if you're interested)

[Ben Wilson \(Myersons\)](#) – Axiom

➤ **UK Financial Services Compensation Scheme (FSCS)**

I've had a response from FSCS about the claim settlements issue with EEA being "illiquid", but it wasn't very helpful so I'm going back in with a re-phrased question.

I've also asked EEA to help resolve the issue with FSCS based on the predicted run-off periods before losses could be "crystallised".

➤ **US Persons**

The EEA Scheme Particulars mention various restrictions about EEA shares (not) being held by "US Persons" and the possibility that the Directors could compulsorily redeem them. I've put half a dozen such members (US residents and/or citizens) in touch with each other to see if they can work out an escape plan for their investments based around these clauses. Anyone else who has an interest in this topic should let me know.

➤ **Voluntary Donations**

I need to top up the kitty in preparation for some upcoming discussions with lawyers about potential courses of action against EEA and associated parties.

I'm not asking for anyone who has already donated to contribute any more.

I would like those of you who haven't donated so far make a voluntary donation.

The easiest way is via the DONATE button on our website (upper right corner) but I can also let you have information for cheque payments or bank transfers.

The suggested donation is £1, \$1, €1 or 1 SEK for each £1000, \$1000, €1000 or 1000 SEK of your original investment.

We welcome donations from EEA investors, IFAs, other intermediaries, members and non-members

I won't publish our finances in these updates, but every donation is much appreciated and I'm happy to answer any questions..

➤ **2015 EEA Performance (January)**

I am no longer reporting monthly NAVs because they are essentially meaningless for most investor purposes (except for one issue with the Continuing share 5% redemptions). I will concentrate on maturities and cash-flow summaries.

Six policies (four lives) matured during January for a total NDB of \$8.21m.  
Four additional policies (two lives) matured in December 2014, but are counted by EEA in January 2015.

Description	Policies	Lives	Gross NDB
<i>Historical Average for Jan</i>	7.5	6.7	\$7.00m
Jan 2015 Actual Maturities	6	4	\$ 8.21m
Addnl Maturities from 2014	4	2	\$7.75m
<b>Totals</b>	<b>7</b>	<b>6</b>	<b>\$15.96m</b>

Cash b/f from 31 <sup>st</sup> Dec 2014	\$134.07m
Estimated Premium Payments and Expenses (Dec)	\$(7.39)m
Gross Income (NDB) from Maturities	\$15.96m
Adjustments and Other Items	\$(1.00)m
<b>Cash Balance at 30<sup>th</sup> Jan 2015</b>	<b>\$141.64m</b>

EEA claimed (at the November 2014 AGM) that the two-year premium reserve was running at \$136m. We believe that it should be \$140m or more with the remaining portfolio and poor maturity performance. This threshold affects the amount of cash available for redemption payments at the appropriate times.

➤ **2014 EEA Results (January - December) - Updated**

**Portfolio**

Description	2014 Year End (Dec)			Previous Predictions	
	Policies	Lives	Gross NDB	EEA F'Cast *	WP7A F'Cast **
<i>b/f From 31<sup>st</sup> Dec 2013</i>	<b>517</b>	<b>395</b>	<b>\$1,272m</b>		
<i>Historical Average Maturities per year</i>	73	62	\$110m		
Actual Maturities in 2014	97†	64	\$132.3m (10.4%)	\$227m 18%	\$131m.NDB 10.3%
2011 & 2013 Late Postings	4	3	\$5.6m	0	0
<b>Totals</b>	<b>101†</b> 19.5% (17%)†	<b>67</b> 17%	<b>\$138m</b> 10.8%	\$227m 18%	\$131m 10.3%
<i>Balance Remaining at 31<sup>st</sup> Dec 2014</i>	416	328	\$1142m	\$1,045m	\$1,139m
<i>less Policies Lapsed in Year</i>	4	4	\$8.0M	n/a	\$2m
<i>plus maturities counted in 2015</i>	6	4	\$7.75m		
<b>c/f to 1<sup>st</sup> Jan 2015</b>	<b>424</b>	<b>332</b>	<b>\$1,141m</b>	<b>\$1,045m</b>	<b>\$1,137m</b>

† One life was covered by 14 policies for \$2.8m NDB

69 policies  
56 Lives

## Cashflow

b/f from 31 <sup>st</sup> Dec 2013	\$104.2m	* 2013 EEA Annual Report and Portfolio Statistics
Estimated Premium Payments and Expenses	\$(85.0)m	
Maturities	\$138.0m	** EEAIG WP7A Table 10
October Run-off Redemption Payment	\$(14.6)m	
Est Adjustments and Other Items [-\$5.9m + \$2.63m]	\$(8.5)m	
<b>31<sup>st</sup> Dec 2014</b>	<b>\$134.1m</b>	

Kind Regards

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