

LIFE PREMIUM FUND, SPC – IN OFFICIAL LIQUIDATION

MINUTES OF THE MEETING OF INVESTORS

Minutes of the First Meeting of Investors of Life Premium Fund, SPC – In Official Liquidation in accordance with Order 10, Rule 3 of the Companies Winding Up Rules 2008 (as amended) (“CWR”)

Location: Argentina Tower Retiro
Juncal 868
Buenos Aires
República Argentina

Meeting was also held via teleconference

Date: 29 April 2015

Time: 8:00am Cayman / 10:00am Buenos Aires time

Present: Andrew Morrison – FTI Cayman Islands
David Griffin – FTI Cayman Islands
Diego Haim – FTI Argentina
Mercedes Halversen – FTI Argentina
Jorge Millazzo – Interpreter
Maria Laura Speziali - Interpreter

In attendance: A total of 105 investor holdings, attending in person, telephone conference or by proxy

1. Introduction

Andrew Morrison (the “Chairman”) introduced himself and David Griffin as the Joint Official Liquidators (“JOLs”) of Life Premium Fund, SPC – In Official Liquidation (the “Company”) and opened the meeting. Also introduced were Jorge Millazzo and Maria Laura Speziali, who were assisting as the JOLs’ official interpreters for the meeting. It was confirmed that the meeting had been convened pursuant to the CWR.

The Chairman noted the following:

- The meeting would comprise of four agenda items, being (1) an introduction to the meeting, (2) a discussion of the JOLs’ First Report to Investors of the Company (the “First Report”), (3) the formal business of the meeting, being the appointment of the Liquidation Committee and (4) any other business.

- As investors were aware, a petition seeking the winding-up of the Company on just and equitable grounds was presented to the Grand Court of the Cayman Islands (the “Court”) by an investor in the LS2 and LS3 segregated portfolios of the Company on 6 January 2015. This was supported by one investor of LS1, 29 investors of LS2 and 79 investors of LS3.
- On 6 March 2015 the Court ordered the Company to be wound up in accordance with the Companies Law of the Cayman Islands and appointed the JOLs.
- The JOLs act as independent officers of the Court and their main function is to wind up the Company’s affairs and collect, realise and distribute the assets of the Company to its creditors and investors. In addition, the JOLs are empowered to investigate the reasons surrounding the failure of the Company and its affairs generally. It was confirmed that prior to the presentation of the winding up petition, the JOLs did not have any connection with the Company or its investors.

2. Report of the Joint Official Liquidators

The Chairman explained that the First Report was circulated to all investors by email on 27 April 2015 and noted that the key points of the First Report were:

1. The ownership of the Company’s life insurance policies;
2. The financial position of the Company;
3. Short-term funding for the liquidation;
4. The strategy for realising the Company’s assets; and
5. Potential matters for investigation by the JOLs.

The ownership of the Company’s life insurance policies

The Chairman explained the following:

- The Company established and operated four segregated portfolios denominated as LS1, LS2, LS3 and LS4. Under the Cayman Islands Companies Law, each of the portfolios in a segregated portfolio company has the benefit of statutory segregation, so that the assets and liabilities of each portfolio of the Company are entirely segregated from the assets and liabilities of the other portfolios and the general assets and liabilities of the Company.
- However, LS2 and LS3 were combined into a new consolidated portfolio called LS23.
- It appeared that LS1 originally held 100% interests in a number of wholly owned policies and LS2 and LS3 held fractional interests in a larger number of fractional policies.

- According to information received by the JOLs, the wholly owned policies originally owned by LS1 were transferred to LS23 and then subsequently transferred from LS23 to LS4. These transactions also had the effect of creating receivable balances from LS23 to LS1 and from LS4 to LS23 and LS1. These balances were detailed in sections 2.1 and 3.2 of the First Report.
- This means that investors of all the portfolios will have an interest in the value of the life policies being preserved by virtue of either: (1) ownership of the relevant policy; or (2) amounts due from other portfolios if the policy transfers are determined to be valid.

Financial position of the Company

The Chairman noted that a summary of the estimated financial position of the Company was set out at section 3.2 of the First Report and observed the following in relation to the financial position:

- The principal life insurance policy assets of the portfolios include 100% interests in 11 wholly owned policies with a face value of US\$5.7 million owned by LS4 and interests in 17 fractional policies with a face value of US\$7.5 million owned by LS23.
- Based on life expectancy information available to the JOLs, at least US\$0.4 million will need to be paid in premiums over 2015 and 2016 in respect of the wholly owned policies, before receiving a positive net return during 2017.
- The JOLs did not currently have access to any recent or meaningful life expectancy data in respect of the fractional policies, as no updated life expectancy certificates have ever been obtained by the Company. However assuming no policy maturities occur, over US\$0.2 million of payments are required over the remainder of 2015 in order to maintain those policies and at least US\$0.5m thereafter.
- In the context of these cash flow requirements, the Company held only US\$59,000 in its bank accounts upon the appointment of the JOLs. This has been utilised subsequently for the primary purpose of paying policy premiums, and the Company will exhaust all of that cash within the next two weeks.
- If premiums are not paid on a timely basis, policies will lapse, resulting in a loss of value in the life insurance policy assets. Immediate funding is therefore required in order to pay premiums to preserve the value of policies.

Short-term funding of the liquidation

The Chairman summarised the short-term funding position:

- The JOLs initially took steps to seek funding from both investors and third party commercial lenders. This had resulted in the JOLs obtaining an unsecured loan facility of US\$200,000 for a term of six months, provided by a third party commercial lender. This amount will be drawn down into the Company's bank account shortly.
- The funding will allow the JOLs' time to consider all of the available options for dealing with the payment of future premiums and realising value from the life insurance policies.
- The funding will be utilised primarily to fund premiums falling due on wholly owned policies. It will also be used to instruct new life expectancy certificates for the wholly owned policies and the fractional policies.
- The JOLs would also address the cash need by making use of payment grace periods and seeking to release any cash that is available from premium reserves. However, there would still be a funding gap in relation to the fractional policies, in particular.

Strategy for realising the Company's assets

The Chairman noted the following options that are available for the realisation of the Company's life insurance policy assets:

1. Hold the policies until maturity, subject to having sufficient cash funding to do so;
2. Attempt to sell life insurance policies on the secondary market prior to their maturity;
3. Allow certain life insurance policies to lapse, in order to reduce the ongoing funding requirement and preserve cash to maintain the most valuable policies; or
4. A combination of the above options.

The Chairman further commented as follows:

- Some investors had enquired whether a distribution-in-specie of the policies would be possible. At the current time this is problematic due to the transactions between the portfolios. The JOLs would continue to consider this option along with their investigatory work relating to the transactions.
- Upon review, it is clear that unless life insurance policies mature in the very short term, it is not be possible for the Company to continue meeting premiums to maintain all of the policies through to maturity. The JOLs therefore intend to initiate a marketing process in relation to both the

wholly owned and the fractional policies, which will allow third parties to submit offers for all of the policies or individual policies.

- Once it becomes clear what value is placed by interested parties on each of the policies, the JOLs will be in a position to assess, on an informed basis, how to preserve and maximise the value of the policies.
- The JOLs have particular concerns regarding the Company's ability to maintain the fractional policies for the following reasons:
 1. If the other owners of these policies do not pay their share of ongoing premiums, the policies will lapse regardless of whether LS23 pays its share;
 2. Whilst LS23 has the option to pay the full amount of premiums falling due on fractional policies and be reimbursed such amounts upon maturity, this would have the effect of increasing the funding requirement by approximately 100%; and
 3. The life expectancy information currently available to the JOLs is understood to be eight to ten years out of date and all of the insured persons have lived well beyond their original life expectancies. As a result, the JOLs currently have a complete lack of visibility for the purpose of decision making.
- These issues also mean that the third party funder is reluctant to allow its funding to be utilised by the JOLs for premium payments in relation to fractional policies.
- After the JOLs have received new life expectancy certificates, they can then develop a realisation strategy in relation to the fractional policies. However, it appears likely that unless investors are willing to fund the payment of premiums, the JOLs may have no option but to attempt to sell the fractional policies. Further information will be provided to investors for consideration as a matter of urgency once the new life expectancy certificates are received.
- The JOLs have received an invoice for US\$20,000 in relation to the annual premium for one of the fractional policies in which LS23 has a 64% interest, with face value of US\$320,000. This amount was due to be paid on 3 April 2015, but is subject to a payment grace period that runs until 3 June 2015. Given the urgency in relation to this policy, the JOLs have instructed The Lifeline Program ("Lifeline") to provide a new life expectancy certificate, so that the JOLs can decide whether or not to pay the outstanding premium. Regardless of the information contained within that certificate, the JOLs could decide not to settle the outstanding premium if the other owners of the policy have not paid their respective share of the premium, as the policy may lapse in any event after 3 June 2015.
- Should investors be interested in providing funding to maintain this

specific policy or other fractional policies, they should inform the JOLs. The JOLs would be able to consider funding that is provided on similar terms as the third party, such as an interest rate of 16.5% and potentially grant security over specific policies.

- The JOLs' strategy for realising the assets of the Company was at an early stage and will be influenced by (i) the new information that will be obtained from instructing new life expectancy certificates (ii) the value that is placed upon policies by third parties following the intended marketing process (iii) the investors' willingness or otherwise to fund fractional policy premiums and (iv) any policy maturities that occur in the short-term. The realisation strategy will also be discussed with the Liquidation Committee, once formed.

Potential matters for investigations by the JOLs

The Chairman explained that:

- A number of matters requiring further investigation are identified in the winding up petition presented on 8 January 2015, such as an apparent loss of policies that has never been explained and the intermingling of assets and liabilities as between portfolios. The JOLs' investigation of these matters is at a very early stage. The JOLs therefore cannot provide further comment at this time. However, the JOLs will discuss the progress of their investigations with the Liquidation Committee, following its establishment.
- As a general guide, the JOLs will only consider pursuing actions if legal advice indicates that they are merited and if the costs / benefit analysis undertaken is favourable.

Questions

After concluding his summary of the report, the Chairman gave the investors the opportunity to ask questions. A summary of the key matters discussed as a result of the investors' questions are at **Appendix A**.

3. Establishment of Liquidation Committee

Purpose and background

The Chairman advised that in accordance with the CWR a liquidation committee shall be established in respect of any company which is wound up by the Court, unless the Court orders otherwise. He further explained that:

- The primary role of a liquidation committee is to represent the interests of the general body of investors and act as a confidential consultative body for the JOLs in respect of issues arising in the official liquidation. The JOLs are also required to seek approval of the Liquidation Committee for

their fees prior to making an application to the Court in respect of the same.

- Liquidation Committee members will be required to sign confidentiality agreements before acting, as some of the information provided to them will be commercially sensitive and/or legally privileged and may not be made available to all investors.
- Becoming a member of the Liquidation Committee creates a fiduciary relationship with other investors and the members must act honestly and in good faith. Specifically members should note that they will be prevented from deriving a profit from their office on the Liquidation Committee and are strictly prohibited from allowing their private interests to conflict with their duty as a Liquidation Committee member.
- It was noted that it is the investor of record that will be the member of the Liquidation Committee, although the Liquidation Committee member can appoint a representative.

Establishment and voting

The Chairman explained that the JOLs are required to establish a liquidation committee that shall comprise not less than three and not more than five investors and that the following would apply:

- Each investor entitled to vote was permitted to vote for up to a maximum of five nominees.
- For those investors attending the meeting in person, voting was cast by completing and returning a voting form.
- For those investors attending by telephone, voting was cast either verbally or by email.
- Each investor's vote was cast on the basis of their respective proportion of the net asset value of the Company at 31 October 2013.

The Chairman advised the meeting that 20 liquidation committee member nominations had been received prior to the meeting, two nominations were withdrawn during the meeting and one additional nomination had been made during the meeting. The name of each nomination was announced to the meeting. The nominees (or their representatives) were then invited to address the meeting and a number of them did so.

Due to the relative complexity of the vote given the extent of nominations and the number of investors in attendance, the Chairman advised that votes would be collated and counted after the meeting, with the results to be provided as soon as possible.


4. Any other business

The Chairman noted that the JOLs were obliged to report formally to all of the investors on an annual basis, or at the conclusion of the liquidation, if that is sooner. Formal reports to the members of the Liquidation Committee would be required every six months. In practice however, the JOLs would notify all investors of material developments in the liquidation and work closely with the Liquidation Committee in the meantime.

It was reiterated that the JOLs would be in contact with investors specifically in relation to the potential funding of fractional policy premiums. In the event that any investors were interested, they were asked to approach the JOLs after the meeting had concluded.

There being no further business, the meeting was closed

Dated: 20 May 2015



Chairman

Note: Votes for the membership of the Liquidation Committee were subsequently collated and counted, with the results provided to Investors by email on 5 May 2015. These results are also detailed in the attached Appendix B.

APPENDIX A

LIFE PREMIUM FUND, SPC – IN OFFICIAL LIQUIDATION

SCHEDULE OF KEY MATTERS RAISED BY THE INVESTORS AND/OR THEIR REPRESENTATIVES

POINT/MATTER	RESPONSE
What have been the JOLs' priorities to date?	The JOLs' priorities have been to (1) safeguard the assets of the Company by gaining control of life insurance policy assets and obtaining short-term funding and (2) collecting and verifying as much information as possible in the relatively short period since their appointment in order to establish the Company's financial position.
What realisations can be expected from the Company's life insurance policy holdings? What return can investors expect?	At this early stage this is difficult to determine. Any return to investors is dependent upon the value can be obtained from the Company's life insurance policies. This will become clearer once policies are exposed to the market and external parties give an indication of what they are willing to pay for some or all of the policies.
What is the best option for returning monies to investors? What is the expected timeframe for this?	<p>The focus of the JOLs is to understand the best option to return monies to investors. Once determined, the financial analysis of the various options will be presented to the Liquidation Committee for consultation. The JOLs do not currently have sufficient information to conduct a meaningful analysis.</p> <p>The timeframe for determining the potential outcome is dictated, for the most part, by the length of time it takes to obtain updated Life Expectancy Certificates, which could take anywhere between four to ten weeks. Thereafter, the initial stages of a marketing process might take a further four weeks.</p> <p>The JOLs will seek to agree timelines for key milestones in the liquidation with the liquidation committee.</p>

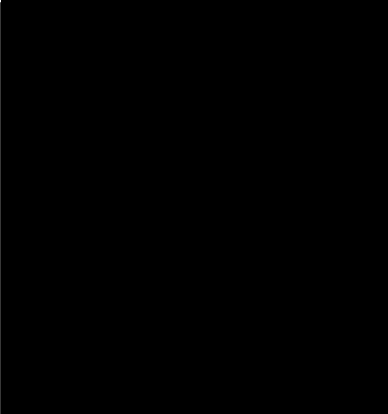
<p>Would it be best to sell all of the Company's life insurance policies now?</p>	<p>It may be best to liquidate the Company's portfolio of life insurance policy holdings now and this is an option that will be explored by the JOLs. In order to take the policies to market however, each will need to be accompanied by a life expectancy certificate that is dated within the past six months. Potential buyers will demand these as part of their due diligence procedures.</p>
<p>Can the Company's fractional life insurance policies be sold?</p>	<p>In principle, they are capable of being sold in the same manner as the Company's wholly owned life insurance policies. However, given the characteristics of these policies (as described in the JOLS's report), the JOLs consider that they will be more challenging to sell and are likely to attract a greater discount than the wholly owned policies.</p>
<p>What potential action can be taken against the directors of the Company in relation to acts committed prior to the appointment of the JOLs?</p>	<p>The JOLs take all of the allegations set out in the winding up petition that resulted in their appointment very seriously. As part of their role, the JOLs are obliged to investigate these matters and will progress this over the coming months.</p>
<p>Will the JOLs sue the directors in order to make a recovery for the liquidation estate?</p>	<p>An analysis of potential actions available to the JOLs will be undertaken as part of our investigative work. However, the JOLs will not take any action to issue legal proceedings without strong prospects of success and a favourable cost/benefit analysis.</p>
<p>Will criminal action against the directors be taken by the JOLs?</p>	<p>It is not the JOLs' role to pursue criminal sanctions against the directors. The JOLs objectives relate solely to the financial affairs of the Company and maximising value from the assets to return to investors. Any legal proceedings issued by the JOLS will be civil proceedings.</p>
<p>Will legal action be taken against Lifeline? Why have the JOLs engaged Lifeline to assist them? Will they be issuing the Life Expectancy Certificates?</p>	<p>Lifeline is a service provider to the fund so, like all other service providers, the JOLs are obliged to review their prior conduct and determine if there are any potential causes of action arising..</p> <p>The JOLs have engaged Lifeline because it acted as an intermediary and service provider for the Company. It is cost efficient for the liquidation estate to continue to retain Lifeline in relation to certain matters.</p> <p>Lifeline is not the provider of life insurance certificates. It acts as intermediary to obtain certificates from the third party medical services provider.</p>

<p>What is the position in relation to the incorrect life expectancy data used by the Company? What information will the JOLs be providing in relation to this?</p>	<p>The JOLs understand that the provision of inaccurate life expectancy data has been relatively common in the life insurance market and that the methodologies utilised by service providers have been amended over time as a result.</p> <p>The JOLs have established that there are three leading independent providers of life expectancy certificates and therefore one of these providers will be instructed to provide the new data.</p> <p>Whilst it is critical for the JOLs to obtain new life expectancy certificates for the purpose of marketing the Company's assets for sale, unfortunately no assurances can be given by the JOLs as to the new data's accuracy. Ultimately the life expectancy information represent estimates and there is no guarantee that actual maturities will occur in line with those estimates.</p>
<p>Why does the funder selected by the JOLs have to be used? Could a bank loan be obtained to fund policy premiums?</p>	<p>Due to the nature of the assets being funded and with the Company being in liquidation, it is extremely difficult to obtain traditional bank lending. Therefore, a specialist funder has to be used, which is inevitably more costly given the higher risk profile. A potential option going forward might be to sell, for example, one or two of the policies and then use these proceeds to maintain future premium payments.</p>
<p>What amounts were invested by investors into the Company?</p>	<p>The Company's books and records indicate that the following amounts were invested in each of the Company's portfolios:</p> <p>LS1: US\$2.8m LS23: US\$12.1m LS4: US\$1.3m</p> <p>These amounts have not yet been verified by the JOLs to third party evidence.</p>
<p>What is the extent of the shortfall to investors with reference to the value of the Company's life insurance policies?</p>	<p>It is too early in the liquidation to provide a meaningful estimate of the shortfall to investors. This will only be possible once offers from third parties have been received for the Company's life insurance policies. The shortfall indicated in the First Report unfortunately represents a minimum, because the full face values of the policies have been presented. If the policies are sold, it is inevitable that the proceeds received will be at a discount to the policy's face value.</p>

<p>How can I confirm which portfolio my investment has been allocated to?</p>	<p>All such queries would be best dealt with by contacting the JOLs by email after the meeting.</p>
<p>What jurisdictions do the investors in each of the Company's portfolios reside in?</p>	<p>The JOLs understand that the majority of investors reside in the following jurisdictions for each portfolio:</p> <p>LS1: Mexico LS23: Argentina/Uruguay/Panama LS4: Switzerland</p> <p>The meeting has been held in Argentina because the majority of the Company's investors reside there. All investors of the Company were invited to attend either in person or by conference call.</p>

APPENDIX B

LIFE PREMIUM FUND, SPC – IN OFFICIAL LIQUIDATION
LIQUIDATION COMMITTEE

No.	Name of Member Representative	Investor
1		Tomas Miguel Novillo
2		Carlos Miyagi
3		Noberto Mazás
4		Nestor Martin
5		Horacio Artagaveytia