



Government of the Republic of Trinidad and Tobago

MINISTRY OF FINANCE
Communications Unit

June 12, 2009

FOR IMMEDIATE RELEASE

MEDIA RELEASE

Port of Spain: Acting Minister of Finance Conrad Enill representing the Government of Trinidad and Tobago (GORTT) signed an agreement today with the directors and shareholders of CL Financial (CLF). This new agreement is designed to give substance to the Memorandum of Understanding (MOU) of January 30th 2009.

The CLF directors have agreed to appoint to existing vacancies on the board, 4 directors nominated by GORTT along with nominees of three (3) CLF Shareholders.

Shareholders representing over 67% of the shareholding of CLF, including the majority shareholders have indicated their support of the appointment of new directors as follows: Euric Bobb, Shaffick Sultan Khan, Steve Bideshi, Alison Lewis, Michael Carballo, Andrew Mitchell Q.C., and Steve Castagne.

CLF have convened an Extraordinary General Meeting of shareholders to approve the decision to make these appointments dated 30th June 2009.

The purpose of this agreement is to place the management and control of the assets of CLF in the hands of the new board in order to execute the actions contemplated by the MOU of January 30th leading to:

- (i) *Correction of the financial conditions of Colonial Life Insurance Company (CLICO), British American Insurance Company, Trinidad (BAT) and CIB;*

- (ii) *Protection of the interests of policyholders of CLICO and BAT and third party depositors of CIB;*
- (iii) *Ensuring that the debts of CLF group are managed as appropriate and satisfied;*
- (iv) *Causing CLF to repay to GORTT sums expended in furtherance of items 1 and 2.*

The MOU imposes requirements on CL Financial to sell its assets in order to repay GORTT for advances and other costs arising from closure of CIB and the restructuring of CLICO and BAT.

The achievement of this objective requires continuing goodwill, cooperation and participation by CLF over a period of several years since there is no intention of engaging in a fire sale of CLF assets.

In the past three (3) months CLF, the parent holding company of CLICO and BAT has suffered from the resignations of Directors and members of its small staff. In these circumstances both parties, CLF and GORTT felt that the interests of all would be best served by the shareholders' of CLF allowing new directors nominated by GORTT to participate in the management and control of the operations of the company in order to ensure that the assets are managed in a manner that facilitates the eventual recovery of public funding.

While GORTT has agreed to appoint representatives as members of the Board of CLF with the mandate to discharge the purposes of the agreement as outlined, its financial commitments are primarily those required to protect policyholders and depositors of CLICO, BAT and CIB as indicated.

By assuming management and control of CLF assets under this agreement the new board is empowered to:

- (a) *Improve governance in CLF and its subsidiary companies;*
- (b) *Negotiate with creditors of both the parent and subsidiary companies to secure appropriate debt restructuring to facilitate continued operation and the maintenance and improvement in values of the assets;*
- (c) *Ensure that proceeds from asset sales are appropriately applied to satisfy creditors including the repayment to GORTT for its advances.*

GORTT's and CLF's directors and majority shareholders believe that the steps taken to reconstitute the Board will redound to the interests of policyholders and depositors as well as ultimately to shareholders, as it will help to restore confidence in the market and retain and enhance values in the various assets.

THE END

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