

Trondheim Capital Partners, L.P.

Dear Life Insurance Company of Alabama Shareholder,

I am writing to alert you to information I discovered that concerns our mutual investment in Life Insurance Company of Alabama (LICOA).

I obtained a copy of the report from an examination of LICOA conducted by the State of Alabama Department of Insurance, released in May 2005, which made the following points about the behavior of the controlling shareholders of LICOA with regard to their hiring of a family member:

- “It was noted that Rosalie F. Renfrow was hired as a management trainee in September 2002. Ms. Renfrow is the daughter of Raymond Rudolph Renfrow, Jr., a director, officer and stockholder of the Company and Anne Daugeette Renfrow, a director of the Company. [...] Ms. Renfrow did not keep regular business hours at the Company – it was noted by examiners that she was routinely not in the office.”
- “**Company management is not avoiding the appearance of impropriety.** If Ms. Renfrow is being developed for a managerial position, she needs a defined job and training program. Due to nepotism within the Company, the Company's President should either actively supervise the training (before it happens, while it is happening, and after the fact) or delegate it where possible. Ms. Renfrow should report to the manager of each department in which she is training. The examiners find it highly unusual that a recent college graduate would be allowed to set their own schedule while receiving a full-time management salary.”
- “**The preceding report of examination noted an issue with nepotism and this issue stands to harm the Company due to potential shareholder and/or policyholder lawsuits.** It is imperative that the Company avoid the appearance of impropriety with the payment of salaries to family members. Ms. Renfrow should maintain working hours comparable to other employees of the Company and report to someone other than her father, Mr. Raymond Renfrow, in order to avoid internal control weaknesses and the appearance of improprieties.”
- “**The Company feels that Ms. Renfrow's presence insures continuity in future company management by the Daugeette family.**”

The comments in the report raise serious questions for shareholders. Does management have all shareholders' interests at heart, or only their own?

My investment partnership recently filed a federal lawsuit against LICOA and certain of its directors in the United States District Court for the Northern District of Alabama (*Trondheim Capital Partners, LP and MTP 401K Plan v. Life Insurance Company of Alabama, et al.*, Case No. 4:19-CV-01413-KOB).

Please contact me if you would like a copy of the lawsuit we filed, or a copy of the entire Examination Report mentioned above, or if you would like to discuss any other concerns about LICOA. You can reach me at (480) 463-4508.

Sincerely your fellow LICOA shareholder,

Colin Peterson
Trondheim Capital Partners, L.P.