Cornerstone

September 26, 2023

CORNERSTONE DEFENDS TRANSACTION WITH MRS HUMPHRIES-LEWIN AGAINST CONSTANTLY SHIFTING FALSE ALLEGATIONS AND NARRATIVES

The Cornerstone Group continues to stand firm in the face of the ongoing publication of an unprecedented number of articles around recent unfounded allegations and inaccuracies stemming, in the latest set of articles, from affidavits filed in response to Cornerstone's proactive filing of court documents on May 22, 2023 in pursuit of a declaratory judgment in the Supreme Court.

Cornerstone reaffirms its commitment to addressing inaccuracies, aspersions and falsehoods with uncompromising diligence and precision. As the matter is now the subject of a court filing, we believe that the court is the appropriate forum for this matter to be fully ventilated in a fair and transparent manner. However, given the continued reporting on this matter, seemingly in an attempt to influence public views, and the varying and shifting inaccuracies and falsehoods set out in various documents reported on, we believe it is important to set the record straight on some of the more egregious matters outlined in the affidavits. We also wish to highlight important admissions in Mr Karl Lewin's affidavit, which has effectively rectified some of the inaccuracies contained within the letter authored by Mrs Deborah Mordecai Edwards, the niece of Mrs Humphries-Lewin, the genesis of these baseless allegations.

- Mr Karl Lewin, who was present when the transaction documents were signed, has acknowledged and confirmed in his affidavit filed on September 1, 2023 that Mrs Humphries-Lewin did sign the transaction documents in his presence.

- Mr. Karl Lewin has also admitted that he informed the Cornerstone senior officers who presented the transaction documents to him and Mrs Humphries-Lewin that he wanted his wife's attorney to review the transaction documentation before they were signed.

- We wish to reiterate for the record that at no point did Mr Lewin advise the Cornerstone officers or the Barita Investment Limited's (Barita) Board, on which Mrs Humphries-Lewin remained a director until January 2021, that Mrs Humphries-Lewin had dementia or mental incapacity at all and despite allegations made in an affidavit signed by a nurse, the Cornerstone officers had no reason to believe from their transitory interactions with Mrs Humphries-Lewin that she did.

- Mr Lewin in his affidavit is now asking the Court to set aside the transaction even though he was aware that Cornerstone's attorneys during discussions with Mrs Deborah Mordecai Edwards' attorneys in 2022 offered, out of deep respect for Mrs Humphres-Lewin, to in good faith unwind the transaction if there was buyer's remorse. Mrs Mordecai Edwards' response was to reject the return of Barita shares and to attempt enforcement of a cash payment of US$20 million amounting to 30% more than the US$15 million transaction value.

- In an affidavit filed on September 14, 2023 by a retired chartered accountant (the Accountant) who advised that he was asked to opine on the price of the Cornerstone shares sold to Mrs Humphries-Lewin, in providing his professional opinion he makes a number of assumptions/pronouncements in regard to the determination of said price to which we feel compelled to make the following comments in response:

    - The Accountant assumes that the fair value of Cornerstone is equivalent to its book value. That is a flawed/ erroneous assumption as is evidenced by the fact that the vast majority of companies on the Jamaica Stock Exchange (JSE) frequently trade above their book values.

    - He appears to presume that Barita's trading price at any given point in time is equivalent to its fair value. This is also unsubstantiated and inaccurate as opinions on fair value, which differ from their actual trading prices for many stocks listed on the JSE, are routinely provided by local brokerage houses.

    - Additionally, the Accountant appears to have arrived at his conclusions on fair value without any insight or knowledge of future plans, strategies or other pertinent factors for Cornerstone, typically crucial to determining valuation with respect to any company.

Cornerstone remains confident in the integrity of its share price valuation and of its ethical conduct in the undertaking of the transaction and stands by the price at which the Cornerstone shares were sold to Mrs Humphries-Lewin.

As noted above, there has been an unprecedented number of articles published on this matter detailing quotes from the responding affidavits filed in court in a manner that could be construed to be conclusive of the facts relating to this matter, when nothing could be further from the truth. For this reason, we believe it is important for us to clarify certain facts and ensure there is no obscurity and misconceptions arising from the sustained reporting on this matter.

We fully intend to address the various inaccuracies and falsehoods contained in the affidavits in the appropriate forum, which is the courts, and as such we will not be seeking to engage in a trial of the matter via the media and entrust the judicial process to unveil the truth in this matter.

By order of the Chairman
Cornerstone United Holdings Jamaica Limited
Barita Investments Limited