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RECEIVER FILES MOTION TO END WFT LIQUIDATING TRUST RECEIVERSHIP

Receivership process helped recover more than \$11.75 million, increased funeral home payments and strengthened the Wisconsin Funeral Trust

MADISON, Wis. – The court-appointed receiver of the WFT Liquidating Trust today filed in Court a request to end the receivership of the former Wisconsin Funeral Trust. Business attorney John Wirth, who was appointed in by the Court to oversee the receivership in 2012, also asked the Court to approve a plan to put a new board and Trustee in place and to formally discharge the receiver of the Trust.

Over the course of the receivership, Wirth said the effort collected settlements of more than \$11.75 million, significantly reducing the losses funeral homes may ultimately incur as they continue to honor their funeral contracts. The plan before the Court also will increase Trust payments to funeral homes to 65 percent, meaning funeral homes will only need to cover 35 percent of funeral costs. During the receivership, the Trust has covered 60 percent of the cost of funerals, and individual funeral home operators have contributed the additional 40 percent in order to keep consumers protected. Funeral homes will continue to retain claims against the Trust for any unreimbursed funds. In addition, funeral homes that have already received payment of 60 percent will receive an equalizing payment that brings the total to 65 percent.

Wirth noted that all consumers with funds in the Trust will continue to be covered fully under the proposed plan.

“Because of our aggressive efforts to recover nearly \$12 million in funds, consumers will receive all of the benefits they were promised. Additionally, the individual funeral homes deserve praise for stepping up and covering the shortfall.”

Additional changes to the Trust under the receivership included cutting unnecessary expenses and overhead and selling the insurance company that had been formed for the Wisconsin

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Funeral Trust. The proposed plan also outlines steps for putting a new board and Trustee in place to oversee policy and meet the fiduciary responsibilities of the newly reorganized Trust. Edward Brady, a former name partner with Komisar Brady & Co., LLP was recommended as Trustee of the Trust. Brady is a certified public accountant with 38 years of experience and a widespread reputation as an intelligent, considerate and diligent professional. John Devine, president of Milwaukee Capital, Inc., and William Walker, retired equity analyst and portfolio manager with Mason Street Advisors, an affiliate of Northwestern Mutual, would serve on the Board with Brady. The recommended new board members have a combined 103 years of experience in finance and investments.

Wirth said, "These three individuals are seasoned and experienced professionals with a track record of success and high standards. Their appointment and acceptance by the Court will only reinforce the fact that they are capable and qualified to assume these roles and work to keep the Trust on solid footing going forward."

Wirth noted that, under the proposed plan, all consumers with funds in the Trust could still expect to receive the benefits and services they were promised.

"Consumers have been treated fairly and have received the promised coverage, and now it's time to end the receivership," said Wirth. He added that that the Trust is in a stronger position than it was 32 months ago. "The Trust is now in a stable fiscal position and, with approval from the Court, I am confident our recommended reorganization will keep it on solid footing in the years ahead."

The Trust was placed in receivership more than two years ago after an investigation by the Wisconsin Department of Financial Institutions (DFI) showed the Trust was underfunded by more than \$21 million. The DFI action was taken with the assistance of the Wisconsin Department of Justice.

Wirth praised the team of professionals who helped in the recovery and reorganization. "The receivership benefited from the help provided by a range of partners, particularly the law firm of Kravit, Hovel & Krawczyk, s.c. and its partners Steve Kravit and C. J. Krawczyk, and the investment firm of Ziegler Capital Management, LLC. Our team worked hard and was successful in recouping millions of dollars," said Wirth. "In reorganizing the Trust, our team stabilized a sinking ship."