John Wirth, Attorney Court-Appointed Receiver



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WFDA RECEIVER SAYS COURT-APPROVED PLAN PROTECTS CONSUMERS Receiver Maintains Trust Control; Association Can Return to Normal Operations Partnership Between Trust and Funeral Homes Allows All Obligations to be Met Seven Day Processing Schedule Projected

The receiver for the Wisconsin Funeral Directors Association today said the Court approved plan allowing the Association to resume regular operations while the Trust stays under the receiver's control will protect consumers.

Milwaukee business attorney John Wirth, who was appointed last month to oversee the Association and its Trust after a state report showed an estimated \$21 million shortfall in the WFDA Trust account, said he supports the plan agreed to by the state Department of Justice, the WFDA Board and the Trust. He said it means the receivership will be more focused and that the receiver will still have access to the necessary records and retain future legal remedies to ensure ongoing consumer protection.

Wirth said that, under the agreement, the Trust will initially pay 60 percent of the benefit while the funeral home will cover the balance. The funeral home may later recover all or part of that balance. Wirth added that if a Trust deposit was made by a funeral home that is now out of business, or if funeral services were provided out-of-state, the Trust will pay 100 percent of the claim.

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"This agreement is good for consumers because it means the Trust and the participating funeral homes will jointly work together to meet their obligations. It is extremely important that funeral homes continue to honor their contracts with consumers, and I have every reason to believe they will do so," Wirth said.

He added that work continues to recover full balances for all accounts and that the agreement preserves his right to take whatever appropriate steps are necessary to recover Trust assets.

"The Association can go back to most of its normal operations, but the Trust will stay under the control and protection of the receivership," Wirth added. "It is still early in the process, and we will continue to keep both consumers and funeral homes updated as we move forward."

Wirth added that his office has established procedures to process claims and that up to 70 applications are being reviewed for payment. He added that payments are being made only for deaths, not lifetime withdrawals. He said that it is his goal to process claims in less than a week so that checks can be mailed out as promptly as possible.

Wirth said that throughout the ongoing process, his office will keep track of remaining balances due to funeral homes and treat them as an open account with income credited to it.

Wirth said he expects to have a positive working relationship with the Association and that the group's Board of Directors now has full authority to proceed on all matters unrelated to the Trust, including member communications, regulatory affairs and staffing.

"With these strong consumer protections in place and the Trust under the receiver's control, the Association can go about its business while we continue to evaluate our next steps."