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MAY 14 2015

STATE OF WISCONSIN

CIRCUIT COURT
BRANCH 17

DANE COUNTY CIRCUIT COURT

DANE COUNTY

In re WFT LIQUIDATING TRUST
(formerly Wisconsin Funeral Trust),

Case No. 12-CX-44

Receivership.

NOTICE OF MOTION AND MOTION BY THE RECEIVER
FOR AN ORDER:

- (A) APPROVING A MODIFICATION TO THE INITIAL REIMBURSEMENT PERCENTAGE;
- (B) AUTHORIZING A PAYMENT ON REMAINDER CLAIMS;
- (C) APPROVING A TRUST AGREEMENT/PLAN OF LIQUIDATION FOR THE TRUST;
- (D) APPOINTING A TRUSTEE AND BOARD FOR THE TRUST;
- (E) APPROVING AN UPDATED INVESTMENT POLICY;
- (F) APPROVING THE FINAL REPORT OF THE RECEIVER; AND
- (G) DISCHARGING THE RECEIVER

PLEASE TAKE NOTICE that John M. Wirth (the "Receiver"), the duly-appointed receiver for the WFT Liquidating Trust f/k/a the Wisconsin Funeral Trust (the "Trust"), either personally or by his counsel, will bring the following motion before the Court, the Honorable Peter C. Anderson presiding, in his courtroom at 215 South Hamilton Street, Madison, Wisconsin at 10:00 a.m. on June 12, 2015, or as soon after such date and time as counsel can be heard.

YOU ARE NOT REQUIRED TO FILE ANY PAPERS OR APPEAR IF YOU DO NOT OBJECT TO THE MOTION. HOWEVER, IF YOU OBJECT TO THE RELIEF DESCRIBED IN THE MOTION, OR YOU WANT THE COURT TO HEAR AND CONSIDER YOUR VIEW ON THE MOTION, THEN YOU OR YOUR COUNSEL MUST FILE A WRITTEN OBJECTION WITH THE COURT PRIOR TO THE CLOSE OF BUSINESS ON JUNE 9, 2015 AND SERVE A COPY ON OTHER COUNSEL OF RECORD, INCLUDING COUNSEL FOR THE RECEIVER SET FORTH BELOW.

The Receiver moves the Court for an order in the form attached to this motion as Exhibit 1 (the "Proposed Order").

COPY

In support of this motion, the Receiver states:

BACKGROUND

1. On September 14, 2012 (the “Filing Date”), the Wisconsin Department of Financial Institutions (the “WDFI”) filed a complaint against the Wisconsin Funeral Directors Association, Inc. (the “Association”) and Fiduciary Partners, Inc., in its capacity as trustee for the Trust (“Fiduciary Partners”), alleging violations of securities laws relating to the Trust.

2. On the Filing Date, the WDFI also filed, pursuant to Wisconsin Statutes Section 551.603(2)(b)1., a motion for appointment of a receiver of all assets of the Association and the Trust.

3. On the Filing Date, the Court entered an order appointing the Receiver as interim receiver for the Association and the Trust.

4. On October 24, 2012, with the stipulation of Fiduciary Partners and the Association, the Court entered an Injunction and Order Appointing Receiver over Wisconsin Funeral Trust (as subsequently amended, the “Trust Appointment Order”) and an Injunction and Order Appointing Receiver over Certain Rights and Assets of Wisconsin Funeral Directors Association, Inc. (as subsequently amended, the “WFDA Appointment Order”).

5. Among other relief provided by the Trust Appointment Order, the Court authorized and directed the Receiver to reimburse a beneficiary funeral home that provides services under a burial agreement, upon appropriate application, an amount equal to 60% of the lesser of (a) the amount payable under the burial agreement or (b) the amount charged for funeral services actually provided. Such percentage is referred to in this motion as the “Initial Reimbursement Percentage.”

6. On July 8, 2013, the Court approved a First Amended Injunction and Order (the “Amended Order”). As part of the Amended Order, the Court authorized the Receiver to enter into a Funeral Home Settlement Agreement (the “FHSA”) with each funeral home beneficiary of the Trust. By September 30, 2013, every beneficiary funeral home voluntarily entered into the FHSA with the Receiver. Among other provisions, the FHSA is intended to provide to consumer-depositors the full benefits and services promised to them when they entered into their burial agreements and to provide for the equitable administration of the Trust for the benefit of the funeral home beneficiaries.

7. On October 14, 2013, upon motion of the Receiver, the Court approved a Statement of Investment Policy (the “Initial Investment Policy”) pursuant to which the Receiver was authorized to cause the Trust’s assets to be invested.

MODIFICATION TO THE INITIAL REIMBURSEMENT PERCENTAGE

8. Pursuant to Section 2.2(c) of the FHSA, as approved by the Amended Order, the Initial Reimbursement Percentage is subject to change from time to time.

9. The Receiver engaged Milliman, Inc. (“Milliman”), a nationally recognized actuarial firm, to assist in determining a sustainable Initial Reimbursement Percentage.

10. Milliman was engaged to:

(a) Develop projections of the Trust’s expected future claims. More specifically, Milliman was asked to develop a deterministic (expected value) model of future claims and other elements of income and outgo for the Trust based on the Trust’s historical data, mortality rates developed by Milliman (which Milliman compared to the Trust’s historical experience), expected future partial and full withdrawal rates and projected asset earning rates, crediting rates and administrative expenses.

(b) Discount projected expected claims to a current date for comparison to available funds.

(c) Determine projected and discounted claim amounts at various confidence levels by simulating future performance along many paths to create a distribution of results and approximate confidence levels, using a stochastic version of the model and future investment earning scenarios.

11. Milliman also provided guidance concerning appropriate sustainability levels. The Receiver verified the approach Milliman provided independently.

12. Milliman's report is attached to this motion as Exhibit 2.

13. Milliman projected the future financial performance of the Trust over 1,000 interest and equity return scenarios over periods of 10, 20 and 30 years. At the end of 30 years, Milliman projects that there will be approximately 275 depositors still living (3.2% of the depositors living as of the date of the projections). Milliman's report describes in greater detail how those projections were generated.

14. Milliman projects that, at the July 31, 2014 asset level of \$47,709,187, and Initial Reimbursement Percentage of 60%, there is less than a 0.5% likelihood that there are insufficient funds to pay out all claims for the next 30 years. If the Initial Reimbursement Percentage were adjusted to 65% and after the equalizing payment of Remainder Claims (as defined below), there is less than a 0.5% likelihood of insufficient funds after 10 years and 20 years, and less than a 5.0% likelihood of insufficient funds after 30 years.

15. Based on discussions with and information from Milliman and independent research, the Receiver recommends using the 5% likelihood of insufficiency as the appropriate

basis for setting the Initial Reimbursement Percentage. The 5% likelihood basis is considered by life insurance actuaries to be a safe level.

16. Any financial model must take into account a myriad of variables; therefore, no model can assure a perfect result or can eliminate all risk. The Receiver believes that Milliman's approach is financially and statistically sound and takes into account the best available information.

17. The Receiver, based on this exercise and based on independent research, maintains that the Trust should set the Initial Reimbursement Percentage at 65%, which is consistent with a less than 5% likelihood of insufficiency after 30 years.

18. Moreover, the Trust is in arguably a better financial position as of the date of this motion than it was on July 31, 2014, which is further evidence that an increase to 65% is a safe and conservative adjustment.

19. The Proposed Order makes the increase in the Initial Reimbursement Percentage effective starting on July 1, 2015.

AUTHORIZING A PAYMENT ON REMAINDER CLAIMS

20. Pursuant to Section 2.2(c) of the FHSA, as approved by the Amended Order, if the Initial Reimbursement Percentage is modified, the Trust is required to make an equalization payment with respect to every claim that was paid the previously effective Initial Reimbursement Percentage. Specifically, that paragraph of the FHSA provides:

The reimbursement plan is subject to change by the Court from time to time. All such changes in the reimbursement plan shall preserve equality of reimbursement payments among all Funeral Homes. That means that if the Trust's reimbursement percentage increases, the Trust shall pay equalizing rebates to Funeral Homes that previously received reimbursements at a lower rate. Changes in the reimbursement plans may be made upon not less than 20 days prior notice to, and an opportunity to

object by, the Funeral Home to any proposed change in the reimbursement plan.

21. If the Court approves the above-described increase of the Initial Reimbursement Percentage from 60% to 65%, the Court's previous order would require the Receiver to make an equalization payment on the unpaid balance of the claims ("Remainder Claims") of each funeral home that provided funeral services during the receivership prior to the effective date of the increase in the Initial Reimbursement Percentage.

22. In determining that an increase in the Initial Reimbursement Percentage is warranted and prudent, Milliman took into account the required equalization payment on Remainder Claims.

23. During the period from the Filing Date through March 31, 2015, 2,964 consumer-depositors' burial agreements were subject to the Trust's reimbursement plan. Beneficiary funeral homes have been, through that date, reimbursed the sum of \$12,666,444.80 at the 60% Initial Reimbursement Percentage, leaving Remainder Claims of \$8,444,296.53. At the hearing on this motion, the Receiver will update these numbers to a date as close as possible to such hearing.

24. If the Court approves the increase in the Initial Reimbursement Percentage from 60% to 65%, and concurrently approves the equalization payments required by the FHSA, the Trust will pay 12.5% of the then-current Remainder Claims. The aggregate equalization payments on Remainder Claims through March 31, 2015 would be \$1,055,537.07.

25. The Proposed Order requires the equalization payment on Remainder Claims to be made on or before July 31, 2015.

APPROVING A TRUST AGREEMENT/PLAN OF LIQUIDATION FOR THE TRUST

26. The Receiver proposes that the Trust operate outside of these proceedings pursuant to the proposed Trust Agreement/Plan of Liquidation attached to Proposed Order (the “proposed Trust Agreement”).

27. Among other provisions, the proposed Trust Agreement:

(a) Establishes, in Section 1.2, that:

The primary goal of the Trust is to maintain Trust Assets for the benefit of the Beneficiary Funeral Homes, their successors in interest and the Other Payees. Principal preservation is more important than principal growth. Only through principal preservation will the Trust be able to maintain distributions to the Beneficiary Funeral Homes at no less than current levels, thereby allowing the Beneficiary Funeral Homes to stabilize and plan for their businesses and to provide the Trust’s Depositors with the services they have been promised. To those ends, the Trust’s investments shall be conservative, and the Trustee, the Trustee’s agents and all others providing services to the Trust shall seek to keep administrative costs low while honoring the checks and balances of this Agreement and ensuring transparency and accountability.

(b) Designates a trustee and a three-person board (which includes the trustee) to oversee the Trust; establishes procedures for replacement and compensation of the trustee and other board members; establishes procedural rules for the board; and establishes the powers, duties and limitations of the trustee and board.

(c) Confirms that the Trust remains subject to the FHSA.

(d) Allows for a funeral director representative to observe, but not participate in, meetings at which primary decisions will be made.

(e) Creates a conflict of interest policy for the Trust.

(f) Requires the use of a professional investment advisor; adopts an investment standard; mandates appropriate investments consistent with the Replacement

Investment Policy (as defined below); and establishes procedures, including notice and an opportunity to object, for amendments to the investment policy.

(g) Sets forth the claims processes and procedures for the Trust, and requires the continuing engagement of a professional administrator for the Trust.

(h) Establishes the procedures for modification of the Initial Reimbursement Rate and payments on Remainder Claims.

(i) Provides an option for beneficiary funeral homes to accept an early, discounted payout on Remainder Claims rather than waiting for future payments on Remainder Claims (referred to as “Retirement Payments” in the proposed Trust Agreement), and mandates Retirement Payments on Remainder Claims of \$250 or less. Milliman and the Receiver spent a considerable amount of time structuring these Retirement Payments so that they, hopefully, are attractive to beneficiary funeral homes while reducing the Trust’s cost of administering Remainder Claims and enhancing the Trust’s long-term financial condition.

(j) Incorporates and clarifies provisions from the FHSA and prior orders of this Court regarding burial agreement amendments, withdrawals from the Trust and funeral home transfers.

(k) Requires regular, public reporting of the Trust’s financial condition and investments, the preparation and public dissemination of compiled financial statements, and reporting to funeral homes beneficiaries.

(l) Creates a privacy policy for the Trust.

(m) Establishes liability limitations and requires insurance.¹

(n) Provides for the ultimate dissolution of the Trust.

¹ The missing dollar amount in Section 3.10 of the proposed Trust Agreement for errors and omissions insurance will be completed prior to the hearing on this motion.

(o) Establishes amendment procedures, including notice and an opportunity to object.

(p) Provides for the continuing jurisdiction of the Court to resolve disputes.

28. The proposed Trust Agreement is designed to ensure that the Trust operates in the prudent manner established through the course of these proceedings.

29. The proposed Trust Agreement is carefully structured to ensure transparency, accountability, oversight and prudence. It contains adequate flexibility to allow changes when necessary, but all material changes require multiple layers of review by stakeholders. Parties aggrieved by any decision have notice and recourse.

30. The WDFI and the Association have both had opportunities to review and provide input into the provisions of the proposed Trust Agreement. The Receiver has addressed concerns raised by each. Upon information and belief, neither the WDFI nor the Association has any objection to the proposed Trust Agreement.

31. If the Court approves the proposed Trust Agreement, the Receiver would enter into the proposed Trust Agreement effective as of the beginning of the day on July 1, 2015, provided that the errors and omissions insurance required by Section 3.10 of the proposed Trust Agreement is in place and effective as of such date. As of the hearing on this motion, the Receiver should know if such insurance will be in place and effective as of such date. If not, the proposed Trust Agreement would be executed and effective as of the first day that such insurance is in place and effective.

APPOINTING A TRUSTEE AND BOARD FOR THE TRUST

32. The proposed Trust Agreement ensures that the Trust is professionally managed by a professional administrator and a qualified investment advisor, but vests primary decision-

making authority in a trustee and board of directors. A trustee will be responsible for the day-to-day decision-making for the Trust. The trustee is a member of a three-person board that oversees the Trust. The board will provide oversight of the trustee, the administrator, and the investment advisor.

33. The Receiver reviewed the qualifications of many prospective trustees and board members. The Receiver interviewed a variety of prospects.

34. Based on that review, those interviews and other investigation, the Receiver nominates the following individuals to serve in the following capacities:

- (a) *Edward M. Brady.* As the initial trustee, who will concurrently serve on the board, the Receiver nominates Edward M. Brady, a certified public accountant with 38 years of experience. Mr. Brady formerly was a name partner with the firm of Komisar Brady & Co., LLP. Mr. Brady has a widespread reputation as an intelligent, considerate, conservative and diligent professional.
- (b) *John P. Devine.* As one of the other board members, the Receiver nominates John P. Devine. Mr. Devine also is an accountant by training, having spent five years with Touche Ross. He then spent 15 years with Associated Bank and First Financial Bank. Since 1998, Mr. Devine has been with Milwaukee Capital, Inc., a private equity company that specializes in investments in thrifts. He has been the President of Milwaukee Capital, Inc. since 2013.
- (c) *William R. Walker.* As the final board member, the Receiver nominates William R. Walker. Mr. Walker has an MBA and spent 30 years as an equity analyst and portfolio manager. He spent most of his career working for Mason Street Advisors, an investment arm of Northwestern Mutual Life Insurance Company. He now teaches investment at the Marquette University Business School.

35. Résumés of these three nominated individuals are attached to this motion as Exhibit 3.

36. The Receiver is pleased to nominate these three individuals. Each has an impeccable reputation. The Receiver expects each to provide honest, professional and conservative management of the Trust over the next several years.

37. None of the three individuals has had a direct business relationship with the other nominated individuals. None has had a direct business relationship with the current administrator, Fiduciary Partners, or the current investment advisor, Ziegler Capital Management, LLC.

38. None of these three nominated individuals is engaged in any business that would sell goods or services to the Trust. None of them would have any pecuniary interest in the Trust or its operations other than the proposed fees that they would be paid under the proposed Trust Agreement.

39. The Receiver is confident that none of these individuals has any conflict of interest. However, the Receiver discloses that Mr. Brady's former firm, Komisar, Brady & Co., LLP, has served as outside accountants for the Trust during these receivership proceedings. Mr. Brady is no longer a partner of or employed by that firm.

40. The Receiver proposes that these three individual assume their positions upon the effective date of the proposed Trust Agreement.

APPROVING AN UPDATED INVESTMENT POLICY

41. The Initial Investment Policy, as approved by the Court pursuant to the Order Directing the Investment of the Trust's Assets and Approving an Interim Investment Policy dated October 14, 2013, contains language that would make it only applicable during these receivership proceedings.

42. The Receiver has prepared, with the advice of the Trust's investment advisor, Ziegler Capital Management, LLC, a replacement investment policy (the "Replacement Investment Policy") to be effective upon the effective date of the proposed Trust Agreement.

43. The Replacement Investment Policy, as proposed by the Receiver, is attached as Exhibit A to the Proposed Order. The attached Exhibit 4 is marked to show the changes made to the Initial Investment Policy by the Replacement Investment Policy. If approved by the Court, the markings in the Replacement Investment Policy would be removed prior to execution.

44. Pursuant to Section 6.4 of the proposed Trust Agreement, the Replacement Investment Policy can only be changed after approval by the Trust's board and notice and opportunity to object by the WDFI and beneficiary funeral homes.

45. The Receiver provided a copy of the Replacement Investment Policy to the WDFI and the Association several times over the past several months. Neither has expressed any objection to the proposed Replacement Investment Policy.

46. If approved by the Court, the Replacement Investment Policy would be effective at the same time as the proposed Trust Agreement.

APPROVING THE FINAL REPORT OF THE RECEIVER

47. The Receiver has prepared and submitted the Final Report that accompanies this motion. The Final Report summarizes the activities of the Receiver.

48. The Receiver will supplement the financial information contained in the Final Report at the hearing on this motion.

DISCHARGING THE RECEIVER

49. Upon the execution of the proposed Trust Agreement, there will no longer be a need to keep these proceedings open and, except for submission of the letter described in the following paragraph, the Receiver requests that he be discharged from his responsibilities as the Receiver effective as of the effective date and time of the proposed Trust Agreement.

50. Pursuant to the Proposed Order, the Receiver will send a letter to the Court within 20 days of the effective date of the proposed Trust Agreement (a) confirming that the Initial Reimbursement Percentage has been increased; (b) acknowledging that the Additional Reimbursement Payments are in process and will, upon information and belief, be made pursuant to the order; (c) confirming that the proposed Trust Agreement has been fully executed and is in full force and effect; (d) confirming that the Replacement Investment Policy is in full force and effect; and (e) updating the financial report in the form attached to the Final Report through and including June 30, 2015.


RELIEF REQUESTED

The Receiver seeks entry of the Proposed Order.

Dated as of May 14, 2015.

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By: 
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In re WFT LIQUIDATING TRUST
(formerly Wisconsin Funeral Trust),

Case No. 12-CX-44

Receivership.

ORDER

- (A) APPROVING A MODIFICATION TO THE INITIAL REIMBURSEMENT PERCENTAGE;
- (B) AUTHORIZING A PAYMENT ON REMAINDER CLAIMS;
- (C) APPROVING A TRUST AGREEMENT/PLAN OF LIQUIDATION FOR THE TRUST;
- (D) APPOINTING A TRUSTEE AND BOARD FOR THE TRUST;
- (E) APPROVING AN UPDATED INVESTMENT POLICY;
- (F) APPROVING THE FINAL REPORT OF THE RECEIVER; AND
- (G) DISCHARGING THE RECEIVER

Pursuant to the Motion dated May 14, 2015 by the Receiver (the "Motion"), and having found that proper and sufficient notice of the Motion has been given, and having heard from counsel at the hearing before the Court on June 12, 2015, and for the reasons set forth on the record of such hearing,

THE COURT ORDERS:

1. The Motion is GRANTED.
2. The Initial Reimbursement Rate¹ is increased to 65% as of the beginning of the day on July 1, 2015. Any Initial Claim properly submitted and received by the Administrator on or before June 30, 2015 shall be subject to the preexisting Initial Reimbursement Rate of 60%. Any Initial Claim properly submitted and received after June 30, 2015 shall be subject to the new 65% Initial Reimbursement Rate.

¹ Except as otherwise defined in this Order, capitalized terms and phrases have the meanings given to them in the Trust Agreement, as defined below.

3. Each Remainder Claim as of June 30, 2015, and each Initial Claim that has been properly submitted and received by the Administrator on or before June 30, 2015 but for which an Initial Reimbursement Payment has not yet been made as of that date, will receive an Additional Reimbursement Payment equal to 12.5% of its Remainder Claim balance as of June 30, 2015. The Trust will mail such payment to the holder of such claim on or before July 31, 2015.

4. The proposed Trust Agreement (the "Trust Agreement") attached to this Order, including all of its terms and provisions, is approved. The Receiver is authorized and ordered to enter into such agreement effective as of the beginning of the day on July 1, 2015.

5. Subject to the provisions of the Trust Agreement, Edward M. Brady is appointed as the Trustee of the Trust, and Mr. Brady, John P. Devine and William R. Walker are appointed as the Board Members of the Trust.

6. The Investment Policy attached as Exhibit A to the Trust Agreement is approved and shall be effective as of July 1, 2015.

7. The Receiver's Final Report dated May 14, 2015 that accompanied the Motion (as supplemented at the hearing on the Motion, the "Final Report") is accepted by the Court and approved.

8. Effective as of the beginning of the day on July 1, 2015, the Receiver shall be discharged of his obligations as receiver, and the Trust shall no longer be subject to these receivership proceedings. Notwithstanding the foregoing:

(a) After his discharge, the Receiver shall cooperate in the transition to the Trustee and shall, subject to payment of reasonable photocopying or reproduction costs by the

Trust, provide copies of documents and other information regarding the Trust in his possession or control to the Trustee and the Board Members as and when reasonably requested.

(b) The Receiver's law firm, Mallery & Zimmerman, S.C., shall maintain its and the Receiver's files until June 30, 2021, after which it may destroy such files upon notice to the Trustee.

(c) On or before July 20, 2015, the Receiver shall provide a letter to the Court, with copies to the WDFI and the Association, (a) confirming that the Initial Reimbursement Percentage has been increased; (b) acknowledging that the Remainder Claim payments are in process and will, upon information and belief, be made pursuant to this Order; (c) confirming that the Trust Agreement has been fully executed and is in full force and effect; (d) confirming that the Replacement Investment Policy is in full force and effect; and (e) updating the financial report in the form attached to the Final Report through and including June 30, 2015.

Dated _____, 2015.

BY THE COURT:

The Honorable Peter C. Anderson
Circuit Court Judge, Branch 17

TRUST AGREEMENT/ PLAN OF LIQUIDATION

THIS TRUST AGREEMENT/PLAN OF LIQUIDATION ("Agreement") is made as of July 1, 2015 by JOHN M. WIRTH as the Court-appointed receiver for the WFT LIQUIDATING TRUST f/k/a Wisconsin Funeral Trust, and the Trustee, EDWARD M. BRADY. This Agreement will be effective as of the beginning of the day on July 1, 2015.

Except as otherwise defined in this Agreement, capitalized terms and phrases shall have the meanings given to them in the Glossary appended to and made a part of this Agreement. Whenever this Agreement refers to a Section or Article, such reference shall be to a Section or Article of this Agreement unless otherwise specified.

RECITALS

A. The Association established the Trust on or about March 29, 1999, as a master trust to deposit the proceeds from preneed Burial Agreements sold by the Association's members.

B. On September 14, 2012, the WDFI filed a complaint against the Association and Fiduciary Partners, as trustee for the Trust, alleging violations of securities laws relating to the Trust. The complaint was filed in the Court and adjudicated in two separate but administratively consolidated proceedings given Case Nos. 12-CX-44 and 12-CX-44A.

C. On that same date, the Court entered an order on the motion of the WDFI appointing the Receiver, pursuant to Wisconsin Statutes Section 551.603(2)(b)1., as interim receiver for all assets of the Association and the Trust.

D. On October 24, 2012, with the stipulation of Fiduciary Partners and the Association, the Court entered the Trust Appointment Order and the Association Appointment Order by which the Receiver was confirmed as receiver for the Trust and certain rights of the Association.

E. The Trust Appointment Order has been modified by various orders of the Court, including the Amended Order and the Clarifying Order.

F. On June 12, 2015, pursuant to the Confirmation Order, the Court, the Honorable Peter C. Anderson presiding, authorized the Receiver, as successor trustee of the Trust, to enter into this Agreement as part of the resolution of the receivership and the discharge of the Receiver.

AGREEMENTS

In consideration of the foregoing recitals, and for other good consideration, including the agreements set forth in this Agreement, the receipt and sufficiency of which the parties acknowledge, the Receiver and the Trustee agree:

ARTICLE 1 PURPOSE OF TRUST

1.1 Purpose. The Trustee shall hold and administer the Trust Assets and liquidate and distribute the Trust Assets to the Beneficiary Funeral Homes and others, as described in this Agreement, to reimburse the Beneficiary Funeral Homes and such other persons and entities upon their performance under Burial Agreements and under the FHSA. The Trustee shall oversee investments, supervise and administer the Claims process, resolve disputes and perform all other obligations of the Trust, as described in this Agreement.

1.2 Philosophy. The primary goal of the Trust is to maintain Trust Assets for the benefit of the Beneficiary Funeral Homes, their successors in interest and the Other Payees. Principal preservation is more important than principal growth. Only through principal preservation will the Trust be able to maintain distributions to the Beneficiary Funeral Homes at no less than current levels, thereby allowing the Beneficiary Funeral Homes to stabilize and plan for their businesses and to provide the Trust's Depositors with the services they have been promised. To those ends, the Trust's investments shall be conservative, and the Trustee, the Trustee's agents and all others providing services to the Trust shall seek to keep administrative costs low while honoring the checks and balances of this Agreement and ensuring transparency and accountability.

ARTICLE 2 ESTABLISHMENT OF TRUST

2.1 Name. The Trust shall be formally known as the "WFT Liquidating Trust."

2.2 Trust Assets. As of the date of this Agreement, the Receiver has transferred all power over, and all liability for, the Trust Assets to the Trustee. The Trust holds all of the Trust Assets.

2.3 Beneficiaries. The beneficiaries of the Trust are the Beneficiary Funeral Homes and their successors in interest, including the Other Payees, as described in this Agreement.

2.4 Assignment of Rights under FHSAs. By this Agreement, the Receiver assigns to the Trustee, as trustee of the Trust, all of the Receiver's rights and obligations under all of the FHSAs.

2.5 Acceptance. Subject to the provisions of this Agreement and the Confirmation Order, the Trustee accepts the duties, powers and obligations conferred upon him by this Agreement, including without limitation all of the rights and responsibilities of the Receiver under each of the FHSAs.

2.6 Principal Place of Administration. Regardless of any change in the identity or domicile of the Trustee, or the location of any office maintained by the Trustee, the principal place of administration of the Trust and the location of its corpus shall always be deemed to be in Dane County in the State of Wisconsin.

ARTICLE 3
THE TRUSTEE

3.1 Number. The Trustee shall at all times be one natural person. The initial Trustee is Edward M. Brady.

3.2 Term of Service.

(a) The Trustee shall serve for the duration of the Trust or until his or her earlier resignation, death or removal.

(b) The Trustee may resign at any time by written notice to the Board, the WDFI and the Court. Such notice shall specify a date when such resignation shall take effect, which shall not be less than 60 calendar days after the date such notice is given, when practicable.

(c) The Trustee may be removed for cause at any time by the Court.

3.3 Suspension of Trustee. The Board shall, in its reasonable discretion, suspend the Trustee for (a) any wrongful conduct, including any impermissible conflict of interest; (b) any proper act done in a wrongful or injurious manner; (c) any failure to act when under an obligation to do so; or (d) other cause, including the prolonged absence or disability of the Trustee. The suspension of the Trustee shall also constitute his or her suspension from the Board. The Board shall promptly provide written notice of any suspension of the Trustee to the Trustee, the WDFI, the Beneficiary Funeral Homes, the Investment Advisor and the Administrator. The Trustee may petition the Court to terminate the suspension. After any such suspension, the Board, the WDFI or any Beneficiary Funeral Home may petition the Court for removal of the Trustee. The Trustee, the Board, the WDFI or a Beneficiary Funeral Home may, in the petition, seek such other relief as may be necessary in the petitioner's discretion, provided it is related to the suspension. Any such suspension shall terminate after 60 days unless a petition is filed with the Court.

3.4 Interim Trustee. Whenever there is no duly-appointed and acting Trustee, including during any suspension or after termination of the Trustee, the Board shall collectively serve as interim Trustee until the earlier of the appointment of a new Trustee or the termination of any suspension. The Board shall, without any further act, deed or conveyance, become vested with all the rights, powers, trusts and duties of the Trustee. The Board shall not, as interim Trustee, be personally liable for any act or omission of the suspended or former Trustee.

3.5 Selection of Successor Trustee.

(a) In the event of the death, resignation or removal of a Trustee, the Board shall, within 30 days of notice of the vacancy, either (i) nominate a successor Trustee and provide the notice of the nomination as required by Section 3.5(b) or (ii) petition the Court to appoint a Trustee or to afford such other relief as may be desirable under the circumstances.

(b) The nomination and appointment of a successor Trustee shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14. The initial notice described in Section 14.2 shall set forth the name of the person nominated, his or her qualifications, any compensation changes, and any other information the Board deems relevant to the appointment.

(c) If the Board fails to nominate a successor Trustee and provide the required notice within such 30-day period, any party in interest, including a Board Member, may petition the Court to appoint a successor Trustee.

3.6 Rights, Duties and Obligations of the Successor Trustee. Immediately upon appointment, a successor Trustee shall execute, acknowledge and deliver to the Board and to the resigning or removed Trustee, if applicable, an instrument accepting such appointment, and such successor Trustee shall, without any further act, deed or conveyance, become vested with all the rights, powers, trusts and duties of the Trustee. No successor Trustee shall be personally liable for any act or omission of his or her predecessor Trustee.

3.7 Trustee of Out-of-State Property. If the Trustee is unable to act as trustee with respect to any property outside the state, or if the Trustee in the Trustee's discretion determines that so acting is impractical, the Trustee may appoint a person to act as the Trustee with respect to the property. The Trustee may from time to time, in the Trustee's discretion, remove the appointed Trustee and appoint another. The Trustee may, but shall have no obligation to, require a bond or other security from an out-of-state Trustee and may condition the acts of the appointee as the Trustee determines, in the Trustee's discretion, to be necessary or advisable. Any Trustee appointed for this purpose shall remit the net income or any proceeds from the property to the primary Trustee and give the primary Trustee an account at least quarterly. The primary Trustee shall be liable to the Trust for the acts of the Trustee's appointee to the same extent as the primary Trustee would otherwise be liable under this Agreement.

3.8 Compensation and Expenses of the Trustee.

(a) The initial Trustee shall initially be paid the sum of \$3,000 per month for his service as the Trustee under this Agreement.

(b) The Board shall establish a policy regarding reimbursement of costs and expenses. Consistent with such policy, all reasonable out-of-pocket costs and expenses incurred by the Trustee in connection with the performance of his or her duties under this Agreement shall be promptly reimbursed to the Trustee by the Trust upon presentation of appropriate documentation.

(c) Commencing with the second regular Board meeting of 2016, the Board shall review the Trustee's compensation on an annual basis. The initial compensation for the Trustee was established based on certain assumptions about the amount of time required of the Trustee; the obligations assumed in accepting the position as the Trustee; the effect of administrative expenses on the return to Beneficiary Funeral Homes; and the pay required to recruit and retain a qualified professional to serve as the Trustee. The individual agreeing to serve in this capacity acknowledges

that the first several months might require some additional effort to become acclimated to his position and the arrangements of the Trust; therefore, the first compensation review does not occur until after a full year of normalized activities. In reviewing compensation, the Board shall consider the foregoing factors before adjusting compensation. Any increase in compensation of the Trustee above \$3,000 per month shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14.

3.9 Bond Not Required. No bond or other security shall be required of the Trustee.

3.10 E&O Insurance. The Trustee shall cause the Trust to maintain Professional Liability Errors and Omissions (E&O) Insurance with an aggregate limit of liability not less than \$_____. Such insurance shall allow claims by the Trust for acts and omissions of its Trustee and Board Members.

3.11 General Powers. Except as otherwise provided in this Agreement, and subject to the limitations and requirements of this Agreement, the Trustee shall have the power to take any and all actions that, in the judgment of the Trustee, are necessary or advisable to effectuate the purposes of the Trust, including, without limitation, each power expressly granted in this Agreement, any power reasonably incidental to such powers, and any trust power now or hereafter permitted under applicable law that does not conflict with this Agreement. The Trustee shall have all powers granted under Wisconsin law to a trustee other than those specifically reserved by this Agreement in the Board or otherwise restricted by this Agreement or by applicable law.

3.12 Specific Powers. Without limiting the generality of the foregoing, but as limited by this Agreement, the Trustee shall have the power to:

(a) Receive and hold the Trust Assets and invest or reinvest proceeds from time to time in cash, bonds, stocks, securities, certificates of deposit and other cash equivalents subject to the limitations and requirements of this Agreement.

(b) Pay Claims and other obligations of the Trust in accordance with this Agreement.

(c) Establish such funds, reserves and accounts within the Trust as deemed necessary by the Trustee in his or her discretion to be useful in carrying out the purposes of the Trust.

(d) Except as otherwise specified in this Agreement, (i) appoint such officers and engage such legal, financial, accounting, investment and other advisors and agents as the business of the Trust requires, including without limitation the Administrator and the Investment Advisor, (ii) delegate to such persons such powers, authorities and discretion as the Trustee, in his or her discretion, deems advisable or necessary in order to carry out the terms of the Trust, and (iii) pay the reasonable compensation, fees and expenses of all such persons.

(e) Consult with counsel, accountants and other parties deemed by the Trustee to be qualified as experts on the matters submitted to them. The Trustee is authorized to rely on the written opinion of any such expert provided such reliance is in good faith.

(f) Indemnify, and purchase insurance to indemnify, the Trustee, the Board Members and the employees, agents and representatives of the Trust, to the fullest extent that a corporation organized under the laws of the State of Wisconsin is from time to time entitled to indemnify its directors, officers, employees, agents and representatives.

(g) Sue and be sued in his or her capacity as the Trustee (and not personally) and participate, as a party or otherwise, in any judicial, administrative, arbitration or other proceedings.

(h) Make, pursue (by litigation or otherwise), contest, collect, compromise or settle any claim, right, action or cause of action of the Trust, including without limitation any claim, right, action or cause of action related to or under a FHSA.

(i) Contest, compromise, settle or otherwise dispose of any dispute relating to a Claim or any FHSA.

(j) Establish policies for the Trust and its administration consistent with the provisions of this Agreement.

3.13 Accounts. The Trustee shall keep, and require the Administrator and each entity holding any of the Trust Assets to keep, an accurate record of the Trust Assets, including all receipts and disbursements.

3.14 FHSAs. The Trustee, in his or her capacity as Trustee of the Trust, is the successor of the Receiver under each FHSA and is vested with all of the rights and responsibilities of the Receiver under each FHSA.

3.15 Notices. The Trustee and any successor Trustee shall timely provide the notices and information to the Beneficiary Funeral Homes required by Wisconsin Statutes Section 701.0813, as amended or renumbered, including the required notice at the time of the appointment of the Trustee and any successor Trustee.

3.16 Informing the Board. The Trustee shall keep the Board apprised of all matters that have a significantly material effect on the overall financial status of the Trust.

3.17 Other Duties. The Trustee shall fulfill all other duties assigned to the Trustee as specified in this Agreement and shall manage and administer the Trust as required by applicable law.

3.18 Prohibitions. The Trustee shall not authorize or allow, and shall be prohibited from doing, any of the following:

(a) Accept additional deposits into the Trust from current or new Depositors.

- Agreement.
- (b) Create any new beneficiary relationship except as specifically described in this Agreement.
 - (c) Require the Trust to guaranty any debts of any person or entity.
 - (d) Acts contrary to this Agreement.

ARTICLE 4 THE BOARD

4.1 Number. The Board shall at all times be three natural persons, one of whom shall be the Trustee. The other two initial Board Members are John P. Devine and William R. Walker.

4.2 Term of Service.

(a) Each Board Member shall serve for the duration of the Trust or until his or her earlier resignation, death or removal.

(b) A Board Member may resign at any time by written notice to the other Board Members, the WDFI and the Court. Such notice shall specify a date when such resignation shall take effect, which shall not be less than 60 calendar days after the date such notice is given, when practicable

(c) A Board Member may be removed for cause at any time by the Court.

4.3 Suspension of Board Member. The Board shall, in its reasonable discretion, suspend a Board Member for (a) any wrongful conduct, including any impermissible conflict of interest; (b) any proper act done in a wrongful or injurious manner; (c) any failure to act when under an obligation to do so; or (d) other cause, including the prolonged absence or disability of the Board Member. The Board shall promptly provide written notice of any suspension of a Board Member to the suspended Board Member, the WDFI and the Beneficiary Funeral Homes. The suspended Board Member may petition the Court to terminate the suspension. After any such suspension, the Board, the WDFI or any Beneficiary Funeral Home may petition the Court for removal of the suspended Board Member. The Court shall remove the suspended Board Member if the Court determines, in the Court's discretion, that removal is in the best interests of the Trust. The suspended Board Member, the Board, the WDFI or a Beneficiary Funeral Home may, in the petition, seek such other relief as may be necessary in the petitioner's discretion, provided it is related to the suspension. Any such suspension shall terminate after 60 days unless a petition is filed with the Court.

4.4 Actions During Suspension. At any time a Board Member is suspended, the remaining Board Members shall act without the input or vote of the suspended Board Member; however, the Board shall provide written notice to the suspended Board Member of all action of the Board during such suspension. Such notice shall be provided concurrently with any such action.

4.5 Selection of Successor Board Member.

(a) In the event of the death, resignation or removal of a Board Member, the Board shall either, within 30 days of notice of the vacancy, either (i) nominate a successor Board Member and provide the notice of the nomination as required by Section 4.5(b) or (ii) petition the Court to appoint a successor Board Member or to afford such other relief as may be desirable under the circumstances.

(b) The nomination and appointment of a successor Board Member shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14. The initial notice described in Section 14.2 shall set forth the name of the person nominated, his or her qualifications, any compensation changes, and any other information the Board deems relevant to the appointment.

(c) If the Board fails to nominate a successor Board Member and provide the required notice within such 30-day period, any party in interest may petition the Court to appoint a successor Board Member.

4.6 Rights, Duties and Obligations of the Successor Board Member. Immediately upon appointment, a successor Board Member shall, without any further act, deed or conveyance, become vested with all the rights, powers, trusts and duties of a Board Member. No successor Board Member shall be personally liable for any act or omission of his or her predecessor Board Member.

4.7 Compensation and Expenses of the Board Members.

(a) The initial Board Members other than the Trustee shall each be paid the sum of \$1,200 per month for their service as Board Members under this Agreement. The Board shall determine the frequency of the payments.

(b) Consistent with the Board's policy regarding costs and expenses, all reasonable out-of-pocket costs and expenses incurred by a Board Member in connection with the performance of his or her duties under this Agreement shall be promptly reimbursed to the Board Member by the Trust upon presentation of appropriate documentation.

(c) Commencing with the second regular Board meeting of 2016, the Board shall review the Board's compensation on an annual basis. The initial compensation for the Board was established based on certain assumptions about the amount of time required of the Board Members; the obligations assumed in accepting a position as a Board Member; the effect of administrative expenses on the return to Beneficiary Funeral Homes; and the pay required to recruit and retain qualified professionals to fill the Board. The individuals agreeing to serve in this capacity acknowledge that the first several months might require some additional effort to become acclimated to their position and the arrangements of the Trust; therefore, the first compensation review does not occur until after a full year of normalized activities. In reviewing compensation, the Board shall consider the foregoing factors before adjusting compensation. Any increase in compensation of the Board Members (other than the Trustee) above \$1,200 per month shall follow the same procedure as

an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14.

4.8 Bond Not Required. No bond or other security shall be required of the Board Members.

4.9 General Powers. The Board shall advise the Trustee and exercise such other oversight authority and other responsibilities as are specified in this Agreement.

4.10 Meetings; Actions Without Meetings.

(a) The Board shall meet at least twice each year to review the performance of the Trust. The Trustee shall fix the time and place of these regular meetings after consultation with the other Board Members.

(b) Special meetings of the Board may be called by the Trustee or at the request of both of the other two Board Members. The person or persons authorized to call the additional meetings of the Board may fix the time, place and manner of the additional meeting so called.

(c) All regular and special meetings shall be either in-person in the State of Wisconsin or by telephone or other electronic means of communication. One or more Board Members may participate telephonically or electronically in any in-person meeting. In any event, all participating Board Members must be able to hear each other during the meeting.

(d) Except in an emergency, as determined by the Board in the Board's discretion, no meeting may be conducted at which the Board will make any decisions without all Board Members present unless all Board Members have been notified of the meeting at least 48 hours in advance. A Board Member, including a Board Member who is unable to participate in a meeting, may waive the 48 hours' advance notice. Notice may be given orally or communicated in person, by telephone, telegraph, teletype, facsimile, email, other form of electronic, wire or wireless communication or private carrier. A Board Member's attendance at or participation in a meeting shall constitute a waiver of notice of the meeting, unless the Board Member at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of the meeting.

(e) A quorum of the Board shall be two Board Members. The affirmative vote of two Board Members shall be the act of the Board. No suspended Board Member, as described above, is entitled to be at any meeting, and the presence of a suspended Board Member shall not count toward a quorum. No suspended Board Member shall be entitled to vote at any meeting.

(f) The Trustee shall act as the chair of the meeting.

(g) The Trustee may appoint a person present to act as secretary of the meeting and to prepare minutes of the meeting. Notwithstanding the discretion conferred by the preceding sentence, the Trustee shall appoint a secretary and minutes shall be taken for each of the semi-annual meetings described in Section 4.10(a) and at any meeting at which the Board deliberates concerning the merits of any of the following or takes final action on any of the following:

(i) To suspend the Trustee or to petition the Court to replace the Trustee (see Section 3.3).

(ii) To nominate a successor Trustee or to petition the Court to remove the Trustee and appoint a replacement Trustee (see Section 3.5(a)(ii)).

(iii) To increase the Trustee's compensation pursuant to Section 3.8(c).

(iv) To suspend a Board Member, to nominate a successor Board Member or to petition the Court to remove a Board Member and appoint a replacement (see Section 4.3 and Section 4.5(a)(ii)).

(v) To increase the compensation of Board Members other than the Trustee pursuant to Section 4.7(c).

(vi) To consent to the replacement of the Investment Advisor (see Section 6.1(b)).

(vii) To consent to a change in the Investment Policy (see Section 6.4(b)).

(viii) To consent to a change to the Initial Reimbursement Percentage (see Section 7.4).

(ix) To consent to the replacement of the Administrator (see Section 8.2(c)).

(x) To suspend Retirement Payments (see Section 8.3(e)(iv)).

(xi) To terminate the Trust (see Section 13.2(b)).

(xii) To amend this Agreement (see Section 14.1).

(h) Any action required or permitted by this Agreement may be taken without a meeting with the written consent of the Board. Actions taken pursuant to written consent shall be effective when the last Board Member signs the consent, sends an electronic consent or upon such other effective date as is specified in the consent.

4.11 Funeral Home Observer(s).

(a) The Association, for so long as it exists, may have one representative observe the following:

(i) The semi-annual meetings described in Section 4.10(a); and

(ii) Any meeting at which the Board takes final action on any of the matters described in Section 4.10(g).

(b) The Board may also, in its discretion, invite other Beneficiary Funeral Homes, including non-members of the Association, to observe.

(c) Except in an emergency, as determined by the Board in the Board's discretion, the Board shall give at least 48 hours' advance notice to the Association of the meetings described in Section 4.11(a); however, it is not necessary for the Association observer to be present or participate at any Board meeting in order to conduct or take final action at a meeting. The failure of the Board to provide notice shall not void any action taken. If, due to an emergency, at least 48 hours' advance notice is not given of a meeting as set forth in this paragraph, and if no observer attends such meeting, the Board shall reasonably promptly after such meeting provide notice to the Association of the nature of the emergency and minutes from the portion of the meeting for which the observer was entitled to attend.

(d) The Board may, but shall be under no obligation to, notify and allow the observers to observe or participate in any special meeting other than those described in Section 4.11(a)(ii).

(e) The Trust shall have no responsibility for the costs incurred by such observers, including without limitation costs in attending any such meeting. The observers shall not be entitled to indemnification by the Trust pursuant to Section 12.3 or otherwise. The observers shall have no voting power. The extent of the participation, if any, in any meeting by the observers shall be at the discretion of the chair of the Board. Either the Board or the chair of the Board, in his, her or its discretion, may close a meeting to any observer who is being disruptive or who has been disruptive during any previous meeting.

(f) Except for the final vote related to a matter described in Section 4.11(a)(ii), the Board or the chair of the Board may, as determined in his, her or its discretion, exclude any such observer from any part of any meeting during which:

(i) the Board will discuss any matter which is likely, as determined by the Board or the chair of the Board in his, her or its discretion, to involve litigation, another judicial or quasi-judicial proceeding or arbitration, in order to discuss the merits or strategy related to such matter;

(ii) the Board will engage or confer with counsel or review an opinion of counsel;

(iii) the Board will discuss any matter that the Board is required to keep confidential pursuant to Article 11 or pursuant to applicable law;

(iv) the Board will preliminarily discuss or review [a] suspension of the Trustee or a Board Member or replacement of a Service Provider; [b] a complaint about, or a potential or alleged breach of this Agreement by, a Service Provider, or [c] any other matter when a closed session might be desirable in order to protect the reputation of a person or entity until the Board has had an opportunity to consider such matter; or

(v) competitive or bargaining reasons require a closed session.

ARTICLE 5 CONFLICTS OF INTEREST

5.1 Service Provider Conflicts. A Service Provider has a conflict of interest if the Service Provider:

(a) Is a Relative or Affiliate of another Service Provider;

(b) Has any ownership interest in a Beneficiary Funeral Home or is engaged by, or employed by, a Beneficiary Funeral Home; or

(c) Will financially benefit, directly or indirectly, from a contract or relationship between the Trust and another Service Provider. Notwithstanding the foregoing, no conflict of interest exists if a Service Provider owns 2% or less of the equity or voting interests in another Service Provider that is publicly traded and the only financial benefits derived by the Service Provider are normal appreciation and dividends.

5.2 Prohibited Conflicts. Except as provided below, Service Providers are prohibited from having a conflict of interest and the Trustee shall not engage a Service Provider that has a conflict of interest. Notwithstanding the foregoing, the Trustee may engage an accounting, actuarial or law firm in which a Service Provider, other than the Trustee, is a principal or employee provided that (a) the Board approves of such engagement after being informed of the conflict of interest or potential conflict of interest and (b) the Trustee and the Board deem that the Trust is appropriately protected despite the existence of such conflict of interest or potential conflict of interest.

5.3 Duty to Inquire. When entering a contract with a potential Service Provider, the Trustee shall inquire about and may rely in good faith on written and oral representations of such potential Service Provider regarding the existence of any conflicts of interest and potential conflicts of interest.

5.4 Duty to Notify. Upon learning that he or she has a conflict or interest or potential conflict of interest related to an actual or potential Service Provider or a Beneficiary Funeral Home, a Board Member, including the Trustee, shall promptly disclose, in writing, the nature and extent of the conflict of interest or potential conflict of interest to the other Board Members.

5.5 Required Contractual Provision. A contract or other agreement with a Service Provider entered after the date of this Agreement, other than a contract or agreement that the Trustee may terminate at-will, shall provide that the Trustee may terminate the contract upon the occurrence of a conflict of interest other than a conflict of interest otherwise allowed by this Section.

ARTICLE 6 INVESTMENT OF TRUST ASSETS

6.1 Investment Advisor.

(a) At all times, the Trust shall engage and utilize an independent investment professional (the Investment Advisor) to advise the Trustee concerning the investment of the Trust Assets and to handle the Trust's transactions involving the Trust's Assets (other than operating accounts maintained by the Trustee or the Administrator). Subject to the Trustee's approval, the Investment Advisor may utilize one or more custodians of the Trust Assets.

(b) The initial Investment Advisor shall be Ziegler Capital Management, LLC. The Trustee may, with the consent of the Board, replace the Investment Advisor at any time. The Trustee shall give written notice to the WDFI, the Beneficiary Funeral Homes and the Administrator of any replacement of the Investment Advisor.

(c) The agreement with the Investment Advisor shall provide that the Investment Advisor will provide to the Trustee the information required to be reported pursuant to Article 9 and will answer questions posed from time to time by Board Members. However, the Investment Advisor shall only take instructions and seek approvals from the Trustee.

(d) The WDFI or any Beneficiary Funeral Home may petition the Court at any time to replace the Investment Advisor for good cause provided that any such petitioner first makes demand on the Trustee to make such a replacement and the Trustee fails to do so for a period of 30 days.

6.2 Investment Standard. Pursuant to Wisconsin Statutes Section 881.01(3)(a)-(b), the Trustee must exercise reasonable care, and "invest and manage assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the . . . trust." The Trustee is to have "an overall investment strategy having risk and return objectives reasonably suited to the . . . trust." The Trust shall not adopt a more permissive standard regardless of any change in the law that would permit a more permissive standard.

6.3 Investment Policy. The Investment Policy attached to this Agreement as Exhibit A shall govern the investment of the Trust Assets until amended as provided in this Agreement. The

Trustee may also cause funds to be held in money market accounts and may retain adequate working capital checking accounts at financial depositories of the Trustee's choice.

6.4 Modification of Investment Policy.

(a) It is anticipated that the Investment Policy will not be modified during the term of the Trust; however, if the Trustee determines that a change to the Investment Policy is necessary to enable the Trustee to fulfill his or her fiduciary duties to the Beneficiary Funeral Homes, the Trustee may propose an amendment to the Investment Policy with the consent of the Board. Before making any such proposal, the Trustee shall confer with the Investment Advisor.

(b) The adoption of a proposed change to the Investment Policy shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14. The initial notice to the WDFI and the Beneficiary Funeral Homes shall also state whether the Investment Advisor concurs with the proposed change.

6.5 Emergency Deviations from the Investment Policy. In an emergency, as reasonably determined by the Trustee with the advice of the Investment Advisor and the consent of the Board, the Trustee may deviate from the Investment Policy provided that (a) any investments made are readily saleable and provide quick liquidity; (b) the Trustee contemporaneously advises the WDFI of the deviation; and (c) no such emergency deviation shall last for more than 30 days unless, within such 30-day period, the Trustee commences the Investment Policy amendment process described in this Article and diligently pursues the adoption of such amendment. The Trustee shall cause the Trust to comply with the Investment Policy within such 30-day period if he or she has not so commenced the amendment process.

6.6 Operating Accounts; Current Private Equities. Notwithstanding any contrary provision of the Investment Policy:

(a) The Trustee and the Administrator, subject to policies established by the Trustee, may maintain accounts with Qualified Financial Institutions in which cash deposits are maintained from which Claim payments are made and to fulfill the operating and administrative obligations of the Trust.

(b) The Trustee may maintain the private equity investments that exist as of the date of this Agreement until the Trustee determines that such equities can be prudently unwound.

ARTICLE 7 CLAIMS

7.1 Classes of Claims. The Claims are all of the claims of the Beneficiary Funeral Homes (including their successors in interest under this Agreement) and the Other Payees against the Trust Assets. The Claims are divided into the following classes:

- (a) Initial Claims.
- (b) Remainder Claims.
- (c) Other Payee Claims.

7.2 Interest.

(a) Each Initial Claim bears interest at CD+1 in effect from time to time from the date of this Agreement through the earlier of the date it is no longer an Initial Claim or the termination of this Agreement.

(b) Each Remainder Claim bears interest on its unpaid balance at CD+1 in effect from time to time from the date of this Agreement (or if it is created after the date of this Agreement, from the date of its creation) through the earlier of its satisfaction or the termination of this Agreement.

7.3 Initial Reimbursement Percentage.

(a) Prior to the date of this Agreement, pursuant to the Trust Appointment Order, the Receiver has paid Claim Requests for Initial Claims at an Initial Reimbursement Percentage of 60%.

(b) As of the date of this Agreement, pursuant to the Confirmation Order, the Initial Reimbursement Percentage has been increased to 65%. Accordingly, the Remainder Claim Percentage is 12.5%. The Administrator has been directed to make an Additional Reimbursement Payment on account of the Remainder Claims in accordance with Section 8.3(e).

7.4 Adjustment of Initial Reimbursement Percentage.

(a) From time to time, but no later than December 31, 2016, and no less frequently than every third calendar year thereafter until this Trust is terminated pursuant to Article 13, the Trustee shall cause an update to the Trust's actuarial study to be performed to determine whether the Initial Reimbursement Percentage remains appropriate. The update shall be performed by an actuarial firm selected by the Trustee with the consent of the Board.

(b) After having an actuarial study completed, the Trustee may, with the consent of the Board, propose a change to the Initial Reimbursement Percentage as follows:

(i) In determining whether to change the Initial Reimbursement Percentage, the Trustee shall first calculate the Current Remainder Claim Reserve, which shall be calculated¹ as follows:

¹ The attached Schedule 7.4(b)(i) provides examples of the calculation of a Potential Initial Reimbursement Percentage and a Current Remainder Claim Reserve.

[1] Calculate the Potential Initial Reimbursement Percentage;

[2] Determine the difference between the Potential Initial Reimbursement Percentage and the actual Initial Reimbursement Percentage; and

[3] Multiply [a] the total Remainder Claims divided by the difference between 100% and the Initial Reimbursement Percentage; [b] the difference calculated pursuant to Section 7.4(b)(i)[2]; and [c] 50%.

(ii) The Trustee and the Board shall only propose an increase in the Initial Reimbursement Percentage if, after considering the actuarial report, they conclude that the Trust Assets, less the Current Remainder Claim Reserve, are and will remain highly likely to be sufficient to pay all liabilities and obligations of the Trust, all Other Payee Claims, all Initial Claims at the increased Initial Reimbursement Percentage and all Remainder Claims at a Remainder Claim Percentage increased as described in Section 7.5.

(c) The adoption of a proposed change to the Initial Reimbursement Percentage shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14.

7.5 Remainder Claim Percentage. The Remainder Claim Percentage shall be recalculated and adjusted at the time of each adjustment to the Initial Reimbursement Percentage.

ARTICLE 8 CLAIMS ADMINISTRATION

8.1 Incorporation of Funeral Home Settlement Agreement. On July 8, 2013, the Court entered the Amended Order approving the form of the FHSA, which was entered into by all participating funeral homes. The terms, conditions and procedures set forth in the FHSA are incorporated in this Agreement by reference.

8.2 Administrator.

(a) At all times, the Trust shall engage and utilize one or more independent, qualified professionals (the Administrator) to (i) maintain the Burial Agreements and records related to the Burial Agreements; (ii) calculate Stated Account Balances; (iii) maintain a web portal through the Trust's website to enable Beneficiary Funeral Homes to ascertain the Stated Account Balances for their Burial Agreements; (iv) review and approve Claim Requests; (v) pay approved Claims; (vi) prepare, subject to the Trustee's approval, tax returns for the Trust and required Forms 1099 for the Depositors; and (vii) perform such other administrative services agreed to by the Trustee.

(b) The initial Administrator shall be Fiduciary Partners. The Trustee may, with the consent of the Board, replace the Administrator at any time subject to any contractual rights of

the Administrator. The Trustee shall give written notice to the WDFI and the Beneficiary Funeral Homes of any replacement of the Administrator.

(c) The WDFI or any Beneficiary Funeral Home may petition the Court at any time to replace the Administrator for good cause provided that any such petitioner first makes demand on the Trustee to make such a replacement and the Trustee fails to do so for a period of 30 days.

8.3 Payment of Claims. The Trust shall pay Claims as follows:²

(a) Generally. After the funeral of a Depositor, the Servicing Funeral Home or Other Payee shall make a Claim Request by submitting a Claim Form in the form required by the Trustee. Each Claim Request shall contain the name of the Servicing Funeral Home, the Depositor's name and Trust account number, the date of service, the total price of the funeral bill and the Stated Account Balance. The Servicing Funeral Home shall also submit along with the Claim Request a copy of a death certificate or affidavit of death and a copy of the funeral bill (statement of goods and services) and such other information as required by the terms of this Agreement or that the Trustee shall reasonably require from time to time. If the Claim Request is submitted by an Other Payee, the Other Payee shall include reasonable evidence satisfactory to the Trustee and the Administrator supporting the Other Payee status. Each Claim Request shall be signed by a representative of the Depositor's estate confirming the accuracy of the information provided by the Servicing Funeral Home or the Other Payee. Whenever this Agreement limits a payment to "the Servicing Funeral Home's standard retail price of the actual goods and services provided," the party reviewing a Claim Request (the Administrator or the Trustee) can rely, without further investigation, on a certification from the Servicing Funeral Home in the Claim Request, the funeral bill submitted with the Claim Request and the above-described signature of the representative of the Depositor's estate; however, the Administrator or the Trustee may dispute the Claim Request if he, she or it has cause to believe that the Servicing Funeral Home has not used the required standard pricing.

(b) Review of Claim Request. Upon receipt of the Claim Request, the Administrator shall analyze the Claim Request and compare it against the Trust's records for the Depositor's account. The Administrator or, if the Administrator is unsuccessful, the Trustee will attempt to reconcile any discrepancies between the filed Claim Request and the Trust's records. If the parties cannot resolve the discrepancy, the Administrator may, with the Trustee's approval, withhold the Initial Reimbursement Payment.

(c) Initial Reimbursement Payment to Servicing Funeral Home. If the Claim Request is submitted by a Servicing Funeral Home, and neither the Administrator nor the Trustee object to the Claim or Claim Request (or if there is one or more objections, all such objections are resolved to the Trustee's satisfaction), the Administrator shall pay the Servicing Funeral Home the Initial Reimbursement Payment in an amount equal to (i) the Initial Reimbursement Percentage multiplied by (ii) the lesser of [a] the Stated Account Balance, or [b] the Servicing Funeral Home's

² Except as provided in Section 8.3(e), these procedures for the reimbursement of Claims are consistent with the procedures set forth in the Trust Appointment Order, as modified by Sections 15 and 16 of the Amended Order.

standard retail price of the actual goods and services provided by the Servicing Funeral Home; provided, however, in the case of a Non-Guaranteed Burial Agreement, or if required under Section 8.4, the Servicing Funeral Home shall provide, as a condition precedent to payment of the Claim, evidence reasonably satisfactory to the Administrator that the Servicing Funeral Home has paid the estate of the Depositor the amount, if any, by which the Stated Account Balance exceeds the Servicing Funeral Home's standard retail price of the actual goods and services provided.

(d) Payment to Other Payee. If the Claim Request is submitted by an Other Payee, the Burial Agreement shall be treated as if the Beneficiary Funeral Home and the Servicing Funeral Home had completed an undocumented transfer as described in Section 8.6(f)(i) and the Servicing Funeral Home (if not the Other Payee) had assigned the right to payment to the Other Payee. A Beneficiary Funeral Home (Transferring Funeral Home) that is not a Discontinued Funeral Home shall be responsible for payment of the Transfer Payment to the Trust and shall retain a Remainder Claim for such amount. If neither the Administrator nor the Trustee objects to the Claim or Claim Request (or if there is one or more objections, all such objections are resolved to the Trustee's satisfaction), the Trust shall pay the Other Payee an amount equal to the lesser of (i) the amount payable under the Burial Agreement or (ii) the Servicing Funeral Home's standard retail price of the goods and services actually provided by the Servicing Funeral Home. The Trust, rather than the Transferring Funeral Home, Servicing Funeral Home or Other Payee, shall pay to the Depositor's estate any refund due to such estate pursuant to Section 8.3 or Section 8.4.

(e) Payments on Account of Remainder Claims.

(i) Within one calendar month of each adjustment to the Remainder Claim Percentage, including the adjustment approved in the Confirmation Order, the Trustee shall cause the Administrator to make the following payments on Remainder Claims:

[1] Each holder of a Remainder Claim shall receive an Additional Reimbursement Payment on account of each of its Remainder Claims equal to the Remainder Claim Percentage of each of such Remainder Claims,³ and all of such Remainder Claims shall remain Claims against the Trust in the reduced amount; and

[2] After taking into account the payments described in paragraph [1] above, each holder of a Remainder Claim that is \$250 or less shall receive a payment in full satisfaction of each of such Remainder Claims, including each Remainder Claim that becomes \$250 or less as a result of the payment described in paragraph [1] above, in the amount of the Retirement Payment⁴ for such Remainder Claim.

³ The attached Schedule 8.3(e)(i)[1] provides an example of the calculation of an Additional Reimbursement Payment.

⁴ The attached Schedule 8.3(e)(i)[2] provides an example of a calculation of a Retirement Payment.

(ii) Commencing as of September 30, 2015, and as of the end of each calendar quarter thereafter in which payments are not made as described in Section 8.3(e)(i), the Administrator shall cause the Trust to make a Retirement Payment for all Remainder Claims that, as of the end of such calendar quarter, have a balance of \$250 or less. The Retirement Payment shall be calculated as of the end of such calendar quarter. The Administrator shall cause the Trust to make such payments by the end of the month following such calendar quarter. Payment of the Retirement Payment shall result in the full satisfaction of such Remainder Claim.

(iii) [1] As of July 31, 2015, a holder of Remainder Claims may elect to be paid the Retirement Payment for all or some of its Remainder Claims except any Remainder Claim after any Transfer if both the Transferring Funeral Home and the Serving Funeral Home retain a portion of the Remainder Claim unless both such Beneficiary Funeral Homes consent to the retirement. Any such election must be made in writing and received by the Administrator on or before July 31, 2015.

[2] Commencing as of September 30, 2015, and as of the end of each calendar quarter thereafter, a holder of Remainder Claims may elect to be paid the Retirement Payment for all or some of its Remainder Claims except any Remainder Claim after any Transfer if both the Transferring Funeral Home and the Serving Funeral Home retain a portion of the Remainder Claim unless both such Beneficiary Funeral Homes consent to the retirement. Any such election must be made in writing and received by the Administrator at least 30 days prior to the end of a calendar quarter. To the extent an adjustment to the Remainder Claim Percentage occurs as of the end of a calendar quarter, any Retirement Payment shall be calculated and made after giving full effect to the payments described in Section 8.3(e)(i).

[3] Any holder that timely makes a Retirement Payment election shall be paid the Retirement Payment for each of such Remainder Claims for which an election has been properly made. Any election to receive Retirement Payments for less than all Retirement Claims must specify the Retirement Claims to be satisfied with reasonable specificity. The Administrator shall cause the Trust to make such payments by the end of the month following the deadline for the notice. Payment of the Retirement Payment shall result in the full satisfaction of such Remainder Claims.

(iv) The Board may, at any time, suspend Retirement Payments if the Board determines that the payment of Retirement Payments would have a material adverse effect on the Trust's financial condition. Any suspension of Retirement Payments shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14.

(f) Other Issues and Disputes. If any issue or dispute arises in connection with the payment of a Claim, such as a personal representative's refusal to sign a Claim Form, the Trustee shall cause the Administrator to take such action as the Trustee deems reasonable and prudent under the circumstances.

8.4 Depositor Changes (Contract Amendments). Section 2.4 of the FHSA, which provides the procedure for changes to a Burial Agreement, is incorporated in this Agreement as set forth below. Any changes to a Burial Agreement shall be reflected on the Claim Form.

2.4 Refunds due to Depositor Changes. If at the time of goods or services to be provided by the [Servicing Funeral] Home under a Burial Agreement the Depositor wants changes:

a. If the Burial Agreement with the [Servicing] Funeral Home for a deceased Depositor [is a Guaranteed Burial Agreement], and if the [Servicing] Funeral Home agrees to amend such Burial Agreement at the time of burial and the result of such amendment is that the [Servicing] Funeral Home provides goods and services for a price less than the aggregate price described in the Burial Agreement, the [Servicing] Funeral Home shall pay the entire difference of the change to the estate of the Depositor. The Trust shall then, after application by the [Servicing] Funeral Home, pay to the [Servicing] Funeral Home the [Initial Reimbursement Payment] then paid by the Trust . . . , and the [Servicing] Funeral Home shall retain a claim against the Trust for the balance.

b. If the Burial Agreement with the [Servicing] Funeral Home for a deceased Depositor [is a Non-Guaranteed Burial Agreement], the [Servicing] Funeral Home shall pay the estate of the Depositor the amount, if any, by which the Stated Account Balance exceeds the [Servicing] Funeral Home's standard retail price of the actual goods and services provided. The Trust shall then, after application by the [Servicing] Funeral Home, pay to the [Servicing] Funeral Home the [Initial Reimbursement Payment] then paid by the Trust . . . , and the [Servicing] Funeral Home shall retain a claim against the Trust for the balance.

8.5 Withdrawals.

(a) Incorporation of FHSA. Sections 2.5 and 2.6 of the FHSA, which provide the procedure for withdrawals, are incorporated in this Agreement as follows:

2.5 Withdrawals. Subject to the following paragraph allowing suspension of withdrawals, if a Depositor provides written notice to the [Beneficiary] Funeral Home of revocation of the Burial Agreement, then the [Beneficiary] Funeral Home shall notify the Trust of such request within 10 days after receipt of such request, and the Trust shall either:

a. Pay to Depositor an amount equal to the [I]nitial [R]eimbursement [P]ercentage then paid by the Trust . . . times the revocable portion of the Trust Deposit, in which case the [Beneficiary] Funeral Home shall pay to such Depositor the remaining balance of the revocable portion of

the Trust Deposit (the "Remaining Principal Balance") within 30 days of the Depositor's request, and the [Beneficiary] Funeral Home shall retain a claim against the Trust for the amount paid to such Depositor; or

b. Pay to Depositor 100% of the revocable portion of the Trust Deposit if, as part of the [Beneficiary] Funeral Home's notification to the Trust of the Depositor's request, the [Beneficiary] Funeral Home makes a written election to reimburse the Trust under section 2.8 [of the FHSA] for the revocable portion of the Remaining Principal Balance.

Any remaining irrevocable portion of the Stated Account Balance, and any amount of the Stated Account Balance not paid as described above, shall remain subject to the terms of [the FHSA] and the applicable Burial Agreement.

2.6 Suspension of Withdrawals.

a. **By the Receiver [or Trustee].** The Receiver, and any successor trustee for the Trust, in his or her sole discretion may at any time suspend withdrawals from the Trust in whole or in part if he or she reasonably believes that further withdrawals will materially impair the Trust's present or future ability to pay claims arising under [the FHSA] or Burial Agreements. The Receiver or successor trustee shall promptly notify any affected party and the Court of any suspension of withdrawals, the expected duration of any suspension, and the reasons therefore.

b. **By the [Beneficiary] Funeral Home.** The [Beneficiary] Funeral Home may suspend withdrawals for Depositor Accounts arising from Burial Agreements with the [Beneficiary] Funeral Home, if the [Beneficiary] Funeral Home reasonably believes that further withdrawals will materially impair its present or future ability to stay in business and provide goods and services to Depositors. The [Beneficiary] Funeral Home will promptly notify the Trust of a suspension of withdrawals and the basis for the suspension. If the [Trustee] objects to such suspension, the reasonableness of such suspension shall be submitted to arbitration under section 4.10 [of the FHSA]. In addition to determining whether the suspension is reasonable, the arbitrator may determine the time at which the suspension shall be ended. If a [Beneficiary] Funeral Home suspends withdrawals, the [Trustee] may nevertheless continue to allow withdrawals, and in such event, the [Trustee] shall, after consultation with the [Beneficiary] Funeral Home, propose terms under which the [Beneficiary] Funeral Home shall reimburse the Trust for the Remaining Principal Balance for withdrawals allowed by the [Trustee] to cover the [Beneficiary] Funeral Home's suspension of withdrawals. The terms of such reimbursement shall be subject to section 2.8 [of the FHSA], except that the term of repayment shall extend for such time as would reasonably be appropriate, based on the business and finances of the

[Beneficiary] Funeral Home. If the [p]arties are not able to reach mutually agreeable terms of reimbursement within 15 days after the [Trustee's] proposal, the matter shall be submitted to arbitration under section 4.10 [of the FHSA].

(b) Withdrawal Request. After the Depositor's initial notice to the Beneficiary Funeral Home to withdraw funds from the Depositor's Account, the Depositor and the Beneficiary Funeral Home shall complete and submit to the Administrator a "Request for Withdrawal" in the form required by the Trust. If the Beneficiary Funeral Home desires to repay the Trust pursuant to a Promissory Note as permitted by Section 2.8 of the FHSA, the Beneficiary Funeral Home shall attach an executed copy of the Promissory Note to the withdrawal request form.

(c) Withdrawals Under Guaranteed Funeral Agreements. If a Depositor withdraws funds under a Guaranteed Burial Agreement, the Guaranteed Burial Agreement shall automatically be deemed a Non-Guaranteed Burial Agreement in connection with any remaining balance in the Depositor's Account; however, the Servicing Funeral Home shall have no obligation to pay the estate of the Depositor the amount, if any, by which the Stated Account Balance exceeds the Servicing Funeral Home's standard retail price of the actual goods and services provided.

(d) Claim Classifications. The Beneficiary Funeral Home's Claim related to a Trust Deposit remaining after a withdrawal remains an Initial Claim. The Beneficiary Funeral Home's Claim for either money paid to a Depositor under Section 2.5(a) of the FHSA or related to a promissory note under Section 2.5(b) of the FHSA shall be a Remainder Claim.

8.6 Transfers.

(a) Incorporation of FHSA. Section 2.7 of the FHSA, which provides the procedure for transfers of Burial Agreements, is incorporated in this Agreement as follows:

2.7 Transfers of Depositor's Account. If a Depositor or the Depositor's representatives or heirs make a written request to the [Transferring] Funeral Home to transfer the Burial Agreement with the [Transferring] Funeral Home to a different funeral home (the "Transfer Request"), the [Transferring] Funeral Home shall notify the Trust of the Transfer Request within five business days after receipt of such request.

The [Transferring] Funeral Home shall make a determination of whether the proposed transfer is permitted under the terms of the applicable Burial Agreement or applicable law, and shall inform the Trust of the determination as part of the notification to the Trust of the Transfer Request. If the Trust disagrees with the [Transferring] Funeral Home about whether a transfer is permitted, provided that the [T]ransferee [F]uneral [H]ome accepts the transfer in writing, the Trust shall approve the Transfer Request and change the Beneficiary of the Burial Agreement on the records of the Trust to the [T]ransferee [F]uneral [H]ome, and shall, unless the [Transferring]

Funeral Home concurs with the Trust's determination, submit the propriety of the transfer to binding arbitration under section 4.10 [of the FHSA]. As used in this Agreement, the "Transfer Date" shall mean the date of the Transfer Request.

Within 30 days' following notification by the [Transferring] Funeral Home to the Trust of the Transfer Request, the Trust shall determine, and shall provide the [Transferring] Funeral Home with an accounting of, the sum of the following (the "Transfer Balance"): (1) the amount of the Trust Deposit as of the Transfer Date, (2) interest or dividends accruing in the Depositor's Account through December 31, 2007 as stated on the records of the Trust, and (3) interest accruing in Depositor's Account from January 1, 2008 through the Transfer Date at a rate equal to "CD+1". The rate shall first be established as of January 1, 2008 based on CD+1 for the prior calendar quarter, and shall be adjusted as of the last business day of April and September thereafter based on CD+1 as reported for each of the preceding calendar quarters.⁵

"CD+1" means (a) the per annum rate reported by SNL Financial LC for the average \$10,000 three-year certificate of deposit issued in the State of Wisconsin during the calendar quarter (the "Index") plus (b) 1%. If SNL Financial LC ceases publication of the Index, the Index shall be determined from such other source as the Trust reasonably selects. If the Index is not readily available to the Trust from another source, the Trust shall have the right to choose a reasonably comparable index. If SNL Financial LC or the replacement source retracts or corrects a previously determined Index, the retracted or corrected Index shall apply.

On or before the date 30 days after the Trust provides notice to the [Transferring] Funeral Home of the Depositor's funeral, the [Transferring] Funeral Home shall pay to the Trust the amount equal to the Transfer Balance minus the amount of the fair market value of the Depositor's Account as of the date of the Depositor's funeral. The fair market value of the Depositor's Account equals: [i] a fraction, with the Depositor's Stated Account Balance as the numerator and the sum of all the Trust's Stated Account Balances as the denominator, multiplied by [ii] the fair market value of the Trust's assets. The [Transferring] Funeral Home shall retain a claim against the Trust for the amount it paid to the Trust.

In lieu of making such payment, the [Transferring] Funeral Home may make a written election to the Trust, within 10 days after the Trust provides

⁵ This calculation is no longer necessary. Pursuant to the Court's Order to Retroactively Modify the Crediting Rate Applied to Accounts dated as of September 25, 2014, each Depositor's Account has been modified to be consistent with this calculation. As a result, the Stated Account Balance for each Depositor's Account, as shown on the Trust's records, will be used as the Transfer Balance instead of performing the calculation set forth in this paragraph.

notice to the [Transferring] Funeral Home of Depositor's funeral, to have the Trust make such payment, in which case the [Transferring] Funeral Home shall reimburse the Trust for such payment pursuant to section 2.8 [of the FHSA].

(b) Transfer Request Forms. The Trustee may promulgate appropriate forms to complete a Transfer Request.

The following subsections of this Section 8.6 clarify and supplement the foregoing transfer procedures set forth in Section 2.7 of the FHSA.

(c) Calculation of the Transfer Payment.⁶ To ensure that the calculation of the Transfer Payment is consistently applied and all values are appropriately accounted, the following additional clarifications are necessary:

(i) The Transfer Balance is the Stated Account Balance as of the date on which the Transfer Balance is calculated pursuant to the third paragraph of Section 2.7 of the FHSA and will not increase or decrease after that date.

(ii) The Depositor's Stated Account Balance (the numerator) shall be determined as of the date of the funeral;

(iii) The aggregate of all Stated Account Balances (the denominator) shall be determined as of the last day of the preceding month; and

(iv) The fair market value of the Trust Assets shall equal the sum of all of the Trust Assets as of the last day of the preceding month based on the prior month's financial statements.

(d) Reimbursement of Servicing Funeral Home. After a Transfer, when services are provided, the Servicing Funeral Home shall submit a Claim Request to the Trust in accordance with Section 8.3. If the Trustee and the Administrator accept the Claim Request, the Trust shall pay to the Servicing Funeral Home an amount equal to the Initial Reimbursement Payment *plus* the Transfer Payment made by the Transferring Funeral Home. The Servicing Funeral Home shall thereafter have a Remainder Claim against the Trust.⁷

(e) Additional Distributions After Transfer. If a Transfer has occurred, the Initial Reimbursement Payment has been made and, subsequently, the Initial Reimbursement Percentage is adjusted to permit the Trust to make Additional Reimbursement Payments, such payment from the Trust shall be made first to the Servicing Funeral Home until the Servicing Funeral Home's Claim is paid in full, and then to the Transferring Funeral Home. The terms of this Section shall apply to

⁶ The attached Schedule 8.6 provides an example of a calculation of a Transfer Payment.

⁷ This procedure for the reimbursement of a Claim of a Servicing Funeral Home after a Transfer is consistent with the procedure approved by the Court pursuant to the Clarifying Order.

payments made as a result of the Remainder Claim Percentage adjustment pursuant to Section 7.3(b) as well as future adjustments.

(f) Undocumented Transfers. If a Claim Request is submitted by a Servicing Funeral Home that is neither an Other Payee or the Beneficiary Funeral Home on the records of the Trust, the Trust shall treat the funeral home on the records of the Trust as the beneficiary unless and until one of the following occurs:

(i) The Beneficiary Funeral Home and the Servicing Funeral Home complete the formal transfer process set forth above.⁸

(ii) The Beneficiary Funeral Home and the Servicing Funeral Home submit a signed agreement, in form and content reasonably acceptable to the Trustee and the Administrator, setting forth each party's respective responsibilities in connection with the Claim.⁹ The Trustee may reject any such agreement if the Trustee determines, in the Trustee's reasonable discretion, that either the Servicing Funeral Home or the Beneficiary Funeral Home is unlikely to fulfill its obligations to the Trust under such agreement.

(iii) The Servicing Funeral Home, pursuant to an agreement with the Trust in form and content acceptable to the Trustee and the Administrator, agrees to become a Beneficiary Funeral Home, assumes full responsibility for the Burial Agreement subject to the rules of the Trust and waives any rights to the Transfer Payment. The Trust shall thereafter treat the Servicing Funeral Home as the Beneficiary Funeral Home and change the records of the Trust as may be appropriate.¹⁰

8.7 Reimbursement by Promissory Note.

(a) Incorporation of FHSA. Section 2.8 of the FHSA permits funeral homes to repay the Trust pursuant to a Promissory Note under limited circumstances:

2.8 Reimbursement of the Trust by Funeral Home. If the [Beneficiary] Funeral Home elects to reimburse the Trust instead of making the payment required by sections 2.5.b, 2.6, or 2.7a or b [of the FHSA], then the [Beneficiary] Funeral Home shall pay such reimbursement to the Trust in equal monthly payments over a term of one year, with per annum interest accruing on the outstanding principal balance of such reimbursement at the rate of Wisconsin's average 3-year CD rate (as determined by the Trust from

⁸ See also Section 8.3(d).

⁹ For example, the parties could agree that the Trust shall pay the Initial Reimbursement Payment to the Servicing Funeral Home with the Beneficiary Funeral Home assigning its rights to the Remainder Claim to the Servicing Funeral Home; alternatively, the parties could agree that the Trust shall pay the Initial Reimbursement Payment to the Servicing Funeral Home with the Beneficiary Funeral Home agreeing to pay the Servicing Funeral Home the amount of the Remainder Claim with the Beneficiary Funeral Home retaining the Remainder Claim against the Trust.

¹⁰ See also Glossary, definition of "Discontinued FH Other Payee." The last sentence of such definition is incorporated in this Section.

time to time) in effect on the date of such payment by the Trust plus 2%; provided, however that the [Beneficiary] Funeral Home may prepay the amount of its obligation to the Trust at any time and without penalty, and the Trust may immediately offset, in whole or in part, any reimbursement due from the Trust to the [Beneficiary] Funeral Home against the amount of the [Beneficiary] Funeral Home's outstanding obligation(s) to the Trust. The Trust may, in its sole discretion, agree to a term and amortization for a period longer than one year if the Trust determines that the repayment causes a material hardship for the [Beneficiary] Funeral Home that would jeopardize its ability to remain a going concern; however, no such longer term shall exceed three years without further order of the Court. Upon electing to reimburse the Trust, the [Beneficiary] Funeral Home shall promptly execute and provide the Trust with a promissory note, or such other documentation as is consistent with the terms of this Agreement and the Receiver shall find acceptable. Upon full repayment to the Trust, including interest, the Funeral Home shall retain a claim against the Trust for the principal amount reimbursed to the Trust.

(b) Payment by Promissory Note. If a Beneficiary Funeral Home elects to repay the Trust pursuant to a Promissory Note as permitted under Section 2.8 of the FHSA, any payments due from the Trust to the Beneficiary Funeral Home shall be applied to the outstanding balance due under such Promissory Note, including but not limited to Additional Reimbursement Payments from the Trust to the Beneficiary Funeral Home as a result of an adjustment of the Initial Reimbursement Percentage.

(c) Unanticipated Situations or Circumstances. If any situation or circumstance arises in the Claims process that is not, in the Trustee's reasonable opinion, anticipated by the FHSA or this Agreement, or for which this Agreement or the FHSA is unclear or inconsistent, the Trustee may, without further approval of the Court, adopt a policy to be consistently applied for all such future situations so long as the policy is consistent with the objectives and other provisions of the FHSA and this Agreement; provided, however, no such policy shall permit any funeral home to reimburse the Trust pursuant to a Promissory Note except as permitted under Section 8.7 (and Section 2.8 of the FHSA). The adoption of any such policy shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14. Notwithstanding the last sentence of Section 2.8 of the FHSA, a Beneficiary Funeral Home obligated under a Promissory Note shall have a Remainder Claim for the original stated principal amount of the Promissory Note.

ARTICLE 9 REPORTING REQUIREMENTS

9.1 Public Reporting. The Trustee shall, on or before the Friday of the second full week of each month, or as soon as practical thereafter, post monthly financial information for the Trust on the public website for the Trust (currently www.wisconsinfuneraltrust.org). The information will be comparable to the information previously reported on the website by the Receiver and will include a

statement of the Trust Assets and Claims, a cash flow statement, a report of the Trust's investments and investment results and a report comparing investment results against the Investment Policy's benchmarks.

9.2 Annual Financial Statements. Within a reasonable time after the end of each fiscal year of the Trust, the Trustee shall cause an independent public accounting firm to (a) compile annual statements of activities and changes in net assets and cash flows for the Trust as of such fiscal year-end and (b) issue an accountant's report in connection with such compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The Trustee shall post such statements and report on the public website for the Trust.

9.3 Annual Report. Within 30 days of the completion of each annual financial statement described above, and no less frequently than once per year, the Trustee shall send to the Beneficiary Funeral Homes a report of the Trust Assets, liabilities, receipts and disbursements, including the source and amount of the Trustee's compensation, and a listing of the Trust Assets and their respective market values. The annual report may be a copy of the documents described in Section 9.1 and Section 9.2 provided they include the information described in this Section and in Wisconsin Statutes Section 701.0813(3), as amended or renumbered.

ARTICLE 10 TAXES

10.1 Taxable Year. The Trust's fiscal year shall end on March 31 of each year. The taxable year for the Trust shall be the calendar year. The Trust may use either the accrual or cash method of accounting as described in Section 446(c) of the Internal Revenue Code.

10.2 Tax Returns. The Trustee shall timely comply with such tax payment, withholding and reporting requirements imposed by any applicable federal, state, local or foreign taxing authority or required under any applicable federal, state, local or foreign tax law or regulation, and all distributions under this Agreement shall be subject to any such withholding and reporting requirements.

ARTICLE 11 PRIVACY POLICY

11.1 Depositor Protected Personal Information.

(a) The Trust collects protected personal information of each Depositor, including the Depositor's Burial Agreement and the information contained in the Burial Agreement, the name of the Beneficiary Funeral Home with which the Depositor has the Burial Agreement and the Depositor's Social Security Number, account number, Stated Account Balance, deposit history, interest accrual history, telephone number, address and date of birth.

(b) The Trustee, the other Board Members, the Administrator and other agents of the Trust will have access to the Depositors' protected personal information to administer the Trust and to fulfill their responsibilities under this Agreement. The Trust may also share the Depositors' protected personal information with Servicing Funeral Homes and Transferee Funeral Homes and as may be otherwise necessary to fulfill the Trustee's, the Board Members' and the Administrator's responsibilities under this Agreement.

(c) The Beneficiary Funeral Home with which a Depositor has his or her Burial Agreement will also have access to the Depositor's protected personal information, including through access of some of the information on a password protected web portal. Such information will not be shared with other funeral homes except to the extent necessary to facilitate a transfer of accounts between funeral homes or a sale of a funeral home, and then only to the extent any such other funeral home agrees in writing to abide by these privacy provisions.

(d) Each Depositor and a Depositor's legally authorized representatives may access the Depositor's protected personal information by contacting the Beneficiary Funeral Home with which the Depositor has his or her Burial Agreement. The Trustee and the Administrator may, but shall not be required to, provide this information to the Depositor or the Depositor's legally authorized representatives.

11.2 Beneficiary Funeral Home Protected Information.

(a) The Trust collects protected information of each Beneficiary Funeral Home, including the Beneficiary Funeral Home's current and prior Burial Agreements subject to the Trust and the information contained in the Burial Agreements, the names of the Depositors with which the Beneficiary Funeral Home has and had Burial Agreements subject to the Trust and the Beneficiary Funeral Home's Federal Employer Identification Number, account numbers, Stated Account Balances, deposit history and interest accrual history. Publicly available information about a Beneficiary Funeral Home, including its postal address, telephone number and email address, shall not be considered protected information and the Trust may share this information with others, including the Beneficiary Funeral Home's Depositors.

(b) The Trustee, the other Board Members, the Administrator and other agents of the Trust will have access to the Beneficiary Funeral Homes' protected information to administer the Trust and to fulfill their responsibilities under this Agreement. The Trust may also share a Beneficiary Funeral Home's protected information with Servicing Funeral Homes and Transferee Funeral Homes and as may be otherwise necessary to fulfill the Trustee's, the other Board Members' and the Administrator's responsibilities under this Agreement.

(c) A Beneficiary Funeral Home's protected information will not be shared with other funeral homes except to the extent necessary to facilitate a transfer of accounts between funeral homes.

(d) Each Beneficiary Funeral Home may access its own protected information by contacting the Administrator. The Trustee may, but shall not be required to, provide this information to the Beneficiary Funeral Home.

11.3 General Protection.

(a) The Trust shall protect Depositors' protected personal information and Beneficiary Funeral Home's private information from unauthorized access and use through various security measures, including password protected computers and secured files and offices.

(b) Other than to the Court or an arbitrator under seal or as required by law, neither a Depositor's protected personal information nor a Beneficiary Funeral Home's protected information shall be shared except as allowed by this Agreement.

ARTICLE 12 COSTS, LIABILITY AND INDEMNIFICATIONS

12.1 Costs of Administration. The Trust shall pay the reasonable fees, costs and expenses incurred by the Trustee in connection with the performance of the Trustee's duties, obligations and rights under this Agreement, including without limitation the fees, costs and expenses of professionals retained by the Trustee, and the fees, expenses, costs, premiums and other expenses incurred by the Trustee and the Trust.

12.2 Liability of the Trustee, the Board and Agents. Notwithstanding any contrary provision of this Agreement, the Trustee, the Board Members and the agents, attorneys, accountants and representatives of the Trust or the Trustee shall not be liable to the Trust, the Beneficiary Funeral Homes or any other Person except for his or her breach of trust committed in bad faith or with reckless indifference to the purposes of the Trust or the interests of a Beneficiary Funeral Home, for criminal acts or other willful misconduct, or as otherwise required by applicable law. Except as provided in Section 3.7, neither the Trustee nor the Board Members shall be liable for any act or omission of any agent, attorney, accountant or representative of the Trust or the Trustee unless the Trustee or Board Member acted in bad faith or with reckless indifference to the purposes of the Trust or the interests of a Beneficiary Funeral Home, criminally or with willful misconduct in the selection, supervision or retention of such agent, attorney, accountant or representative.

12.3 Indemnifications.

(a) The Trust shall, to the same and fullest extent permitted under the laws of the State of Wisconsin, indemnify the Trustee and the Board Members against any and all liabilities, expenses, claims, damages or losses incurred by any of them in the performance of their duties under this Agreement, except any such liability, expense, claim, damage or loss for which he or she is liable under Section 12.2. The rights of the Trustee and the Board Members to such indemnification shall be absolute.

(b) The Trust may pay the reasonable expenses, costs and fees (including attorneys' fees and costs) incurred by or on behalf of the Trustee or a Board Member in connection with any action, suit or proceeding, whether civil, administrative or arbitrative, relating to the Trust or the performance by the Trustee or the Board Member of his or her duties under this Agreement. Such expenses, costs and fees may be paid in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it is ultimately determined that the indemnified party is not entitled to be indemnified by the Trust. Any dispute regarding such indemnification shall be resolved by the Court and, except by order of the Court, no person or entity shall seek to have any such dispute resolved by any other court, arbitrator or other judicial body.

(c) In addition to the insurance required under Section 3.10, the Trustee may purchase and maintain reasonable amounts and types of insurance on behalf of any individual who is or was the Trustee or a Board Member against liability asserted against or incurred by such individual in that capacity or arising from his or her status as the Trustee or Board Member.

ARTICLE 13 TERMINATION

13.1 Termination Events. Each of the following shall constitute a Termination Event:

- (a) All Claims, liabilities and administrative costs of the Trust, including any tax obligations, have been paid in full;
- (b) The funeral of the last Depositor to die; or
- (c) A determination that the Trust cannot be economically administered, as described below.

13.2 Termination Due to Inability to Economically Administer the Trust.

(a) The Trust cannot be "economically administered" if the income to be derived from the Trust Assets under the Investment Policy is unlikely to equal or exceed, on a permanent basis or for a damaging period, the ongoing interest accruing on Claims and the costs of administering the Trust. A "damaging period" is a period determined by the Board in its reasonable discretion to be of such duration that, if this Agreement is not terminated, the ultimate payment on Claims will be less than would otherwise be paid if this Agreement is terminated. In making such determination, the Board may consider past, current and likely future market conditions, rates of return being paid on demand accounts by Qualified Financial Institutions and such other factors as the Board determines to be relevant.

(b) If the Board determines that the Trust cannot be economically administered as described above, the decision to terminate shall follow the same procedure as an amendment to this Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14.

(c) If a petition objecting to the termination is filed with the Court, the Trustee shall maintain the Trust, exercising reasonable discretion in protecting the Trust Assets, until further order of the Court.

(d) If no such petition is filed within the period specified in the notice, the Trustee shall within a reasonable period, as determined by the Trustee, but no later than the date specified in Section 13.3, liquidate the Trust Assets in an orderly manner.

13.3 Liquidation and Wind-up. Within one year following a Termination Event, the Trustee shall:

(a) Liquidate any remaining Trust Assets.

(b) File final tax returns and pay any resulting Trust tax liability.

(c) Pay the final liabilities and costs of administering the Trust, including a reasonable fee to the Trustee and the Board for the time and expense incurred in performing the additional services described in this Section.

(d) If the Termination Event is an event described in Section 13.1(b),

(i) Calculate¹¹ the Potential Initial Reimbursement Percentage and the Potential Remainder Claim Percentage; and

(ii) Pay all outstanding Initial Claims at the Potential Initial Reimbursement Percentage and all outstanding Remainder Claims at the Potential Remainder Claim Percentage.

(e) If the Termination Event is an event described in Section 13.1(c), distribute the balance of the Trust Assets as follows:

(i) Subject to the submission of appropriate Claims Requests, pay all outstanding Initial Claims for which funerals have been held as of the date of the distribution at the then existing Initial Reimbursement Percentage;

(ii) Calculate the Potential Remainder Claim Percentage;

(iii) Pay all outstanding Remainder Claims at the Potential Remainder Claim Percentage; and

¹¹ The attached Schedule 13.3(d)(ii) provides an example of calculations of the Potential Initial Reimbursement Percentage and the Potential Remainder Claim Percentage.

(iv) Divide the balance of the Trust Assets *pro rata* among the Initial Claims outstanding as of such date based on each of such Claims' then-current Stated Account Balance. The Trustee shall then establish one trust account with a Qualified Financial Institution for each of such Claims and deposit that Claim's *pro rata* share of the Trust Assets in that individual trust account. Each individual trust account shall be [1] insured by the Federal Insurance Deposit Corporation or the National Credit Union Administration or their successors; [2] separately titled and held by the Qualified Financial Institution in the name of the Depositor; and [3] held pursuant to a written trust agreement among the Claim's Depositor, Beneficiary Funeral Home and Qualified Financial Institution. Such written trust agreement shall be consistent with the requirements of Wisconsin Statutes Section 445.125, as amended or renumbered.

13.4 Remaining Funds. After payment of the amounts described in Section 13.3, and any other amounts necessary to terminate the Trust, all money remaining in the Trust, if any, shall be paid to charities benefitting senior citizens selected by the Trustee. Although it is unlikely any such charitable payment will be made, this Section is included to ensure that the Trust does not fail because there is no residual beneficiary.

13.5 Other Acts. The Trustee shall perform such other acts in connection with the termination of the Trust as the Trustee deems necessary or advisable in the exercise of the Trustee's fiduciary responsibilities.

ARTICLE 14 AMENDMENT OF AGREEMENT

14.1 Proposal by Board. The Board may propose modifications, supplements or other amendments to this Agreement (in each instance, an "amendment") from time to time; however, no modification, supplement or amendment shall violate or be inconsistent with the terms of the FHSA.

14.2 Notice of the Proposed Amendment. The Trustee shall provide written notice of the proposed amendment to the WDFI and the Beneficiary Funeral Homes, as determined from the records of the Trust. The notice shall be posted to the Trust's website. The notice shall set forth the proposed amendment, the reason for the proposed and a statement that the Board has approved the proposed amendment. The notice shall also set forth the right to object set forth in Section 14.3.

14.3 Objection by Petition. Any party in interest, including the WDFI or any Beneficiary Funeral Home, may within 20 days of the foregoing notice object to the proposed change by petition to the Court.

14.4 Deemed Approval. The proposed amendment shall be deemed approved provided no petition objecting to the amendment is timely filed with the Court; otherwise, the amendment shall only be approved upon Court approval. After any approval, the Board shall notify the WDFI and the Beneficiary Funeral Homes that the change was approved.

14.5 Modification by the Court. The Court may, after any petition, approve, modify or deny the requested amendment. Moreover, upon petition by any the WDFI or any Beneficiary Funeral Home, and service as described below to the Trustee, the WDFI and all Beneficiary Funeral Homes, the Court may amend this Agreement.

ARTICLE 15 GENERAL PROVISIONS

15.1 Irrevocability. The Trust is irrevocable, but is subject to amendment as described in Article 14.

15.2 Severability. If any provision of this Agreement is determined to be unenforceable, such determination shall in no way limit or affect the enforceability or operative effect of any and all other provisions of this Agreement.

15.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which, together, shall constitute one and the same instrument.

15.4 Parties; Successors and Assigns. The provisions of this Agreement shall bind and inure to the benefit of the Trust, the Trustee, the Board, the Beneficiary Funeral Homes and their respective successors and assigns, except that the Trust, the Trustee and the Board may not assign or otherwise transfer any of his, her or their rights or obligations under this Agreement except as specified in this Agreement. No rights or independent authority shall accrue to the Administrator or the Investment Advisor as a result of being named in this Agreement.

15.5 Entire Agreement; No Waiver. The Glossary, Exhibits and Schedules attached to this Agreement are made a part of this Agreement. This Agreement and the Confirmation Order contain the entire agreement of the parties relating to the subject matter of this Agreement. Such documents supersede any prior Trust Agreement or oral or written agreements concerning the subject matter of this Agreement. No failure to exercise, or delay in exercising, any right, power or privilege under this Agreement shall constitute a waiver of any such right, power or privilege. No single or partial exercise of any right, power or privilege under this Agreement shall preclude any further exercise of that or any other right, power or privilege. The rights and remedies provided in this Agreement are cumulative and are not exclusive of rights available at law or in equity.

15.6 Headings. The headings used in this Agreement are inserted for convenience only and do not constitute a portion of this Agreement. They should not in any manner affect the construction of the provisions of this Agreement.

15.7 Notices.

(a) All notices to a Beneficiary Funeral Home shall be in writing (i) delivered to the address for the Beneficiary Funeral Home in the records of the Trust, (ii) mailed by registered or certified mail, return receipt requested, postage prepaid, to such address, or (iii) sent by email to the

email address for such Beneficiary Funeral Home in the records of the Trust. If sent by email, the notice shall also be posted on the Trust's website.

(b) All notices to the Trustee, a Board Member or the WDFI shall be in writing (i) delivered to such person or entity set forth below, (ii) mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows, or (iii) sent by facsimile to the facsimile number for such person or entity set forth below:

To the Trustee:	Mr. Edward M. Brady S. 34 W. 32585 Sierra Pass Dousman, Wisconsin 53118	facsimile: 262-392-2546
To William R. Walker:	Mr. William R. Walker 2628 North Harding Boulevard Wauwatosa, Wisconsin 53226	facsimile: 414-433-1984
To John P. Devine:	Mr. John P. Devine c/o Milwaukee Capital, Inc. 731 North Jackson Street, Suite 804 Milwaukee, Wisconsin 53202	facsimile: 414-270-1001
To the WDFI:	Wisconsin Department of Financial Institutions, Division of Securities 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53701	facsimile: 608-264-7979

A person giving notice is responsible for inquiring whether the people described in this Section 15.7(b) continue to hold the position for which they are to receive notice. A party described in this Section 15.7(b) may change his, her or its address or facsimile number for such notices by providing written notice to the Trustee, and the Trustee shall make them available to any person-in-interest upon request.

(c) All such notices and communications shall be effective when delivered at the designated address, when sent by email if email is allowed by this Section 15.7, on the third day after sending by registered or certified mail in the manner described above or when the facsimile copy is received at the designated number and confirmed by facsimile receipt.

15.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin.

ARTICLE 16
RETENTION OF JURISDICTION BY THE COURT

16.1 Generally. Until this Agreement has been fully consummated and the Trust has been terminated, the Court shall retain jurisdiction for all appropriate purposes, including but not limited to the following:

(a) To correct any defect, cure any omission or reconcile any inconsistency in this Agreement or in the Confirmation Order to the extent necessary to carry out the purposes and intent of this Agreement.

(b) To enforce the terms and provisions of payments, rights and interests required or created by this Agreement (except as required by the FHSA).

(c) To enter any order necessary to consummate, interpret and effectuate the provisions of this Agreement and the Confirmation Order.

(d) To suspend or remove the Trustee pursuant to Section 3.3.

(e) To appoint a successor Trustee pursuant to Section 3.5(a)(ii) or Section 3.5(c).

(f) To suspend or remove a Board Member pursuant to Section 4.3.

(g) To appoint a successor Board Member pursuant to Section 4.5(a)(ii) or Section 4.5(c).

(h) To replace the Investment Advisor pursuant to Section 6.1(d).

(i) To replace the Administrator pursuant to Section 8.2(c).

(j) To suspend Retirement Payments pursuant to Section 8.3(e)(iv).

(k) To resolve disputes pursuant to Section 3.5(b) (selection of successor Trustee); Section 3.8(c) (increase in the Trustee's compensation); Section 4.5(b) (selection of successor Board Member); Section 4.7(c) (increase in the compensation of Board Members other than the Trustee); Section 6.4(b) (change to Investment Policy); Section 7.4 (change of Initial Reimbursement Percentage); Section 8.7(c) (change to policies); Section 12.3(b) (indemnification disputes); Section 13.2(b) (termination); and Section 14.3 and Section 14.5 (amendments).

16.2 Right to Petition. Any party in interest, including a Beneficiary Funeral Home or a dissenting Board Member, may petition the Court if the party believes that the Trustee or the Board has failed to exercise discretion properly or for any malfeasance, nonfeasance or misfeasance by the Trustee or the Board, and the Court shall have the authority to enter such orders as the Court determines are reasonable under the circumstances.

16.3 Arbitration under the FHSA. Notwithstanding the foregoing or any provision of this Agreement to the contrary, all matters subject to arbitration pursuant to Section 4.10 of the FHSA shall remain subject to arbitration. Any arbitrator shall take notice of and consider the provisions of this Agreement that affect or clarify any provision of the FHSA.

16.4 Commencement. Any proceeding under this Agreement shall be commenced by petition. Service shall be pursuant to Wisconsin Statutes Section 701.0205, as amended or renumbered. No publication shall be necessary unless otherwise ordered by the Court.

Dated as of the date first set forth above.

John M. Wirth, Receiver

Edward M. Brady, Trustee

Each of the undersigned accepts appointment to the Board as a Board Member pursuant to the terms and conditions of this Agreement.

John P. Devine

William R. Walker

Attachments:

Glossary

Exhibit A – Investment Policy

Exhibit B – Funeral Home Settlement Agreement (FHSA)

Exhibit C – Trust Assets

Schedule 7.4(b)(i) – Example Calculation of Current Remainder Claim Reserve

Schedule 8.3(e)(i)[1] – Example Calculation of Additional Reimbursement Payment

Schedule 8.3(e)(i)[2] – Example Calculation of Retirement Payment

Schedule 8.6 – Example Calculation of Transfer Payment

Schedule 13.3(d)(ii) – Example Calculations of Potential Initial Reimbursement Percentage and Potential Remainder Claim Percentage

TRUST AGREEMENT/
PLAN OF LIQUIDATION

GLOSSARY

“Additional Reimbursement Payment” means any payment by the Trust on account of a Remainder Claim to a Servicing Funeral Home after the Initial Reimbursement Payment as a result of an increase of the Initial Reimbursement Percentage. See Section 7.3(b) and Section 7.4. An example calculation of an Additional Reimbursement Payment is attached as Schedule 8.3(e)(i)[1].

“Administrator” means the entity or person, whether one or more, engaged at any time to perform the services described in Section 8.2. The Administrator as of the date of this Agreement is Fiduciary Partners.

“Affiliate” means any person or entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, another person or entity. A person or entity shall be deemed to control another person or entity if he, she or it possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other person or entity, whether (a) by contract; (b) through the ownership of voting interests; (c) because of common directors, trustees, officers, partners, members or managers; or (d) otherwise.

“Amended Order” means the First Amended Injunction and Order dated as of July 8, 2013 entered by the Court. By the Amended Order, the Court approved the FHSA.

“Association” means Wisconsin Funeral Directors Association, Inc.

“Association Appointment Order” means the Injunction and Order Appointing Receiver over Certain Rights and Assets of Wisconsin Funeral Directors Association, Inc. dated as of October 24, 2012 entered by the Court. By the Association Appointment Order, the Receiver was vested, as receiver, with certain rights of the Association.

“Beneficiary Funeral Home” means a funeral home that is party to a Burial Agreement, as reflected on the records of the Trust. The transferee of an undocumented transfer, as described in Section 8.6(f), shall not constitute a Beneficiary Funeral Home until such transferee satisfactorily fulfills the requirements of Section 8.6(f).

“Board” means the Board of Directors of the Trust as described in Article 4.

“Board Member” means a person appointed to the Board from time to time as described in Article 4.

“Burial Agreement” means a contract for a preplanned funeral between an individual (a Depositor) and a funeral home (a Beneficiary Funeral Home), the proceeds of which were deposited in the Trust.

“**CD+1**” has the meaning given to it in Section 8.6(a).

“**Claim**” means a right to payment possessed by a Beneficiary Funeral Home, the successor in interest to a Beneficiary Funeral Home or an Other Payee from the Trust in connection with a Burial Agreement, whether or not such right is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed or undisputed. A Claim can be an Initial Claim, a Remainder Claim or an Other Payee Claim, as described in Article 7.

“**Claim Request**” means a request for payment submitted by a Servicing Funeral Home or an Other Payee in connection with the funeral of a Depositor.

“**Claim Form**” means the form or forms promulgated by the Trustee and the Administrator for the submission of a Claim, which forms may be amended from time to time in such manner as the Trustee shall reasonably determine.

“**Clarifying Order**” means the Order Clarifying and Authorizing Payments After Transfers dated as of October 14, 2013 entered by the Court.

“**Confirmation Order**” means the _____ dated as of _____, 2014 entered by the Court. Among other things, the Confirmation Order authorized and approved this Agreement and discharged the Receiver upon execution of this Agreement.

“**Court**” means the Circuit Court for Dane County, Wisconsin, the Honorable Peter C. Anderson presiding, or his successor.

“**Current Remainder Claim Reserve**” means the amount determined as described in Section 7.4(b)(i). An example calculation of the Current Remainder Claim Reserve is attached as Schedule 7.4(b)(i).

“**Depositor**” means a person with whom a Beneficiary Funeral Home has a Burial Agreement. Each Depositor provided funds to a Beneficiary Financial Home to be deposited in the Trust in connection with a Burial Agreement.

“**Depositor’s Account**” means that portion of the Trust related to a Burial Agreement. A Depositor’s Account was created upon the deposit of proceeds from a Burial Agreement.

“**Discontinued FH Other Payee**” means a person or entity that has paid for a Depositor’s funeral instead of a Discontinued Funeral Home without having purchased or accepted an assignment of the Discontinued Funeral Home or its Burial Agreements. The purchaser or other transferee, whether one or more, of substantially all of a Discontinued Funeral Home’s assets shall be ineligible to be treated as a Discontinued FH Other Payee with respect to any of the Burial Agreements to which the Discontinued Funeral Home is a party regardless of whether such purchaser or transferee agreed, in the purchase agreement, to assume such Burial Agreements; instead such purchaser or other transferee shall be deemed the transferee of an undocumented transfer under Section 8.6(f)(iii).

“Discontinued Funeral Home” means a Beneficiary Funeral Home that has permanently discontinued business, as determined by the Trustee in the Trustee’s reasonable discretion. By way of example, the Trustee’s determination that a Beneficiary Funeral Home has permanently discontinued business shall be deemed to be reasonable if all or substantially all of the Beneficiary Funeral Home’s assets have been:

(a) sold, transferred, discarded or otherwise liquidated, whether voluntarily or involuntarily, and whether by the Discontinued Funeral Home or by a creditor, receiver or trustee, unless the purchaser or other transferee of such assets assumes the applicable Burial Agreement;

(b) substantially destroyed, whether intentionally, by casualty or otherwise, and the Trustee determines that such funeral home will not rebuild or otherwise resume operations; or

(c) taken or otherwise closed by a governmental authority and the Trustee determines that such funeral home will not reopen or relocate.

A Beneficiary Funeral Home shall not be a Discontinued Funeral Home by virtue of the sale by its shareholders, members or partners of their stock or membership or partnership interests.

“FHSA” means the settlement agreement between the Receiver and each Beneficiary Funeral Home approved by the Court under the Amended Order. A copy of the FHSA form is attached to this Agreement as Exhibit B.

“Fiduciary Partners” means Fiduciary Partners, Inc., a Wisconsin corporation. As of the date of this Agreement, Fiduciary Partners is the Administrator.

“Guaranteed Burial Agreement” means a Burial Agreement that states that it is “guaranteed” or has a “guaranteed price.” Cash advance items are not necessarily guaranteed.

“Initial Claim” means a Claim of a Beneficiary Funeral Home under a Burial Agreement for which no Initial Reimbursement Payment has been made. A Claim remains an Initial Claim after a withdrawal by a Depositor pursuant to Section 8.5 until an Initial Reimbursement Payment. As of the date of this Agreement, each Initial Claim equals the amount initially deposited by or on behalf of a Depositor in connection with such Depositor’s Burial Agreement and interest accrued on such deposit through and including the date of this Agreement. A Claim ceases being an Initial Claim upon distribution of an Initial Reimbursement Payment.

“Initial Reimbursement Payment” means the initial payment by the Trust to a Servicing Funeral Home described in Section 8.3.

“Initial Reimbursement Percentage” means the percentage rate at which the Trust will reimburse a Servicing Funeral Home for an Initial Claim. The Initial Reimbursement Percentage was 60% prior to the date of this Agreement and, pursuant to Section 7.3, is established at 65%

as of the date of this Agreement. The Initial Reimbursement Percentage may be adjusted from time to time pursuant to Section 7.4.

“Investment Advisor” means the entity or person, whether one or more, engaged at any time to perform the services described in Section 6.1. The Investment Advisor as of the date of this Agreement is Ziegler Capital Management, LLC.

“Investment Policy” means the policy attached to this Agreement as Exhibit A and described in Section 6.3. If such policy is amended or replaced pursuant to Section 6.4, the amended or replacement policy shall be the Investment Policy.

“Non-Guaranteed Burial Agreement” means a Burial Agreement that does not state that it is “guaranteed” or has a “guaranteed price.”

“Other Payee” means a Discontinued FH Other Payee or an Out-of-State Funeral Other Payee.

“Other Payee Claim” means a Claim by an Other Payee.

“Out-of-State Funeral Other Payee” means any person or entity who has paid for a Depositor’s funeral because the Depositor established a primary or secondary home outside of the State of Wisconsin prior to death and such Depositor’s funeral services were subsequently performed in the state of such primary or secondary home.

“Potential Initial Reimbursement Percentage” means the maximum percentage rate that, when applied against all Initial Claims while applying the Potential Remainder Claim Percentage against all Remainder Claims, would allow for the allocation of all Trust Assets among Claims and would ensure that all Claims are cumulatively paid the same percentage. An example calculation of a Potential Initial Reimbursement Percentage is included in Schedule 7.4(b)(i) and in Schedule 13.3(d)(ii).

“Potential Remainder Claim Percentage” means the maximum percentage rate that, when applied against all Remainder Claims while applying the Potential Initial Reimbursement Percentage against all Initial Claims, would allow for the allocation of all Trust Assets among Claims and would ensure that all Claims are cumulatively paid the same percentage. An example calculation of a Potential Remainder Claim Percentage is included in Schedule 13.3(d)(ii).

“Qualified Financial Institution” means a bank, trust company, savings and loan association, savings bank or credit union that, regardless of form of organization, is located in the State of Wisconsin.

“Receiver” means Milwaukee attorney John M. Wirth.

“Relative” is an individual related by affinity or consanguinity within the third degree, or an individual in a step or adoptive relationship within such third degree.

“Remainder Claim” means a Claim against the Trust held by a Beneficiary Funeral Home after any Initial Reimbursement Payment, Additional Reimbursement Payment or Transfer Payment.

“Remainder Claim Percentage” means the amount, expressed as a percentage, calculated as follows:

(a) The difference between the new adjusted Initial Reimbursement Percentage and the Initial Reimbursement Percentage existing immediately prior to the adjustment, divided by

(b) The difference between 100 and the Initial Reimbursement Percentage existing immediately prior to the adjustment.

The Remainder Claim Percentage shall be recalculated at the time of each adjustment to the Initial Reimbursement Percentage. An example calculation of a Remainder Claim Percentage is attached as Schedule 8.3(e)(i)[1].

“Retirement Payment” means an amount determined by multiplying (a) the amount of a Remainder Claim divided by the difference between 100% and the Initial Reimbursement Percentage; (b) the difference calculated pursuant to Section 7.4(b)(i)[2]; and (c) 50%. A Retirement Payment is made pursuant to Section 8.3(e). An example calculation of a Retirement Payment is attached as Schedule 8.3(e)(i)[2].

“Service Provider” means (a) a Board Member, including the Trustee, (b) any interim or out-of state Trustee; (c) the Investment Advisor, (d) the Administrator or (e) a person or entity with whom or which the Trust proposes to enter or enters into a service or other contractual relationship which requires the Trust to pay, in the aggregate with all other agreements involving such person or entity, over \$25,000 in any calendar year.

“Servicing Funeral Home” means the funeral home, except an Other Payee, that performs a Depositor’s funeral services, whether as a Beneficiary Funeral Home, as a result of an undocumented transfer as described in Section 8.6(f) or otherwise.

“Stated Account Balance” means the amount shown in the records of the Trust as being payable in connection with a Burial Agreement, including any Remainder Claim. The Stated Account Balance includes the Trust Deposit plus all interest credited to the Depositor’s account, less withdrawals from that account, if any. This definition is set forth in the FHSA.

“Termination Event” means an event described in Section 13.1.

“Transfer” means a transfer of a Burial Agreement pursuant to Section 8.6.

“Transfer Payment” means the payment resulting from a Transfer payable by a Transferring Funeral Home to the Trust as calculated pursuant to Sections 8.6(a) and Section 8.6(c). An example calculation of a Transfer Payment is attached as Schedule 8.6.

“Transferee Funeral Home” means a funeral home to which a Burial Agreement is transferred pursuant to Section 8.6. A Transferee Funeral Home becomes a Beneficiary Funeral Home as a result of a Transfer and remains a Beneficiary Funeral Home for so long as it either is a party to the Burial Agreement or retains a Claim.

“Transferring Funeral Home” means the initial (or subsequent) Beneficiary Funeral Home that is replaced as the funeral home bound under the Burial Agreement as a result of a Transfer. A Transferring Funeral Home remains a Beneficiary Funeral Home so long as it retains a Claim.

“Trust Appointment Order” means the Injunction and Order Appointing Receiver over Wisconsin Funeral Trust dated as of October 24, 2012 entered by the Court. By the Trust Appointment Order, the Receiver was appointed as receiver for the Trust until further Order of the Court.

“Trust Assets” means all cash, accounts, investments, notes, claims and other assets of whatever nature held, possessed or controlled, wherever located, immediately prior to this Agreement by the Receiver in his capacity as receiver under the Trust Appointment Order and the Association Appointment Order, including without limitation the assets described on the attached Exhibit C, all assets acquired by the Trust in the future, all substitutions for any of the foregoing and all proceeds of any of the foregoing.

“Trust Deposit” means the total amount of money a Depositor delivered to a Beneficiary Funeral Home to place in the Trust pursuant to a Burial Agreement, including the amount that was initially delivered and any additions made after the initial delivery, but excluding any principal amounts withdrawn or disbursed prior to the appointment of the Receiver.

“Trustee” means the person appointed to serve as trustee of the Trust from time to time as described in Article 3.

“WDFI” means the Wisconsin Department of Financial Institutions or any entity that succeeds that department in regulating securities under state law in the State of Wisconsin.

EXHIBIT A
Investment Policy

STATEMENT OF INVESTMENT POLICY

WFT Liquidating Trust f/k/a Wisconsin Funeral Trust
3913 West Prospect Avenue, Suite 201
Appleton, Wisconsin 54914

July 1, 2015

PURPOSE:

The purpose of this Statement of Investment Policy ("Policy") is to establish investment philosophies, financial objectives and administrative procedures for the WFT Liquidating Trust f/k/a Wisconsin Funeral Trust (the "Trust") and to provide general guidance for preservation, growth and governance of its asset pool (the "Fund").

BACKGROUND:

On September 14, 2012, John M. Wirth (the "Receiver") was appointed as interim receiver for the Trust, pursuant to Wisconsin Statutes Section 551.603(2)(b)1., by the Dane County Circuit Court (the "Court") in Case Nos. 12 CX 44 and 12 CX 44A. On October 24, 2012, the Court affirmed the appointment of the Receiver until the Court orders otherwise.

Pursuant to the Confirmation Order, the Court, the Honorable Peter C. Anderson presiding, authorized the Receiver, as successor trustee of the Trust, to enter into the Trust Agreement/Plan of Liquidation (the "Trust Agreement") as part of the resolution of the receivership and the discharge of the Receiver. All capitalized terms not otherwise defined in this Policy shall have the definitions set forth in the Trust Agreement.

Pursuant to the Trust Agreement, the Trustee shall hold and administer the Trust Assets and liquidate and distribute the Trust Assets to the Beneficiary Funeral Homes and others, as described in the Trust Agreement, to reimburse the Beneficiary Funeral Homes and such other persons and entities upon their performance under Burial Agreements and under the FHSA. The Trustee shall oversee investments, supervise and administer the Claims process, resolve disputes and perform all other obligations of the Trust, as described in the Trust Agreement.

INVESTMENT ADVISOR:

At all times, the Trust shall engage and utilize an independent investment professional (the Investment Advisor) to advise the Trustee concerning the investment of the Trust Assets and to handle the Trust's transactions involving the Trust's investment accounts. Subject to the Trustee's approval, the Investment Advisor may utilize one or more custodians of the Trust Assets.

The initial Investment Advisor shall be Ziegler Capital Management, LLC. The Trustee may, with the approval of the Board, replace the Investment Advisor at any time. The Trustee shall

give written notice to the WDFI, the Beneficiary Funeral Homes and the Administrator of any replacement of the Investment Advisor.

The WDFI or any Beneficiary Funeral Home may petition the Court at any time to replace the Investment Advisor for good cause provided that any such petitioner first makes demand on the Trustee to make such a replacement and the Trustee fails to do so for a period of 30 days.

TERM:

It is anticipated that this Policy will not be modified during the term of the Trust; however, if facts and circumstances compel the Trustee to determine that a change to this Policy is necessary to enable the Trustee to fulfill his or her fiduciary duties to the Beneficiary Funeral Homes, the Trustee may propose an amendment to this Policy with the consent of the Board as required under the Trust Agreement. Before making any such proposal, the Trustee shall confer with the Investment Advisor.

The adoption of a proposed change to this Policy shall follow the same procedure as an amendment to the Trust Agreement and shall be subject to the notice, posting, objection, approval and other provisions of Article 14 of the Trust Agreement. The initial notice to the WDFI and the Beneficiary Funeral Homes shall also state whether the Investment Advisor concurs with the proposed change.

INVESTMENT OBJECTIVES:

The primary objective of this Policy is to preserve the real value of invested funds. Risk and volatility are present to some degree with all types of investments; however, high levels of risk are to be avoided. The Trust maintains that risk is best avoided by both minimizing risky investments and diversifying the asset classes, styles and sectors of investments.

The investment guidelines described in this Policy will be reviewed by the Trustee and, with the consent of the Board and Court approval, as required under the Trust Agreement, revised periodically.

All assets shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a similar capacity and familiar with such matters would use in the investment of a fund of similar character and with similar aims.

The Trust's overall investment objective is to achieve an optimized rate of return consistent with the preservation of principal, mitigation of risk and maintenance of liquidity. This Policy sets forth guidelines to effectively manage the Trust's investment portfolio in order to obtain:

- Stability – minimization of volatility and risk
- Liquidity – sufficiency of cash to provide for anticipated withdrawals
- Preservation of Capital – avoidance of significant long-term losses through an emphasis on high quality

- Return on Investment – tailoring income and return of the Trust to potentially cover the interest and administrative costs of the Trust, provided that such objective shall not supersede the preceding objectives.

ATTITUDES TOWARD RISK AND RISK MANAGEMENT:

The Trustee and Board understand that risk can be defined in a number of ways. The Trustee and Board expect that the Investment Advisor understand how the Trust defines risk, so that the Fund's assets are managed in a manner consistent with the objectives and investment strategy as expressed in this Policy.

1. *Risk Aversion.* The Trustee and Board recognize that some risk is necessary to produce long-term investment results sufficient to meet the Fund's objectives, and that risk is present in all types of securities and investment styles. However, the Trustee, Board and the Trust expect that the Investment Advisor will utilize prudent judgment and reasonable efforts and techniques to control risk. The Trustee and Board will evaluate the Investment Advisor, and the Investment Advisor will evaluate its managers, regularly, to ensure that the risk assumed is commensurate with the Trust's objectives.
2. *Preservation of Capital.* Recognizing that, despite reasonable efforts, losses may occur in individual securities, the Investment Advisor shall make all reasonable efforts to preserve capital in the aggregate.

LIQUIDITY AND MARKETABILITY:

To minimize the possibility of a loss occasioned by the sale of a security required to allow the Trust to pay an obligation, the Trustee will periodically provide the Investment Advisor with an estimate of expected cash flow needs. As further described below, the Trustee requires all Fund assets to be invested in liquid and readily marketable securities (instruments which can be transacted quickly and efficiently for the Fund with minimal impact on market prices).

ASSET ALLOCATION:

Asset allocation is the most significant factor affecting the ability of the Trust to meet its objectives. Therefore, based on the investment objectives and risk tolerances stated in this Policy, the following asset mix target and ranges are considered appropriate for the Trust.

	Strategic Allocation		
	Lower Limit	Targets	Upper Limit
Domestic Fixed Income	70%	80%	85%
Enhanced Cash	5%	10%	20%
Intermediate Fixed	60%	70%	80%
Domestic Equities	15%	20%	30%
Large Cap Value	15%	20%	30%

<u>Asset Class</u>	<u>Benchmark</u>
Enhanced Cash	90-Day T-Bill Index
Intermediate Fixed Income	Barclay's Capital Intermediate Government/Credit Index
Domestic Equity	Russell 1000 Value Index

Rebalancing within the above ranges should be implemented no less than monthly, and more frequently if the Investment Advisor and the Trustee deem it to be appropriate. Given the nature of the investments, transaction costs associated with rebalancing are expected to be low. The Trustee will rely primarily on the Investment Advisor to direct such rebalancing. The Investment Advisor shall report to the Trustee on the status and its recommendations at least monthly.

In an emergency, as reasonably determined by the Trustee with the advice of the Investment Advisor and the consent of the Board, the Trustee may deviate from this Policy provided that (a) any investments made are readily saleable and provide quick liquidity; (b) the Trustee contemporaneously advises the WDFI of the deviation; and (c) no such emergency deviation shall last for more than 30 days unless, within such 30-day period, the Trustee commences the Policy amendment process described in Article 6 of the Trust Agreement and diligently pursues the adoption of such amendment. The Trustee shall cause the Trust to become in compliance with this Policy within such 30-day period if he or she has not so commenced the amendment process.

INVESTMENT POLICY GUIDELINES – INVESTMENT INSTRUMENTS:

Investments are to be limited to liquid securities which can be readily valued, including equities, bonds, mutual funds, commercial paper and other investments. **Commodities, options, futures, hedge funds, private equity, real estate, and derivative instruments are not eligible for investment.**

Equity Assets:

The following investment directions are intended to apply to the investment of the equity portion of the Fund assets.

- Diversification: The Investment Advisor will ensure adequate investment diversification.
- Marketability/Liquidity: Acceptable levels of marketability/liquidity are frequently expressed as functions of quality, market capitalization, and location of trading of a given security. The Investment Advisor will ensure adequate marketability of investments under its supervision.

Fixed Income Assets

Intermediate Fixed Income Assets

The objective of the intermediate fixed income portion of the Fund assets is to provide a total return, net of fees, in excess of the, Barclay's Capital Intermediate Government/Credit Index, the specified benchmark. The following directions are intended to apply to the investment manager:

- Duration Target: Fixed income portfolio maturity, as measured by portfolio duration, should be between 90% and 110% of the benchmark. No instrument with an average life in excess of 10 years is permissible.
- Allowable Credit Quality:
 - At the time of purchase, all securities must be rated in the top four rating categories by Moody's, Standard & Poor's, or Fitch.
 - If a security falls below the allowable rating by Moody's, Standard & Poor's or Fitch, the Trustee must be notified and a plan of action must be presented to the Trustee.
 - Investments may only be made in non-investment grade securities provided that such investment is in the form of a diversified mutual fund or other similar collective vehicle that provides for daily liquidity and net asset valuations. Such investments shall not exceed 10% of the total market value of the Fund's assets.

Cash & Enhanced Cash Assets

The objective of the enhanced cash position of the Fund assets is to provide sufficient liquidity to ensure cash availability to meet projected, as well as unexpected, funding requirements while utilizing maturities out to two years to enhance total return. For this reason, the Investment Advisor's enhanced cash manager shall communicate frequently with the Trustee in regards to cash flow requirements. The following directions are intended to apply to the enhanced cash manager:

- Duration Target: The duration must not exceed one year, and no instrument with a maturity greater than two years is permissible, except that:
 - Floating rate issues may have a longer maturity if the interest adjustment is based on an instrument with a maturity of less than one year.
 - A puttable bond may be utilized if the put can be exercised within two years.
 - Issues of these types should be limited to an amount consistent with normal liquidity requirements, but should not exceed 25% of the value of the portfolio.

- Commercial paper which is rated at the time of purchase within the classification or higher, "A1" by Standard & Poor's, "P1" by Moody's, or "F-1" by Fitch, without regard to gradation, and which matures not more than 270 days after the date of purchase.
- Mortgages issued by a government sponsored agency and investment grade asset backed securities.
- Repurchase agreements are permitted with such broker/dealers who maintain a minimum 104% initial market value collateralization of the loaned amount of securities. The collateral market value shall be marked daily.

EVALUATION BENCHMARKS:

The Trustee will work with the Investment Advisor to establish evaluation benchmarks for the entire Fund. Measurement benchmarks will be set and documented by mutual agreement between the Trustee and the Investment Advisor. The Investment Advisor shall report performance to the Trustee as measured to such benchmarks on a regular basis, but at least quarterly.

Comparative market benchmarks are established to gauge a manager's value added. Return requirements (annualized basis) are over a full market cycle (three to five years).

Comparative Market Benchmarks

Combined Assets – Relative to appropriate indices:

<u>Section</u>	<u>Benchmark</u>	<u>Expectation</u>
Total Fund	10% 90-Day TBills, 70% Barclays Intermediate Government/Credit Index, 20% Russell 1000 Value Index 100%	Exceed

The investment goal above is the objective of the aggregate Fund, and is not meant to be imposed on each investment account. The goal of the Investment Advisor, over the investment horizon, shall be to:

- Meet or exceed the market index, or blended market index, selected and agreed upon by the Trustee that most closely corresponds to the style of investment management. Each investment manager will have a separate statement which will be attached as an addendum to this Policy.
- Display an overall level of risk in the portfolio which is consistent with the risk associated with the benchmark. Risk will be measured by the standard deviation of quarterly/monthly returns.

PERFORMANCE REPORTING & EXPECTATIONS:

Performance reports generated by the Investment Advisor shall be compiled at least monthly and reviewed with the Trustee. Investment performance for the total Fund, as well as asset class components, should be measured against commonly accepted performance benchmarks. The Trustee will consider performance results to the extent they are consistent with the Fund's goals, objectives and guidelines as set forth in this Policy.

IMPLEMENTATION AND REVIEW:

1. This Policy shall be managed for the Trust by the Trustee and reported to the Board.
2. Fund investment performance along with a detailed listing of all investment assets shall be reviewed monthly with the Trustee.
3. Actions of the Trust will be reviewed monthly with the Trustee.
4. The Trustee shall review this Policy with the Investment Advisor at least every six months. The Trustee will present recommended changes to the Board every six months, or more frequently if deemed appropriate by the Trustee.

EXHIBIT B

Funeral Home Settlement Agreement (FHSA)

Funeral Home: _____

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (this "**Agreement**"), made and entered into effective as of the 29th day of May, 2013, is by and between John M. Wirth (the "Receiver"), as the court-appointed receiver for the Wisconsin Funeral Trust (the "Trust"), and the undersigned funeral home (the "Funeral Home" or "Home"):

ARTICLE 1. RECITALS AND DEFINITIONS

1.1 On September 14, 2012, plaintiff Wisconsin Department of Financial Institutions ("WDFI") filed an action against the Wisconsin Funeral Directors Association, Inc. (the "WFDA") and Fiduciary Partners, Inc. (the "Trustee"), as Trustee for the Trust, alleging violations of securities laws relating to the Trust, in Dane County Circuit Court, Case Nos. 12 CX 44 and 12 CX 44A (together, the "State Action"). In the State Action, WDFI requested, pursuant to Wisconsin Statutes § 551.603(2)(b)1., the appointment of a receiver of all assets of the WFDA and the Trust. On September 14, 2012, the Dane County Circuit Court (the "Court") entered an order in the State Action appointing the Receiver as interim receiver for the WFDA and the Trust. On October 24, 2012, with the stipulation of the Trustee and the WFDA, the Court entered permanent injunctions and appointed the Receiver as receiver over the Trust and certain rights and assets of the WFDA.

1.2 The Trust was intended to be a master trust in which payments deriving from burial agreements (each a "Burial Agreement") are held in trust pursuant to Wisconsin Statutes § 445.125(1).

1.3 The Funeral Home is a party to one or more Burial Agreements the proceeds from which were deposited in the Trust.

1.4 The Trust, by the Receiver, and the Funeral Home desire to ensure that all Depositors, as defined below, receive the benefit of their respective existing Burial Agreements notwithstanding the present shortfall of funds remaining in the Trust. The Parties recognize that the Funeral Home has a vital role in ensuring that Depositors receive the benefit of their Burial Agreements. By Funeral Home's signature on this Agreement, the Receiver recognizes that the Home is committing to do the right thing by its Depositor customers, by assuring all of its Depositors that the Home will make up for any shortfall in Trust funds and will comply with its Burial Agreements. By Receiver's signature on this Agreement, Receiver will not seek payments or damages from the Home other than as set forth on the terms herein. The Receiver will not limit his remedies against Homes who do not sign this Agreement.

1.5 There is a shortfall of Depositor funds in the Trust. The Receiver has been empowered by the Court to take all reasonable and necessary steps to investigate and then, if necessary, initiate litigation to recover damages for Trust

losses caused by responsible parties. The Receiver has engaged in significant investigation, and has concluded that there are responsible parties who caused losses to the Trust. Funeral Home itself or by its counsel acknowledges it has been generally informed of the claims the Receiver could make against responsible parties. By Funeral Home's signature on this Agreement, the Receiver has covenanted not to sue Funeral Home for any reason. The Receiver will not limit his remedies against Funeral Homes who do not sign this Agreement.

1.6 The Trust, by the Receiver, and the Funeral Home (together, the "**Parties**" and each individually, a "**Party**") desire to resolve any possible causes of action that the Funeral Homes might face as a result of shortfalls in the Trust, including causes of action by the Receiver and third parties, in the manner set forth in this Agreement without risking the uncertainty of litigation or its related costs. The Parties recognize and agree that this is a partial settlement, and that no rights, claims or obligations any Party to this Agreement had, has or may have with respect to any other party in the State Action shall be affected by this Agreement except as stated herein. The Parties recognize and agree that while this Agreement addresses protection of Homes against litigation by non-parties to this Agreement, there is no guarantee that such claims won't be made, nor is there any indemnity for such possible claims being offered by the Receiver or the Trust, other than as stated in this Agreement.

1.7 The Funeral Home is one of many Homes who are signing this Agreement containing the same terms set forth in this Agreement.

1.8 This Agreement is entered into to resolve disputed claims and to prevent the further expenditure of funds by the Parties in the State Action against each other. No Party by entering into this Agreement admits any misconduct or wrongdoing, and each Party continues to specifically deny any misconduct or wrongdoing.

1.9 In connection with this Agreement, the Receiver has made certain disclosures to the Funeral Homes about the actions that have and may be taken to reduce or close the shortfall between the Stated Account Balances (as defined below) and the fair market value of the Trust, including proposed legal actions and/or arbitrations against parties alleged to be responsible for the Trust's loss of value. The Receiver has also made disclosures about possible future steps by the Trust, including addressing the potential wind-down or distribution of Trust funds to Depositors (and Funeral Homes that have provided benefits to Depositors under Burial Agreements). The Funeral Home acknowledges that the amount ultimately distributed to the Funeral Home for its claims under this Agreement may not fully reimburse the Funeral Home for its contracted payments to or for the benefit of the Depositors with whom it has Burial Agreements.

1.10 Each of the Parties by his or its representative's signature hereon warrants and represents that he or the representative is authorized and has the

authority to enter into this Agreement; that valuable consideration has been or will be paid and exchanged for and as part of this Agreement; and that the signing Party, along with that signing Party's successors, heirs and assigns, agrees to be bound by its terms. No assignment of a Party's rights hereunder shall relieve that Party of his, her, or its obligations hereunder.

1.11 In this Agreement, the following terms have the following definitions:

a. "Depositor" means a person with whom the Funeral Home has a Burial Agreement, consistent with Wis. Stat. § 445.125(1)(a)1. All references in this Agreement to the death of a Depositor or the Depositor's funeral are understood to refer to the person for whom goods and services are provided under a Burial Agreement.

b. "Depositor's Account" means that portion of the Trust related to the Burial Agreement between the Funeral Home and a Depositor.

c. "Trust Deposit" means the total amount of money Depositor delivered to the Funeral Home to place in the Trust pursuant to a Burial Agreement.

d. "Stated Account Balance" means the amount shown in the records of the Trust as being payable in connection with a Burial Agreement. The Stated Account Balance includes the Trust Deposit plus all interest credited to the Depositor's account, less withdrawals from that account, if any.

e. "Funeral Home" means the Funeral Home signing this agreement. The term includes the Funeral Home's owners, officers, directors, shareholders, members, employees, parent companies, subsidiaries, successors and assigns. All such entities are within the scope of this agreement regardless of the capacity in which they have acted, including service as Wisconsin Funeral Directors Association Directors or as members of its Pre-Need Committee. If the Funeral Home ceases to operate or abide by this Agreement, this agreement applies to any subsequently formed funeral home business within 25 miles of the Funeral Home where any of the Funeral Home's current owners, officers, directors, shareholders or members have more than a 5% ownership interest. The owners, officers, directors, shareholders, employees and members of the Funeral Home are not personally liable for the obligations of this Agreement.

f. "Beneficiary" means the Funeral Home as provider of funeral merchandise and services, consistent with Wis. Stat. § 445.125(1)(a)1.

In this Agreement, unless separately stated, the term "Receiver" is inclusive of the rights and assets of the Trust and the Receiver's ownership of certain rights and assets of the WFDA. It is intended that that rights and obligations of the Receiver under this Agreement will become the rights and obligations of any successor trustee unless modified by the Court. If there is reference in this Agreement to any notice to, or obligation of, the "Trust", any such notice shall be to the Receiver or successor trustee, and any such obligation of the Trust shall be carried out by the Receiver or successor trustee.

ARTICLE 2. TERMS OF SETTLEMENT

2.1 Provision of Goods and Services. The Funeral Home guarantees and agrees that it shall timely pay for and provide all of the contracted goods and services, and fully perform, all of its obligations, under the terms of each existing Burial Agreement to which it is a party with a Depositor.

2.2 Reimbursement to Funeral Home from the Trust.

- a. The Funeral Home will only be reimbursed by the Trust for goods, services and disbursements provided to a Depositor with an existing Burial Agreement, and pursuant to terms approved from time to time by the Court.
- b. Currently, the Court has approved an initial reimbursement of 60% of the Stated Account Balance as of the date of Depositor's burial after the provision of Depositor's funeral, with the Funeral Home retaining a claim against the Trust for the balance of the Stated Account Balance.
- c. The reimbursement plan is subject to change by the Court from time to time. All such changes in the reimbursement plan shall preserve equality of reimbursement payments among all Funeral Homes. That means that if the Trust's reimbursement percentage increases, the Trust shall pay equalizing rebates to Funeral Homes that previously received reimbursements at a lower rate. Changes in the reimbursement plans may be made upon not less than 20 days prior notice to, and an opportunity to object by, the Funeral Home to any proposed change in the reimbursement plan.
- d. The Funeral Home understands and agrees that the Trust, by the Receiver or any subsequent trustee, is empowered to maintain and retain adequate reserves, and may from time to time seek adjustment to the percentage distributions, to ensure that the Trust has sufficient funds to pay all future claims and costs of

administration, including payment in full of future claims by Depositors resulting from funeral homes who do not meet their obligations.

- e. If the Trust is terminated while Depositors still have rights to Funeral Home services, the provisions made for trust termination shall preserve equality of reimbursement payments among all Funeral Homes.

2.3 Limited Funeral Home Payments from Depositor. The Funeral Home shall not require that a Depositor make any payment except for payment, at the Funeral Home's standard retail prices, for (a) goods and services requested by a Depositor's representatives or heirs that were not included in the Burial Agreement; and (b) goods and services that are not covered by the price guarantee, if any, in the Burial Agreement.

2.4 Refunds due to Depositor Changes. If at the time of goods or services to be provided by the Home under a Burial Agreement the Depositor wants changes:

- a. If the Burial Agreement with the Funeral Home for a deceased Depositor states that such Burial Agreement is "guaranteed" or has a "guaranteed price," and if the Funeral Home agrees to amend such Burial Agreement at the time of burial and the result of such amendment is that the Funeral Home provides goods and services for a price less than the aggregate price described in the Burial Agreement, the Funeral Home shall pay the entire difference of the change to the estate of the Depositor. The Trust shall then, after application by the Funeral Home, pay to the Funeral Home the initial reimbursement then paid by the Trust (currently 60% of the Stated Account Balance), and the Funeral Home shall retain a claim against the Trust for the balance.

- b. If the Burial Agreement with the Funeral Home for a deceased Depositor does not state that such Burial Agreement is "guaranteed" or has a "guaranteed price," the Funeral Home shall pay the estate of the Depositor the amount, if any, by which the Stated Account Balance exceeds the Funeral Home's standard retail price of the actual goods and services provided. The Trust shall then, after application by the Funeral Home, pay to the Funeral Home the initial reimbursement then paid by the Trust (currently 60% of the Stated Account Balance), and the Funeral Home shall retain a claim against the Trust for the balance.

2.5 Withdrawals. Subject to the following paragraph allowing suspension of withdrawals, if a Depositor provides written notice to the Funeral Home of revocation of the Burial Agreement, then the Funeral Home shall notify the Trust of such request within 10 days after receipt of such request, and the Trust shall either:

a. Pay to Depositor an amount equal to the initial reimbursement percentage then paid by the Trust (currently 60%) times the revocable portion of the Trust Deposit, in which case the Funeral Home shall pay to such Depositor the remaining balance of the revocable portion of the Trust Deposit (the "Remaining Principal Balance") within 30 days of the Depositor's request, and the Funeral Home shall retain a claim against the Trust for the amount paid to such Depositor; or

b. Pay to Depositor 100% of the revocable portion of the Trust Deposit if, as part of the Funeral Home's notification to the Trust of the Depositor's request, the Funeral Home makes a written election to reimburse the Trust under section 2.8 for the revocable portion of the Remaining Principal Balance.

Any remaining irrevocable portion of the Stated Account Balance, and any amount of the Stated Account Balance not paid as described above, shall remain subject to the terms of this Agreement and the applicable Burial Agreement.

2.6 Suspension of Withdrawals.

a. **By the Receiver.** The Receiver, and any successor trustee for the Trust, in his or her sole discretion may at any time suspend withdrawals from the Trust in whole or in part if he or she reasonably believes that further withdrawals will materially impair the Trust's present or future ability to pay claims arising under this Agreement or Burial Agreements. The Receiver or successor trustee shall promptly notify any affected party and the Court of any suspension of withdrawals, the expected duration of any suspension, and the reasons therefor.

b. **By the Funeral Home.** The Funeral Home may suspend withdrawals for Depositor Accounts arising from Burial Agreements with the Funeral Home, if the Funeral Home reasonably believes that further withdrawals will materially impair its present or future ability to stay in business and provide goods and services to Depositors. The Funeral Home will promptly notify the Trust of a suspension of withdrawals and the basis for the suspension. If the Trust objects to such suspension, the reasonableness of such suspension shall be submitted to arbitration under section 4.10, below. In addition to determining whether the suspension is reasonable, the arbitrator may determine the time at which the suspension shall be ended. If a Funeral Home suspends withdrawals, the Trust may nevertheless continue to allow withdrawals, and in such event, the Trust shall, after consultation with the Funeral Home, propose terms under which the Funeral Home shall reimburse the Trust for the Remaining Principal Balance for withdrawals allowed by the Trust to cover the Funeral Home's suspension of withdrawals. The terms of such reimbursement shall be subject to section 2.8, below, except that the term of repayment shall extend for such time as would reasonably be

appropriate, based on the business and finances of the Funeral Home. If the Parties are not able to reach mutually agreeable terms of reimbursement within 15 days after the Trust's proposal, the matter shall be submitted to arbitration under section 4.10, below.

2.7 Transfers of Depositor's Account. If a Depositor or the Depositor's representatives or heirs make a written request to the Funeral Home to transfer the Burial Agreement with the Funeral Home to a different funeral home (the "Transfer Request"), the Funeral Home shall notify the Trust of the Transfer Request within five business days after receipt of such request.

The Funeral Home shall make a determination of whether the proposed transfer is permitted under the terms of the applicable Burial Agreement or applicable law, and shall inform the Trust of the determination as part of the notification to the Trust of the Transfer Request. If the Trust disagrees with the Funeral Home about whether a transfer is permitted, provided that the transferee funeral home accepts the transfer in writing, the Trust shall approve the Transfer Request and change the Beneficiary of the Burial Agreement on the records of the Trust to the transferee funeral home, and shall, unless the Funeral Home concurs with the Trust's determination, submit the propriety of the transfer to binding arbitration under section 4.10, below. As used in this Agreement, the "Transfer Date" shall mean the date of the Transfer Request.

Within 30 days' following notification by the Funeral Home to the Trust of the Transfer Request, the Trust shall determine, and shall provide the Funeral Home with an accounting of, the sum of the following (the "Transfer Balance"): (1) the amount of the Trust Deposit as of the Transfer Date, (2) interest or dividends accruing in the Depositor's Account through December 31, 2007 as stated on the records of the Trust, and (3) interest accruing in Depositor's Account from January 1, 2008 through the Transfer Date at a rate equal to "CD+1". The rate shall first be established as of January 1, 2008 based on CD+1 for the prior calendar quarter, and shall be adjusted as of the last business day of April and September thereafter based on CD+1 as reported for each of the preceding calendar quarters.

"CD+1" means (a) the per annum rate reported by SNL Financial LC for the average \$10,000 three-year certificate of deposit issued in the State of Wisconsin during the calendar quarter (the "Index") plus (b) 1%. If SNL Financial LC ceases publication of the Index, the Index shall be determined from such other source as the Trust reasonably selects. If the Index is not readily available to the Trust from another source, the Trust shall have the right to choose a reasonably comparable index. If SNL Financial LC or the replacement source retracts or corrects a previously determined Index, the retracted or corrected Index shall apply.

On or before the date 30 days after the Trust provides notice to the Funeral Home of the Depositor's funeral, the Funeral Home shall pay to the Trust the amount equal to the Transfer Balance minus the amount of the fair market value of

the Depositor's Account as of the date of the Depositor's funeral. The fair market value of the Depositor's Account equals: [i] a fraction, with the Depositor's Stated Account Balance as the numerator and the sum of all the Trust's Stated Account Balances as the denominator, multiplied by [ii] the fair market value of the Trust's assets. The Funeral Home shall retain a claim against the Trust for the amount it paid to the Trust.

In lieu of making such payment, the Funeral Home may make a written election to the Trust, within 10 days after the Trust provides notice to the Funeral Home of Depositor's funeral, to have the Trust make such payment, in which case the Funeral Home shall reimburse the Trust for such payment pursuant to section 2.8 below.

2.8 Reimbursement of the Trust by Funeral Home. If the Funeral Home elects to reimburse the Trust instead of making the payment required by sections 2.5.b, 2.6, or 2.7a or b, above, then the Funeral Home shall pay such reimbursement to the Trust in equal monthly payments over a term of one year, with per annum interest accruing on the outstanding principal balance of such reimbursement at the rate of Wisconsin's average 3-year CD rate (as determined by the Trust from time to time) in effect on the date of such payment by the Trust plus 2%; provided, however that the Funeral Home may prepay the amount of its obligation to the Trust at any time and without penalty, and the Trust may immediately offset, in whole or in part, any reimbursement due from the Trust to the Funeral Home against the amount of the Funeral Home's outstanding obligation(s) to the Trust. The Trust may, in its sole discretion, agree to a term and amortization for a period longer than one year if the Trust determines that the repayment causes a material hardship for the Funeral Home that would jeopardize its ability to remain a going concern; however, no such longer term shall exceed three years without further order of the Court. Upon electing to reimburse the Trust, the Funeral Home shall promptly execute and provide the Trust with a promissory note, or such other documentation as is consistent with the terms of this Agreement and the Receiver shall find acceptable. Upon full repayment to the Trust, including interest, the Funeral Home shall retain a claim against the Trust for the principal amount reimbursed to the Trust.

2.9 Retroactive Effect. To the extent that the Funeral Home has provided Depositors with goods, services and disbursements in a manner consistent with sections 2.5, 2.6, 2.7, or 2.8 following the appointment of the Receiver but prior to entry into this Agreement, and for which the Funeral Home has not received initial reimbursement, the Funeral Home may seek initial reimbursement from the Trust for such goods, benefits and payments as if this Agreement were in effect from the date of the appointment of the Receiver. In order to receive an initial reimbursement for such goods, services and payments, the Funeral Home shall provide paperwork to the Trust consistent with ordinary past practice for reimbursements from the Trust, along with a statement signed by the Depositor's

heirs or representatives acknowledging receipt of such goods, services and disbursements. To the extent a Burial Agreement has been amended as described in section 2.4 following appointment of the Receiver but prior to entry into this Agreement, the provisions of section 2.4 shall apply and any required refund shall be made by the Funeral Home within 30 days of the date the Funeral Home signs this Agreement. Upon payment by the Funeral Home, the Receiver shall pay such retroactive claims and the Funeral Home shall retain a claim against the Trust, in accordance with section 2.4.

2.10 Notice of Default and Opportunity to Cure. Upon a default under this Agreement or any agreement made in furtherance of this Agreement, the Party alleging that a default has occurred shall provide written notice to all parties alleged to be in default, describing the alleged default and providing each defaulting party 15 days after receipt of the notice to cure the default. The Party alleging default shall not take any further enforcement action relating to the default for which notice is given until the cure period has expired.

2.11 Enforcement. In the event of a final determination concerning the payment of any monetary obligation under this Agreement, the arbitrator may but is not required to award a non-defaulting Party its costs of enforcing this Agreement, including reasonable attorneys' fees, provided that the arbitrator determines that such a default in fact has occurred and was not cured during any applicable cure period. The Funeral Home acknowledges that the Trust has an interest in enforcing the Funeral Home's obligations under Burial Agreements and the obligations under this Agreement.

2.12 Funeral Home Claims against the Trust. All claims of the Funeral Home against the Trust are subordinate to allowed administrative expenses of the Trust, including Receiver fees, attorney fees and costs of litigation.

2.13 Funeral Home Representation and Warranty. Funeral Home hereby represents and warrants that it is financially sound and capable of performing all anticipated obligations under Article 2 of this Agreement.

2.14 Survival of Article 2 Enforcement. The Parties understand and agree that the provisions of Article 2 shall apply to the Funeral Home so long as there is an outstanding Burial Agreement, even if there is a change of Receiver, a successor trustee, or any other method of managing the Trust, or any Court ordered windup and/or change in character of the Trust or receivership.

ARTICLE 3.

PERMANENT INJUNCTION, RELEASE AND COVENANT NOT TO SUE

3.1. Permanent Injunction. The Receiver recognizes that the Funeral Home's performance under this Agreement is vital to providing Depositors with the benefit of their respective Burial Agreements, and that to the extent allowable under

law the Receiver will seek protection of the Funeral Home from non-Party claims seeking damages or other relief from the Trust, the Receiver, the Depositor Accounts, the Depositors or the Funeral Homes. There is presently in effect a preliminary injunction prohibiting maintenance of claims against the Trust and the Funeral Homes based on existing Burial Agreements. The Receiver shall apply for and seek the agreement of the other parties to the State Action via consent decree to make this injunction permanent with respect to Funeral Homes who are signatories to this Agreement, and shall further seek by consent decree to extend the injunction to prevent actions by non-parties to this Agreement against the Receiver, the Trust or the signatory Funeral Home for damages arising from any shortfall in the Trust or any Depositor Account(s), substantially in the form and with the injunctive power of the present injunctive language set forth in Paragraph 11 (a through e) of the Court's order of October 24, 2012. Absent entry of such consent decree and grant of such permanent injunction, this Agreement shall not bind the Parties. If, at the time of the execution of this Agreement, the Court has entered an order approving this Agreement or the form of this Agreement, and such approval contained a permanent injunction that would inure to the benefit of the signatory Funeral Home upon entry into this Agreement, then such order satisfies the approval requirement of this paragraph. Notwithstanding the foregoing, any Depositor or other interested party, including the State of Wisconsin, shall have the right to move the Court, prior to the discharge of the Receiver, (a) to compel the Receiver to satisfy his obligations under this Agreement and his other fiduciary obligations; (b) to compel the Receiver to exercise his discretion under this Agreement prudently; (c) to enjoin the Receiver from taking any action contrary to the terms of this Agreement or contrary to his fiduciary obligations; or (d) for other relief against or involving the Receiver that is just and equitable. Similarly, nothing in this Agreement shall limit the right of any Depositor or other interest party, including the State of Wisconsin, after the discharge of the Receiver, to bring an action in the Court (i) against any person or entity who succeeds to the Receiver's authority over the Trust in order to compel the successor to satisfy the successor's obligations under this Agreement and the successor's other fiduciary obligations; (ii) to compel the successor to exercise the successor's discretion under this Agreement prudently; or (iii) to enjoin the successor from taking any action contrary to the terms of this Agreement or contrary to the successor's fiduciary obligations.

3.2. Receiver's Covenants. The Receiver, in his capacity as Receiver for the Trust and for the WFDA's claims, hereby fully and finally covenants not to initiate or pursue claims, regardless of forum, adverse to the Funeral Home, on or concerning any claim or cause of action, legal or equitable, in contract or tort or statute, direct or indirect, presently asserted or not, known or unknown. This covenant not to sue shall not include any claim seeking to enforce the obligations contained in this Agreement.

3.3. Funeral Home's Covenants and Release. The Funeral Home fully and finally releases, remises and discharges the Receiver and, except as described

below, the Trust and current and past trustees of the Trust, from any claim or cause of action, legal or equitable, in contract or tort or statute, direct or indirect, presently asserted or not, known or unknown. This Release shall not cover any claim seeking to enforce the obligations contained in this Agreement. Additionally, this Release shall not cover any claim against the Trust for the principal and accrued interest payable with respect to Burial Contracts, as such amounts may be determined to be payable pursuant to any current or future order of the Court. Notwithstanding this Release, the Funeral Home may respond to any motion by the parties in the State Action.

3.3.1 Funeral Home's Assignment of Claims to Receiver. By its signature hereon, Funeral Home hereby irrevocably assigns to the Receiver all right, title and interest in actual or prospective claims it had, now has, or in the future may have, legal or equitable, against all responsible persons or entities for losses or shortfalls in the Trust, from the inception of the Trust to the date of the September 14, 2012 receivership Order.

3.4. Pierringer Release. The Parties hereby enter into a Pierringer Release of non-intentional tort claims. It is the intent and sole purpose of the Pierringer Release set forth in this Section to adhere to the following principles:

- the Funeral Home's negligence liability is segregated;
- the Funeral Home's liability for negligence claims is resolved to the credit of all parties to any future or pending litigation;
- the Receiver shall have full ability to continue with any lawsuit or arbitration proceeding against any or all entities or persons who may be liable to the Trust or to the WFDA on negligence and all other claims;
- the Receiver will indemnify the Funeral Home for that portion of any contribution adjudicated to be due from the Funeral Home to any other defendant or respondent solely on non-intentional tort claims, all as per the holding in *Pierringer v. Hoyer*, 124 N.W.2d 106, 21 Wis.2d 182 (1963).

3.4.1. The Receiver releases the Funeral Home, including its past and present officers, directors, employees, shareholders, members, agents, heirs, successors and assigns (collectively the "**Released Funeral Home Parties**"), and only the Released Funeral Home Parties, from non-intentional tort claims alleged or which could have been alleged in an action or arbitration proceeding brought by the Receiver. The Receiver expressly reserves the balance of its whole causes of action or any other claims of whatever kind or nature not released hereby which the

Receiver now has or may hereinafter have against any other person arising out of the circumstances giving rise to the claims alleged in an action or arbitration proceeding brought by the Receiver.

3.4.2. The Receiver and the Funeral Home recognize that the Funeral Home is not paying the total of the Receiver's full amount of claimed damages as would be paid if all tortfeasors in the incident compromised and were settling all actions and claims of the Receiver. The Receiver hereby credits, discharges and satisfies only that fraction, portion, or percentage of the total amount of damages caused by the non-intentional conduct, if any, of the Funeral Home in relation to the causal fault of all adjudged non-intentional tortfeasors as may hereafter be determined in the future trial or other disposition of the claims alleged in an action or arbitration proceeding brought by the Receiver.

3.4.3. The Receiver agrees to hold and save harmless the Released Funeral Home Parties from any claim for contribution or indemnification made by others adjudged at fault for non-intentional torts alleged by the Receiver in any action or arbitration proceeding by satisfying any such fraction, portion, or percentage of the judgment attributable to the Released Funeral Home Parties' non-intentional conduct, which is causally related to the Receiver's claims in such action or arbitration proceeding. The Parties agree that the Receiver's obligations under this Section are limited to foregoing payment from others adjudged at fault for non-intentional torts alleged by the Receiver in any action or arbitration proceeding, and shall not require the Receiver to pay cash consideration to fulfill his obligations under this Section.

3.5. Final Releases. In the event of final judgment or settlement of any and all claims brought by or against the Receiver, after all appeals are exhausted, any Party to this Agreement may request any other Party to this Agreement to substitute a Final Release for any Covenant Not to Sue hereunder. The Party receiving such a request shall consider it in good faith, but is not required to convert a covenant not to sue into a release.

3.6. Other Litigation. The Parties understand and acknowledge that the Receiver contemplates or has brought litigation against third parties alleged to be responsible for Trust losses ("Receiver Action"). Nothing in this Agreement limits or affects any Party's right to make claims or defenses in a Receiver Action or the State Action against or in defense to non-parties to this Agreement, except as otherwise prohibited in the injunctive relief described in ¶ 3.1. Nothing in this Agreement

requires or allows the Trust to indemnify or defend the Funeral Home in any action, other than as stated in the Pierringer Release set forth in ¶ 3.4, herein.

ARTICLE 4. MISCELLANEOUS

4.1. **Court Approval.** The rights and obligations under this Agreement are subject to Court approval.

4.2. **Binding Agreement.** This Agreement shall bind the undersigned and their respective successors and assigns.

4.3. **Entire Agreement; Waivers and Amendments.** This document contains all of the terms and conditions of the Agreement described herein. All words, phrases, sentences and paragraphs are material to the execution hereof. All prior discussions, oral or written, are merged into this Agreement. This Agreement may not be amended, superseded, canceled, renewed or extended, and the rights and obligations of a party under this Agreement may not be waived, unless both parties sign a written agreement for the purpose or, in the case of a waiver, the party waiving compliance signs such a written agreement. Failure to enforce rights after a default under this Agreement, or any delay in enforcing such rights, shall not be deemed a waiver.

4.4. **Notices.** All notices, requests and demands shall be in writing and shall be either delivered personally, by messenger, courier or overnight service or mailed by U.S. mail with appropriate postage prepaid to the intended recipient's address set forth adjacent to the recipient's signature below or to such other address as may be designated in writing by notice given in the manner provided in this Agreement and shall be effective on its personal delivery or 24 hours following deposit in the U.S. mail or with a messenger service, whether or not delivery is accepted.

4.5. **Authority.** Each of the Parties by his or its representative's signature hereon warrants and represents that he or the representative is authorized and has the authority to enter into this Agreement; that valuable consideration has been or will be paid and exchanged for and as part of this Agreement; and that the signing Party, along with that signing Party's successors, heirs and assigns, agrees to be bound by its terms. No assignment of a Party's rights hereunder shall relieve that Party of his or its obligations hereunder.

4.6. **Counterparts; Electronic Delivery.** This Agreement may be executed in multiple counterparts which together shall constitute a complete instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopy or facsimile or electronically shall be effective as delivery of a manually executed counterpart of this Agreement.

4.7. **Additional Documents.** All Parties agree to execute related documents that may be necessary to accomplish the express purposes of this Agreement upon reasonable request.

4.8. **Warranty of Authority.** Each Party represents and agrees that he, she or it has thoroughly considered all aspects of this Agreement, has had the opportunity to discuss this Agreement with his, her or its counsel, has carefully read and fully understands all of the provisions of this Agreement, and is voluntarily entering into this Agreement. Each Party further understands that the other Parties are relying on this and all other representations he, she or it has made herein.

4.9. **Comprehension of Agreement.** The Parties agree that, in entering into this Agreement, they are relying upon their own judgment, belief and knowledge, and further acknowledge that no promise, inducement or agreement or any representations and warranties not expressed herein have been made to procure their agreement hereto. The Parties acknowledge that they have read, understand and fully agree to the terms of this Agreement. The Parties further acknowledge and agree that this Agreement is a compromise and settlement of disputed and contested claims, and nothing contained in this Agreement is intended or shall be construed as an admission by the Parties or evidence of liability or wrongdoing of any kind.

4.10. **Arbitration of Disputes.** In order to resolve, quickly and fairly, any and all claims or disputes that should occur arising out of or relating to this Agreement, all such claims and disputes shall be resolved by binding arbitration. The arbitrator shall be chosen by agreement of the Parties to the claim or controversy if the Parties can agree to the arbitrator within 10 business days of the date demand is made for arbitration. Otherwise, the arbitrator shall be retired Milwaukee County Circuit Court Judge Michael Skwierawski, or retired Wisconsin Court of Appeals Judge Neal Nettesheim, whoever is most quickly available. If neither arbitrator is available, any Party may, no sooner than 10 business days after the date of demand, petition the Court for the appointment of an arbitrator pursuant to Wisconsin Statutes Section 788.04(1). The arbitration shall be conducted without discovery unless ordered by the arbitrator, and the arbitrator shall hear from the Parties and issue his or her decision within 30 days of the date of appointment unless all Parties agree or the arbitrator orders otherwise. The arbitration shall proceed pursuant to rules established by the arbitrator. The arbitrator shall determine the meaning of all terms and phrases in this Agreement, and no Party shall look to a court to make such a determination. The arbitrator shall issue his or her decision in writing. This agreement to arbitrate shall be specifically enforceable. If any Party refuses, upon five business days' prior written notice after selection of the arbitrator, to participate in the arbitration, the arbitration shall proceed without such Party and the arbitrator shall make his or her rulings without the input of such Party. The decision of the arbitrator shall be binding pursuant to applicable law, and judgment upon the award ordered by the arbitrator may be entered in any court having

EXHIBIT C
Trust Assets

[TO BE ADDED]

Schedule 7.4(b)(i)
CALCULATION OF CURRENT REMAINDER CLAIM RESERVE
as of March 31, 2015

FROM TRUST RECORDS

A	Total Assets			\$45,682,154.31
B	Initial Claims			\$50,736,680.51
C	Remainder Claims			\$8,444,296.53
D	Initial Reimbursement Percentage			60.0000%

CALCULATION OF SECTION 7.4(b)(i)[1]

"Calculate the Potential Initial Reimbursement Percentage."

E	Total potential payments on Initial Claims at current Initial Reimbursement Percentage	B*D	\$50,736,680.51x60%	\$30,442,008.31
F	Potential Remainder Claims related to Initial Claims	B-E	\$50,736,680.51-\$30,442,008.31	\$20,294,672.20
G	Total Potential Remainder Claims	C+F	\$8,444,296.53+\$20,294,672.20	\$28,738,968.73
H	Trust Assets available over the amount needed to pay Initial Claims at current Initial Reimbursement Percentage	A-E	\$45,682,154.31-\$30,442,008.31	\$15,240,146.00
I	Percent of Remainder Claims that could potentially be paid	H/G	\$15,240,146.00÷\$28,738,968.73	53.0296%
J	Potential increase in Initial Reimbursement Percentage	(100%-D)*I	(100%-60%)x53.0296%	21.2118%
K	Potential Initial Reimbursement Percentage	D+J	60.00%+21.2118%	81.2118%

CALCULATION OF SECTION 7.4(b)(i)[2]

"Determine the difference between the Potential Initial Reimbursement Percentage and the actual Initial Reimbursement Percentage."

L		K-D	81.2118%-60.00%	21.2118%
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CALCULATION OF SECTION 7.4(b)(i)[3]

"Multiply [a] the total Remainder Claims divided by the difference between 100% and the Initial Reimbursement Percentage; [b] the difference calculated pursuant to Section 7.4(b)(i)[2]; and [c] 50%."

M	Current Remainder Claim Reserve	(C/(100%-D)) *L*50%	(\$8,444,296.53÷(100%-60%))x21.2118%x50%	\$2,333,986.26
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NOTE:

See Schedules 8.3(e)(i)[2], 8.6 and 13.3(d)(ii) for similar calculations.

Schedule 8.3(e)(i)[1]
CALCULATION OF ADDITIONAL REIMBURSEMENT PAYMENT
as of March 31, 2015

FROM TRUST RECORDS

A	Initial Reimbursement Percentage (Before Adjustment)			60.00%
B	Initial Reimbursement Percentage (After Adjustment)			65.00%

CALCULATION

C	The difference between the new adjusted Initial Reimbursement Percentage and the Initial Reimbursement Percentage existing immediately prior to the adjustment, divided by	B-A	65%-60%	5.00%
D	The difference between 100% and the Initial Reimbursement Percentage existing immediately prior to the adjustment.	100%-A	100.00%-60.00%	40.00%
E	Remainder Claim Percentage	C/D	5%÷40%	12.50%
F	Remainder Claim Example			\$1,000.00
G	Additional Reimbursement Payment	E*F	12.50%\times\$1,000	\$125.00

**Schedule 8.3(c)(i)[2]
CALCULATION OF RETIREMENT PAYMENT
as of March 31, 2015**

FROM TRUST RECORDS

A	Total Assets	\$45,682,154.31
B	Initial Claims	\$50,736,680.51
C	Remainder Claims	\$8,444,296.53
D	Initial Reimbursement Percentage	60.0000%

EXAMPLE A: RETIREMENT PAYMENT WITH CONCURRENT ADDITIONAL REIMBURSEMENT PAYMENT

ASSUMPTIONS

Initial Reimbursement Percentage is increased as of March 31, 2015

E	Initial Reimbursement Percentage (after increase)	65.0000%
F	Remainder Claim prior to March 31, 2015	\$1,000.00
Claimant elected to retire the Claim as of March 31, 2015		

CALCULATION OF ADDITIONAL REIMBURSEMENT PAYMENT

G	The difference between the new adjusted Initial Reimbursement Percentage and the Initial Reimbursement Percentage existing immediately prior to the adjustment, divided by	E-D	65%-60%	5.00%
H	The difference between 100 and the Initial Reimbursement Percentage existing immediately prior to the adjustment.	100%-D	100.00%-60.00%	40.00%
I	Remainder Claim Percentage	G/H	5%÷40%	12.50%
J	Additional Reimbursement Payment	I*F	12.5%×\$1,000	\$125.00
K	Total Additional Reimbursement Payments	I*C	12.5%×\$8,444,296.53	\$1,055,537.07

CALCULATION OF POTENTIAL INITIAL REIMBURSEMENT PERCENTAGE AFTER ADDITIONAL REIMBURSEMENT PAYMENTS

L	Total potential payments on Initial Claims at current Initial Reimbursement Percentage	B*D	\$50,736,680.51×65%	\$32,978,842.33
M	Potential Remainder Claims related to Initial Claims	B-L	\$50,736,680.51-\$32,978,842.33	\$17,757,838.18
N	Total Potential Remainder Claims	(C-K)+M	(\$8,444,296.53-\$1,055,537.07)+\$17,757,838.18	\$25,146,597.64
O	Trust Assets available over the amount needed to pay Initial	(A-K)-L	(\$45,682,154.31-\$1,055,537.07)-\$32,978,842.33	\$11,647,774.91
P	Percent of Remainder Claims that could potentially be paid	O/N	\$11,647,774.91÷\$25,146,597.64	46.3195%
Q	Potential increase in Initial Reimbursement Percentage	(100%-E)*P	(100%-65%)×46.3195%	16.2118%
R	Potential Initial Reimbursement Percentage	E+Q	65.00%+16.2118%	81.2118%

CALCULATION OF SECTION 7.4(b)(i)[2]

"Determine the difference between the Potential Initial Reimbursement Percentage and the actual Initial Reimbursement Percentage."

S		R-E	81.2118%-65.0000%	16.2118%
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DEFINITION OF RETIREMENT PAYMENT

"[A]mount determined by multiplying (a) the amount of a Remainder Claim divided by the difference between 100% and the Initial Reimbursement Percentage; (b) the difference calculated pursuant to Section 7.4(b)(i)[2]; and (c) 50%."

T	Remainder Claim After Additional Reimbursement Payment	F-J	\$1,000-\$125	\$875.00
U	Retirement Payment	(T/(100%-E))*Q*50%	(\$875÷(100%-65%))×16.2118%×50%	\$202.65

TOTAL PAYMENT ON RETIRED REMAINDER CLAIM

V	Additional Remainder Payment Plus Retirement Payment	J+U	\$125+\$202.65	\$327.65
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EXAMPLE B: RETIREMENT PAYMENT WITHOUT CONCURRENT ADDITIONAL REIMBURSEMENT PAYMENT

ASSUMPTIONS

W	Remainder Claim prior to March 31, 2015	\$1,000.00
Claimant elected to retire the Claim as of March 31, 2015		

CALCULATION OF POTENTIAL INITIAL REIMBURSEMENT PERCENTAGE

X	Total potential payments on Initial Claims at current Initial Reimbursement Percentage	B*D	\$50,736,680.51×60%	\$30,442,008.31
Y	Potential Remainder Claims related to Initial Claims	B-X	\$50,736,680.51-\$30,442,008.31	\$20,294,672.20
Z	Total Potential Remainder Claims	C+Y	\$8,444,296.53+\$20,294,672.20	\$28,738,968.73
AA	Trust Assets available over the amount needed to pay Initial Claims at current Initial Reimbursement Percentage	A-X	\$45,682,154.31-\$30,442,008.31	\$15,240,146.00
BB	Percent of Remainder Claims that could potentially be paid	AA/Z	\$15,240,146÷\$28,738,968.73	53.0296%
CC	Potential increase in Initial Reimbursement Percentage	(100%-D)*BB	(100%-60%)×53.0296%	21.2118%
DD	Potential Initial Reimbursement Percentage	D+CC	60.0000%+21.2118%	81.2118%

DEFINITION OF RETIREMENT PAYMENT

"[A]mount determined by multiplying (a) the amount of a Remainder Claim divided by the difference between 100% and the Initial Reimbursement Percentage; (b) the difference calculated pursuant to Section 7.4(b)(i)[2]; and (c) 50%."

EE	Remainder Claim After Additional Reimbursement Payment	W	\$1,000	\$1,000.00
FF	Retirement Payment	(EE/(100%-D))*CC*50%	(\$1,000÷(100%-60%))×21.2118%×50%	\$265.15

NOTE:

See Schedules 7.4(b)(i), 8.6 and 13.3(d)(ii) for similar calculations.

Schedule 8.6
CALCULATION OF TRANSFER PAYMENT

FROM TRUST RECORDS

A	Total Assets	\$45,682,154.31
B	Initial Claims	\$50,736,680.51
C	Remainder Claims	\$8,444,296.53
D	Initial Reimbursement Percentage	60.0000%
E	Transfer Date	5/28/2013
F	Transfer Balance	\$10,101.56
G	Date of Services	4/14/2015
H	Stated Account Balance as of Date of Services	\$10,605.05

CALCULATION OF FAIR MARKET VALUE OF TRUST ASSETS

"The fair market value of the Trust Assets shall equal all of the assets in the Trust as of the last day of the preceding month based on the prior month's financial statements."

I	Fair market value of Trust Assets	A	\$45,682,154.31
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CALCULATION OF FAIR MARKET VALUE OF DEPOSITOR'S ACCOUNT

"The fair market value of the Depositor's Account equals: [i] a fraction, with the Depositor's Stated Account Balance as the numerator and the sum of all the Trust's Stated Account Balances as the denominator, multiplied by [ii] the fair market value of the Trust's assets."

J	Depositor's Stated Account Balance over Trust's Stated Account Balances	$H/(B+C)$	$\$10,605.05/(\$50,736,680.51 + \$8,444,296.53)$	0.000179197
K	Fair market value of Depositor's Account	J*I	0.000179197*\$45,682,154.31	\$8,186.10

CALCULATION OF TRANSFER PAYMENT

"On or before the date 30 days after the Trust provides notice to the [Transferring] Funeral Home of the Depositor's funeral, the [Transferring] Funeral Home shall pay to the Trust the amount equal to the Transfer Balance minus the amount of the fair market value of the Depositor's Account as of the date of the Depositor's funeral."

L	Transfer Payment	F-K	\$10,101.56-\$8,186.10	\$1,915.46
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NOTE:

See Schedules 7.4(b)(i), 8.3(e)(i)[2] and 13.3(d)(ii) for similar calculations.

Schedule 13.3(d)(ii)
CALCULATIONS OF POTENTIAL INITIAL REIMBURSEMENT PERCENTAGE AND
POTENTIAL REMAINDER CLAIM PERCENTAGE
as of March 31, 2015

FROM TRUST RECORDS

A	Total Assets			\$45,682,154.31
B	Initial Claims			\$50,736,680.51
C	Remainder Claims			\$8,444,296.53
D	Initial Reimbursement Percentage			60.0000%

CALCULATION OF POTENTIAL INITIAL REIMBURSEMENT PERCENTAGE

E	Total potential payments on Initial Claims at current Initial Reimbursement Percentage	B*D	\$50,736,680.51x60%	\$30,442,008.31
F	Potential Remainder Claims related to Initial Claims	B-E	\$50,736,680.51-\$30,442,008.31	\$20,294,672.20
G	Total Potential Remainder Claims	C+F	\$8,444,296.53+\$20,294,672.20	\$28,738,968.73
H	Trust Assets available over the amount needed to pay Initial Claims at current Initial Reimbursement Percentage	A-E	\$45,682,154.31-\$30,442,008.31	\$15,240,146.00
I	Percent of Remainder Claims that could potentially be paid	H/G	\$15,240,146÷\$28,738,968.73	53.0296%
J	Potential increase in Initial Reimbursement	(100%-D)*I	(100%-60%)x53.0296%	21.2118%
K	Potential Initial Reimbursement Percentage	D+J	60.0000%+21.2118%	81.2118%

CALCULATION OF POTENTIAL REMAINDER CLAIM PERCENTAGE

L	The difference between potential Initial Reimbursement Percentage and the Initial Reimbursement Percentage existing immediately prior to the adjustment, divided by	K-D	81.2118%-60%	21.2118%
M	The difference between 100 and the Initial Reimbursement Percentage existing immediately prior to the adjustment	100%-D	100%-60%	40.0000%
N	Potential Remainder Claim Percentage	L/M	21.2118%÷40%	53.0296%

NOTES

See Schedules 7.4(b)(i), 8.3(e)(i)[2] and 8.6 for similar calculations.



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October 17, 2014

Mr. John Wirth, Attorney at Law
Mallery & Zimmerman, S.C.
731 North Jackson St., Ste. 900
Milwaukee, WI 53202-4697

John,

Milliman has provided to you the following report containing language that limits its distribution:

ACTUARIAL ANALYSIS OF WFT LIQUIDATING TRUST F/K/A WISCONSIN FUNERAL TRUST ASSETS
AND LIABILITIES AS OF JULY 31, 2014, dated October 14, 2014

With this letter, I am providing written permission to distribute that report to attorneys for the Wisconsin Department of Financial Institutions and the Wisconsin Funeral Directors Association, to the Court as part of a motion to approve the new Trust Agreement, the new payment rates and other matters, and to the Beneficiary Funeral Homes.

The limitations and caveats in the report are not otherwise affected.

Sincerely,

A handwritten signature in black ink, appearing to read "David M. Cook".

Principal and Consulting Actuary

Milliman, Inc.

david.cook@milliman.com

402-361-1511



ACTUARIAL ANALYSIS OF WFT LIQUIDATING TRUST F/K/A WISCONSIN FUNERAL TRUST ASSETS AND LIABILITIES

AS OF JULY 31, 2014

October 14, 2014

Prepared for:
Mallery & Zimmerman, S.C.

Prepared by:
Milliman

David N. Cook, FSA, MAAA
Principal and Consulting Actuary

Karen K. Rudolph, FSA, MAAA
Principal and Consulting Actuary

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I. INTRODUCTION

Milliman, Inc. ("Milliman") was retained by Mallery & Zimmerman, S.C. in a consulting services agreement dated July 30, 2014. Our task involved supporting John Wirth in his role as receiver for the WFT Liquidating Trust f/k/a Wisconsin Funeral Trust ("Trust"). Specifically, our task involved the development of projected financial results for the Trust under various payout options, actuarial assumptions and investment assumptions. We have prepared this report with the understanding that its use is limited to Mallery & Zimmerman, S.C. and John Wirth in his role as Receiver for the Trust.

This report is not to be distributed, disclosed, copied or otherwise furnished to any party without the prior written consent of Milliman. Milliman does not intend to benefit any third party recipient of this report, even if Milliman consents to the release of its work product to such third party. Any distribution of this analysis should be in its entirety.

Nothing included in this report is to be used in any filings with any public body, such as the Securities and Exchange Commission or State Insurance Departments, without prior written consent from Milliman.

In producing the results contained in this report we have relied upon data and information communicated to us by Mallery & Zimmerman, S.C., Fiduciary Partners, Inc., and Ziegler Capital Management, LLC ("ZCM"). Fiduciary Partners, Inc. provides administration for the Trust and ZCM is the investment advisory firm.

The validity of these projections depends on the extent to which future experience conforms to the assumptions made for this analysis. It is almost certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience is better or worse than expected. We performed sensitivity testing to illustrate the effect of changes in certain key assumptions. These sensitivity tests are described in Section VI.

We have developed projections of annual revenues and payments, as well as asset and liability amounts. We have not considered payment of any type of federal, state or local tax. Should such tax be levied against the Trust or its earnings, the financial projections found in this analysis would be affected.

The external interest rate environment is unlikely to be constant in the future. Actual interest rates may change and at any point in time could be higher or lower than the interest rates used in these projections. Changes in interest rates and equity returns may have an impact on the future earnings and market value of the assets. The impact may be positive or negative. Our analysis involves evaluating the Trust's assets and liabilities over time using a broad array of stochastically generated interest rate and equity return scenarios. The objective of our analysis is to assist the Receiver in setting a sustainable claim payout rate for the Trust participants.

The model assumes new money earnings rates on investments to be made with trust funds. In our analysis, cash available to invest is invested according to a strategy (type, quality, term to maturity, yield rate) consistent with the expectations and developed with the assistance of the Trust's investment advisors, ZCM.

The expense amounts utilized in the baseline projection are based on the trust's expected expense levels developed based on input from the Trust's administrators. This assumption includes amounts for administration, accounting, investment, receivership services, legal, actuarial, tax preparation and financial statement preparation services.

We relied upon the information supplied by the Receiver, Mallery & Zimmerman, S.C., the Trust and its advisors. We performed no audits or independent verification of the information furnished. We have reviewed the data for reasonableness and consistency. In the event that the information supplied to us was incorrect or inaccurate, the results produced by us and presented in this report would be affected. The principal materials relied upon include:

1. Monthly reports of income and disbursements available on WFT Liquidating Trust website (wisconsinfuneraltrust.org)
2. Monthly reports of assets and liabilities available on WFT Liquidating Trust website (wisconsinfuneraltrust.org)
3. Statements of Account from ZCM for July, 2014
4. Seriatim contract inventories from Fiduciary Partners as of July 31, 2014 including:
 - a. 100% accounts which are accounts for which a funeral has not been conducted; and
 - b. 40% accounts which are the remainder claim accounts for which a funeral has been conducted and a 60% claim payment made.
5. Information regarding the determination of the trust funds credited rate and the declared credited rate as of July 31, 2014 from Fiduciary Partners.
6. Expected expenses of the trust on an on-going basis from the Receiver
7. Investment expectations of the trust investment advisory firm, ZCM

Any reader of this report must possess a certain level of expertise in areas relevant to this analysis to appreciate the significance of the assumptions used as well as the impact of these assumptions on the results. The reader should be advised by, among other experts, an actuary competent in the area of actuarial financial projections and asset/liability modeling.

Milliman is not a law firm, accounting firm, or tax advisor. Nothing in this report should be construed as legal, accounting, or tax advice. In the event a legal, accounting, or tax interpretation is required, we recommend review by your legal counsel, accountant, or tax advisor.

Members of Milliman's staff are available to explain and/or amplify any matter presented herein, and it is assumed that the user of this report will seek such explanation and/or amplification as to any matter in question.

The authors of this report are members of the American Academy of Actuaries, and are qualified under the Academy's Qualification Standards to render the opinions with regard to the actuarial calculations set forth herein.

II. SUMMARY OF RESULTS

Future investment earning and account crediting rates are the experience parameters having the greatest effects on future Trust performance. Most of the remainder of this report focuses on development of projection assumptions for those parameters and the sensitivity of results to variances in future investment environments. Mortality and withdrawal rates and associated sensitivity tests are discussed in Section III and IV.

Our primary results are presented as tables of required initial assets based on selected analysis period, payout ratio and likelihood of insufficiency. These results were derived from projections of the Trust's initial assets and liabilities combined with assumptions about future annual revenues and payments, as described below:

1. On the valuation date, July 31, 2014, balance sheet assets were set at \$47,709,187, as detailed in Section V. The balance sheet liability was set at the sum of initial participant account balances, \$56,333,616, scaled to reflect an assumed payout rate. These initial assets and liabilities were rolled forward one year at a time and adjusted for annual projected claim payments and expenses of the Trust, as well as asset earnings, sales and purchases.
2. The process in 1 was repeated for 1,000 future interest rate and equity return scenarios for each assumed payout ratio. Each of the 1,000 different projections reflects investment earnings of the Trust assets over one of the 1,000 economic scenarios. The asset assumptions are described in Section V. The economic scenario generator is described in Appendix B.
3. At the end of each projection year, the excess of assets and liabilities was defined as "free surplus" and captured at the end of the 10th, 20th and 30th year from the valuation date. If a free surplus amount was positive, the initial asset amount was deemed sufficient to mature the Trust's obligations to that point for the scenario and payout rate. If negative, the initial asset amount was deemed insufficient. The free surplus balance (whether positive or negative) at the 10th, 20th and 30th projection year was then discounted to the valuation date and the initial asset amount is adjusted downward or upward by the discounted value. The discounting was performed using the asset portfolio earnings rate for the scenario. It is the adjusted asset amount that is considered the initial required asset amount for a scenario result and used in the next step of the analysis.
4. Initial required asset amounts were sorted from greatest to smallest for each analysis period (10, 20 and 30 years). Each likelihood tier (0.5%, 1.0%, 5.0%, etc.) indicates the number of scenario results for which required initial asset amounts are greater than the given asset value. For example, the 0.5% insufficiency likelihood means there are only 5 (.005 x 1000) scenarios that required more than the indicated initial asset amount to mature the Trust's obligations for the analysis period and assumed payout ratio. The 99.5% insufficiency likelihood means there are 995 (.995 x 1000) scenarios that require more than the indicated amount.

Tables 1A, 1B and 1C summarize the results of our analysis as of July 31, 2014 for various payout ratios and analysis periods (10, 20, and 30 years). Each table is structured with an assumed payout ratio (the percentage of account balances paid to funeral homes upon death) across the top and increasing levels of likelihood of asset insufficiency on the left hand side. The figure in the body of each chart is the value of assets necessary to enable the Trust to pay accounts at a given likelihood level. Each chart is presented both before and after an adjustment for the remainder accounts (40% accounts). It is understood that should the Trust begin to pay benefits at a rate higher than the current 60% payout rate, the Trust would be required to reimburse participating funeral homes for the difference between the new payout rate and 60%.

For example:

- In Table 1A, to support a payout ratio of 65%, the Trust requires \$39,717,000 of assets on July 31, 2014 to satisfy claim payments and expenses for a 10 year period with a 25% likelihood of insufficiency over that time period, prior to paying remainder claims. In Table 1A, the cost of paying the additional 5% (65%–60%) to funeral homes for remainder claims adds \$836,000 (5% of \$6,689,781/.40) to this total, bringing the required asset amount to \$40,553,000.
- In Table 1B, to support a payout ratio of 65%, the Trust requires \$41,503,000 of assets on July 31, 2014 to satisfy claim payments and expenses for a 20 year period with a 25% likelihood of insufficiency over that time period, prior to paying remainder claims. In Table 1B, the cost of paying the additional 5% (65%–60%) to funeral homes for remainder claims adds \$836,000 (5% of \$6,689,781/.40) to this total, bringing the required asset amount to \$42,339,000.
- In Table 1C, to support a payout ratio of 65%, the Trust requires \$42,658,000 of assets on July 31, 2014 to satisfy claim payments and expenses for a 30 year period with 25% likelihood of insufficiency over that time period, prior to paying remainder claims. In Table 1C, the cost of paying the additional 5% (65%–60%) to funeral homes for remainder claims adds \$836,000 (5% of \$6,689,781/.40) to this total, bringing the required asset amount to \$43,494,000.

TABLE 1A: REQUIRED STARTING ASSETS BEFORE ADJUSTMENT
10-YR ANALYSIS PERIOD AMOUNTS IN THOUSANDS

		Payout Ratio					
		60%	65%	70%	75%	80%	85%
10-Yr Insufficiency Likelihood	0.5%	\$ 42,151	\$ 45,257	\$ 48,158	\$ 51,289	\$ 54,364	\$ 57,444
	1.0%	41,819	44,723	47,767	50,762	53,645	56,643
	5.0%	40,114	43,005	45,968	48,944	51,879	54,736
	10.0%	39,081	41,908	44,757	47,711	50,515	53,386
	25.0%	36,887	39,717	42,537	45,304	48,129	50,917
	50.0%	34,903	37,616	40,271	42,958	45,653	48,296
	65.0%	33,769	36,447	39,108	41,761	44,410	47,047
	75.0%	32,981	35,605	38,249	40,848	43,510	46,200
	90.0%	31,222	33,769	36,321	38,938	41,492	44,111
	95.0%	30,348	32,777	35,202	37,656	40,038	42,538
	99.0%	28,607	31,002	33,413	35,857	38,214	40,548
	99.5%	28,052	30,503	32,876	35,217	37,596	39,953

**Plus Remainder
Account Adjustment**

Payout Ratio

60%	65%	70%	75%	80%	85%
\$ 0	\$ 836	\$1,672	\$2,509	\$ 3,345	\$4,181

TABLE 1A: REQUIRED STARTING ASSETS AFTER ADJUSTMENT
10-YR ANALYSIS PERIOD AMOUNTS IN THOUSANDS

		Payout Ratio					
		60%	65%	70%	75%	80%	85%
10-Yr Insufficiency Likelihood	0.5%	\$ 42,151	\$ 46,093	\$ 49,830	\$ 53,798	\$ 57,709	\$ 61,625
	1.0%	41,819	45,559	49,440	53,271	56,990	60,824
	5.0%	40,114	43,841	47,640	51,452	55,224	58,917
	10.0%	39,081	42,744	46,429	50,220	53,860	57,567
	25.0%	36,887	40,553	44,210	47,813	51,474	55,098
	50.0%	34,903	38,453	41,943	45,466	48,998	52,477
	65.0%	33,769	37,283	40,781	44,270	47,755	51,228
	75.0%	32,981	36,441	39,922	43,357	46,855	50,381
	90.0%	31,222	34,605	37,994	41,446	44,837	48,292
	95.0%	30,348	33,613	36,875	40,165	43,383	46,719
	99.0%	28,607	31,838	35,086	38,366	41,559	44,729
	99.5%	28,052	31,339	34,549	37,726	40,941	44,134

TABLE 1B: REQUIRED STARTING ASSETS BEFORE ADJUSTMENT
20-YR ANALYSIS PERIOD AMOUNTS IN THOUSANDS

		Payout Ratio					
20-Yr Insufficiency Likelihood		60%	65%	70%	75%	80%	85%
	0.5%	\$ 43,838	\$ 46,741	\$ 49,786	\$ 53,143	\$ 56,441	\$ 59,587
	1.0%	43,590	46,506	49,562	52,263	55,458	58,139
	5.0%	41,781	44,673	47,625	50,364	53,486	56,406
	10.0%	40,722	43,624	46,500	49,332	52,265	55,095
	25.0%	38,771	41,503	44,286	47,075	49,719	52,368
	50.0%	36,742	39,345	42,024	44,626	47,298	49,842
	65.0%	35,689	38,279	40,840	43,397	45,977	48,462
	75.0%	34,913	37,472	40,013	42,580	45,054	47,550
	90.0%	33,296	35,791	38,281	40,673	43,125	45,517
	95.0%	32,231	34,656	37,079	39,474	41,841	44,240
	99.0%	30,582	32,953	35,217	37,599	39,929	42,234
	99.5%	30,444	32,714	35,029	37,275	39,495	41,754

Plus Remainder Account Adjustment	Payout Ratio					
	60%	65%	70%	75%	80%	85%
	\$ 0	\$ 836	\$1,672	\$2,509	\$ 3,345	\$4,181

TABLE 1B: REQUIRED STARTING ASSETS AFTER ADJUSTMENT
20-YR ANALYSIS PERIOD AMOUNTS IN THOUSANDS

		Payout Ratio					
		60%	65%	70%	75%	80%	85%
20-Yr Insufficiency Likelihood	0.5%	\$ 43,838	\$ 47,577	\$ 51,459	\$ 55,652	\$ 59,786	\$ 63,768
	1.0%	43,590	47,343	51,234	54,771	58,803	62,320
	5.0%	41,781	45,509	49,298	52,873	56,831	60,587
	10.0%	40,722	44,460	48,172	51,841	55,610	59,276
	25.0%	38,771	42,339	45,959	49,583	53,064	56,549
	50.0%	36,742	40,182	43,696	47,135	50,643	54,023
	65.0%	35,689	39,115	42,513	45,906	49,322	52,643
	75.0%	34,913	38,308	41,686	45,089	48,399	51,731
	90.0%	33,296	36,627	39,954	43,181	46,470	49,698
	95.0%	32,231	35,492	38,752	41,983	45,186	48,421
	99.0%	30,582	33,790	36,890	40,108	43,273	46,415
	99.5%	30,444	33,550	36,701	39,783	42,840	45,935

TABLE 1C: REQUIRED STARTING ASSETS BEFORE ADJUSTMENT
30-YR ANALYSIS PERIOD AMOUNTS IN THOUSANDS

30-Yr Insufficiency Likelihood	Payout Ratio						
		60%	65%	70%	75%	80%	85%
	0.5%	\$ 44,897	\$ 47,818	\$ 50,849	\$ 54,490	\$ 57,819	\$ 61,075
	1.0%	44,509	47,476	50,623	53,407	56,708	59,564
	5.0%	42,837	45,755	48,677	51,494	54,672	57,624
	10.0%	41,907	44,729	47,640	50,397	53,524	56,350
	25.0%	39,905	42,658	45,400	48,145	50,768	53,442
	50.0%	37,738	40,385	43,013	45,698	48,273	50,810
	65.0%	36,782	39,340	41,925	44,474	47,031	49,471
	75.0%	36,032	38,486	41,042	43,561	46,039	48,411
	90.0%	34,395	36,859	39,326	41,738	44,088	46,469
	95.0%	33,476	35,876	38,278	40,602	42,905	45,290
	99.0%	31,804	34,193	36,496	38,718	40,961	43,229
	99.5%	31,466	33,749	36,025	38,225	40,332	42,558

Plus Remainder Account Adjustment	Payout Ratio					
	60%	65%	70%	75%	80%	85%
	\$ 0	\$ 836	\$ 1,672	\$ 2,509	\$ 3,345	\$ 4,181

TABLE 1C: REQUIRED STARTING ASSETS AFTER ADJUSTMENT
30-YR ANALYSIS PERIOD AMOUNTS IN THOUSANDS

		Payout Ratio					
		60%	65%	70%	75%	80%	85%
30-Yr Insufficiency Likelihood	0.5%	\$ 44,897	\$ 48,654	\$ 52,521	\$ 56,999	\$ 61,164	\$ 65,257
	1.0%	44,509	48,312	52,295	55,916	60,053	63,745
	5.0%	42,837	46,591	50,350	54,003	58,017	61,805
	10.0%	41,907	45,565	49,312	52,906	56,869	60,531
	25.0%	39,905	43,494	47,072	50,653	54,113	57,623
	50.0%	37,738	41,221	44,685	48,207	51,618	54,991
	65.0%	36,782	40,176	43,598	46,983	50,376	53,652
	75.0%	36,032	39,322	42,715	46,069	49,384	52,592
	90.0%	34,395	37,695	40,998	44,246	47,433	50,650
	95.0%	33,476	36,712	39,950	43,110	46,250	49,471
	99.0%	31,804	35,029	38,168	41,227	44,306	47,411
	99.5%	31,466	34,586	37,697	40,733	43,677	46,740

Our analysis also includes sensitivity testing on the mortality assumption. Section VI provides detailed results of the sensitivity testing.

III. DEVELOPMENT OF FINANCIAL PROJECTIONS

The contract inventory for the block included 8,589 contracts covering funerals for individuals alive on the valuation date, July 31, 2014. Each data record provided information for the individual contract holder including: (i) date of birth, (ii) date the contract was opened (issue date), and (iii) July 31, 2014 account balance. These records were mapped into 877 model cells distinct by issue age and issue year. For any given group of issue age and issue year records, model clustering techniques were used to select the issue month that best preserved the growth in account value and projected claim payments represented by serial records (i.e. records not clustered). The clustering technique is a computational convenience which is utilized to enable efficient runs over 1,000 economic scenarios each running 30 years in length. Milliman's MG-ALFA® software was used to cluster the inforce file and perform the actuarial projections. The technique is designed such that it produces no bias in results. In other words, had the analysis been performed without the clustering technique the conclusions would be materially the same as they are when using the technique.

Using the clustered inforce file together with asset and liability assumptions as documented in this report, we projected the future financial performance of the Trust over 1,000 interest and equity return scenarios. The projection period is 30 years, ending July 31, 2044. At this point, 275 of the original 8,589 participating lives or 3.2% remain. Anticipated expenses of maintaining the Trust facility begin to exceed the anticipated yearly claim payments around the 30th projection period. This circumstance presents a non-economic condition, and the Receiver expects the Trust facility would likely be dissolved. Individual accounts may be established in lieu of the aggregate Trust.

The economic scenarios were generated using the National Association of Insurance Commissioner's Economic Scenario Generator v 7.0.4. This generator uses a formulaic method of determining the mean reversion point ("MRP") for the long bond (20-Year) yield. Twenty year US Treasury rates trend toward the MRP over time. The MRP is re-set every January 1. The MRP formula is shown below. As of July 31, 2014 the MRP is 4.00% and does not change over the period of the projection.

<u>Weight</u>	<u>Rate</u>
20%	Median of the last 600 months 20-year US Treasury rate
30%	Average of the last 120 months 20-year US Treasury rate
50%	Average of the last 36 months 20-year US Treasury rate

While the MRP is defined in terms of the 20-year US Treasury rate, the output provided by the economic generator is complete US Treasury yield curves. See Appendix B for additional detail on the economic scenario generator. Additional asset details, including derivation of Trust asset earnings rates, appear in Section V.

Projected Trust asset values at various future points in time were captured and discounted to the valuation date. The discounted value for each scenario is used to adjust the starting asset amount to determine the amount of assets necessary to satisfy the obligations of the scenario. The discount rate is an aggregate annual earnings rate for the modeled asset portfolio. The amounts so determined over all 1,000 scenarios contribute to the results found in Tables 1A, 1B and 1C.

Detail for a financial projection over a baseline level economic scenario is found in Appendix A. The level economic scenario is defined as US Treasury interest rates which remain constant at July 31, 2014 levels for all 30 years of the analysis and a level 7.5% per annum total equity return rate. The level economic scenario is included for demonstration of the cash flows and does not contribute to the results in Tables 1A, 1B or 1C.

IV. ACTUARIAL ASSUMPTIONS

Mortality

The model assumes expected mortality equal to the Society of Actuaries 2001 Valuation Basic Ultimate Table ("2001 VBT") with mortality rates representative of a population consisting of 70% females and 30% males with no smoking distinction. The female-to-male ratio was established from a first name analysis of a sample of depositor records. We scaled these rates by actual-to-expected ("A/E") ratios derived from an experience study of historical Trust data. The data contributing to the experience study included discretionary full account value withdrawals. Although such withdrawals were determined to be an insignificant part of the Trust's payment activity the A/E ratios should be understood to measure total full termination rates, whether by death or full withdrawal. A/E ratios are shown in Table 2 below for central ages.

TABLE 2: TRUST A/E MORTALITY RATIOS (Smoothed)

Year After Initial Deposit	Age at Initial Deposit					
	55	65	75	85	95	105
1	29.87	13.16	4.97	2.71	2.03	1.35
2	11.69	4.87	2.58	1.88	1.68	1.32
3	10.32	4.13	2.23	1.72	1.59	1.15
4	9.01	3.51	1.97	1.61	1.51	1.05
5	7.70	2.93	1.76	1.52	1.45	0.98
6	6.89	2.73	1.67	1.44	1.41	0.91
7	6.04	2.51	1.58	1.37	1.36	0.86
8	5.08	2.24	1.51	1.34	1.33	0.81
9	4.43	2.03	1.46	1.29	1.31	0.75
10	3.80	1.82	1.41	1.27	1.28	0.70
11	3.31	1.68	1.37	1.25	1.27	0.66
12	3.06	1.67	1.34	1.21	1.24	0.63
13	3.06	1.65	1.32	1.20	1.24	1.18
14	3.06	1.65	1.30	1.18	1.22	1.12
15	3.06	1.64	1.29	1.17	1.22	1.07

Validation of the mortality assumption compares actual historical payments to payments emerging from the modeling system. Table 3 below summarizes historical payment amounts for 2010, 2011, 2012, 2013 and YTD July 31, 2014 combined with projected August through December 2014 claims to claim payments from the projected calendar year periods 2015, 2016 and 2017 under a level economic scenario. Historical payments in 2010 and 2011 were at 100% payout rate; 2012 was at 100% payout rate until approximately November 1, then reduced to 60%. Data is not available to adjust the 2012 claim payments for this change. YTD payments for 2013 and 2014 have been adjusted for the 60% payout rate and estimated for the remainder of 2014. Projected claims are shown at 100% payout rate.

TABLE 3: CLAIM PAYMENTS AT 100% PAYOUT RATE - AMOUNTS IN THOUSANDS

Historical Calendar Year (Source: Account Summary Reports)					Projected Calendar Year (Source: Actuarial Model)		
2010	2011	2012	2013	2014 ¹	2015	2016	2017
\$ 9,544	\$ 10,096	\$ 9,487	\$ 9,051	\$ 8,027	\$ 6,965	\$ 6,087	\$ 5,366

¹YTD July 31, 2014 actual claims of \$2,882,006 adjusted to 100% payout rate plus projected claims for August through December 2014.

Because there are no new entrants to the Trust population, claims are expected to fall in successive projection years as is evident in the table beginning with 2012 and continuing through the projection period.

In addition to the baseline mortality described above, we ran the analysis using an assumed mortality rate equal to 90% and 110% of baseline. The results of the sensitivity testing are found in Section VI.

Credited Rate

The Trust credits interest to inforce accounts. The credited rate of interest is described as "Index plus 1%" where Index is the per annum rate reported by SNL Financial LC for the average \$10,000 three-year certificate of deposit issued in the State of Wisconsin during the calendar quarter. As of this analysis, the rate to be paid on accounts is known through September 30, 2014. The credited rate is reset on May 1 and October 1 in accordance with court settlement agreements.

Effective Dates	Basis for Index	Index Rate	Credited Rate
August 1, 2014 – September 30, 2014	Q1 2014 Average	0.76%	1.76% ²
October 1, 2014 – April 30, 2015	Q3 2014 Average	TBD	Index + 1.0%
May 01, 2015 – September 30, 2015	Q1 2015 Average	TBD	Index + 1.0%
October 1, 2015 – April 30, 2016	Q3 2015 Average	TBD	Index + 1.0%
May 01, 2016 – September 30, 2016	Q1 2016 Average	TBD	Index + 1.0%
October 1, 2016 – April 30, 2017	Q3 2016 Average	TBD	Index + 1.0%
Etc.			

² This rate is known as of the projection valuation date.

The model resets its credited rate consistent with the schedule above. However, the model uses a proxy for the Index developed from recent historical interest rate behavior relative to the Index. The proxy is a calendar quarter average of the 3-year US Treasury rate. For the most recent reset period, a comparison of the Actual Index and the Model Proxy is shown below.

Basis for Index	Actual Index Rate	Model Proxy
Q1, 2014	0.76%	0.765%

Persistency

While withdrawals from active accounts are allowed, the participant withdrawal activity has been immaterial. During 2013, the Trust paid out \$14,640 in partial withdrawals on a handful of contracts. During 2014 year to date, this amount is \$9,551. Partial withdrawal payments are included in the historical amounts shown in Table 3. The Receiver anticipates withdrawal activity to remain immaterial and perhaps decrease. The lapse and partial withdrawal rates in the model are 0%.

Expenses

Expenses associated with the Trust are categorized into fixed expenses and variable expenses.

Fixed Expenses

Fixed expenses include the cost of records administration, 1099 handling, financial statement preparation, actuarial fees, and trustee and legal fees. As fixed fees, these costs do not vary by participant count, account value totals or asset value totals. Each component of fixed expenses is based on information from the Receiver or Fiduciary Partners. The actuarial fees are our estimates based on similar closed block management work.

Item	Amount Assessed	Model Proxy
Fiduciary Partners Administration	\$9,250	Quarterly, 2014-2017
	\$37,000	Quarterly, 2018 and later
1099 Administration	\$15,000	Q1, 2015 and annually thereafter
Financial Statement Preparation	\$14,000	Q1, 2015 and annually thereafter
Actuarial Fees	\$25,000	Q4, 2014
	\$25,000	Q4, 2016
	\$25,000	Q4, 2019
Trustee/Legal Fees	\$75,000	Q4, 2014
	\$25,000	Quarterly, 2015 and later

Variable Expenses

Variable expenses include the cost of investment management and administrative costs tied to the invested asset values. Variable costs are expressed as a percentage of the invested asset values in the Trust and will decline in amount as the asset values decline.

Item	Percent of Invested Asset Values	Assessed
Fiduciary Partners Administration	0.0625% annually	Quarterly through 2017
Fiduciary Partners Administration	0.2500% annually	Quarterly 2018 and later
ZCM fee	0.20% annually	Quarterly 2014 and later

Table 4 provides a summary of the fixed and variable costs assumed by the model, by projection year. The variable costs are based on the level scenario and would change with a different scenario.

TABLE 4: PROJECTION YEAR ENDING JULY 31 AMOUNTS IN THOUSANDS								
Projection Year	1	2	3	4	5	6	7	8
Ending July 31:	2015	2016	2017	2018	2019	2020	2021	2022
Fixed	\$216.0	\$166.0	\$191.0	\$221.5	\$277.0	\$302.0	\$277.0	\$277.0
Variable	110.1	116.9	105.0	137.5	153.5	149.4	145.3	133.9
Total Costs	\$326.1	\$282.9	\$296.0	\$359.0	\$430.5	\$451.4	\$422.3	\$410.9

Taxes

We understand that each participant has the option under the tax code to treat the earnings on their funds as a pass-through or as a qualified funeral trust ("QFT"). As a pass-through, the Trust will issue a 1099 statement to each participant and the Federal income tax liability will be the responsibility of the participant. As a QFT, the Trust pays taxes on the earnings of the participant's account and applies the same amount against the account balance.

The model does not consider income tax payments nor does it reduce account balances for taxes paid by the Trust, effectively treating all accounts as pass-through. Approximately 4% of the total account values of the Trust have elected QFT status on their accounts. The impact on this analysis would be the timing effect for 4% of the population of making annual tax payments in exchange for a lower claim payment at death.

V. ASSET ASSUMPTIONS

In order to assure continued solvency, the Trust needs to maintain a certain level of high quality assets in order to pay the claims of the funeral homes and associated expenses of the Trust. The actuarial model recognizes the cash and invested assets in force on the valuation date, and the strategy for future investments. ZCM provided the parameters around the future investment strategy and asset types.

Assets Inforce on the Valuation Date

The majority of the Trust assets on July 31, 2014 were invested in either fixed income securities or equities. There is also cash and cash-like funds. Milliman used statements from ZCM in addition to information from the Receiver in accounting for the total cash and invested assets available on July 31, 2014. A summary of the disposition of the assets is shown in Table 5.

TABLE 5: ASSETS INFORCE ON JULY 31, 2014

Modeled Asset Type	Source	Description	Market Value
Fixed Income	ZCM Seriatim data	Bonds	\$ 29,642,021
Equities	ZCM Seriatim data	Common Stock	8,404,240
Specified Cash Flow	ZCM	Private Equity	3,335,116
Fixed Income	ZCM	Money Market Funds	5,139,373
Cash	ZCM; Receiver	Checking account; Fiduciary MM Account	266,659
Cash	Receiver	Final Settlement	650,000
Subtotal Market Value Assets			\$ 47,437,409
Accrued Interest	ZCM Seriatim data		271,778
TOTAL ASSETS			\$ 47,709,187
MARKET VALUE OF ASSETS AS PRODUCED BY MODEL			\$ 47,728,354
MODEL VALIDATION RATIO			100.04%

In the actuarial model, the modeled asset types (first column, Table 5) are handled as follows:

- Cash is aggregated and available for investment at the end of the first projection year.
- Fixed Income assets are modeled as coupon bonds with a coupon rate, cost basis and amortization of premium or discount as appropriate for each security.
- Private equity securities, representing the Trust's aggregate investment in private equities, are modeled as being unwound using the schedule in Table 6A. This asset category is assumed to produce no gain or loss between the valuation date and the date of liquidation. The termination schedule was derived using information from ZCM. This category of assets is included in determining the investment expenses.

TABLE 6A: PRIVATE EQUITY LIQUIDATION

Calendar Year	Liquidation Schedule	Remaining Market Value
		\$3,335,116
2014	\$ 382,715	2,952,401
2015	832,216	2,120,185
2016	0	2,120,185
2017	363,574	1,756,611
2018	592,273	1,164,338
2019	592,273	572,065
2020	343,149	228,916
2021	114,450	114,464
2022	114,464	0

The risk of asset default is reflected in the model by reducing the yield on fixed income assets by a basis point charge assessed on the statement value of the asset. The asset data provided by ZCM included the Moody's and/or S&P rating for each asset. The assumed default charge varies by quality rating as shown in Table 6B. Default costs are derived using Moody's annual corporate default information as of year-end 2012. Common stock, private equity funds, money market funds and cash are not assessed a default charge.

TABLE 6B: ASSET DEFAULT CHARGE IN BASIS POINTS

Moody's Rating	Default Charge	Moody's Rating	Default Charge
AAA	1	Baa1	24
Aa1	2	Baa2	42
Aa2	10	Baa3	54
Aa3	13	Ba1	97
A1	18		
A2	22		
A3	26		

Assets Available for Future Investment and Investment Strategy

ZCM provided the proposed investment strategy for the Trust. Cash amounts available at the outset of the projection, as well as any cash available for investment in future years, are allocated to three of ZCM's funds, as shown in Table 7.

TABLE 7: INVESTMENT STRATEGY

Fund	Description	Target Allocation
ZCM Enhanced Cash	Short-term fixed income	10%
ZCM Intermediate Fixed	Medium-term fixed income	70%
ZCM Large Cap Value Dividend Select	Dividend paying stocks with market capitalization greater than \$1 billion	20%
		100%

The model assumes each fund type can be represented by a fixed spread over US Treasuries. This implies that, although the underlying US Treasury rates vary with each month of each modeled economic scenario, the spread does not. Table 8 provides detail regarding the characteristics of the underlying modeled investments, the assumed gross spread, the assumed average cost of default and the net spread over US Treasuries. Default costs are derived using Moody's annual corporate default information as of year-end 2012, averaging the charge for the highest and lowest quality ratings.

TABLE 8: REINVESTMENT STRATEGY MODEL

Modeled Asset	Description	Range of Quality Rating		Target Allocation	Tenure	Gross Spread in basis points
		Moody's	S&P			
Cash	Short Term			10%	3 month	91.0
Fixed Income	UST	Aaa	AAA	28%	4 year	0.0
Fixed Income	Corp. Credit	Aaa/Aa2	AAA/AA	3%	6 year	90.5
Fixed Income	MBS	Aaa/Aa1	AAA/AA+	3%	5 year	86.0
Fixed Income	CMBS/ABS	Aaa/Aa1	AAA/AA+	8%	2 year	120.0
Fixed Income	Corp. Credit	A2/Baa2	A/BBB	28%	5 year	153.0
Subtotal Fixed Income				70%		
Equity	Large Cap			20%	N/A	N/A
TOTAL ALL TYPES				100%		

Modeled Asset	Description	Default Cost in basis points	Net Spread in basis points
Cash	Short Term	0.0	91.0
Fixed Income	UST	1.0	-1.0
Fixed Income	Corp. Credit	5.5	85.0
Fixed Income	MBS	1.0	85.0
Fixed Income	CMBS/ABS	1.0	119.0
Fixed Income	Corp. Credit	31.5	121.5
Equity	Large Cap	N/A	N/A

The modeled investment strategy is structured to maintain a specified asset mix over the course of the projection through active rebalancing within a specified tolerance. The targets and upper limits are consistent with the percentages stated in Exhibit A-1 of the investment allocation approved by the court, as provided to Milliman and shown in Table 9. For example, if an asset category has a target allocation of 20% and a tolerance of 1%, there will be no forced sales in the modeling system as long as the actual allocation during a year is less than 21%. Once an asset category exceeds its target plus tolerance, enough of the instruments in that category are sold, on a pro-rata basis, such that the target percentage is again achieved.

TABLE 9: INVESTMENT STRATEGY ALLOCATIONS

Modeled Asset	Target Allocation	Tolerance	Upper Limit
Cash	10%	1%	11%
Fixed Income	70%	10%	80%
Equity	20%	1%	21%

VI. SENSITIVITY TESTING

The validity of the projections depends on the extent to which future experience conforms to the assumptions made. Thus, it is important to know the financial consequence of experience developing differently from that assumed. We performed a sensitivity analysis on the assumed mortality. Table 10A below includes results for the mortality sensitivity test compared to the baseline 50% likelihood results for a 65% payout ratio. Required asset amounts (before adjustment for remainder claims) for the 10th, 20th and 30th year periods are shown for the baseline result, 90% of baseline mortality assumption and 110% of baseline mortality assumption.

Reducing mortality rates (90% sensitivity) effectively moves claim payments further into the future. However, later payments means larger payments, since participant account values are credited interest. The opposite can be said for increasing mortality rate (110% sensitivity). Because of this somewhat offsetting impact of claim timing versus claim amount, the impact of varying the mortality assumption is less than 1% on resulting required asset values.

TABLE 10A: REQUIRED STARTING ASSETS BEFORE ADJUSTMENT
(BASELINE VALUES FROM TABLES 1A, 1B AND 1C)
AMOUNTS IN THOUSANDS

65% Payout Ratio									
	10 Year Period			20 Year Period			30 Year Period		
	Baseline	90% Mort	110% Mort	Baseline	90% Mort	110% Mort	Baseline	90% Mort	110% Mort
	Baseline	90% Mort	110% Mort	Baseline	90% Mort	110% Mort	Baseline	90% Mort	110% Mort
Insufficiency Likelihood	0.5%	\$ 45,257		\$ 46,741			\$ 47,818		
	1.0%	44,723		46,506			47,476		
	5.0%	43,005		44,673			45,755		
	10.0%	41,908		43,624			44,729		
	25.0%	39,717		41,503			42,658		
	50.0%	37,616	37,645 37,579	39,345 39,388 39,298			40,385 40,401 40,355		
	65.0%	36,447		38,279			39,340		
	75.0%	35,605		37,472			38,486		
	90.0%	33,769		35,791			36,859		
	95.0%	32,777		34,656			35,876		
	99.0%	31,002		32,953			34,193		
	99.5%	30,503		32,714			33,749		

APPENDIX A:

PROJECTION DETAIL – LEVEL SCENARIO

	Jul-14	Aug-14 Jul-15	Aug-15 Jul-16	Aug-16 Jul-17	Aug-17 Jul-18	Aug-18 Jul-19	Aug-19 Jul-20	Aug-20 Jul-21
ASSETS:								
Asset values	46,520,748	45,069,940	42,059,024	39,379,440	36,912,284	34,689,468	32,788,116	31,136,014
Cash balance	916,659	0	0	0	0	0	(0)	(0)
Accrued investment income	290,945	194,223	181,406	154,416	140,689	111,921	85,010	73,345
Other non-ledger assets	0	0	0	0	0	0	0	0
Total Assets	47,728,352	45,264,163	42,240,430	39,533,856	37,052,973	34,801,389	32,873,126	31,209,359
LIABILITIES:								
Other non-ledger liabilities	36,616,852	32,492,628	28,930,068	25,807,984	23,047,926	20,594,512	18,405,436	16,445,189
Loan balance	0	0	0	0	0	0	0	0
Other ledger liabilities	0	0	0	0	0	0	0	0
Total Liabilities	36,616,852	32,492,628	28,930,068	25,807,984	23,047,926	20,594,512	18,405,436	16,445,189
SURPLUS:								
Total Surplus	11,111,500	12,771,535	13,310,362	13,725,872	14,005,047	14,206,877	14,467,690	14,764,170
Total Liability & Surplus	47,728,352	45,264,163	42,240,430	39,533,856	37,052,973	34,801,389	32,873,126	31,209,359
Statistical Items								
Lives in force	8,590	7,561	6,679	5,916	5,248	4,662	4,145	3,686
Policy count in force	8,589	7,560	6,678	5,915	5,247	4,661	4,144	3,685
Payout Ratio 65%								
Account value in force	56,333,616	49,988,656	44,507,796	39,704,588	35,458,348	31,683,864	28,316,056	25,300,290
Total cash value in force	36,616,852	32,492,628	28,930,068	25,807,984	23,047,926	20,594,512	18,405,436	16,445,189
Average credited rate	1.98%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%
Average interest spread		0.26%	0.71%	0.79%	0.78%	0.89%	1.06%	1.03%
Average projection cycle NIER		2.24%	2.73%	2.81%	2.80%	2.91%	3.09%	3.06%
PV of FS using AveNIERDiscFact	8,647,947							
INCOME STATEMENT								
Investment Income		1,222,234	1,273,798	1,226,758	1,173,842	1,179,073	1,171,108	1,088,881
Capital gains		408,036	62,144	-	98,757	-	79,236	-
Change in Accrued Invinc		(96,722)	(12,817)	(26,990)	(13,728)	(28,768)	(26,910)	(11,665)
Total Income		1,533,547	1,323,125	1,199,768	1,258,872	1,150,305	1,223,434	1,077,216
Surrender benefits		-	-	-	-	-	-	-
Partial withdrawals paid		-	-	-	-	-	-	-
Death claims		4,803,287	4,180,136	3,672,462	3,251,304	2,892,241	2,581,233	2,310,690
Fixed Expenses (Acc't; 1099; Audit; Actuarial)		216,000	166,000	191,000	221,500	277,000	302,000	277,000
Variable Expenses (admin; Invest)		110,106	116,858	105,012	137,455	153,473	149,381	145,325
Increase in reserve		(4,124,224)	(3,562,560)	(3,122,084)	(2,760,058)	(2,453,414)	(2,189,076)	(1,960,247)
Total benefits and expenses		1,005,169	900,434	846,390	850,201	869,299	843,538	772,768
Pre-tax profit		528,379	422,691	353,378	408,671	281,005	379,896	304,447
Tax on Profit		-	-	-	-	-	-	-
Adjusted after-tax profit		528,378	422,689	353,379	408,671	281,005	379,895	304,448
Profits retained		528,378	422,689	353,379	408,671	281,005	379,895	304,448
After-tax net gain from operat		528,378	422,689	353,379	408,671	281,005	379,895	304,448
NOTIONAL ACCOUNT								
Account value in force BOY		56,333,616	49,988,656	44,507,796	39,704,588	35,458,348	31,683,864	28,316,056
Credited premium collected		1,044,713	950,119	846,733	755,763	675,119	603,319	539,142
Interest credited		7,389,671	6,430,979	5,649,941	5,002,006	4,449,601	3,971,128	3,554,908
IntSens funds released by deat		-	-	-	-	-	-	-
IntSens funds released by surr		-	-	-	-	-	-	-
Partial withdrawals deducted		-	-	-	-	-	-	-
Account value in force		49,988,656	44,507,796	39,704,588	35,458,348	31,683,864	28,316,056	25,300,290

	Aug-21 Jul-22	Aug-22 Jul-23	Aug-23 Jul-24	Aug-24 Jul-25	Aug-25 Jul-26	Aug-26 Jul-27	Aug-27 Jul-28	Aug-28 Jul-29
ASSETS:								
Asset values	29,625,832	28,259,606	27,078,234	26,080,686	25,185,360	24,373,070	23,655,616	23,070,442
Cash balance	0	0	(0)	(0)	0	(0)	(0)	0
Accrued investment income	46,665	36,470	16,930	16,930	16,930	16,930	16,930	16,930
Other non-ledger assets	0	0	0	0	0	0	0	0
Total Assets	29,672,497	28,296,076	27,095,164	26,097,616	25,202,290	24,390,000	23,672,546	23,087,372
LIABILITIES:								
Other non-ledger liabilities	14,686,177	13,103,875	11,677,821	10,392,184	9,233,964	8,193,563	7,262,437	6,433,160
Loan balance	0	0	0	0	0	0	0	0
Other ledger liabilities	0	0	0	0	0	0	0	0
Total Liabilities	14,686,177	13,103,875	11,677,821	10,392,184	9,233,964	8,193,563	7,262,437	6,433,160
SURPLUS:								
Total Surplus	14,986,320	15,192,201	15,417,343	15,705,432	15,968,326	16,196,438	16,410,110	16,654,212
Total Liability & Surplus	29,672,497	28,296,076	27,095,164	26,097,616	25,202,290	24,390,000	23,672,546	23,087,372
Statistical Items								
Lives in force	3,279	2,915	2,589	2,297	2,036	1,802	1,593	1,407
Policy count in force	3,278	2,914	2,588	2,296	2,035	1,801	1,592	1,406
Payout Ratio								
Account value in force	22,594,118	20,159,808	17,965,878	15,987,975	14,206,098	12,605,481	11,172,979	9,897,169
Total cash value in force	14,686,177	13,103,875	11,677,821	10,392,184	9,233,964	8,193,563	7,262,437	6,433,160
Average credited rate	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%
Average interest spread	1.01%	1.03%	0.99%	0.98%	0.93%	0.98%	0.98%	1.00%
Average projection cycle NIER	3.03%	3.05%	3.02%	3.00%	2.96%	3.00%	3.01%	3.03%
PV of FS using AveNIERDiscFact								
INCOME STATEMENT								
Investment income	1,040,300	985,303	940,049	882,552	840,581	822,294	797,270	780,205
Capital gains	59,397	-	-	64,274	-	-	-	51,463
Change in Accrued Invinc	(26,680)	(10,195)	(19,540)	-	-	-	-	-
Total income	1,073,016	975,109	920,509	946,826	840,581	822,294	797,270	831,668
Surrender benefits	-	-	-	-	-	-	-	-
Partial withdrawals paid	-	-	-	-	-	-	-	-
Death claims	2,072,065	1,861,770	1,675,282	1,507,603	1,355,614	1,215,685	1,086,579	967,021
Fixed Expenses (Acc't; 1099; Audit; Actuarial)	277,000	277,000	277,000	277,000	277,000	277,000	277,000	277,000
Variable Expenses (admin; invest)	133,866	130,136	121,878	121,586	117,226	112,799	108,768	105,652
Increase in reserve	(1,759,012)	(1,582,302)	(1,426,054)	(1,285,637)	(1,158,220)	(1,040,402)	(931,126)	(829,277)
Total benefits and expenses	723,919	686,604	648,107	620,552	591,620	565,083	541,221	520,397
Pre-tax profit	349,097	288,505	272,403	326,273	248,961	257,211	256,049	311,271
Tax on Profit	-	-	-	-	-	-	-	-
Adjusted after-tax profit	349,097	288,505	272,403	326,274	248,961	257,211	256,049	311,271
Profits retained	349,097	288,505	272,403	326,274	248,961	257,211	256,049	311,271
After-tax net gain from operat	349,097	288,505	272,403	326,274	248,961	257,211	256,049	311,271
NOTIONAL ACCOUNT								
Account value in force BOY	25,300,290	22,594,118	20,159,808	17,965,878	15,987,975	14,206,098	12,605,481	11,172,979
Credited premium collected	-	-	-	-	-	-	-	-
Interest credited	481,620	429,951	383,428	341,486	303,683	269,668	239,158	211,914
IntSens funds released by deat	3,187,793	2,864,262	2,577,357	2,319,390	2,085,559	1,870,285	1,671,660	1,487,724
IntSens funds released by surr	-	-	-	-	-	-	-	-
Partial withdrawals deducted	-	-	-	-	-	-	-	-
Account value in force	22,594,118	20,159,808	17,965,878	15,987,975	14,206,098	12,605,481	11,172,979	9,897,169

	Aug-29 Jul-30	Aug-30 Jul-31	Aug-31 Jul-32	Aug-32 Jul-33	Aug-33 Jul-34	Aug-34 Jul-35	Aug-35 Jul-36	Aug-36 Jul-37
ASSETS:								
Asset values	22,603,262	22,202,838	21,862,112	21,592,004	21,405,232	21,279,040	21,198,344	21,151,950
Cash balance	(0)	(0)	0	0	(0)	0	0	(0)
Accrued investment income	16,930	16,930	16,930	16,930	16,930	15,678	9,231	9,195
Other non-ledger assets	0	0	0	0	0	0	0	0
Total Assets	22,620,192	22,219,768	21,879,042	21,608,934	21,422,162	21,294,718	21,207,575	21,161,145
LIABILITIES:								
Other non-ledger liabilities	5,697,303	5,046,978	4,474,251	3,972,559	3,535,695	3,157,436	2,831,451	2,551,206
Loan balance	0	0	0	0	0	0	0	0
Other ledger liabilities	0	0	0	0	0	0	0	0
Total Liabilities	5,697,303	5,046,978	4,474,251	3,972,559	3,535,695	3,157,436	2,831,451	2,551,206
SURPLUS:								
Total Surplus	16,922,890	17,172,791	17,404,791	17,636,375	17,886,468	18,137,282	18,376,124	18,609,939
Total Liability & Surplus	22,620,192	22,219,768	21,879,042	21,608,934	21,422,162	21,294,718	21,207,575	21,161,145
Statistical Items								
Lives in force	1,242	1,097	969	857	758	673	599	535
Policy count in force	1,241	1,096	968	856	757	672	598	534
Payout Ratio								
Account value in force	8,765,081	7,764,581	6,883,464	6,111,630	5,439,530	4,857,595	4,356,079	3,924,932
Total cash value in force	5,697,303	5,046,978	4,474,251	3,972,559	3,535,695	3,157,436	2,831,451	2,551,206
Average credited rate	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%
Average interest spread	0.96%	0.95%	0.96%	0.98%	0.97%	0.93%	0.91%	0.91%
Average projection cycle NIER	2.98%	2.97%	2.99%	3.00%	2.99%	2.95%	2.93%	2.93%
PV of FS using AveNIERDiscFact								
INCOME STATEMENT								
Investment Income	754,749	736,851	727,899	720,458	712,167	700,830	697,335	690,163
Capital gains	-	-	-	-	-	-	-	-
Change in Accrued Invlnc	-	-	-	-	-	(1,252)	(6,447)	(36)
Total Income	754,749	736,851	727,899	720,458	712,167	699,577	690,888	690,127
Surrender benefits	-	-	-	-	-	-	-	-
Partial withdrawals paid	-	-	-	-	-	-	-	-
Death claims	857,857	758,380	668,476	586,629	512,356	445,544	386,183	334,341
Fixed Expenses (Acct; 1099; Audit; Actuarial)	277,000	277,000	277,000	277,000	277,000	277,000	277,000	277,000
Variable Expenses (admin; invest)	103,586	101,468	99,405	97,657	96,643	95,934	94,828	94,859
Increase in reserve	(735,858)	(650,325)	(572,727)	(501,692)	(436,865)	(378,258)	(325,985)	(280,245)
Total benefits and expenses	502,586	486,523	472,154	459,594	449,134	440,219	432,025	425,955
Pre-tax profit	252,163	250,329	255,745	260,864	263,033	259,358	258,863	264,172
Tax on Profit	-	-	-	-	-	-	-	-
Adjusted after-tax profit	252,163	250,329	255,745	260,864	263,033	259,358	258,863	264,172
Profits retained	252,163	250,329	255,745	260,864	263,033	259,358	258,863	264,172
After-tax net gain from operat	252,163	250,329	255,745	260,864	263,033	259,358	258,863	264,172
NOTIONAL ACCOUNT								
Account value in force BOY	9,897,169	8,765,081	7,764,581	6,883,464	6,111,630	5,439,530	4,857,595	4,356,079
Credited premium collected	-	-	-	-	-	-	-	-
Interest credited	187,692	166,239	147,307	130,673	116,140	103,516	92,612	83,224
IntSens funds released by deat	1,319,780	1,166,738	1,028,425	902,506	788,240	685,452	594,128	514,370
IntSens funds released by surr	-	-	-	-	-	-	-	-
Partial withdrawals deducted	-	-	-	-	-	-	-	-
Account value in force	8,765,081	7,764,581	6,883,464	6,111,630	5,439,530	4,857,595	4,356,079	3,924,932

	Aug-37 Jul-38	Aug-38 Jul-39	Aug-39 Jul-40	Aug-40 Jul-41	Aug-41 Jul-42	Aug-42 Jul-43	Aug-43 Jul-44
ASSETS:							
Asset values	21,159,672	21,218,420	21,310,698	21,426,066	21,563,668	21,732,346	21,928,930
Cash balance	0	(0)	0	(0)	0	0	(0)
Accrued investment income	911	0	0	0	0	0	0
Other non-ledger assets	0	0	0	0	0	0	0
Total Assets	21,160,583	21,218,420	21,310,698	21,426,066	21,563,668	21,732,346	21,928,930
LIABILITIES:							
Other non-ledger liabilities	2,310,859	2,105,047	1,928,922	1,777,993	1,648,289	1,536,067	1,438,114
Loan balance	0	0	0	0	0	0	0
Other ledger liabilities	0	0	0	0	0	0	0
Total Liabilities	2,310,859	2,105,047	1,928,922	1,777,993	1,648,289	1,536,067	1,438,114
SURPLUS:							
Total Surplus	18,849,724	19,113,373	19,381,776	19,648,073	19,915,379	20,196,279	20,490,817
Total Liability & Surplus	21,160,583	21,218,420	21,310,698	21,426,066	21,563,668	21,732,346	21,928,930
Statistical Items							
Lives in force	480	433	392	357	326	299	276
Policy count in force	479	432	391	356	325	298	275
Payout Ratio							
Account value in force	3,555,168	3,238,534	2,967,572	2,735,374	2,535,829	2,363,180	2,212,482
Total cash value in force	2,310,859	2,105,047	1,928,922	1,777,993	1,648,289	1,536,067	1,438,114
Average credited rate	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%
Average interest spread	0.89%	0.84%	0.82%	0.83%	0.84%	0.84%	0.83%
Average projection cycle NIER	2.91%	2.86%	2.85%	2.85%	2.86%	2.87%	2.85%
PV of FS using AveNIERDiscFact							
INCOME STATEMENT							
Investment Income	693,648	677,264	676,190	681,065	686,041	692,994	696,562
Capital gains	-	-	-	-	-	-	-
Change in Accrued InvInc	(8,284)	(911)	-	-	-	-	-
Total Income	685,364	676,353	676,190	681,065	686,041	692,994	696,562
Surrender benefits	-	-	-	-	-	-	-
Partial withdrawals paid	-	-	-	-	-	-	-
Death claims	289,202	250,177	216,647	188,160	164,113	144,197	127,816
Fixed Expenses (Acc't; 1099; Audit; Actuarial)	277,000	277,000	277,000	277,000	277,000	277,000	277,000
Variable Expenses (admin; invest)	93,852	94,274	95,144	95,487	95,872	96,477	97,368
Increase in reserve	(240,347)	(205,812)	(176,126)	(150,929)	(129,705)	(112,222)	(97,954)
Total benefits and expenses	419,708	415,639	412,665	409,718	407,280	405,453	404,231
Pre-tax profit	265,657	260,714	263,524	271,347	278,760	287,541	292,332
Tax on Profit	-	-	-	-	-	-	-
Adjusted after-tax profit	265,657	260,714	263,524	271,347	278,760	287,541	292,332
Profits retained	265,657	260,714	263,524	271,347	278,760	287,541	292,332
After-tax net gain from operat	265,657	260,714	263,524	271,347	278,760	287,541	292,332
NOTIONAL ACCOUNT							
Account value in force BOY	3,924,932	3,555,168	3,238,534	2,967,572	2,735,374	2,535,829	2,363,180
Credited premium collected	-	-	-	-	-	-	-
Interest credited	75,162	68,254	62,341	57,279	52,935	49,193	45,942
IntSens funds released by deat	444,927	384,888	333,303	289,476	252,481	221,841	196,640
IntSens funds released by surr	-	-	-	-	-	-	-
Partial withdrawals deducted	-	-	-	-	-	-	-
Account value in force	3,555,168	3,238,534	2,967,572	2,735,374	2,535,829	2,363,180	2,212,482

APPENDIX B:

ECONOMIC SCENARIO GENERATOR

The following information is provided as background on the National Association of Insurance Commissioner's ("NAIC") Economic Scenario Generator v 7.0.4. The information is from the American Academy of Actuaries March 2005 report of the Life Capital Adequacy Subcommittee to the NAIC.

The economic scenario generator produces scenarios to address both interest rate and equity risk associated with funds for the asset classes typically needed in stochastic cash flow projections of variable annuities. Listed below is background information for interest rates and equity returns.

US Treasury Yields

The starting yield curve is the July 31, 2014 US Treasury Yield curve. Rates generated are expressed as semi-annual bond equivalent yields. The generator simulates Treasury bond yields according to a stochastic variance process with mean reversion under the real-world probability measure. The interest rate model is designed for cash flow projections only. It is not arbitrage-free. Interest rate movements are uncorrelated with other model factors such as equity returns.

Equity Market Returns

Equity returns are generated from a monthly stochastic log volatility model. The asset class being used in this analysis is reflective of a diversified large capitalized US equity fund. The model captures many of the dynamics observed in the equity markets.

See http://www.naic.org/documents/committees_e_capad_lrbc_5a_PPS_supplement_march05.pdf for more information.



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milliman.com

October 17, 2014

Mr. John Wirth, Attorney at Law
Mallery & Zimmerman, S.C.
731 North Jackson St., Ste. 900
Milwaukee, WI 53202-4697

John,

Milliman has provided to you a letter dated October 17, 2014 concerning references within the life insurance actuarial literature that address or evaluate selection of a modeled 5% likelihood of insufficiency in the assets available for maturity of contractual obligations similar to those in the WFT Liquidating Trust.

With this letter, I am providing written permission to distribute that letter to attorneys for the Wisconsin Department of Financial Institutions and the Wisconsin Funeral Directors Association, to the Court as part of a motion to approve the new Trust Agreement, the new payment rates and other matters, and to the Beneficiary Funeral Homes.

The limitations and caveats in the letter are not otherwise affected.

Sincerely,

A handwritten signature in black ink that reads 'David M. Cook'.

Principal and Consulting Actuary
Milliman, Inc.

david.cook@milliman.com

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October 17, 2014

Mr. John Wirth, Attorney at Law
Mallery & Zimmerman, S.C.
731 North Jackson St., Ste. 900
Milwaukee, WI 53202-4697

John,

You asked that we identify references within the life insurance actuarial literature that address or evaluate selection of a modeled 5% likelihood of insufficiency in the assets available for maturity of contractual obligations similar to those in the WFT Liquidating Trust ("Trust"). The purpose is to provide context for a selection of 5% likelihood of insufficiency as an appropriate basis for setting a prudent payout ratio based on results in our October 14, 2014 report ("Report").

Considerations and Limitations

This letter should not be construed as recommending a 5% likelihood basis. Such a recommendation is beyond the scope of our engagement. The material presented below generally documents that life insurance actuaries commonly consider such a percentile likelihood a safe level for appropriately selected assets set aside to mature long-duration life insurance obligations. No level of Trust funding set by modeling can ensure the future maturity of Trust obligations.

This letter relates to the contents of our October 14, 2014 report and is subject to the reliances and limitations documented in that report, as well as our Consulting Services Agreement dated July 30, 2014.

This letter is not to be distributed, disclosed, copied or otherwise furnished to any party without the prior written consent of Milliman. Milliman does not intend to benefit any third party recipient of this letter, even if Milliman consents to the release of its work product to such third party. Any distribution of this letter should be in its entirety. Nothing included in this letter is to be used in any filings with any public body, such as the Securities and Exchange Commission or State Insurance Departments, without prior written consent from Milliman.

Any reader of this letter must possess a certain level of expertise in areas related to its contents to appreciate the significance of the information presented. The reader should be advised by, among other experts, an actuary competent in the area of actuarial financial projections and asset/liability modeling.

Milliman is not a law firm, accounting firm, or tax advisor. Nothing in this letter should be construed as legal, accounting, or tax advice. In the event a legal, accounting, or tax interpretation is required, we recommend review by your legal counsel, accountant, or tax advisor.

Members of Milliman's staff are available to explain and/or amplify any matter presented herein, and it is assumed that the user of this letter will seek such explanation and/or amplification as to any matter in question.

The signers of this letter are members of the American Academy of Actuaries, and are qualified under the Academy's Qualification Standards to render the opinions with regard to the actuarial calculations set forth herein.

Context

The analysis in our report employs a frequently used actuarial modeling technique which is sometimes referred to as a "liability run-off" method. The numerical operation of that method is illustrated in Appendix A of our Report. The liabilities in this case are the obligations to pay funeral homes amounts derived from depositors' accumulations. The National Association of Insurance Commissioners ("NAIC") publication, "Analysis of Methods for Determining Margins for Uncertainty under a Principle-Based Framework for Life Insurance and Annuity Policies" (March 31, 2009) offers this commentary:

[T]here are two distinctive views under which various regulators are seeking to establish entity specific principle-based solvency and performance measurement reporting frameworks:

- *Liability run-off which measures an insurer's ability to meet its obligations under alternative scenarios*
- *Exit value which measures (on a risk-adjusted basis) the funds that are expected to be available to investors*

The liability run-off view considers the total amounts required to cover uncertainties such that an insurer is able to fund, with a certain level of confidence, all future liability cash flows and associated expenses to mature existing (pooled) insurance contracts. The total amounts required in addition to best estimate liabilities are the sum of margins for uncertainties (sometimes after addressing diversification effects) and the required capital supporting the insurance policies... The requirements are determined based on the nature, timing and amount of future policy cash flows.

The liability run-off view, which is perhaps the most familiar view to actuaries, assumes insurance companies keep and maintain the insurance contracts they have entered into with their policyholders until contract termination due to maturity, death, surrenders or replacement. Under this view, both regulators and policyholders are afforded security (with a certain level of confidence) that insurance companies are able to cover their future obligations over the lifetime of the pooled contracts.

Margins and required capital, as described above, correspond to the total amount of assets in excess of those associated with the 50% likelihood of insufficiency made available to mature Trust obligations (the excess of 5% likelihood assets over 50% likelihood assets). We considered the "exit value" approach inapplicable, as there is no market for the obligations of the Trust.

Within the liability run-off method, there are several potential methods for assessing results. Again referring to the NAIC publication, they are described as:

The "quantile" and distribution methods refer to certain statistical approaches to determine the margins, which could include:

- *Confidence interval or percentile levels of risk factors*
- *Conditional Tail Expectation (CTE) (also called Tail Value at Risk or TVaR) measurement of risk factors*
- *Multiples of the second or higher moments of the risk distribution*

The use of confidence intervals or percentile levels is the most widely discussed method in the materials researched. It determines the extra amount required in addition to the expected value of losses such that the actual losses will be less than the amount of the established liability with the chosen level of confidence over a pre-defined time horizon.

We considered the percentile levels of risk approach to presenting our analyses an intuitive way for non-statisticians to interpret the results, labeling percentiles in Report tables "Likelihood of Insufficiency." The CTE method mentioned above is intended for analyzing distributions of results with fat tails, which the Trust distribution does not have. Moments of the risk distribution (standard deviations) were not used as they seemed to us more difficult for most expected readers of our Report to understand and apply.

Likelihoods from Actuarial Literature

In the references that follow, percentiles, such as 95th percentile, refer to likelihood of asset sufficiency. That is the inverse of the likelihood of insufficiency used in the Report (5% likelihood of insufficiency = 1 – 95% likelihood of sufficiency).

Reference 1: "2006 NAIC Life Risk-Based Capital Report," September 25, 2006

This report provides instructions for determining risk-based capital ("RBC") for life insurance companies. The sum of reserves and adjusted capital defines the assets available to mature life insurance obligations. An insurer with actual adjusted capital less than 100% of RBC comes under supervision by insurance regulators. One element of the RBC calculation is calculated by applying factors to bond holdings. Those factors were developed as follows:

The bond factors are based on cash flow modeling using historically adjusted default rates for each bond category. For each of 2,000 trials, annual economic conditions were generated for the 10-year modeling period. Each bond of a 400-bond portfolio was annually tested for default (based on a "roll of the dice") where the default probability varies by rating category and that year's economic environment. When a default takes place, the actual loss considers the expected principal loss by category, the time until the sale actually occurs and the assumed tax consequences.

Actual surplus needs are reduced by incorporating anticipated annual contributions to the asset valuation reserve (AVR) as offsetting cash flow. Required surplus for a given trial is calculated as the amount of initial surplus funds needed so that the accumulation with interest of this initial amount and subsequent cash flows will not become negative at any point throughout the modeling period. The factors chosen for the proposed formula produce a level of surplus at least as much as needed in 92 percent of the trials by category and a 96 percent level for the entire bond portfolio.

Although the modeling described involves bonds, the process of making many future projections, ranking them and then making a decision based the percentage of projection results greater or less than a high probability (in this case 92% to 96%) is exactly analogous to the process we used for Trust calculations.

Later discussion in this forum clarified that 95% was appropriate for reserves plus RBC, not reserves alone. The conclusion is still the same, that actuaries often consider 95% confidence to be appropriately high for the purpose of establishing total asset levels to back life insurance obligations.

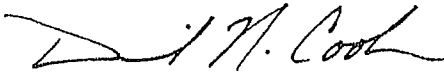
Reference 5: Highlights of the June 2001 NAIC Life and Health Actuarial Task Force Meeting and Other Topics, Ted Schlude, The Financial Reporter, September 2001

This reference does not apply to life insurance, but to a long duration health-related insurance coverage. As above, it relates to the total liability amount, reserves plus RBC.

Disability Income (DI) C-2 Factor Proposal: When Life RBC was originally adopted, the emphasis was on C-1 and simplified approaches were used for other risks like C-2 and C-3. The Academy of Actuaries performed analysis over the past 2 years related to refinement of DI factors as well as factors for other health lines for C-2 insurance risk. An initial DI proposal was presented in March and the regulators asked for additional analysis and sensitivity testing with particular emphasis on group LTD where the proposed C-2 factors were significantly lower as illustrated below. It was pointed out that even with the new factors, reserves plus RBC are intended to be adequate 95% of the time. Additional support and sensitivity analysis presented by the Academy convinced regulators to adopt the new C-2 factors for use at 2001 year-end for Life RBC.

For Trust considerations, we suggest long term solvency is the appropriate objective and long term confidence measures are appropriate. The references lend support to modeled confidence levels at or near 95% for assets supporting long term insurance obligations when considered over long periods. It should be understood that exactly 95% is often chosen due to the attraction of numbers ending in 5's or 0's when talking about probabilistic issues.

Sincerely,



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EDWARD M. BRADY, CPA. CVA

Ed Brady was a partner at Komisar Brady & Co. through September 2012. He joined founding partner Ben Komisar in 1977. Ed has a very diverse background providing auditing, accounting, tax, and management consulting services. He has a passion for client service and develops partnerships with clients, not just customers.

Ed represents business clients involved in many industries ranging from small start-ups to multi-location manufacturers and distributors. In his 38 years at Komisar Brady, he has served hundreds of businesses, individuals, and trusts, many of them for his entire time with the firm, including several multi-generational family businesses that will remain with the Firm for years to come.

Ed is a Certified Valuation Analyst (CVA) and has provided expert valuation services for companies in a variety of industries to support estate planning and settlement, charitable giving, business sales, and many other purposes.

PRACTICE AREAS

- Traditional Generally Accepted Accounting Principles (GAAP) auditing
- Certified valuation analysis
- Non-profit organization auditing
- Specialized auditing, including HUD and WHEDA subsidized housing programs, 401(k) retirement plans, and Milwaukee Parental School Choice programs
- Budgeting and forecasting
- Cash management programs and financing arrangements
- Trustee for client trusts and estates

EDUCATION

- Bachelor of Business Administration, Marquette University

MEMBERSHIPS

- American Institute of Certified Public Accountants
- Wisconsin Institute of Certified Public Accountants
- National Association of Certified Valuation Analysts

EDWARD M. BRADY, CPA. CVA (continued)

COMMUNITY INVOLVEMENT

Ed has been active in community and charitable organizations throughout his career. He currently serves as treasurer for the Center for Deaf Blind Persons, Inc. in Milwaukee, a charitable organization dedicated to providing services needed to minimize the devastating effects of combined vision and hearing loss. He is a Junior Achievement volunteer and serves on the school board for his local church.

Ed is a 25 year veteran of the MS Society's MS-150 Best Dam Bike Tour. He has raised more than \$90,000 for the National Multiple Sclerosis Society, Wisconsin Chapter, riding his bicycle 150 miles each August through the scenic Kettle Moraine with the "Kamikaze Beancounters."

PERSONAL

Ed and his wife, Helen, have seven children who are now out of their home in Dousman, and have grandchildren. The Bradys like to travel both with and without the children driving around the United States and visiting foreign countries. Ed enjoys college sports and a regular round of golf.



WILLIAM R WALKER

2628 N Harding Blvd.
Wauwatosa, WI 53226
414-453-8407

aliaschuck56@att.net

PROFILE

Worked in Financial Service industry for over 30 years as Equity Analyst, advancing to Portfolio Manager, with responsibilities for 6 associates and over \$3.0 billion in small and mid cap assets. Within last year was responsible for NML General Account with over \$1 billion in assets.

EXPERIENCE

MASON STREET ADVISORS, MANAGING DIRECTOR, MILWAUKEE

Started as Equity Analyst, advancing to Portfolio Manager in 1989, and ultimately leading a mid and small cap team until 2006, then solely focusing on Small Cap assets until Sept 2011.

Portfolio Manager, Managing Director, General Account, September, 2011 to November, 2012

EQUITY ANALYST, ARMCO INSURANCE GROUP, MILWAUKEE, WI— 1982-1984

Generalist responsibilities.

EQUITY ANALYST, MILWAUKEE COMPANY, MILWAUKEE, WI 1980-1982

Equity Analyst responsible for covering many local public companies

EDUCATION

Miami University, Oxford, OH, Masters of Business Administration, Finance. 1979-1980

Marquette University, August 1976-1979, Bachelors Of Science, Business Administration

SKILLS

Proficient in Excel, Word, Factset and Bloomberg applications. Knowledge in fundamental and risk analysis and measurement.

REFERRALS

Upon Request.

JOHN P. DEVINE, CPA
14315 W. Park Court
New Berlin, WI 53151
414/270-1000, extension 14
jdevine@milwaukeeecapital.com

BACKGROUND SUMMARY

Financial Executive with over 31 years of extensive and diversified experience in the bank and thrift sector including analysis of equity investments, discussions with management and regulators, underwriting and approval of commercial real estate loans and investments, sale of loan participations, workout and valuation of non-performing commercial real estate assets and establishing methodology for setting appropriate commercial real estate allowance for loan losses.

EMPLOYMENT HISTORY

Milwaukee Capital, Inc.

1998 to Present

A private equity firm serving as general partner and investment advisor of the Financial Institutions Opportunity Fund, L.P. (FIOF). FIOF, which commenced operations in December 1994, focuses on equity investments in the financial sector, with an emphasis on thrifts, including mutual conversions. Served as lead analyst since 1998 and President since January 1, 2013.

Associated Bancorp, Inc. including Predecessors and Subsidiaries

1983 to 1998

Served as an officer in commercial real estate department or subsidiaries of Associated Bank, First Financial Bank and National Savings & Loan. Responsibilities included review and approval of loans as member of commercial loan committee, origination and underwriting of commercial real estate loans and investments, sale of loan participations and correspondence with participants, workout, management and valuation of non-performing and delinquent commercial real estate assets and establishing methodology for setting appropriate commercial real estate allowance for loan losses. Served as primary contact with regulators and independent auditors in matters related to commercial real estate.

Touche Ross & Co. n/k/a Deloitte and Touche, LLC

1978 to 1983

A Big 8 public accounting firm. Served in audit department.

EDUCATION & CERTIFICATIONS

BBA, Accounting – UW Madison, 1978
CPA

STATEMENT OF INVESTMENT POLICY

WFT Liquidating Trust f/k/a Wisconsin Funeral Trust
3913 West Prospect Avenue, Suite 201
Appleton, Wisconsin 54914

Approved Date: _____, 2013

DRAFT

July 1, 2015

PURPOSE:

The purpose of this Statement of Investment Policy ("Policy") is to establish investment philosophies, financial objectives and administrative procedures for the WFT Liquidating Trust f/k/a Wisconsin Funeral Trust (the "Trust") and to provide general guidance for preservation, growth and governance of its asset pool (the "Fund").

BACKGROUND:

On September 14, 2012, John M. Wirth (the "Receiver") was appointed as interim receiver for the Trust, pursuant to Wisconsin Statutes Section 551.603(2)(b)1., by the Dane County Circuit Court (the "Court") in Case Nos. 12 CX 44 and 12 CX 44A. On October 24, 2012, the Court affirmed the appointment of the Receiver until the Court orders otherwise.

Pursuant to the Confirmation Order, the Court, the Honorable Peter C. Anderson presiding, authorized the Receiver, as successor trustee of the Trust, to enter into the Trust Agreement/Plan of Liquidation (the "Trust Agreement") as part of the resolution of the receivership and the discharge of the Receiver. All capitalized terms not otherwise defined in this Policy shall have the definitions set forth in the Trust Agreement.

Pursuant to the Trust Agreement, the Trustee shall hold and administer the Trust Assets and liquidate and distribute the Trust Assets to the Beneficiary Funeral Homes and others, as described in the Trust Agreement, to reimburse the Beneficiary Funeral Homes and such other persons and entities upon their performance under Burial Agreements and under the FHSA. The Trustee shall oversee investments, supervise and administer the Claims process, resolve disputes and perform all other obligations of the Trust, as described in the Trust Agreement.

INVESTMENT ADVISOR:

As used in this Policy, the "At all times, the Trust shall engage and utilize an independent investment professional (the Investment Advisor") to advise the Trustee concerning the investment of the Trust Assets and to handle the Trust's transactions involving the Trust's investment accounts. Subject to the Trustee's approval, the Investment Advisor may utilize one or more custodians of the Trust Assets.

The initial Investment Advisor shall be Ziegler Lotsoff Capital Management, LLC. The Investment Advisor shall ensure that all persons and organizations involved as an Investment Manager or Advisor for the Fund's assets comply with the terms of this Policy in dealing with the Fund. The Receiver may, with the approval of the Board, replace the Investment Advisor from time to time, subject to contemporaneous notification to the Court at any time. The Trustee shall give written notice to the WDFI, the Beneficiary Funeral Homes and the Administrator of any replacement of the Investment Advisor.

The WDFI or any Beneficiary Funeral Home may petition the Court at any time to replace the Investment Advisor for good cause provided that any such petitioner first makes demand on the Trustee to make such a replacement and the Trustee fails to do so for a period of 30 days.

TERM:

This Policy has been adopted by the Receiver of the Trust with approval of the Court. The Receiver intends that this Policy will not be temporary modified during the term of the Trust; however, if facts and circumstances compel the Trustee to determine that a more detailed policy, setting forth change to this Policy is necessary to enable the Trust's revised governance structure and longer term objectives and parameters, including objectives and parameters based on Trustee to fulfill his or her fiduciary duties to the actuarial study engaged by Beneficiary Funeral Homes, the Receiver, shall replace Trustee may propose an amendment to this Policy at or prior to with the conclusion of the receivership. Objectives, guidelines and benchmarks in Board as required under the Trust Agreement. Before making any such proposal, the Trustee shall confer with the Investment Advisor.

The adoption of a proposed change to this Policy shall follow the same procedure as an amendment to the Trust Agreement and shall be revisited and revised at such time with subject to the notice, posting, objection, approval and other provisions of the Court. Article 14 of the Trust Agreement. The initial notice to the WDFI and the Beneficiary Funeral Homes shall also state whether the Investment Advisor concurs with the proposed change.

INVESTMENT OBJECTIVES:

The primary objective of this Policy is to preserve the current real value of invested funds. Risk and volatility are present to some degree with all types of investments; however, high levels of risk are to be avoided. The Trust maintains that risk is best avoided by both minimizing risky investments and diversifying the asset classes, styles and sectors of investments.

The investment guidelines described in this Policy will be reviewed by the Trustee and, with the consent of the Board and Court approval, as required under the Trust Agreement, revised periodically. The Receiver has committed to return to the Court at least once every six months to review these guidelines.

All assets shall be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a similar capacity and familiar with such matters would use in the investment of a fund of similar character and with similar aims.

The Trust's overall investment ~~objectives are~~objective is to achieve an optimized rate of return consistent with the preservation of principal, mitigation of risk and maintenance of liquidity. This Policy sets forth guidelines to effectively manage the Trust's investment portfolio in order to obtain:

- Stability – minimization of volatility and risk
- Liquidity – sufficiency of cash to provide for anticipated withdrawals
- Preservation of Capital – avoidance of significant long-term losses through an emphasis on investment in high quality securities
- Return on Investment – tailoring income ~~from~~ and return ~~on~~ assets of the Trust to potentially cover the interest and administrative costs of the Trust, provided that such objective shall not supersede the preceding objectives.

ATTITUDES TOWARD RISK AND RISK MANAGEMENT:

The ~~Receiver understands~~Trustee and Board understand that investment risk can be defined in a number of ways. The ~~Trustee and the Receiver~~Board expect that the Investment Advisor to understand how the Trust defines investment risk, so that the Fund's assets are managed in a manner consistent with the objectives and ~~guidelines~~investment strategy as expressed in this Policy.

1. *Risk Aversion.* The ~~Receiver recognizes~~Trustee and Board recognize that some risk is necessary to produce long-term investment results sufficient to meet the Fund's objectives, and that risk is present in all types of securities and investment styles. However, the ~~Receiver~~Trustee, Board and the Trust expect that the Investment Advisor will utilize prudent judgment and reasonable efforts and techniques to control risk. The ~~Receiver~~Trustee and Board will evaluate the Investment Advisor, and the Investment Advisor will evaluate its managers, regularly, to ensure that the risk assumed is commensurate with ~~this Policy~~the Trust's objectives.
2. *Preservation of Capital.* Recognizing that, despite reasonable efforts, losses may occur in individual securities, the Investment Advisor shall make all reasonable efforts to preserve capital in the aggregate.

LIQUIDITY AND MARKETABILITY:

To minimize the possibility of a loss occasioned by the sale of a security required to allow the Trust to pay an obligation, the ~~Receiver~~Trustee will periodically provide the Investment Advisor with an estimate of expected cash flow needs. As further described below, the ~~Receiver~~Trustee requires all Fund assets to be invested in liquid and readily marketable securities (~~securities~~instruments which can be transacted quickly and efficiently for the Fund with minimal impact on market prices).

ASSET ALLOCATION:

Asset allocation is the most significant factor affecting the ability of the Trust to meet its objectives. Therefore, based on the investment objectives and risk tolerances stated in this Policy, the following asset mix target and ranges are considered appropriate for the Trust.

	Strategic Allocation		
	Lower Limit	Targets	Upper Limit
Domestic Fixed Income	70%	80%	85%
Enhanced Cash	5%	10%	20%
Intermediate Fixed	60%	70%	80%
Domestic Equities	15%	20%	30%
Large Cap Value	15%	20%	30%

<u>Asset Class</u>	<u>Benchmark</u>
Enhanced Cash	90-Day T-Bill Index
Intermediate Fixed Income	Barclay's Capital Intermediate Government/Credit Index
Domestic Equity	Russell 1000 Value Index

Rebalancing within the above ranges should be implemented no less than monthly, and more frequently if the Investment Advisor, upon advising and obtaining the consent of the Receiver, deems it to be appropriate. Given the nature of the investments, transaction costs associated with rebalancing are expected to be low. The Receiver Trustee will rely primarily on the Investment Advisor to direct such rebalancing. The Investment Advisor shall report to the Receiver Trustee on the status and its recommendations at least monthly.

In an emergency, as reasonably determined by the Trustee with the advice of the Investment Advisor and the consent of the Board, the Trustee may deviate from this Policy provided that (a) any investments made are readily saleable and provide quick liquidity; (b) the Trustee contemporaneously advises the WDFI of the deviation; and (c) no such emergency deviation shall last for more than 30 days unless, within such 30-day period, the Trustee commences the Policy amendment process described in Article 6 of the Trust Agreement and diligently pursues the adoption of such amendment. The Trustee shall cause the Trust to become in compliance with this Policy within such 30-day period if he or she has not so commenced the amendment process.

INVESTMENT POLICY GUIDELINES – INVESTMENT SECURITIES INSTRUMENTS:

Investments are to be limited to liquid securities which can be readily valued, including equities, bonds, mutual funds, commercial paper and other investments. ~~Interests in commodities~~ **Commodities**, options, futures, hedge funds, private equity, real estate, and derivative securities ~~instruments~~ are not eligible for investment.

Equity Assets:

The following investment ~~guidelines~~directions are intended to apply to the investment of the equity portion of the Trust's ~~portfolio of~~Fund assets.

- Diversification: The Investment Advisor will ensure adequate investment diversification.
- Marketability/Liquidity: Acceptable levels of marketability/liquidity are frequently expressed as functions of quality, market capitalization, and location of trading of a given security. The Investment Advisor will ensure adequate marketability of investments under its supervision.

Fixed Income Assets

Intermediate Fixed Income Assets

The objective of the intermediate fixed income portion of the Fund assets is to provide a total return, net of fees, in excess of the Barclay's Capital Intermediate Government/Credit Index, the specified benchmark. The following ~~guidelines~~directions are intended to apply to the ~~Investment Advisor and its direction to its managers~~investment manager:

- Duration Target: Fixed income portfolio maturity, as measured by portfolio duration, should be between 90% and 110% of the benchmark. No ~~security~~instrument with an average life in excess of 10 years is permissible.
- Allowable Credit Quality:
 - At the time of purchase, all securities must be rated in the top four rating categories by Moody's, Standard & Poor's, or Fitch.
 - If a ~~security's rating~~security falls below the allowable rating by Moody's, Standard & Poor's or Fitch, the ~~Receiver~~Trustee must be notified and a plan of action must be presented to the ~~Reeeiver~~Trustee.
 - Investments may only be made in non-investment grade securities provided that such investment is in the form of a diversified mutual fund or other similar collective vehicle that provides for daily liquidity and net asset valuations. Such investments shall not exceed 10% of the total market value of the Fund's assets.

Cash & Enhanced Cash Assets

The objective of the enhanced cash position of the Trust's ~~portfolio of~~Fund assets is to provide sufficient liquidity to ensure cash availability to meet projected, as well as unexpected, funding requirements while utilizing maturities out to two years to enhance total return. For this reason, the Investment Advisor's enhanced cash manager shall communicate frequently with the ~~Reeeiver~~Trustee in regards to cash flow requirements. The following directions are intended to apply to the enhanced cash manager:

- Corporate bonds. At the time of purchase, all securities must be rated in the top four rating categories by Moody's, Standard & Poor's, or Fitch (without regard to gradation of rating category or numerical modifier or otherwise). If a security falls below the allowable rating by Moody's, Standard & Poor's, and Fitch, the Trustee must be notified and a plan of action must be presented. Investments may be made in non-investment grade securities provided that such investment is in the form of a diversified mutual fund or other similar collective vehicle that provides for daily liquidity and net asset valuations. Such investments shall not exceed 10% of the total market value of the Fund's assets.
- Commercial paper which is rated at the time of purchase within the classification or higher, "A1" by Standard & Poor's, "P1" by Moody's, or "F-1" by Fitch, without regard to gradation, and which matures not more than 270 days after the date of purchase.
- Mortgages issued by a government sponsored agency and investment grade asset backed securities.
- Repurchase agreements are permitted with such broker/dealers who maintain a minimum 104% initial market value collateralization of the loaned amount of securities. The collateral market value shall be marked daily.

EVALUATION BENCHMARKS:

The ReceivierTrustee will work with the Investment Advisor to establish evaluation benchmarks for the entire Fund. Measurement benchmarks will be set and documented by mutual agreement between the ReceivierTrustee and the Investment Advisor. The Investment Advisor shall report performance to the ReceivierTrustee as measured to such benchmarks on a regular basis, but at least quarterly.

Comparative market benchmarks are established to gauge the ~~Investment Advisor's~~ manager's value added. Return requirements (annualized basis) are over a full market cycle (three to five years).

Comparative Market Benchmarks

Combined Assets – Relative to appropriate indices:

<u>Section</u>	<u>Benchmark</u>	<u>Expectation</u>
Total Fund	10% 90-Day TBills,	
Meet/Exceed	70% Barclays Intermediate Government/Credit Index, 20% Russell 1000 Value Index 100%	

The investment goal above is the objective of the aggregate Fund, and is not meant to be imposed on each investment account. The goal of the Investment Advisor, over the investment horizon, shall be to:

- Meet or exceed the market index, or blended market index, selected and agreed upon by the ~~Reeeiver~~Trustee that most closely corresponds to the style of investment management. ~~Each of the Investment Advisor's manager's~~Each investment manager will have a separate statement which will be attached as an ~~A~~addendum to this Policy.
- Display an overall level of risk in the ~~Trust's~~ portfolio which is consistent with the risk associated with the benchmark. Risk will be measured by the standard deviation of quarterly/monthly returns.

PERFORMANCE REPORTING & EXPECTATIONS:

Performance reports generated by the Investment Advisor shall be compiled at least monthly and reviewed with the ~~Reeeiver~~Trustee. Investment performance for the total Fund, as well as asset class components, should be measured against commonly accepted performance benchmarks. The ~~Reeeiver~~Trustee will consider performance results to the extent they are consistent with the Fund's goals, objectives and guidelines as set forth in this Policy.

IMPLEMENTATION AND REVIEW:

1. This Policy shall be managed for the Trust by the ~~Reeeiver~~Trustee and reported to the Board.
2. Fund investment performance along with a detailed listing of all investment assets shall be reviewed monthly with the ~~Reeeiver~~Trustee.
3. Actions of the Trust will be reviewed monthly with the Trustee.
- ~~3.4.~~ The ~~Reeeiver~~Trustee shall review this Policy with the Investment Advisor at least every six months. The ~~Reeeiver~~Trustee will present recommended changes to the ~~Court~~Board every six months, or more frequently if deemed appropriate by the ~~Reeeiver~~Trustee.