

**DANIEL W. HYNES**  
**COMPTROLLER**

www.occ.state.il.us

May 12, 2009

Mr. Duane Marsh  
IFDA Services, Inc.  
P.O. Box 7127  
215 South Grand Avenue West  
Springfield, Illinois 62791-7127

RE: Excessive trustee fees

Dear Mr. Marsh:

At this time, you should be in receipt of our Final Compliance Audit for IFDA Services, Inc. ("IFDA"). The Final Compliance Audit seeks IFDA's repayment of excessive fees taken as trustee in violation of the Illinois Funeral or Burial Funds Act (225 ILCS 45/1 *et seq.*).

The IFDA has previously indicated that an appropriate measure of the fees is the earnings on the funds so deposited as represented by the earnings allocated to each of the individual trust accounts deposited with the IFDA Preneed Trust. We do not accept this contention. While the IFDA did post the allocated earnings to the individual trust accounts within the IFDA Preneed Trust on an annual basis, make those earnings available to the owner of the trust when they were posted, and constitute those earnings as a liability of the Trust, the allocated earnings bore no relation to the actual earnings of the trust. None of the responsive materials submitted by IFDA provide a reasonable calculus regarding the annual interest rate determination. Indeed, the allocated earnings seem to represent an arbitrary number created by IFDA Services, Inc. to maintain trust business.

Please respond to:

State House  
Springfield, Illinois 62706-0001  
217/782-6000

James R. Thompson Center  
100 West Randolph, Suite 15-500  
Chicago, Illinois 60601-3252  
312/814-2451

325 West Adams  
Springfield, Illinois 62704-1871

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Based on the information you submitted, we have calculated the excessive fees for fiscal years 2000 - 2006 as follows:

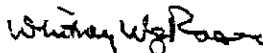
	FY2000	\$1,235,478.50
	FY2001	\$1,032,658.50
	FY2002	\$697,290.75
	FY2003	\$1,974,620.25
	FY2004	\$1,903,339.50
	FY2005	\$1,687,039.75
	<u>FY2006</u>	<u>\$1,143,361.25</u>
Total Fees in Excess of 25% limitation		\$9,673,788.50

We request that you contact Jessica Sohl by no later than May 22, 2009 to schedule a meeting for the purpose of establishing a repayment plan. The repayment plan must ensure that all excessive expenses for fiscal years 2000 - 2006 are repaid to the trust in no event later than May 22, 2010. Jessica may be reached at (312) 814-4981.

If the terms of a repayment plan are not established by June 26, 2009, we intend to seek the assistance of the Office of the Attorney General in resolution of this matter pursuant to their authorities under Section 8 of the Illinois Funeral or Burial Funds Act, which may result in additional fines and penalties for the IFDA. (225 ILCS 45/8.)

Thank you for your anticipated cooperation.

Sincerely,

  
Whitney Rosen  
Chief Counsel  
Office of the Comptroller