



Morgan Stanley had fired funeral association's investment adviser

By [Don Walker](#) of the Journal Sentinel
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One of two investment advisers working with the Wisconsin Funeral Directors Association, now under investigation by two state agencies for possible securities violations, was fired by Morgan Stanley earlier this year, federal documents show.

Documents from the Securities & Exchange Commission indicate Michael Hull, a broker and investment adviser with the Madison office of Morgan Stanley Smith Barney, was fired in late April involving allegations relating to his involvement "in outside investments that were not approved by the firm."

Hull and his brother, Patrick, were named in Dane County court documents filed last week. In the case, Dane County Circuit Judge C. William Foust appointed John Wirth as a receiver to take over operations of the funeral directors association after questions were raised about the solvency of a fund for prepaid funerals that may be \$21 million short.

An estimated 10,500 people have prepaid funeral contracts with a trust account.

The association created the trust account as an investment product, and documents indicate the Hull brothers were involved in advising the trust since its inception in 1999.

The court documents say neither the funeral directors association nor investors - those who gave the trust thousands of dollars for prepaid funerals - "had any input or authority over the investment of the trust funds."

The documents say the trust never told consumers their investment strategy and never revealed that there was a significant shortfall between assets and liabilities and that amounts invested by one consumer may be used to fund funerals for others.

The trust was not registered as a security, violating state law.

The trust, according to court documents, was likened to a Ponzi scheme, "endangering the ability of current investors to ever recover their original investment, let alone the returns they have been promised."

Michael Hull could not be reached for comment on Monday. Over the weekend, he said he had done nothing wrong. It could not be determined if Michael Hull's dismissal at Morgan Stanley was related to his work at the funeral directors association.

Mark Jelacic of the Jelacic Funeral Home in Milwaukee and president of the funeral directors

association said Monday that he was not aware Michael Hull had been fired from his Morgan Stanley job. But he said he knew Michael Hull was no longer with Morgan Stanley.

"The association is working with the receiver and providing what information is needed," Jelacic said.

Michael Hull also worked for Citigroup Global Markets Inc., according to SEC documents.

In one unrelated case, a claimant alleged that Michael Hull "made misrepresentations regarding unsuitable investments that he made in the claimant's accounts."

The claimant sought \$4 million in damages. The case was settled for \$1.75 million, documents indicate, with Citigroup stating it settled the case "to avoid the cost and risk associated with arbitration.

The firm denies the allegations as the risks were disclosed both verbally and in writing and the losses were the result of historic market events."

The documents also show that Michael Hull was required to transfer 260 shares of stock to the claimant's fund.

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