

**If you are (1) a funeral director who deposited pre-need funeral funds in the IFDA Pre-Need Trust or (2) the trustee of a pre-need account that was once a part of the IFDA Pre-Need Trust, please read this notice.**

**YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION SETTLEMENT.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- This settlement is part of a broader resolution of lawsuits and state regulatory investigations totaling \$59,150,000. This money has been and will be used (a) to help restore certain pre-need trust accounts once held in the IFDA Pre-Need Trust, (b) to compensate certain funeral directors who have performed pre-need funerals for customers with Pre-Need Trust accounts, and (c) to compensate certain consumers who have canceled their pre-need contracts and withdrawn their pre-need funds.
- The settlement resolves lawsuits filed by funeral directors, trustees and pre-need customers against IFDA and its former officers and directors, financial advisors and lawyers. The court has not decided whether IFDA or its advisors did anything wrong, and the parties disagree on who would have won if the case had gone to trial, or how much a jury would have awarded if it had found in favor of the funeral directors, trustees, or pre-need customers.
- The parties have agreed to settle the lawsuits now, rather than continuing on with litigation that may take years to resolve. Please read this notice carefully. Your legal rights are affected whether you act or don't act.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:		
<b>Do Nothing</b>		If eligible, a payment from the settlement may be made for your preneed contract.
<b>Exclude Yourself</b>	<b>Deadline: May 25, 2012</b>	You can pursue your own lawsuit relating to the legal claims in this case, at your own expense.

<b>Object</b>	<b>Deadline: May 25, 2012</b>	You can write to the Court if you don't like the settlement and want to object to it going forward.
<b>Attend the Hearing</b>	<b>June 12, 2012 at 9:00 a.m.</b>	You can ask to speak in Court about the fairness of the settlement.

These rights and options are explained in more detail in this notice.

The Court in charge of this case still has to decide whether to approve the settlement. Certain payments can only be made if the Court approves the settlement and after any appeals are resolved. This will take time and you will need to be patient as this process is completed.

## **BASIC INFORMATION**

### **1. Why did I get this notice?**

You are the seller of a pre-need contract, the provider of funeral services named in a pre-need contract, or the trustee of a pre-need funeral trust account that may be affected by a class action settlement. The Court sent you this notice because you have a right to know about the proposed settlement of lawsuits involving the IFDA Pre-Need Trust, and about your options, before the Court decides whether to approve the settlement. This notice explains the lawsuits that are involved, the settlement, your legal rights, what benefits are available, who is eligible to receive them, and how to get them.

***Before you read any further, please understand that nothing in this notice or in the proposed settlement changes the terms of the pre-need contracts between funeral directors and their customers.***

The Court in charge of the cases is the United States District Court for the Southern District of Illinois. The judge is the Honorable G. Patrick Murphy. The settlement was reached in the three cases listed below. Because all three of the cases involve the IFDA Pre-Need Trust, they were consolidated before the same judge under one case number: Case No. 3:09-cv-00390-GPM-DGW. Although the settlement was reached in these cases, it is intended to resolve ALL pending litigation and potential claims involving the IFDA Pre-Need Trust.

- In *Clancy-Gernon Funeral Homes, Inc., et al. v. Merrill Lynch Pierce, Fenner & Smith, Inc.*, a group of funeral directors (Clancy-Gernon Funeral Homes, Inc., Ltd., Aaron Todd Dean d/b/a Bass Patton Dean Funeral Home and Toberman-Dean Funeral Home, Fred C. Dames Funeral Homes, Inc., McCracken-Dean Funeral Home, Inc., Knapp Funeral Homes, Inc., John G. Adinamis Funeral Director Ltd., and L.R. Osborn & Son Funeral Home) sued IFDA's former financial advisors (Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Life Agency Inc., Edward L. Schainker, Paul W. Felsch, and Mark A. Summer), IFDA's former lawyers (Sorling, Northrup, Hanna, Cullen & Cochran, Ltd. And Mark K. Cullen) and Merrill Lynch Bank & Trust Co., FSB, the former trustee of the IFDA Pre-Need Trust.
- In *Pettett Funeral Home, Ltd. v. Merrill Lynch Pierce, Fenner & Smith, Inc.*, Pettett Funeral Home sued IFDA's former financial advisors (Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Life Agency Inc., Edward L. Schainker, Paul W. Felsch, and Mark A. Summer) and Merrill Lynch Bank & Trust Co., FSB, the former trustee of the IFDA Pre-Need Trust.
- In *Underwood v. IFDA Services, Inc.*, pre-need customers Charles and Marilyn Underwood sued IFDA and I.F.D.A. Services, Inc., certain of IFDA's former officers and directors, and IFDA's former financial advisors (Merrill Lynch, Pierce, Fenner & Smith Incorporated. and Edward L. Schainker).

## 2. What are the lawsuits about?

**Allegations against IFDA.** In their lawsuit, pre-need customers claimed that IFDA and its former officers and directors breached their fiduciary duties by improperly investing pre-need funds deposited in the IFDA Pre-Need Trust. The pre-need customers also claimed that, over the years, IFDA paid an inflated rate of return on money invested in both the Taxable and the Tax-Exempt Trusts and concealed the fact that the Trusts were experiencing deficits. IFDA and its officers and directors deny that they did anything wrong.

**Allegations against IFDA's former financial broker.** In the lawsuits, both funeral directors and pre-need customers claimed that Merrill Lynch, IFDA's former stock broker and alleged investment advisor, and certain of its employees, advised IFDA to invest Tax-Exempt Trust funds in Variable Universal Life (VUL) insurance policies taken out on the lives of some funeral directors who were members of IFDA. Funeral directors also alleged that there was no actuarial match between the VUL policies and the money needs of the Tax-Exempt Trust. The funeral directors claimed that the VUL policies were an inappropriate investment for the Tax-Exempt Trust and were illegal under Illinois law. Merrill Lynch denies these allegations or that it did anything wrong.

**Allegations against IFDA's former lawyers.** In their lawsuit, certain funeral directors additionally claimed that Mark Cullen and the law firm Sorling, Northrup, Cullen & Cochran, Ltd., IFDA's former lawyers, improperly advised IFDA to purchase the VUL policies with Tax-Exempt Trust funds and to hold on to them when they should have been cashed out. The lawyers deny that they did anything wrong.

**Allegations against the successor trustee.** In their lawsuit, certain funeral directors additionally claimed that Merrill Lynch Bank & Trust Co., FSB (MLTC), the bank that took over as successor trustee of the IFDA PreNeed Trust in late 2008, should have cashed in the VUL policies sooner, rather than waiting until they were not worth as much. The funeral directors also claimed that the trust agreement under which MLTC became successor trustee was not in the funeral directors' best interests and protected other Merrill Lynch entities, and that the funeral directors signed the trust agreement under duress. MLTC denies these allegations or that it did anything wrong.

**Defendants' Positions on the Lawsuits:** The defendants deny the truth of the funeral directors' allegations made against them, assert that there are strong factual and legal defenses to all of the plaintiffs' claims, and believe that the lawsuits against them are without merit.

## 3. Why is this a class action?

In a class action, one or more people called class representatives sue on behalf of other people who have similar claims. The people with similar claims make up the class and are known as class members. When a class action case is settled or goes to trial, it resolves the case for all of the class members, except for those who choose to exclude themselves from the class. This is easier for everyone than having hundreds or thousands of separate lawsuits. The plaintiffs who brought the cases are asking to be class representatives for two classes: the Consumer Class and the Provider and Trustee Class. They are also asking the Court to approve the settlement.

## 4. Why is there a settlement?

A settlement is a compromise. The Court did not decide in favor of the plaintiffs or the defendants. Although the plaintiffs think they could have won if the cases went to trial, the defendants do not believe the plaintiffs would have won anything. The plaintiffs also understand that the defendants had legal arguments that could have prevented the plaintiffs from winning. For example, in Illinois, certain legal claims must be brought within 3-5 years. Some of the things that went wrong with the IFDA Pre-Need Trust happened many years ago. Defendants said that the plaintiffs' claims were too old, and should be barred by the statute of limitations.

Even if the plaintiffs won and a jury said the defendants had to pay money, some of the defendants did not have that much money to pay. Another court in Illinois already found that the insurance company that provided IFDA with liability insurance for its directors and officers, for example, did not have to pay for any of the claims raised in this case. This meant that IFDA did not have very much money to pay, even if plaintiffs had won.

It also could have taken another year for the class action cases to go to trial and another year or more on top of that for any appeals to be resolved. Instead of going to trial, both sides agreed to a settlement. This way, all of the people affected will get compensation sooner.

## 5. Why do the plaintiffs and their lawyers think the settlement is a good thing?

Certain Plaintiffs and their lawyers are the ones who investigated the problems surrounding the IFDA Pre-Need Trust and helped to bring those problems to the public's attention through the lawsuits they filed. Some of these funeral directors fought to protect the rights and interests of funeral homes and directors when the Illinois Department of Insurance (DOI) settled its investigation of MLLA. Plaintiffs and their lawyers have investigated the problems surrounding the Trust for years. They have reviewed millions of pages of documents and have heard testimony from key witnesses. They fully support the settlement because they think it is the best outcome for all class members and because it finally brings these matters to a conclusion.

## WHO IS IN THE SETTLEMENT?

To see if you will get money from the settlement of the lawsuits, you must decide if you are a class member.

## 6. How do I know if I'm part of the settlement?

The court decided that everyone who fits the following description is a member of the Provider and Trustee Class:

### *All Sellers, Providers and Trustees for Affected Pre-Need Contracts.*

- The terms "Seller", "Provider", and "Trustee" are defined in the Illinois Funeral and Burial Funds Act.
  - "Provider" means "a person who is obligated for furnishing or performing funeral services or the furnishing or delivery of any personal property, merchandise, or services of any nature in connection with the final disposition of a dead human body."
  - "Seller" means "the person who sells or offers to sell the pre-need contract to a purchaser, whether funded by a trust agreement, life insurance policy, or tax-deferred annuity."
  - "Trustee" means "a person authorized to hold funds under this Act."
- "Affected Pre-Need Contract" means any Pre-Need Contract that was written down to resolve the deficit in the IFDA Pre-Need Trust (the one-time adjustment recorded in the records of IFDA on October 29, 2008 that was made to the then current principal and/or to the then current interest for certain Pre-Need Contracts with funds on deposit in the IFDA Pre-Need Trust).

## WHAT IF I AM A TRUSTEE?

## 7. Why are Trustees in the same class with funeral directors?

In order to obtain a complete settlement of claims surrounding the IFDA Pre-Need Trust, possible claims by successor trustees are resolved as part of the settlement. Regions Bank, a trustee, assigned its claims to the funeral director plaintiffs to pursue on its behalf, and on behalf of all other trustees. If the settlement is approved, trustees will be barred from pursuing further litigation relating to the Trust.

If you do not exclude yourself from the settlement, you may receive payments for pre-need accounts for which you serve as trustee. If any of the accounts for which you are a trustee is designated to receive funds pursuant to this Settlement, you will receive instructions from the Settlement Administrator relating to the payment of those funds. Your assistance may be needed to provide information to the Settlement Administrator so that it can locate the accounts that are eligible to receive payments from the settlement. You should cooperate with the Settlement Administrator so this can happen.

## WHAT BENEFITS DOES THE SETTLEMENT PROVIDE?

### 8. What does the settlement provide?

Payments are being made by or on behalf of the defendants listed below, totaling \$41,150,000.

Defendant(s)	Amount Contributed
<u>IFDA'S FORMER FINANCIAL ADVISORS AND BROKERS:</u> <ul style="list-style-type: none"> <li>• Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</li> <li>• Merrill Lynch Life Agency Inc.</li> <li>• Merrill Lynch Bank &amp; Trust Co., Fsb</li> <li>• Edward Schainker</li> <li>• Mark Summer</li> <li>• Paul Felsch</li> </ul>	\$37,400,000.00 (includes amounts distributed through ISD Settlement)
<u>IFDA'S FORMER LAWYERS:</u> <ul style="list-style-type: none"> <li>• Sorling, Northrup, Hanna, Cullen &amp; Cochran, Ltd.</li> <li>• Mark Cullen</li> </ul>	\$1,750,000.00
<u>IFDA:</u> <ul style="list-style-type: none"> <li>• Illinois Funeral Directors Association</li> <li>• IFDA Services, Inc.</li> </ul>	\$2,000,000.00
<b>TOTAL</b>	<b>\$41,150,000.00</b>

As a precondition to this settlement, Merrill Lynch, Pierce, Fenner & Smith Incorporated was required to enter into a Stipulation and Consent to settle an investigation by the Illinois Securities Division (ISD) of the Illinois Secretary of State which provided that Merrill Lynch would pay \$25,900,000 (the "ISD Fund"). The money that makes up the ISD Fund will be distributed by an independent Settlement Administrator to and on behalf of members of the Consumer and Provider and Trustee Classes even if you opt out of this settlement. If the Court approves the settlement, the remaining \$15,250,000 will also be given to the Settlement Administrator to be distributed to members of the Consumer and Provider and Trustee Classes who do not opt out and to pay for attorneys' fees, administration expenses, and the costs of the litigation. How the money will be distributed is described in more detail below.

Please remember that the \$41,150,000 discussed in this settlement notice is in addition to the \$18,000,000 that already was paid to funeral directors and others in January 2011 through the DOI. Lawyers for some of the funeral directors filed a separate lawsuit against the DOI to make sure that funeral directors did not have to surrender their legal rights in order to receive payments from the \$18 million. The lawyers also have worked with the current Comptroller for the state of Illinois to help funeral directors understand the legal status of the \$18 million. The lawyers are not asking to get paid for this work.

## 9. Does the settlement provide any other benefits besides money?

Yes. One of the terms of the settlement is a mutual release of liability. If you stay in the settlement and it is approved by the Court, you will give up your legal claims against certain other parties, including the Defendants. In exchange, other parties, including the members of the Consumer class, will give up their legal rights against you. This means that any pre-need consumer that does not exclude himself or herself from the settlement will not be able to sue you in the future regarding the events surrounding the IFDA Pre-Need Trust. As stated above, however, this does not change the terms of any pre-need contract.

## 10. How will the money be distributed?

The Settlement Administrator will first calculate payments from the \$25,900,000 ISD Fund. It will then calculate payments for the rest of the money (referred to in the Settlement Agreement as the Qualified Settlement Fund, or QSF). The way the money will be distributed is a little different depending on which fund it comes from. The plan takes into consideration all of the different groups that should be compensated under the settlement. Plaintiffs and their lawyers believe this distribution plan is fair and reasonable.

The ISD Fund benefits all Tax-Exempt Trust accounts that were subject to the write down adjustment and were not closed on death before July 31, 2010. This includes three types of accounts: (1) accounts that are still active, (2) accounts that were closed by request of a pre-need customer (whether he or she was listed as the purchaser or beneficiary under the contract) at any time after the write down adjustment, and (3) accounts that were closed by death after July 31, 2010.

The ISD Fund does not compensate Taxable Trust accounts or funeral directors that performed funerals for Tax-Exempt Trust accounts between October 29, 2008 (the day the account values were “written down” to resolve the deficit) and July 31, 2010. It also may not fully compensate pre-need customers who closed their contracts by request and experienced a net loss of principal. To make up for this, the parties agreed that any money distributed from the QSF should go toward compensating these groups.

### ISD Fund

The ISD Fund is intended to benefit all pre-need accounts deposited in the Tax-Exempt Trust that were subject to the write down and were not terminated by death before July 31, 2010.

#### 1. ELIGIBLE ACCOUNTS WILL BE IDENTIFIED.

The Settlement Administrator will identify all accounts that (1) were subject to the October 29, 2008 write down adjustment and (2) were NOT terminated by death prior to July 31, 2010

#### 2. EACH ACCOUNT’S PROPORTIONATE SHARE WILL BE CALCULATED.

For each account identified above, the Settlement Administrator will determine the account’s proportionate share of any distribution based on the account’s balance as of October 28, 2008 (just before the accounts’ value was “written down”)

#### 3. EACH ACCOUNT’S PROPORTIONATE SHARE WILL BE CALCULATED.

The Settlement Administrator will divide up the \$25,900,000 ISD Fund among the identified accounts based on each account’s proportionate share.

## ISD Fund

### 4. PAYMENT WILL BE MADE TO TRUSTEES OR FUNERAL DIRECTORS, DEPENDING ON THE CURRENT STATUS OF THE ACCOUNT.

For each account identified above that still exists and for which a current trustee can be found, the Settlement Administrator will pay that account's proportionate share to the current trustee, and will provide the trustee with instructions regarding how much money each of its accounts should receive.

For each account identified above that no longer exists or for which a current trustee cannot be found, the Settlement Administrator will pay the account's proportionate share to the provider for the contract to be held in trust or distributed in accordance with the contract and the provisions of the Burial Funds Act.

## QSF

The QSF is intended to benefit class members not already compensated by the ISD Fund.

### AFTER PAYMENT OF ATTORNEYS FEES, ADMINISTRATIVE AND LITIGATION EXPENSES, THE QSF WILL BE DISTRIBUTED AS FOLLOWS:

#### 1. \$500,000 Will be Made Available for Taxable Trust Accounts

***Payments to the Consumer Class:*** For Taxable Trust accounts that were written down, the Settlement Administrator will identify any pre-need consumers who canceled their contracts by request and withdrew their pre-need funds. The Settlement Administrator will then determine if any of those consumers experienced a net loss of principal (payments made to the consumer from the Taxable Trust are less than the total of all principal payments made during the account's existence). The Settlement Administrator will pay each of those consumers an amount that attempts to make up for any net loss of principal. Payments will be sent to the provider to forward on to the consumer.

***Payments to the Provider and Trustee Class:*** For Taxable Trust accounts that were written down, the Settlement Administrator will next identify each account that (a) still exists, or (b) was terminated by death after October 29, 2008. For each account it identifies, the Settlement Administrator will determine the account's proportionate share of the distribution based on the account's balance as of October 28, 2008 (just before the accounts' values were "written down"). The rest of the \$500,000 set aside for Taxable Trust accounts will be de divided up among the accounts identified and paid to the trustee (for existing accounts) or funeral home (for accounts terminated by death) based on the account's proportionate share. These funds will be handled in accordance with the pre-need contracts associated with the accounts.

#### 2. Money Will Be Made Available for Tax-Exempt Trust Accounts

***Payments to the Consumer Class:*** For Tax-Exempt Trust accounts that were written down, the Settlement Administrator will identify any pre-need consumers who canceled their contracts by request and withdrew their pre-need funds. The Settlement Administrator will then determine if any of those consumers experienced a net loss of principal (the sum of payments made to the consumer from the Tax-Exempt Trust and the ISD Fund are less than the sum of all payments made to a purchaser or beneficiary of the pre-need contract). For each of those contracts, the Settlement Administrator will pay an amount sufficient to make up for any net loss of principal. Payments will be sent to the funeral home to distribute in accordance with the pre-need contract and the Burial Funds Act.

***Payments to the Provider and Trustee Class:*** For Tax-Exempt Trust accounts that were written down, the Settlement Administrator will next identify each account that was closed on death after October 29, 2008 and before July 31, 2010. For each account it identifies, the Settlement Administrator will determine the account's proportionate share of the distribution based on the account's balance as of October 28, 2008 (just before the accounts' values were "written down"). All remaining funds in the QSF will be de divided up among the accounts identified above and paid directly to the funeral homes based on the account's proportionate share. These funds will be handled in accordance with the pre-need contracts associated with the accounts.

Plaintiffs and their lawyers believe that this is a fair and reasonable allocation of the settlement money. Their investigations revealed that there were real concerns about whether existing pre-need trust accounts would provide enough money for funerals to be performed in the future. The majority of the ISD Fund is devoted to putting money back into active accounts where it can earn interest until it is needed. By devoting the QSF to Taxable accounts and to Tax-Exempt accounts that were closed because a funeral was performed or the contract was canceled by the consumer, money will also go to address other losses.

The money provided by this settlement and ISD Fund is in addition to the \$18 million that has already been distributed by the DOI. If you add them together you get a total recovery of \$59,150,000. Plaintiffs and their lawyers believe that this is a substantial recovery under very difficult circumstances. It would take years for the case to be tried to a jury and there is no guarantee that plaintiffs would win against any or all of the defendants, or that the defendants who were found liable would have the resources to pay a judgment. Even if plaintiffs did win, there likely would be an appeal. Rather than take these risks, plaintiffs and their lawyers believe that it is in the best interest of the class to agree to the settlement.

***Plaintiffs and their lawyers recommend that you remain in and support the settlement.***

## **11. Why Isn't that Much Money Being Paid for the Taxable Trust?**

Plaintiffs and their lawyers believe that the \$500,000 set aside to address losses to the Taxable Trust is fair and very reasonable given the circumstances. The value of the Taxable Trust was written down by only about \$4.7 million, compared to the Tax-Exempt Trust, which was written down by an estimated \$71.4 million. The Taxable Trust also was never invested in the VUL life insurance policies. As such, Plaintiffs and their lawyers believe that the case against defendants was much stronger for losses suffered by the Tax-Exempt Trust.

## **HOW WILL PAYMENTS BE MADE?**

### **12. How will payments be made?**

Two payments will be calculated: one from the ISD Fund and one from the QSF. If the Court approves the settlement, the current plan is for the payments to be made at the same time. If you meet the criteria, you and/or your account(s) may be eligible to receive a payment from the ISD Fund, the QSF, or both. *You do not need to do anything to receive these benefits.* However, if the purchaser, beneficiary, funeral director or trustee associated with a pre-need contract chooses to exclude himself or herself from the settlement, no one associated with that pre-need contract will receive a payment from the QSF for that pre-need contract.

You do not need to submit a claim for a payment to be made for your pre-need contracts. The Settlement Administrator has all of the information required to make the payments described in this Notice automatically. By not requiring class members to fill out any paperwork in order to receive their benefits, it greatly reduces the administrative costs of the settlement, leaving more money to distribute.

### 13. When will payments be made?

Information will be made available about the timing of payments, as it becomes available, on the settlement website listed at the end of this notice.

Judge Murphy will hold a hearing on June 12, 2012 at 9:00 a.m. to decide whether to approve the settlement. If he approves the settlement and there are no appeals, money could be distributed within 60 days. If there is an appeal, it may take more time, perhaps over a year. You will be informed about the progress of the settlement through the settlement website and by the lawyers representing the classes.

## WHAT AM I GIVING UP IF I STAY IN THE CLASS?

### 14. What am I giving up to stay in the Class and get a payment?

Unless you exclude yourself, you will remain a member of the Provider and Trustee Class. This means that all of the Court's orders will apply to you and legally bind you and you will be entitled to the benefits described in this Notice. It also means that you can't be part of any other lawsuit relating to the IFDA Pre-Need Trust against the following people or companies, including any of their affiliated companies:

- IFDA, IFDA Services, Inc. and all current and former employees, officers, and directors of IFDA and/or IFDA Services, Inc., including but not limited to the following individuals: Robert W. Ninker, Paul G. Dixon, Kevin Burke, Rob Konzelmann, James D. Bosma, Geoffrey W. Hurd, Charles S. Childs, Jr., Brent M. Davis, Derek S. Johnson, Jack R. Kynion, King Sutton, Randall L. Earl, David M. McReynolds, Dennis R. Davison, Richard D. Yurs, Eric R. Trimble, Chris Wooldridge, Donald Henderson, Steven Dawson, Michelle Harrison, Michael Sayles, Vickie Diedrich, and Linda Allen;
- Mark Cullen and Sorling, Northrup, Hanna, Cullen & Cochran, Ltd.;
- Merrill Lynch, Pierce, Fenner & Smith Incorporated, Merrill Lynch Life Agency Inc., Merrill Lynch Bank & Trust Co. FSB, Merrill Lynch & Co., and Transamerica Life Insurance Company, formerly known as Merrill Lynch Life Insurance Company, Edward Schainker, Mark Summer and Paul Felsch.

## WHAT IF I DON'T WANT TO BE A PART OF THE SETTLEMENT?

If you don't want a payment from the QSF and you want to keep the right to sue or continue to sue any of the people or companies listed above on your own regarding the IFDA Pre-Need Trust, then you must take steps to get out of the class. This is called excluding yourself or "opting out," of the settlement. If you opt out, you can pursue, at your own expense, claims against any of the defendants. If you want to do this, remember, defendants have reserved the right to assert any available legal defenses against you.

### 15. How do I get out of the settlement?

If you do not want to receive benefits from the QSF and would rather pursue a lawsuit on your own, at your own expense, you must mail a letter saying that you want to be excluded from the case called *Underwood v. IFDA Services, Inc., et al.* Be sure to include the name of your business, its address, its telephone number, and your title and signature. You must also identify each Affected Pre-Need Contract for which you act as a Seller, Provider or Trustee and state what your role is with respect to each contract. Your decision to opt out of the Class Action Settlement will not affect whether a payment from the ISD Consent Order is made for your pre-need contracts. You must mail your exclusion request, **postmarked no later than May 25, 2012** to:

IFDA Trust Settlement Exclusions  
PO Box 2995  
Portland, OR 97208-2995

If you ask to be excluded, you will not get a payment from the OSF, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit and can pursue claims, at your own expense, against any of the defendants. You will also not benefit from a release of claims against you by pre-need consumers. This means that, in the future, one of your pre-need customers could potentially sue you regarding the handling of funds that were invested in the IFDA Pre-Need Trust.

#### 16. If I don't exclude myself, can I bring a lawsuit for the same thing later?

No. Unless you exclude yourself, you give up any right to sue the people or companies listed above for the claims that this settlement resolves. If you have a pending lawsuit involving the IFDA Pre-Need Trust, you should speak to your lawyer immediately. You must exclude yourself from *this* class to continue your own lawsuit. Remember that, if you do so, you will be turning down the benefits provided for in this settlement in favor of pursuing your own case, at your own expense, against defendants. **The exclusion deadline is May 25, 2012.**

#### 17. If I exclude myself, will it have any effect on others who might be entitled to money?

Possibly. *If you exclude yourself from the settlement, money that would otherwise be put in your customers' trust accounts may be withheld from them.* If you are thinking about excluding yourself from the settlement, please think carefully about the consequences and about all of your options. If you have questions about this, you can contact the Settlement Administrator or the lawyers for the Provider and Trustee Class. Their information is listed at the end of this notice.

## ARE THERE LAWYERS REPRESENTING ME?

#### 18. Do I have a lawyer in this case?

The Court asked the following law firms to represent you and other members of the Provider and Trustee Class.

- Wexler Wallace LLP in Chicago, IL;
- Williams Montgomery & John Ltd. in Chicago, IL; and
- Dowd & Dowd, P.C. in St. Louis, MO
- The Driscoll Law Firm, P.C. in St. Louis, MO

These lawyers are called Class Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

#### 19. How will the lawyers be paid?

Years ago, when Class Counsel agreed to file lawsuits on behalf of the funeral directors and consumers, they agreed to do so on a contingency basis. This means that they agreed they would only be paid if the class received money, and would be paid a percentage of that money. Since then, Class Counsel have investigated, filed and worked on a number of cases in different courts around the State of Illinois to restore the IFDA Pre-Need Trust. In doing so, Class Counsel went up against over a dozen law firms representing the defendants, devoted tens of thousands of hours of their time and incurred expenses of more than \$1 million. While Class Counsel could have asked for a fee award of one-third, or 33 1/3% of the benefits being paid, they have agreed to reduce their fee request to only 28 % of the benefits being paid.

Additionally, although certain funeral homes and their lawyers devoted significant time and money to the case that was filed against the DOI to insure that funeral directors and consumers did not give up any rights in order to receive the \$18 million from the DOI settlement, Class Counsel *have not received and will not seek any fees from the \$18 million.*

Class Counsel also will ask the Court to approve payments to each of the funeral homes that brought this case to reimburse them for the money they personally spent investigating the case. The funeral directors have elected not to receive any additional payments beyond their out-of-pocket expenses. The amount the lawyers get paid and the amounts that the class representatives are reimbursed is completely up to the Court and the Court may award less than the amounts requested. The defendants have agreed not to oppose the requests for these fees and expenses.

## CAN I OBJECT TO THE SETTLEMENT?

You can tell the Court that you don't agree with the settlement or some part of it.

### 20. How do I tell the Court that I don't like the Settlement?

If you are a class member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the settlement in the case called *Underwood v. IFDA Services, Inc., et al.* Be sure to include the name of your business, its address, its telephone number, your title and signature, and the reasons you object to the settlement. You must mail a copy of your written objection to each of the three places listed below, **postmarked no later than May 25, 2012.**

Court	Class Counsel	Defense Counsel
Clerk of the Court United States District Court for the Southern District of Illinois 301 West Main Street Benton, IL 62812	Edward A. Wallace Wexler Wallace LLP 55 West Monroe Street Suite 3300 Chicago, IL 60603	Peter E. Cooper Lawrence, Kamin, Saunders & Uhlenhop LLC 300 S. Wacker Drive, Suite 500 Chicago, IL 60606

### 21. What's the difference between objecting and excluding?

Objecting simply tells the Court that you don't like something about the settlement. You can object only if you stay in the class. Excluding yourself or opting out is telling the Court that you don't want to be part of the class. If you exclude yourself, you have no basis to object because the settlement no longer affects you.

### 22. What will happen if there are objections to the Settlement?

The Court will listen to any objections and take them into consideration when it decides whether or not to approve the Settlement. ***If there are no objections or appeals the Court could approve the Settlement sooner and all of the money could be distributed sooner.*** If there are appeals, distribution of money from the QSF could be delayed for a year or more.

## THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to do so.

### 23. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at **9:00 a.m. on June 12, 2012**, at the United States District Court for the Southern District of Illinois, 750 Missouri Avenue, East St. Louis, IL 62201. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. The Court will consider all objections and Judge Murphy will listen to people who have asked to speak at the hearing. After the hearing, Judge Murphy will decide whether to approve the settlement. We do not know how long his decision will take.

## 24. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Murphy may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it if you don't want to. As long as you mailed your written objection on time, the Court will consider it. You may also ask your own lawyer to attend, at your expense, but it is not required.

## 25. May I speak at the hearing if I want to?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter in advance saying that it is your "Intention to Appear at the Fairness Hearing in *Underwood v. IFDA Services, Inc., et al.*" Be sure to include the name of your business, its address, telephone number, your title and signature. You must mail a copy of your Notice of Intent to Appear to each of the three places listed below, **postmarked no later than May 18, 2012.**

Court	Class Counsel	Defense Counsel
Clerk of the Court United States District Court for the Southern District of Illinois 301 West Main Street Benton, IL 62812	Edward A. Wallace Wexler Wallace LLP 55 West Monroe Street Suite 3300 Chicago, IL 60603	Peter E. Cooper Lawrence, Kamin, Saunders & Uhlenhop LLC 300 S. Wacker Drive, Suite 500 Chicago, IL 60606

## WHAT IF I DO NOTHING?

### 26. What will happen if I do nothing at all?

If you do nothing, you will remain a part of the class and will receive the benefits outlined in this notice and in the Settlement Agreement. If the settlement is approved, payments will be made from the QSF on behalf of eligible pre-need contracts where the Trustee, Seller, Provider, Purchaser and Beneficiary associated with the contract did not exclude themselves. By remaining in the class, you will become bound by the settlement and will give up any right to sue the people or companies listed above for claims relating to the IFDA Pre-Need Trust.

## HOW CAN I GET MORE INFORMATION?

### 27. You can visit the settlement website.

This notice summarizes the proposed settlement. More details can be found in the Settlement Agreement. You can get a copy of the Settlement Agreement by visiting [www.IFDATrustSettlement.com](http://www.IFDATrustSettlement.com), where you will also find court documents relating to the settlement and answers to **Frequently Asked Questions**.

### 28. You can speak to someone on the telephone.

You can also call and speak to the Settlement Administrator at (888) 287-4047, or leave a message for the lawyers representing the Provider and Trustee Class at (312) 261-4541. They will return all calls as soon as possible, in the order that they are received. The lawyers will be updating the answers to the Frequently Asked Questions on the settlement website regularly, so please be sure to review them to see if your question has already been answered before you call.