

Court approves funeral trust settlement

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More than half of the 180 Wisconsin funeral homes stuck with contracts in the investment-challenged Wisconsin Funeral Trust have signed on to a settlement that promises full funeral services to consumers who bought those contracts, the court-appointed receiver for the trust said Tuesday.

Milwaukee lawyer [John Wirth](#) expects all of the funeral homes to eventually sign on, as the settlement — approved Monday in Dane County Circuit Court — releases the businesses from further liability.

Christopher Stroebel, lawyer for the funeral home directors, said the settlement “is going to make it much easier for (Wirth) to focus on what he needs to do ... resolve the issues involving the trust.”

The settlement assures consumers will get their already-paid-for funerals and funeral homes will meet their obligations. Wirth updated the numbers Tuesday, saying 96 out of 180 funeral homes had signed on, representing 7,297 out of 10,827 contracts with the trust and \$46.46 million out of the trust’s \$67.2 million in liabilities.

According to an interim report delivered to the court Monday, Wirth has agreed to preliminary settlements with prospective defendants totaling more than \$10.3 million. That total could reach up to \$12 million or more, Wirth said, depending on the results of continuing negotiations. His interim report noted that information on who pays how much to settle will be kept secret, though the defendants will eventually be identified. Such a promise can speed up a settlement when time is money, as is the case here, he said.

Stroebel said funeral homes have “been stuck in the middle” of the issue that surfaced last fall when state investigators uncovered numerous financial irregularities in the administration of the Wisconsin Funeral Trust, which sold advance-need funeral service packages to thousands of consumers via members of the Wisconsin Funeral Directors Association. The trust was millions short of its investment projections. Wirth froze the trust, fired administrators, removed investment advisers and even sold a life insurance company owned by the trust.

The funeral homes, which have until the end of September to sign on to the settlement, “still pay a price for peace,” Stroebel said, “but they are in a real sense bridging the gap to make this work.”

Wirth agreed, but added it was their legal obligation to make good on the contracts, which guaranteed relatively high investment returns.

The receiver’s website, www.wisconsinfuneraltrust.org, should by the end of this week include lists of the funeral homes that have signed on and those that have not, Wirth said.

