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DANE COUNTY CIRCUIT COURT

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May 14, 2015

The Honorable Peter C. Anderson
Circuit Court Judge, Branch 17
Dane County Courthouse
215 South Hamilton Street, Room 6103
Madison, Wisconsin 53703-3290

Dear Judge Anderson:

RE: RECEIVER'S FINAL REPORT
In re WFT Liquidating Trust,
Case No. 12-CX-44

I am submitting this as my final report as receiver for WFT Liquidating Trust f/k/a Wisconsin Funeral Trust (the "Trust").

As the Court is aware, I was appointed receiver on September 14, 2012 on an interim basis by petition of the Wisconsin Department of Financial Institutions (the "WDFI") pursuant to Wisconsin Statutes Section 551.603(2)(b)1. On October 24, 2012, the Court entered permanent injunctions and appointed me as receiver over the Trust and certain rights and assets of the Wisconsin Funeral Directors Association, Inc. (the "WFDA"). The Court is well-aware of the procedural history of this case, so I will not devote much of this report to reciting the basis for the receivership or the history of the various hearings and court proceedings.

One goal guided each decision I made as receiver: ensuring that every consumer-depositor receives the full benefit of his or her burial contract. Wisconsin's burial agreement statute, Wisconsin Statutes Section 445.125, was created to achieve that goal, and that goal was the foundation upon which the state commenced this receivership. In working to achieve that goal, however, I was always mindful that funeral homes are the beneficiaries of the Trust, and I needed to be mindful of the ramifications of my decisions on participating beneficiary funeral homes. Not only are the participating funeral homes the legal beneficiaries of the Trust, but I could not protect consumer-depositors unless I also ensured that the Trust's financial problems did not destabilize or bankrupt the participating beneficiary funeral homes.

The Court approved the new investment policy on October 14, 2013.

The Trust has increased in value by in excess of \$3.2 million from interest, dividends, realized and unrealized gains and losses from the sale of investments and accrued income.

(e) Adjustment of Accrued Interest. Commencing in 2008, the Trust inappropriately credited interest to accounts at a rate higher than the contractually-obligated rate promised to consumer-depositors. This over-accrual of interest exacerbated the Trust's financial problems by approximately \$1.83 million. With my tax advisors and the administrator, I formulated a plan that reduced the balances of these accounts by temporarily offsetting future interest accruals. The Court approved this plan on September 25, 2014.

FINAL PLAN

8. Reorganize the Trust for the Future.

A considerable effort has been devoted to ensure that, when the receivership ends, the Trust will be appropriately structured to maximize the return to its beneficiary funeral homes safely and conservatively, while fully protecting consumer-depositors.

(a) Proposed Trust Agreement. 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. It mandates appropriate investments.

The proposed Trust Agreement incorporates and clarifies the decisions and agreements made throughout these receivership proceedings, including the settlement agreements that protect consumer-depositors.

The Trust Agreement will require the ongoing public dissemination of the Trust's performance and operations. The Trust Agreement allows for a funeral director representative to observe, but not participate in, meetings at which primary decisions will be made.

(b) Management of the Trust. The 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 three-person board that oversees the Trust. The board will provide oversight of the trustee, the administrator, and the investment advisor.