



Sue Simon – Editor
 2230 E. Bradford Ave., #H
 Milwaukee, WI 53211
 Phone (800) 556-5866
 FAX (414) 962-2197
 susanksimon@aol.com

Funeral Monitor

Subscription Office
 761 Lighthouse Ave #A
 Monterey, CA 93940
 Phone (800) 453-1199
 FAX (831) 657-9137
 info@funeralmonitor.com
 www.funeralmonitor.com

Ron Hast – Publisher
 Phone (800) 766-4278
 FAX (415) 435-7415
 RonHast@aol.com

Subscribers may receive the Funeral Monitor early via email at no extra charge. Details at www.funeralmonitor.com.

February 28, 2005

Volume 14, Number 9

Details Sparse, But Wachovia Owns Up to Being CFF's Trustee (Perhaps in Name Only)

At the urging of a consumer watchdog in Massachusetts, for the past month I've been trying to verify the existence of **Cooperative Funeral Fund's** \$180 million funeral trust from eight states invested solely in zero coupon bonds. It's not been easy. **Mark Mannix**, the fund's founder and investment adviser, has put me on what must be his personal do-not-call/email list, and Wachovia Bank trustmeisters from New Jersey to Miami – friendly and accommodating as can be – have no knowledge of what I'm talking about. Understandable, one guesses, for a company with 100,000 employees.

My due diligence paid off yesterday morning, however, when I received a call from Elizabeth Hodges at Wachovia's corporate world headquarters in Charlotte, North Carolina. Or at least sort of paid off.

"We're the trustee for that client," she said. "The escrow agent and trustee." My heart nearly burst through my chest, knowing I had finally connected with a person who could put hundreds of FHs' concerns to rest about the existence of the money backing tens of thousands of promises they'd made to consumers. But then she quit talking.

Is the \$180 million separated by the eight states in which CFF does business, or commingled into one chunk, apportioned among stripped Treasury bonds of varying maturities? She couldn't give details.

Is Wachovia the trustee for all of the funds, or just those from Massachusetts? That was private client information.

If Mannix is the investment adviser how can Wachovia have fiduciary responsibility as the trustee? She can't discuss that.

What she said she'd look into, however, is something that surely has a simple answer:

Also In This Issue...

- | | |
|--|---|
| • Too Late for Crocodile Tears.....3 | SCI Shareholders Get the Crumbs 5 |
| • Monitoring 4 | No Parole for Menoche on Second Try 6 |
| Inappropriate Coziness Between SCI and VFW 4 | Cost is a Four-letter Word 6 |
| Consider the Source 4 | • Just Your Plain, Old \$15,000 Funeral 6 |

Does Wachovia send funeral home owners a letter of receipt? Massachusetts regulations require:

Each time a licensed funeral establishment receives any funds in connection with any preneed funeral contract to which it is a party, that funeral establishment shall furnish to the buyer and the beneficiary (if different) written confirmation that such funds have been deposited in a funeral trust account or used to purchase a preneed insurance policy, not later than 30 days after the funds are received. Such written confirmation shall bear the signature of a duly authorized representative of the banking institution in which the funeral trust has been established...

Included in CFF's packet of sample letters and agreements is the following form letter to FH owners and signed by Mannix:

I am pleased to inform you that the individual trust agreement for [Mrs. XYZ] has been received by Cooperative Funeral Fund, Inc., and the funds are deposited with Wachovia Bank in the MA Funeral Services Escrow Account.

Per your instruction, this trust was

made irrevocable in the amount of \$5,000.00...

Confident I was about to smash the ball in-bounds at tremendous speed to Wachovia's side of the court, I asked the Big Question: "Is Mannix a duly authorized representative of Wachovia?"

Not so fast

You'd think with age and experience I'd have learned to not count my chickens; but not so. With trembling anticipation I opened this morning's email from Elizabeth. It was timely, polite, riddled with inappropriate capital letters more suitable to a legal document than an email, and (how else can I say it?) totally worthless:

As a party to Funeral Services Agreements among Wachovia, Cooperative Funeral Fund, Inc. and certain licensed Funeral Directors, Wachovia is governed by the terms of those Agreements. The Funeral Services Agreements specifically state that Wachovia "shall have no fiduciary responsibility." Instead, Purchasers enter into separate Pre-Need Agreements with the Funeral Directors, who provide directions to Wachovia. Purchasers may contact their Funeral Directors for information regarding both agreements.

FUNERAL MONITOR Subscription Office:

761 Lighthouse Ave., Suite A • Monterey, CA 93940
Toll-free (800) 453-1199

- Please enter new subscription. Payment is enclosed.
- Please send sample issue.

SUBSCRIPTION RATES:

- One year \$239 (Foreign \$265, U.S. Funds)
- Two years \$399 (Foreign \$439, U.S. Funds)

MC/Visa-Acct.# _____ Exp. _____

Signature _____

Dr. Mr. Ms. Mrs. _____

Organization _____

Address _____

City _____ State _____ Zip _____

Country _____ Telephone _____

Editor: Sue Simon

Publisher: Ron Hast

Associate Publisher: Allan Abbott

General Manager: Gregory Abbott

Communications: Ingrid Abbott

FUNERAL MONITOR (ISSN#1089-8212) is published weekly (except for Memorial Day week, Independence Day week, Labor Day week, and Christmas week) by Abbott & Hast Publications, Inc., 761 Lighthouse Avenue, Suite A Monterey, CA 93940. Copyright 2005 by Abbott & Hast Publications, Inc., (831) 657-9403. Single copies \$5 each, when available. Inquire for bulk reprinting rates. Abbott & Hast Publications, Inc. also publishes *Mortuary Management* magazine, monthly for funeral directors and funeral service industry. Visit our company website at www.funeralmonitor.com.

That's more than a non-answer; it's a red herring. What does she mean Wachovia is a "party" to the three-way agreement and has "no fiduciary responsibility"? If Wachovia doesn't have it, Mannix doesn't have it, and FDs don't have it; who does?

How can she say "FDs provide directions to Wachovia" when it's Mannix who directs the investments into zero coupon bonds, steers consumer deposits "through any Wachovia Bank branch," issues monthly statements to the FH *and* Wachovia, processes claims, and takes a maximum annual fee of 1.25 percent plus expenses? At which point do FDs even have *opportunity* to "provide directions to Wachovia"?

Furthermore, it's the funeral home owners, not the purchasers, who may have questions about the investment philosophy, authenticity, safety, and security of the monies directed through CFF to Wachovia to fund contractual promises. How are these owners supposed to do their due diligence if CFF is their only source of information?

No answer on whether Mannix is a "duly authorized representative of Wachovia," either. But hope still springs eternal. I've got Elizabeth's email address and the number of her direct telephone line. And I just clicked the "send" button that puts this ball back in her court.

Too Late for Crocodile Tears

If a tree falls in the forest and no one hears it, does it make a sound?

If a homeless veteran dies in a cardboard box under a freeway overpass, does he prefer a **Dignity** funeral to a pauper's grave? There's no telling, but the corporate and volunteer "patriots" who might have done more than secure their own tax cuts when he was alive, perhaps feel less guilty if they give him a "proper burial" when he's dead.

I'm sorry, but **Service Corp's** 21-gun-salute-to-itself over its partnership with the Veteran's Affairs Department to provide funerals for homeless veterans without friends or families goes beyond questionable PR to too little, too late.

"Harold Dean Harris died homeless and destitute in an abandoned building and might have gone to a pauper's grave if not for the military papers found in his wallet," reports the *Montana Standard* about a story originating from Dallas. "An Army veteran, he was buried Thursday with full military honors. No friends or

family came, and no old Army buddies swapped stories. But it was a soldier's farewell, the morning air broken by a 21-gun salute fired by a group of paralyzed veterans.

"Harris, 63, and another homeless Army veteran, Hayden Glyn Kresge, 53, were laid to rest at Dallas-Fort Worth National Cemetery because of a partnership between the VA and a nationwide funeral home network that has paid for military burials for more than 300 homeless vets over the past two years...Military officials could not immediately say where the two men served. Neither had relative or friends at their brief, back-to-back ceremonies. A few VA officials came to pay tribute, and a group of homeless men acted as pallbearers.

"Without you who came out on this cold day, these men would have had to go to their graves alone," said Cindy Simpson of Dignity Memorial Funeral Providers, the funeral home network.

"Disabled American Veterans chaplain