



**ILLINOIS FUNERAL TRUST PRE-NEED TRUST PROGRAM**  
*(For new pre-need funds)\*\**

To Illinois Funeral Directors:

Thank you for your interest in working with Fiduciary Partners, Inc. ("Fiduciary Partners") as the trustee for your customers' new pre-need funeral arrangements. The attached forms are for your use to participate in the *ILLINOIS FUNERAL TRUST PRE-NEED TRUST PROGRAM*, and establish accounts within the trust for your customer's new pre-need funeral funds.

Fiduciary Partners is a corporate fiduciary licensed to serve as a trustee in Illinois. We have partnered with IFDA Services, Inc., as servicing agent, and Genworth Financial Wealth Management, Inc., as investment manager, along with other professional service providers to create a comprehensive, unbundled approach to administer and invest the pre-need funeral trust funds.

We have attached instructions and forms that can be used by Illinois funeral directors to participate in this new program with Fiduciary Partners.

Should you have any questions relating to the trust, the transfer process or the attached forms, please contact Karen Blankenship, IFDA Services, Inc.'s Trust Liaison, at (217) 525-2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Blankenship", written over a horizontal line.

Fiduciary Partners, Inc.

//Enclosures

***\*\*These forms are for your use to establish new pre-need funds with Fiduciary Partners as trustee. To change trustees for any existing pre-need trusts already established and currently held by Bank of America, N.A. (successor to Merrill Lynch Bank & Trust Co., FSB), please use the Notification Letter and Successor Trustee Agreement forms, available through IFDA Services.***

## INSTRUCTIONS

The attached forms are available upon request from IFDA Services.

**I. Master Trust Agreement** - The first enclosure, the Master Trust Agreement, is for your funeral company to establish an agreement with Fiduciary Partners, Inc. as trustee, for the funeral company to participate in the ILLINOIS FUNERAL TRUST PRE-NEED TRUST PROGRAM. This form only needs to be completed once by each funeral company, so that your future purchaser pre-need funds may participate in this trust. Once the form has been completed and filed with IFDA Services, you may use the enclosed Pre-Need Contract with each new pre-need arrangement to establish new accounts within the Trust.

To complete this Agreement, simply fill in the name and address of your Company at the end of the Agreement and provide the owner's name and signature. Please forward the Agreement to IFDA Services. IFDA Services will forward the Agreement to Fiduciary Partners for signing, and a signed copy will be sent to you.

**II. Pre-Need Contract** - The second enclosure, the Pre-Need Contract, is the instrument by which you and your purchaser establish a pre-need fund within the trust. This agreement is to be completed with your purchaser, and your purchaser is to receive the applicable attachments listed at the end of the contract, as explained below.

### **Steps to complete this agreement:**

1. This form must be signed in duplicate. You may wish to complete a single copy of the form, then copy it to be signed.
2. At the top of the form, the purchaser should indicate by initialing the appropriate box, whether the contract is to be "guaranteed" or "non-guaranteed".
3. Complete the Provider, Purchaser and Beneficiary information, as indicated.
4. Fill in section 5 with the appropriate balances, and indicate in section 6 whether this is to be paid in full or an installment contract. The total in section 5, line 1 should be equal to the check that is enclosed with the contract, if the contract is not an installment contract.
5. The purchaser should initial sections 7, 8 and 9.
6. Note that section 10 should only be completed when it is deemed to be necessary for the purchaser to qualify for Medicaid eligibility in the near future. By completing this section, the contract will be irrevocable (may not be terminated or amended), regardless of whether the purchaser is actually eligible for or uses Medicaid.
7. The box in section 32 only needs to be completed if the sale under this contract does not take place at your place of business.
8. Both the purchaser and provider must sign at section 33.

The following forms should also be included with the Pre-Need Contract, and given to the purchaser, as applicable:

1. **Statement of Funeral Goods and Services** The total on the Statement of Funeral Goods and Services should agree with the total in the Pre-Need Agreement in section 5, line 1. If the \$5 payment to the Pre-need Consumer Protection Fund is to be paid by the purchaser, it should appear as a charge on the Statement of Funeral Goods and Services.
2. **Master Trust Agreement** - IFDA services can provide you with copies of the Master Trust Agreement. The copy provided to the purchaser does not need to reflect signatures.
3. **Cancellation Notice** - If the sale under this contract does not take place at your place of business, the box in section 32 should be initialed and two copies of the Cancellation Notice must be given to the purchaser. The copies should be completed with the date of the transaction and your company's name and address. This form is not required if the sale under this contract takes place at your place of business.
4. **W-9 Form** - The attached IRS Form W-9 must be completed with the beneficiary's social security number and signed by the beneficiary or purchaser if POA.
5. **Installment Payment Schedule** - If the sale is an installment sale as indicated in section 6 of the contract, the attached installment schedule should be given to the purchaser. If the future payments are not predetermined, they do not have to be completed on the schedule.

**Mailing of Documents and checks** - An original of the completed Pre-Need Contract and appropriate attachments should be sent to IFDA Services, as the servicing agent for the Trustee. **A check for the total amount shown in section 5, on Line 1 should be included with the contract.** IFDA Services will return the amounts indicated on lines 3 and 4 (if any) to you as the provider, and will forward the \$5 Consumer Protection Fund payment to the Comptroller's office twice a year, as required by the statute.

IFDA Services, Inc.  
Attn: Karen Blankenship  
215 S. Grand Ave. West  
Springfield, IL 62704

(217) 525-2000

## PRE-NEED CONTRACT

Control Number \_\_\_\_\_

<p style="text-align: center;"><i>Purchaser Initial One Box</i></p> <div style="border: 1px solid black; width: 100px; height: 50px; margin: 0 auto;"></div>	<p style="text-align: center;"><b><u>GUARANTEED FORM: THIS CONTRACT GUARANTEES THE BENEFICIARY THE SPECIFIC GOODS AND SERVICES CONTRACTED FOR. NO ADDITIONAL CHARGES MAY BE REQUIRED. FOR DESIGNATED GOODS AND SERVICES, ADDITIONAL CHARGES MAY BE INCURRED FOR UNEXPECTED EXPENSES INCLUDING, BUT NOT LIMITED TO, CASH ADVANCES, SHIPPING OF REMAINS FROM A DISTANT PLACE, OR DESIGNATED HONORARIA ORDERED OR DIRECTED BY SURVIVORS. (If this box is checked, no additional charges may be required for the goods and services listed in this Contract or included on the attached Statement of Funeral Goods and Services; however goods and services not listed in this Contract or included on the attached Statement of Funeral Goods and Services may be subject to additional charges.)</u></b></p> <p style="text-align: center;"><b><u>NON-GUARANTEED FORM: THIS CONTRACT DOES NOT GUARANTEE THE PRICE THE BENEFICIARY WILL PAY FOR ANY SPECIFIC GOODS OR SERVICES. ANY FUNDS PAID UNDER THIS CONTRACT ARE ONLY A DEPOSIT TO BE APPLIED TOWARD THE FINAL PRICE OF THE GOODS OR SERVICES CONTRACTED FOR. ADDITIONAL CHARGES MAY BE REQUIRED.</u></b></p>
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This pre-need contract (the "Contract") between \_\_\_\_\_ ("Provider") and \_\_\_\_\_ ("Purchaser") is for a trust-funded pre-arranged funeral for the benefit of \_\_\_\_\_ ("Beneficiary");

Provider Information  
 Principal Office: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Branch Office, if any: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Parent Company, if any: \_\_\_\_\_  
 Address: \_\_\_\_\_

Purchaser Information  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Birth Date: \_\_\_\_\_  
 Social Security No. \_\_\_\_\_

Beneficiary Information (if different than Purchaser)  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Birth Date: \_\_\_\_\_  
 Social Security No.: \_\_\_\_\_

Trustee Information  
 Name: Fiduciary Partners, Inc.  
 Address: 3913 W. Prospect Avenue, Suite 201, Appleton, Wisconsin 54914-8797

Regulators of Trustee  
 Name: Wisconsin Department of Financial Institutions  
 Address: 345 W. Washington Avenue, Madison, Wisconsin 53703  
 Name: Illinois Department of Financial and Professional Regulation Financial Institutions  
 Address: 320 W. Washington Street, Springfield, Illinois 62786

1. Describe the nature of the relationship between Purchaser and Beneficiary (if any): \_\_\_\_\_.
2. At time of Beneficiary's death, Provider will provide the funeral goods and services described in the attached Statement of Funeral Goods and Services.
3. Name and address of Provider's branch location where funeral will be provided: \_\_\_\_\_.
4. If purchaser has selected the GUARANTEED FORM, above, the specific goods and services referred to shall be those set forth in the attached Statement of Funeral Goods and Services. Should Beneficiary's death occur other than in Beneficiary's city of residence or municipality stated above, additional charges for transportation of remains may be incurred.

5. Upon execution of this Contract, the Purchaser approves the amounts below:

<i>Line 1</i>	Total of the Statement of Funeral Goods and Services	\$ _____
<i>Line 2</i>	Purchase Price (The "Purchase Price" is the amount paid to Provider less sales taxes and less cash advances, as stated in the Statement of Funeral Goods and Services.)	\$ _____
	Regulatory Administrative Fees (Authorized by 225 ILCS 45/1b: These fees may be retained by Provider to help offset the regulatory and administrative costs associated with maintenance and execution of this Contract)	
<i>Line 3</i>	• _____ % (not to exceed 5%) of Purchase Price of services, personal property and goods.	\$( _____ ) **amount subject to verification by Trustee.
<i>Line 4</i>	• _____ % (not to exceed 15%) of Purchase Price of outer burial container	\$( _____ ) **amount subject to verification by Trustee.
<i>Line 5</i>	Pre-need Consumer Protection Fund (Authorized under 225 ILCS 45/1a-2: This fund has been established by the General Assembly to provide protection to the purchaser if they are unable to receive the benefits, or funds due by reason of cancellation of this contract)	\$ _____ (\$5.00)
<i>Line 6</i>	Net Deposit to Trust (the "Trust Funds")	\$ _____

6. CHOOSE ONE:

<i>Purchaser Initial One Box</i>	<input type="checkbox"/>	<b>PAID IN FULL:</b> Contract paid in full upon execution.
	<input type="checkbox"/>	<b>INSTALLMENTS:</b> Contract to be paid in installments, as set forth on the attached Installment Payment Schedule. (**NONGUARANTEED CONTRACTS ONLY)  **If the Purchaser of a non-guaranteed contract makes installment payments, then, notwithstanding any contrary provision of this Contract, Provider has no obligation to provide goods and services valued in excess of the total payments actually made by Purchaser.

7. Purchaser acknowledges that Provider explained to Purchaser the terms of this Contract before Purchaser signed it. Initials of Purchaser \_\_\_\_\_.
8. Purchaser acknowledges receipt of the Pre-Need Booklet prior to signing this Contract. Initials of Purchaser \_\_\_\_\_.
9. Purchaser acknowledges receipt of a copy of the Master Trust Agreement ("Trust Agreement") between Trustee and Provider. Initials of Purchaser \_\_\_\_\_.
10. OPTIONAL: FOR NONREVOCABLE CONTRACTS ONLY (MEDICAID).

<i>Purchaser Initial Box</i>	<input type="checkbox"/>	Purchaser acknowledges that he or she would like payments made under this Contract to be treated as "exempt assets" for purposes of calculating Purchaser's eligibility for Medicaid under Illinois regulations. The payments made under this Contract will only be treated as "exempt assets" if this Contract is irrevocable.  As such, Purchaser waives and renounces his or her right to terminate this Contract, including, but not limited to, the right to terminate pursuant to Paragraphs 13 and 14, below. By waiving his or her right to terminate this Contract, Purchaser understands that this Contract will be irrevocable and Purchaser will not be entitled to a refund of any money that Purchaser has paid, except pursuant to Paragraph 15, below.  State and Federal law place limits on the amount which is exempt.
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11. If the particular goods and services specified in this Contract are unavailable at the time of delivery, Provider shall furnish goods and services of similar style and quality.
12. If this Contract has not been terminated as set forth in Paragraphs 14 or 15 below, within thirty (30) days of Trustee's receipt from Provider of the affidavit and a copy of the Beneficiary's certified death certificate, as provided in the Trust Agreement, Trustee will pay to Provider and Purchaser the respective amounts described in the Trust Agreement.
13. If this Contract is revocable, Beneficiary is not deceased, and termination of this Contract has not been initiated pursuant to Paragraph 15 below, Purchaser or Purchaser's representative may cancel this Contract for any reason by providing written notice of cancellation to Provider. Within five (5) days of receipt, Provider will deliver such notice to Trustee along with an affidavit (as described in the Trust Agreement), if any, on the Trust Funds) and distribute the liquidation proceeds to Purchaser or Purchaser's representative, as applicable, and Provider as described in the Trust Agreement.
14. If this Contract is revocable, Beneficiary is deceased, and termination of this Contract has not been initiated pursuant to Paragraph 15 below, Purchaser, Purchaser's representative or Beneficiary's certified death certificate to Provider. Within five (5) days of receipt, Provider will deliver such notice and certificate to Trustee along with an affidavit (as described in the Trust Agreement). Within twenty-five (25) days of receipt, Trustee will liquidate the Trust Funds (and earnings, if any, on the Trust Funds) and distribute the liquidation proceeds as provided in the Trust Agreement.
15. Purchaser, Purchaser's representative or Purchaser's heirs may terminate this Contract due to Provider's breach of this Contract, by delivering an affidavit to Trustee as described in the Trust Agreement. Within thirty (30) days of receipt of this

affidavit. Trustee will liquidate the Trust Funds (and earnings, if any, on the Trust Funds) and distribute the liquidation proceeds as provided in the Trust Agreement.

16. As Provider's fee, Provider may retain up to 5% of the Purchase Price of the services, personal property and goods (other than outer burial containers), and up to 15% of the Purchase Price of outer burial containers.

17. Each Provider shall pay a fee of \$5 out of the funds received for this Contract. This fee shall be forwarded to the applicable state regulatory body on a semi-annual basis, within 30 days of the end of June and December. The state regulator shall deposit these fees into the Pre-need Funeral Consumer Protection Fund. In the event Purchaser does not receive the benefits of this Contract or does not receive the funds by reason of cancellation, Purchaser may apply to the applicable state regulatory body, on a form prescribed by that agency, for restitution from the Pre-need Funeral Consumer Protection Fund.

18. Trustee may retain from the Trust reasonable compensation and expenses, provided that the total compensation and expenses retained cannot exceed any limitation provided in the Illinois Funeral or Burial Funds Act as amended (the "Act"). The Trustee and the Trustee's delegates and affiliates (as described in the Trust Agreement) receive a combined annual fee of up to 1.43% of the total market value of the Trust Funds.

19. The Purchaser and Provider understand and acknowledge that, in accordance with Illinois law, the Trustee will delegate the investment functions relating to the Trust Funds (as described in the Trust Agreement) to a qualified third party specialized in performing such functions. The Purchaser and Provider understand and acknowledge that this Paragraph 19 fulfills the delegation of investment functions notification requirement, and hereby waives any right to any additional notice.

20. If, after the death of the Beneficiary, no funeral goods or services are provided or if the funeral is conducted by another provider, the Provider may keep no more than 10% of the payments made under this Contract or \$300, whichever sum is less. This sum shall include any regulatory administrative fees contemplated in the Act. The remainder of the Trust Funds shall be forwarded to the legal heirs of the deceased Beneficiary or as determined by probate action.

21. This Contract is binding on the heirs, representatives, successors and assigns of the parties. This Contract may not be assigned by the Provider, except as approved by the Illinois State Comptroller.

22. This Contract may not be amended or modified without the written consent of the parties.

23. Provider is and will remain licensed and bonded under the Act as in effect for the term of this Contract.

24. Purchaser may change provider under this Contract only with the written approval of Trustee and the existing Provider. Any successor provider of this Contract must be licensed and bonded as required by the Act.

25. If any of the information set forth on the first page of this Contract with respect to Purchaser or Beneficiary is or becomes inaccurate or incomplete, Purchaser will notify Provider and Trustee in writing of such corrections, changes or additions.

26. Written notice to any person or entity required or permitted pursuant to this Contract will be made to the person's or entity's address stated on the first page of this Contract, unless written notice of a change of address is filed with Provider and Trustee 27. Provider may remove Trustee and appoint a successor trustee only as provided in the Trust Agreement.

28. If Provider is prevented from performing by strike, shortage of materials, civil disorder, natural disaster, or any like occurrence beyond the control of Provider, Provider's time for performance under this Contract will be extended by the length of the delay.

29. The parties intend for this Contract to comply with the provisions of the Act and the provisions of this Contract shall be liberally construed to effect this intent.

30. Trustee is not an affiliate of Provider. Nothing contained herein shall be deemed to constitute Trustee and Provider as partners or joint ventures. Each of Trustee and Provider are independent contractors, with no rights or obligations except as set forth in this Contract or the Trust Agreement to control or direct the acts of the other. Neither Trustee or Provider shall be considered the agent of the other.

31. Provider does not warrant the goods covered by this Contract. The only warranty, if any, is the warranty issued by the manufacturer of the goods.

32. **PURCHASER INTAL:** If the sale of goods and services under this Contract occurred at a place other than Provider's place of business, Purchaser must initial the box below.

<p style="text-align: center;"><i>Purchaser Initial Box</i></p>	<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	<p style="text-align: center;"><b>YOU, THE PURCHASER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. PLEASE SIGN, DATE AND DELIVER TO PROVIDER THE ATTACHED NOTICE OF CANCELLATION FORM TO EXERCISE THIS RIGHT.</b></p>
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33. By signing this Contract, Purchaser is directing Provider to deliver the Trust Funds to Trustee within thirty (30) calendar days after the execution of this Contract, but in no event earlier than four (4) business days after the execution of this Contract. The transfer of the Trust Funds to Trustee shall be effective upon Trustee's written acceptance of the Trust Funds, a copy of which will be sent to Purchaser.

<p>Purchaser _____</p>	<p>Date _____</p>	<p>Provider _____</p>	<p>Date _____</p>
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*Attachments (given to purchaser): 1: Statement Of Funeral Goods And Services; 2: Master Trust Agreement; 3: Two Copies of the Cancellation Notice (only for sales occurring at a place other than Provider's business); 4: W-9 Form; 5: Installation Schedule (if applicable)*

## MASTER TRUST AGREEMENT

This Master Trust Agreement, made as of the date set forth below by and between the "Provider" as that term is defined in the Pre-need Contract attached hereto (the "Pre-need Contract") and Fiduciary Partners, Inc., a Wisconsin corporation (the "Trustee").

### RECITALS

WHEREAS, the Provider is licensed under the Illinois Funeral or Burial Funds Act; WHEREAS, the Provider may from time to time enter into the Pre-need Contracts with the Purchasers (as defined in the Pre-need Contract), for the furnishing or performance of funeral services and/or the furnishing or delivery of personal property, merchandise, or services by the Provider upon the death of the Beneficiary (as defined in the Pre-need Contract);

WHEREAS, pursuant to the Pre-need Contracts, on Purchasers' behalf, the Provider has agreed to deposit the Trust Funds with the Trustee; WHEREAS, the Trustee is a corporate fiduciary as defined in the Illinois Corporate Fiduciary Act (205 ILCS 62/0) and willing to act in such capacity; WHEREAS, the Trustee shall hold and maintain one trust into which the Trust Funds shall be deposited, along with trust funds from other funeral providers who have agreed to participate in the trust;

WHEREAS, the Trustee shall oversee and serve as the primary administrator of the Trust Funds, while delegating certain functions to other experienced entities.

NOW, THEREFORE, in consideration of the promises, the mutual covenants and agreements made herein, and other good and valuable consideration, the parties agree as follows:

### AGREEMENT

#### Article 1 Definitions

- 1.01 "Act" means The Illinois Funeral or Burial Funds Act (225 ILCS 45/1, et seq.), as amended, and its rules and regulations, and corresponding provisions of future laws, as from time to time in effect.
- 1.02 "Affidavit" means a signed, sworn statement witnessed by a notary public.
- 1.03 "Regulator" means the appropriate State of Illinois regulator overseeing the trust pursuant to the Act.
- 1.04 "Custodian" means Genworth Financial Trust Company, a trust company licensed and regulated by the Arizona Department of Financial Institutions, or other entity as may be selected from time to time by the Trustee.
- 1.05 "Investment Advisor" means Genworth Financial Wealth Management, Inc., an investment advisor registered with the Securities and Exchange Commission, or other entity as may be selected from time to time by the Trustee.
- 1.06 "ITTA" means the Illinois Trusts and Trustees Act (760 ILCS 5/, et seq.).
- 1.07 "Servicing Agent" means IPDA Services, Inc., an Illinois corporation, or other entity as may be selected from time to time by the Trustee.
- 1.08 "Trust Funds" means those funds transferred from the Provider to the Trustee pursuant to a pre-need funeral contract between the Provider and his or her customer and the earnings, if any, of those funds while held by the Trustee.

#### Article 2 Appointment of Trustee

- 2.01 **Appointment of Trustee.** The Provider hereby appoints the Trustee to serve as trustee of the Trust Funds paid by the Purchaser pursuant to the Pre-need Contract. Trustee hereby accepts the appointment to serve as trustee of the Trust Funds and agrees to administer the Trust Funds pursuant to the terms of this Agreement.
- 2.02 **Pre-Need Contract.** The Provider and the Purchaser have executed the Pre-need Contract, which provides for the furnishing or performance of funeral goods and/or services.
- 2.03 **Trust Funds.** The Provider, on the Purchaser's behalf, hereby transfers the funds paid by Purchaser pursuant to the Pre-need Contract to the Trustee, less applicable fees.
- 2.04 **Title of Trust Funds.** The Trustee hereby takes title to the Trust Funds conveyed to it by the Provider on behalf of the Purchaser for the purpose of investing, protecting, conserving such assets, and collecting income earned from such assets and distributing the Trust Funds pursuant to the terms and conditions of this Agreement and applicable law.
- 2.05 **Prudent Investor Rule.** The Trustee has a duty to invest and manage the Trust Funds pursuant to the "Prudent Investor Rule" under 760 ILCS Section 5/5(a) of the ITTA. The Trustee, pursuant to 760 ILCS Section 5/5.1 of the ITTA, may delegate this investment function to a qualified investment advisor.
- 2.06 **Delegation of Investment Functions.** The Provider acknowledges and consents to the delegation to the Investment Advisor of the Trustee's duty to invest and manage the Trust Funds. In delegating the investment functions relating to the Trust Funds, the Trustee shall exercise reasonable care, skill and caution in selecting the Investment Advisor. The Trustee shall conduct an inquiry into the experience, performance history, professional licensing and financial stability of the Investment Advisor. The Trustee shall establish with the Investment Advisor the scope and specific terms of the Investment Advisor's activities. The Trustee shall periodically review the Investment Advisor's actions in order to monitor overall performance and compliance with the scope and specific terms of the delegation. The Trustee shall not be responsible for the investment decisions or actions of the Investment Advisor.
- 2.07 **Investment Advisor.** In relation to the exercise or nonexercise of the investment functions delegated by the Trustee, the Investment Advisor shall be (i) subject to the jurisdiction to the courts of the State of Illinois, (ii) subject to the same standards that are applicable to the Trustee, and (iii) liable to the Beneficiaries and the Trustee to the same extent as if the Investment Advisor were a trustee.
- 2.08 **Notice of Intention to Delegate.** The Trustee shall delegate the investment functions relating to the Trust Funds to the Investment Advisor. The Provider waives any right to notice of the delegation of investment functions of the Trust Funds to the Initial Investment Advisor. The Trustee shall send written notice of any subsequent change in Investment Advisors to the Provider, Purchaser and Beneficiary (if Purchaser and Beneficiary are not the same). Such notice shall be effective 30 days after the date it was sent. The notice shall thereafter authorize the Trustee to appoint a new Investment Advisor.

2.09 **Servicing Agent.** The Trustee shall contract with the Servicing Agent for the performance of certain administrative functions, including, but not limited to, distribution of documents to the various parties, performing initial processing of pre-need contracts, calculating balances for individual trusts, compiling and distributing annual statements as required by the Act and ITTA, performing various income tax reporting functions and generally communicating with the Provider.

2.10 **Custodian.** The Trustee shall contract with the Custodian to act as custodian for the Trust Funds.

2.11 **Compensation.** Under 760 ILCS Section 5/7 of ITTA, the Trustee is entitled to reasonable compensation and reimbursement for reasonable expenses. The total fees for Trustee, Servicing Agent, Investment Advisor, and Custodian shall be up to 1.43% of the total market value of all assets held in trust by the Trustee.

2.12 **Notice to Regulator.** This Agreement and any amendments thereto shall be filed with the Regulator.

#### Article 3 Distribution of Trust Funds

3.01 **Death of the Beneficiary.** If cancellation of the Agreement has not been initiated pursuant to Paragraph 3.03 or Paragraph 3.04 below, then within 30 days of the Trustee's receipt from the Provider of a copy of the Beneficiary's certified death certificate and an Affidavit executed by the Beneficiary's surviving spouse, if any, or otherwise any adult descendant of the Beneficiary, or if none, any adult relative of the Beneficiary, stating that the Provider performed services and delivered merchandise in accordance with the Pre-need Contract and otherwise fulfilled the terms of the Pre-need Contract, the Trustee shall liquidate the Trust Funds and distribute the liquidation proceeds, net of any accrued but unpaid Trustee compensation and expenses and taxes as follows:

- (a) **Guaranteed Pre-need Contract.** If the Pre-need Contract is guaranteed, the Trustee shall distribute to the Provider the net liquidation proceeds.
- (b) **Non-guaranteed Pre-need Contract.** If the Pre-need Contract is non-guaranteed and the net liquidation proceeds are sufficient to pay for the services performed and merchandise delivered pursuant to the Pre-need Contract, the Trustee shall distribute to the Provider the amount needed to pay for such services and goods, and shall distribute the balance of the net liquidation proceeds, if any, to the Beneficiary's estate. If the Pre-need Contract is non-guaranteed and the net liquidation proceeds are insufficient to pay for the services performed and merchandise delivered pursuant to the Pre-need Contract, the Trustee shall distribute to the Provider the net liquidation proceeds.

**3.02 Cancellation of Pre-need Contract without Cause before the Death of the Beneficiary.** If the Pre-need Contract is revocable and the Beneficiary is living as of the Provider's receipt of written notice of cancellation of the Pre-need Contract from the Purchaser or the Purchaser's representative, and cancellation of the Pre-need Contract for cause has not been initiated pursuant to Paragraph 3.04 below, then within 25 days of the Trustee's receipt from the Provider of such written notice of cancellation and the Provider's Affidavit stating that the Beneficiary was living as of the Provider's receipt of such written notice of cancellation and the value of any merchandise already delivered and services already performed by the provider pursuant to the Pre-need Contract, the Trustee shall liquidate the Trust Funds and distribute the liquidation proceeds, net of any accrued but unpaid Trustee compensation and expenses and taxes, as follows:

(a) **Distributions to the Provider.** The Trustee shall distribute to the Provider an amount equal to the value of any merchandise already delivered and services already performed by the Provider pursuant to the Pre-need Contract, as stated in the Provider's Affidavit, if any.

(b) **Distribution to the Purchaser.** The Trustee shall distribute to the Purchaser or the Purchaser's representative the balance of the net liquidation proceeds, if any.

**3.03 Cancellation of Pre-need Contract without Cause after the Death of the Beneficiary.** If the Pre-need Contract is revocable and the Beneficiary is deceased as of the Provider's receipt of written notice of cancellation of the Pre-need Contract from the Purchaser, the Purchaser's representative, or the Beneficiary's representative, and cancellation of the Pre-need Contract for cause has not been initiated pursuant to Paragraph 3.04 below, then within 25 days of the Trustee's receipt from the Provider of such written notice of cancellation, a copy of the Beneficiary's certified death certificate, and the Provider's Affidavit stating that the Beneficiary was deceased as of the Provider's receipt of such written notice of cancellation and the value of any goods already delivered and services already performed by the Provider pursuant to the Pre-need Contract, the Trustee shall liquidate the Trust Funds and distribute the liquidation proceeds, net of any accrued but unpaid Trustee compensation and expenses and taxes to the legal heirs of the deceased Beneficiary or as determined by probate action, in accordance with the Act. The Provider may keep no more than 10% of the payments made under the Pre-need Contract or \$300, whichever sum is less. This sum shall include any regulatory administrative fees contemplated in the Act.

**3.04 Cancellation of Pre-need Contract for Cause.** Within 30 days of the Trustee's receipt from the Purchaser, the Purchaser's heirs, or the Purchaser's representative of an Affidavit stating (i) the existence of the Pre-need Contract and (ii) that the Provider failed to comply with the terms of the Pre-need Contract within a reasonable time, the Trustee shall file a copy of the Affidavit with the Regulator and the Provider, liquidate the Trust Funds, and distribute the liquidation proceeds, net of any accrued but unpaid Trustee compensation and expenses and taxes, in accordance with the Act.

**3.05 Forms.** The Trustee reserves the right to establish specific forms to be used by the Provider in seeking distributions pursuant to this Article. Such forms, and any changes thereto, shall be communicated to the Provider by the Trustee in writing, and the Provider shall make use of such forms after receipt thereof.

**3.06 Distribution Determination.** In case of doubt as to whether a distribution should be made pursuant to this Article or the property recipient of a distribution pursuant to this Article, the Trustee in its discretion and at the trust's expense may avail itself of the Reliance on Counsel provision in Paragraph 5.06 below, submit the issue to a court for determination, or take any other action to resolve the issue that the Trustee determines is advisable.

#### Article 4 Trustee Powers

In administration of the Trust Funds, the Trustee shall have all of the powers authorized by the Act, ITTA and other applicable law, including but not limited to the following:

**4.01 Organizations.** To vote, give proxies to vote and otherwise exercise management rights, enter into or oppose voting, buy-sell and other agreements and to create, acquire, reorganize or continue any organization for business, investment or other purposes under the laws of any jurisdiction, alone or with others, through one or more corporations, limited or general partnerships, limited liability companies, joint ventures, real estate investment trusts, land trusts or other business, investment or property management organizations and, with respect to any such organization, to deal with such organization without individual liability; to retain employees, agents, advisers and independent contractors; and, in general, to operate any such organization with the same powers as an individual owner would have.

**4.02 Compromise.** To contest, pursue, settle or abandon claims or demands.

**4.03 Jurisdiction and Title.** To cause all or any part of the Trust Funds to be retained, maintained or managed in any jurisdiction. To retain and maintain Trust Funds in title-holding trusts, in the name of any person or organization as the Trustee's nominee, the nominee of the Trustee in its individual capacity, or the nominee of any corporation, partnership, or other entity affiliated with the Trustee in its individual capacity (singularly, an "Affiliated Entity," and collectively, the "Affiliated Entities") or in any other way, and to distinguish between two or more trusts with the same name by any further designation.

**4.04 Engagement of Affiliated Entities.** To engage an Affiliated Entity to render services to the Trustee, including without limitation, to act as a broker or dealer to execute transactions, (including the purchase of any securities currently distributed, underwritten or issued by an Affiliated Entity) at standard commission rates, markups or concessions and to provide other management or investment services, including the custody of assets, at such Affiliated Entity's standard rates, and to pay for such services from the Trust Funds.

**4.05 Delegation.** To employ agents and counsel (including an Affiliated Entity), including attorneys, investment advisers, appraisers, and accountants, and delegate to them certain powers or duties, consistent with applicable law, even though the delegated function is not ministerial in nature, including the delegation to investment managers of investment review and section, as the Trustee deems appropriate and to pay for such services from the Trust Funds.

**4.06 Fiduciary Accounting.** To decide, despite rules of law, how and in what proportions to credit, charge or apportion any receipts or disbursements between principal and income.

**4.07 Division.** To distribute, divvy or allocate Trust Funds in undivided or disproportionate interests, wholly or partly in kind, at its value, without adjustment for disproportionate allocation of unrealized gain for federal income tax purposes.

**4.08 Additions and Segregation.** To receive additional assets from any source and to segregate assets otherwise directed to be added to or consolidated with the Trust Funds of any trust as a separate trust for any tax or other reason.

**4.09 Severance.** To sever or allocate any existing trust on a fractional basis into two or more separate trusts, or by allocation to a separate account or trust a specific amount from a portion of, or specific assets included in, the Trust Funds of any trust to reflect a partial disclaimer or for any tax or other reason.

**4.10 Separate Trust Terms.** To administer any trust or account created by segregation or severance as follows:

(a) Income earned on a segregated amount, portion or specific assets after the segregation is effective shall pass to the recipient of such amount, portion or specific Trust Funds. In administering the Trust Funds of any separate account or trust and in making applicable tax elections, the Trustee shall consider the differences in federal tax attributes and all other factors the Trustee believes pertinent consistent with applicable rules and regulations.

(b) A separate trust or account created by severance or segregation shall be treated as a separate trust for all purposes from and after the date designated by the Trustee as the effective date of the severance or segregation. Such trust shall be held on terms and conditions substantially equivalent to the terms of the trust from which it was severed or segregated, so that the aggregate interests of the Beneficiary in the several trusts are substantially equivalent to the Beneficiary's interests in the trust before severance or segregation. Despite the preceding, if a change to a provision of the trust before severance or segregation would adversely affect qualification of the trust for any federal tax deduction, exclusion, election, exemption or other special federal tax status, that provision shall remain unchanged in each of the separate trusts.

**4.11 Expenses and Compensation.** To pay taxes and reasonable expenses, including compensation to the Trustee and the Trustee's agents and investment and other counsel.

**4.12 Dealing with Fiduciaries.** To deal in any way with the fiduciary of the estate of any Beneficiary, the Purchaser, the Purchaser or any trust or estate in which any Beneficiary, the Purchaser, or the Provider has an interest, although the Trustee is such fiduciary.

**4.13 Special Trustee.** To appoint or remove by signed instrument any trust company, authorized by the ITTA or any other applicable law, as special trustee as to part or all of the Trust Funds, including assets as to which the Trustee does not act, and the special trustee, except as specifically limited in this or the appointing instrument, shall have all of the rights, titles, powers, duties, discretions and immunities of the Trustee who appointed the special trustee, without liability for any action directed to be taken or omitted under this or the appointing instrument.

**4.14 Contracts.** To execute, acknowledge and deliver contracts and other agreements and instruments in connection with any action that the Trustee is authorized to take under this Agreement, and containing such terms as the Trustee decides are advisable, including granting warranties and indemnifications.

4.15 **General.** To give receipts and discharges; to execute and deliver necessary instruments; and to perform other acts appropriate for proper trust administration.

4.16 **Investment.** Investment of the Trust Funds shall be the duty of the Investment Advisor, once Trustee places the Trust Funds into Investment Advisor's management.

#### Article 5 Additional Administrative Provisions

5.01 **Income Accrual.** The Trustee shall add to principal periodically any income not required to be distributed.

5.02 **Protection from Creditors.** In the event of the Provider's bankruptcy, insolvency or assignment for the benefit of creditors, or an adverse judgment, the Trust Funds shall not be available to any creditor as assets of the Provider or to pay any expenses of any bankruptcy or similar proceeding, but shall be distributed to the Purchaser or managed for the Purchaser's benefit by the Trustee holding the funds. Except in an action by the Regulator to revoke the Provider's license issued pursuant to the Act and for creation of a receivership as provided in the ITTA, the Trust Funds shall not be subject to judgment, execution, garnishment, attachment, or other seizure by process in bankruptcy or otherwise, nor to sale, pledge, mortgage, or other alienation, and shall not be assignable except as approved by the Regulator. This paragraph shall not be construed as restricting in any way the Beneficiary's, the Beneficiary's representative's, the Purchaser's, or the Purchaser's representative's voluntary exercise of any power to cancel the Pre-need Contract.

5.03 **Regulator Requests.** At the trust's expense, the Trustee shall give the Regulator access to the trust's records and shall furnish to the Regulator such reports and information as the Regulator requests.

5.04 **Court Supervision; Approval of Accounts.** To the extent such requirements can be waived, the Trustee may, but shall not be required to (a) to file any inventory of Trust Funds or accounts or reports of the administration of the trust, or to register the trust, in any court, (b) to furnish any bond or other security for the proper performance of the Trustee's duties in any jurisdiction, or (c) to obtain authority from a court for the exercise of any power conferred on the Trustee by this agreement. Prior to transferring any or all of the Trust Funds to a successor Trustee or to making complete distribution of the Trust Funds, the Trustee may require approval of its accounts either by a court of competent jurisdiction or by such of the beneficiaries as it deems appropriate. All of the Trustee's fees and expenses (including reasonable attorneys' fees) attributable to any such accounting and approval shall be paid by the trust.

5.05 **Releases.** Except as otherwise provided, a Trustee may release or waive for any period of time any power or right granted the Trustee under this agreement or by law. Any such release or waiver shall bind any successor trustee unless otherwise specified.

5.06 **Reliance on Counsel.** In case of doubt as to the Trustee's rights, powers, duties and responsibilities under this agreement or the Pre-need Contract, including to whom a distribution should be made; the Trustee may select counsel and pay therefore from the trust and act or refrain from acting on the opinion or advice of such counsel and shall not be liable absent bad faith for any loss resulting from any such action taken or omitted to be taken in accordance with any such opinion or advice.

5.07 **Accountings and Reports.** The Provider waives the accounting requirements contained in the Act, as amended, and corresponding provisions of future laws, as from time to time in effect. At the Trust's expense, the Trustee annually shall furnish to the Provider information sufficient for the Provider to comply with the Provider's annual reporting obligation to the Regulator pursuant to the Act. Within 30 days of the Trustee's receipt of the Provider's written request, the Trustee also shall furnish to the Provider such additional reports or information reasonably necessary for the Provider to comply with the Provider's duties under the Act. The Trustee may, in its sole discretion, charge the Provider for the expenses involved with generating such additional reports. The Trustee annually shall furnish to the Purchaser within 30 days of the end of the calendar year an inventory of Trust Funds.

5.08 **Installment Contracts.** The Trustee shall not monitor the payment status of any Pre-need Contract payable in installments and shall not initiate cancellation of any Pre-need Contract for which one or more installment payments are delinquent. If the Provider desires to cancel a Pre-need Contract for which one or more installment payments are delinquent and the power to cancel is given to the Trustee under the Pre-need Contract, the Provider shall notify the Trustee in writing of the Provider's desire to cancel the Pre-need Contract, and the Trustee shall cancel the Pre-need Contract in accordance with its terms, if consistent with the Act and other applicable law.

5.09 **IRS 685 Election.** The Trustee may elect to treat the trust as a "qualified funeral trust" pursuant to Section 685 of the Internal Revenue Code and file an annual Form 1041-QFT covering all of the Trust Funds.

#### Article 6 Resignation, Removal and Appointment

6.01 **Resignation.** The Trustee may resign at any time by signed instrument delivered to the Provider, the Purchaser, and the Regulator. Such resignation shall be effective upon the resigning Trustee's receipt of written notice from the Provider that a successor trustee has been appointed, but in no event less than 30 days of the date of the Trustee's signed resignation. If the Trustee does not receive written notice from the Provider that a successor trustee has been appointed within 60 days of the date of the Trustee's signed resignation, the Trustee shall have the power to petition the court at trust expense (including reasonable attorneys' fees) to appoint its successor.

6.02 **Removal.** Upon 30 days written notice to the Regulator, the Purchaser, the Provider may remove the Trustee by delivering written notice to the Trustee. Such removal shall be effective 30 days after the date the removed Trustee received written notice from the Provider that a successor trustee has been appointed.

6.03 **Appointment.** With at least 30 days written notice to the Regulator, the Purchaser, and the outgoing Trustee, the Provider may appoint a successor trustee.

6.04 **Transfer of Records and Trust Funds.** Within 90 days of receiving written notice that a successor trustee has been appointed, the outgoing Trustee shall liquidate the Trust Funds and transfer the liquidation proceeds, net of any accrued but unpaid expenses and compensation of the outgoing Trustee, to the successor trustee. When such transfer is completed, the outgoing Trustee shall be released and discharged from all liability relating to further administration, oversight and investment of the Trust Funds.

6.05 **Hold Harmless.** The Trustee shall not have any liability for any act or omission taken in good faith. The Trustee's only responsibility with regard to a distribution of Trust Funds shall be to comply with the requirements of this Agreement. The Trustee may rely conclusively on any written notice, request, Affidavit, or other instrument provided to it pursuant to this Agreement without liability for so doing. The Trustee shall not have any liability for any act or omission of any person or entity occurring before the date the Trustee signs the Trustee Acceptance, and the Trustee is expressly relieved of any duty or responsibility (i) to audit or review the acts or accounts of any person or entity occurring before the date the Trustee signs the Trustee Acceptance and (ii) to pursue any claim against any person or entity for any such act or omission. No successor trustee shall have any liability for any act or omission of a predecessor, including acts or omission of ordinary negligence, and a successor trustee is expressly relieved of any duty or responsibility to audit or review the acts or accounts of a predecessor and to pursue any claim against any predecessor. Trustee shall not have any liability for any act or omission of the Provider, including acts or omissions of ordinary negligence, and the Trustee is expressly relieved of any duty or responsibility to audit or review the acts or accounts of the Provider and to pursue any claim against the Provider. Provider agrees to indemnify and hold harmless the Trustee from any claims from the Purchaser.

6.06 **Conflicts of Interest.** The Trustee may make sales to or purchases from or otherwise have an ownership interest in or deal with (a) the Trustee in its individual capacity, (b) any Affiliated Entity, (c) a corporation, partnership, limited liability company or other legal entity in which anyone or more of the Trustee, the Trustee in its individual capacity, and the Affiliated Entities may be interested or associated as director, stockholder, officer, employee, creditor, partner, member, manager or in any other capacity or (d) a trust or estate of which the Trustee in its individual capacity is a fiduciary. The Trustee is authorized to take any such action without obtaining the approval or confirmation of any court, and the Trustee's actions in good faith in these respects shall be as binding and conclusive as though no such relationship or possible conflict of interest existed. The Trustee shall not be required to account for any direct or indirect personal benefit the Trustee, the Trustee in its individual capacity, or any Affiliated Entity receives and shall not be liable for any loss that results, in either case absent bad faith.

#### Article 7 Miscellaneous

7.01 **Parties' Intent.** The Parties intend for this Agreement to comply with the Act and the ITTA, and the provisions of this Agreement shall be liberally construed to effect that intent. Accordingly, no power or discretion granted any person or entity by the terms of this Agreement or by law shall be exercised or exercisable in such manner as would cause the trust to fail to comply with the Act and ITTA.

7.02 **Binding on Successor Providers.** If pursuant to the Pre-need Contract and applicable law the Provider is changed to another person or entity licensed and bonded as required by the Act, upon such person or entity's execution of an instrument accepting the terms of the Pre-need Contract, such person or entity will be the Provider for all purposes of this Agreement, and this Agreement will be binding upon and inure to the benefit of such person or entity.

**7.03 Governing Law.** Except as otherwise provided, Illinois law governs the interpretation and validity of the provisions of this Agreement and all questions relating to the management, administration, investment, distribution and duration of the Trust Funds under this Agreement.

**7.04 Amendment or Modification of the Agreement.** The Trustee and the Provider may from time to time by signed instrument amend or modify the provisions of this Agreement in any manner consistent with the Act and other applicable law. The Trustee shall file any amendment to this Agreement with the Regulator and shall deliver a copy of such amendment to the Provider.

**7.05 Articles, Paragraphs and Subparagraphs.** This Agreement consists of text divided into articles that are identified by number (for example Article 2), paragraphs that are identified by the article number followed by a period and the paragraph number expressed in two digits (for example 2.01) and subparagraphs that are identified by a letter or number in parentheses (for example (a) or (1)). A reference to a division of this Agreement includes all of its subdivisions (for example a reference to a paragraph includes the paragraph and all of its subparagraphs).

**7.06 Titles.** Articles and paragraphs may be referred to by their titles, but the titles shall have no other legal effect.

**7.07 Delivery.** Delivery of any written notice, request, Affidavit, or other instrument to any person or entity required or permitted pursuant to this Agreement shall be made to the person's or entity's address stated in the Pre-need Contract, if any, unless written notice of a change of address is filed with the Trustee.

**7.08 Counterparts.** This Agreement may be executed in counterparts, and each such duly executed counterpart shall be of the same validity, force and effect as the original. Signature pages may be transmitted by facsimile or electronic means. Upon delivery via facsimile or electronic means, a signature shall be deemed an original.

**7.09 License and Bond.** The Provider is and will remain licensed and bonded for the terms of this Agreement, as required by the Act.

**7.10 Recitals.** The Recitals are part of this Agreement.

**7.11 Cooperation.** The parties agree to cooperate with each other in effecting this Agreement and the transactions contemplated hereunder and further agree to promptly execute all additional documents that may be reasonably necessary for that purpose.

**7.12 Authority.** Each party represents and warrants that he or she has or possesses the full right, power, authority and capacity to execute this Agreement, that this Agreement does not conflict with any material agreements of such party, and that this Agreement is enforceable against such party in accordance with its terms.

**7.13 Interpretation.** This Agreement will be considered to have been prepared jointly by the parties and their respective attorneys and in any dispute will not be construed against any party.

**7.14 Integration.** This Agreement contains the entire understanding among the parties with respect to the transactions contemplated hereby and supersedes all other agreements and understandings between the parties.

**7.15 Notice.** Notices hereunder shall be sufficient and effective as of the date of post mark if sent by regular mail, postage prepaid, addressed to the addresses set forth on the signature page to this Agreement, or to such other addresses as the parties may designate to each other in writing from time-to-time.

## Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box:  Individual/Sole proprietor  Corporation  Partnership  
 Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership)  Exempt payee  
 Other (see instructions) ▶

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Print or type  
See Specific Instructions on page 2.

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

OR

Employer identification number

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶

Date ▶

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax.

Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

## ILLINOIS CONSUMERS' GUIDE TO PRE-NEED FUNERAL AND BURIAL PURCHASES

The Illinois Funeral or Burial Funds Act, 225 ILCS 45 (the law) sets forth rights protecting consumers who purchase funeral services and/or merchandise in advance of need (pre-need). The State Comptroller has jurisdiction over the administration and enforcement of this law.

This guide is intended to assist you in making decisions in connection with the purchase of funeral services and merchandise -- pre-need -- and to advise you of your rights and protections under Illinois law.

### What is "Pre-Need" Funeral or Burial Purchasing?

A pre-need funeral or burial purchase is purchasing, in advance, funeral services and merchandise that you select for yourself or a loved one (the beneficiary to the pre-need contract). In connection with the purchase of pre-need services and merchandise, you enter into a pre-need contract with the funeral service provider or cemetery.

### What are Some of the Protections Provided to you by Illinois Law?

Funeral service providers of pre-need services and/or merchandise must be licensed by the State of Illinois through the Office of the Comptroller. You should verify that the person with whom you are doing business is licensed to sell pre-need services and merchandise before you make your purchase. You may contact the Comptroller's Office to verify whether a funeral service provider is licensed.

### What Services and Merchandise are Covered by the Funeral or Burial Funds Act?

The law covers the purchase of funeral services, clothing, caskets, burial containers commonly referred to as burial vaults and urns. Sales of cemetery services and merchandise are not covered by the law. The purchase of cemetery services and merchandise may be covered by the Illinois Pre-Need Cemetery Sales Act and Cemetery Care Act. Those laws are also administered by the Comptroller. If you have any questions concerning those laws, you should contact the Comptroller's Office.

### Be Sure to Read Your Contract.

All pre-need contracts sold in Illinois must contain disclosures to assist consumers in their purchase of pre-need services and merchandise. Required disclosures

include: a clear identification of the funeral service provider's name and address; the provider's name and address; if the provider has branch locations, an opportunity for the purchaser to identify on the contract the branch at which the funeral is to be performed; the purchaser and the beneficiary; a complete description of the goods and/or services purchased; clear notice as to whether the contract is for a guaranteed or non-guaranteed price; how you will pay for the services and/or merchandise (i.e., trust, life insurance policy or annuity); and the cancellation and penalty policy of the funeral service provider (if any).

### What are Guaranteed and Non-Guaranteed Contracts?

A "Guaranteed" Contract means that the provider of funeral services or merchandise guarantees to provide you with the services and/or merchandise you selected for the amount of money stated in the contract. This means that the beneficiary of the Contract or its estate will not be required to pay any additional costs for the items guaranteed, except for unexpected charges incurred (which may include, for example, the need for shipment of remains from a distance).

If the contract does not guarantee the prices charged it must be clearly identified as a "Non-Guaranteed Contract." The amount required for payment of the merchandise and services identified in the Contract will be determined at the time the services and/or the merchandise are needed. Any amount you pay preneed will be considered a deposit to be used toward the purchase price, and will be held in a trust.

If a non-guaranteed contract may subsequently become guaranteed, the contract shall clearly disclose the nature of the guarantee and the time, occurrence, or event upon which the contract shall become a guaranteed price contract.

### Consumer Payments on Pre-need Services and Merchandise May Be Placed in a Trust.

When you purchase pre-need services and merchandise, the funeral service provider may place a certain percentage of the purchase price in a trust: 95% of the purchase price of all services and merchandise and 85% of the purchase price of outer burial containers (burial vaults) must be placed into trust. Funds must be deposited in the trust within 30 days.

### May I Fund a Pre-need Arrangement with a Life Insurance Policy or Annuity?

Yes, under Illinois law a pre-need contract may be funded through an insurance policy or tax deferred annuity. Your pre-need contract will identify the provider of funeral or cemetery services and merchandise. It will also state whether the contract is "Guaranteed" or "Non-Guaranteed". Your insurance policy will provide the details of the coverage, including the cost, payout provisions and cancellation fees. Funds must be mailed to the insurance company within 30 days. Be sure to read your contract and insurance policy carefully.

### Can I Get My Money Back If I Change My Mind?

Yes, depending on the circumstances. The penalties for canceling a pre-need contract (if any) will be different depending upon when the contract is cancelled. If a pre-need contract is subject to the Federal Trade Commission (FTC) three-day cancellation rule (which applies to door-to-door sales or other sales made at a place other than the funeral service provider's place of business) you may cancel the contract within three business days after it is signed without any penalty.

If a pre-need contract is funded by an insurance policy, Illinois law allows you to cancel the insurance policy within 30 days without penalty. Cancellation of an insurance policy does not necessarily serve to cancel the pre-need contract. After 30 days you are entitled to the accrued "cash surrender value" of the policy upon cancellation.

Unless the contract is irrevocable and if the pre-need contract has not been cancelled for cause, prior to the death of the beneficiary of the pre-need contract, you or your representative may cancel the pre-need contract if you have satisfied your payment obligations under the contract. If you cancel the contract after it is paid in full, the amount held in trust attributable to undelivered merchandise and unperformed services (but excluding any unpaid trustee compensation and expenses) will be delivered to you or your representative.

Unless the contract is irrevocable, you, your representative or your heirs may cancel the contract due to the provider's failure to comply with the contract. Upon cancellation, the amount held in trust attributable to undelivered merchandise and unperformed services (but excluding any unpaid trustee compensation and expenses) will be delivered to the appropriate persons, as determined under Illinois law.]

Unless the contract is irrevocable, if the beneficiary of the pre-need contract is deceased and the pre-need contract has not been cancelled for cause, then you, your representative or the Beneficiary's representative may cancel the contract. Upon cancellation, the amount held in trust attributable to undelivered merchandise and unperformed services (but excluding any unpaid trustee compensation and expenses) will be delivered to the appropriate persons, as determined under Illinois law.

### What Can I Do If I Believe I Am Treated Unfairly?

If you think that you have been a victim of unfair or illegal practices in the handling of pre-need funds, you may file a written complaint with the Office of the Comptroller, Department of Cemetery and Burial Trust, James R. Thompson Center, Suite 15-500, 100 West Randolph Street, Chicago, Illinois 60601. In addition, the State Attorney General can seek a court order for restitution and issuance of fines. If you believe that improprieties exist in connection with the sale of insurance used to fund a pre-need contract, you can file a complaint with the Illinois Department of Insurance, 320 West Washington, Floor 4, Springfield, Illinois 62767.

For more information on preplanning or prepaying, see your local cemetery or funeral director or the:

Illinois Funeral Director's Association  
215 South Grand Avenue West  
Springfield, Illinois 62704

or

Funeral Directors Services Association  
140 N. Bloomingdale Road  
Bloomington, Illinois 60108-1017

or

Illinois Cemetery and Funeral Home Association  
P.O. Box 643  
Homewood, IL 60430-8463

or

Cook County Association of Funeral Home Owners, Inc.  
4114 South Michigan Avenue  
Chicago, Illinois 60653

or

Alliance of Illinois Cemeterians  
1441 Monument Avenue  
Springfield, Illinois 62702

Date of Transaction: \_\_\_\_\_

### CANCELLATION NOTICE

You may cancel the pre-need funeral contract without any penalty or obligation within 3 business days from the Date of Transaction.

If you cancel, any payments made by you under the pre-need funeral contract will be returned within 10 business days following receipt by the provider of this cancellation notice.

If you cancel, you must make available to the provider at your residence, in substantially as good condition as when received, any goods delivered to you under the pre-need funeral contract, or you may, if you wish, comply with the instructions of the provider regarding the return shipment of the goods at the provider's expense and risk.

If you do make the goods available to the provider and the provider does not pick them up within 20 days of the date of this cancellation notice, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the provider, or if you agree to return the goods to the provider and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel the pre-need funeral contract, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to:

Provider's Name: \_\_\_\_\_

Provider's Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**I HEREBY CANCEL THIS TRANSACTION.**

Date: \_\_\_\_\_

Purchaser's Signature: \_\_\_\_\_