

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

**R. ALEXANDER ACOSTA**, Secretary of Labor,  
United States Department of Labor,

Plaintiff,

v.

**AEU BENEFITS, LLC,  
AEU HOLDINGS, LLC,  
BLACK WOLF CONSULTING, INC.,  
SD TRUST ADVISORS, LLC,  
and the AEU HOLDINGS, LLC  
EMPLOYEE BENEFIT PLAN,**

Defendants.

**CIVIL ACTION NO.**  
1:17-cv-07931-JHL-SMF

Hon. Joan H. Lefkow  
District Judge

Hon. Sheila Finnegan  
Magistrate Judge

**DECLARATION OF JEANNE BARNES BRYANT**

I, Jeanne Barnes Bryant, make this Declaration based upon personal knowledge of the facts and circumstances relevant to this matter and if called, would testify to the facts provided herein.

1. I am President of Receivership Management, Inc. [hereinafter "Receivership"]. Receivership is located at 1101 Kermit Drive, Suite 735 Nashville, TN 37217; Tel. No. 615-370-0051. Receivership acts as, and provides support services to, court-appointed independent fiduciaries or court-appointed receivers.

2. On November 3, 2017, the United States District Court for the Northern District of Illinois issued a temporary restraining order ("TRO") appointing Receivership as the Independent Fiduciary of the ERISA-covered employer plans ("Participating Plans")

participating in the AEU Holdings, LLC Employee Benefit Plan (“AEU Plan”), a multiple employer welfare arrangement.

3. Pursuant to the TRO, Receivership has made an investigation of the assets, operations, and claims of the AEU Plan and Participating Plans.

4. As of the date of this Declaration, I have determined based on information provided by Benefit Plan Advisors that, for the period of January 1, 2017, to the present, there is a minimum of \$13.2 million in unpaid claims for participants and beneficiaries of the AEU Plan and Participating Plans.

5. For this same time period, I have determined there are at least 6,472 claims that have not yet been processed for the AEU Plan and Participating Plans.

6. For the period of January 1, 2016, to December 31, 2016, based on information provided by Tall Tree Administrators, there is a minimum of \$15.9 million in unpaid claims for participants and beneficiaries of the AEU Plan and Participating Plans.

7. As a result of the unpaid claims accruing for the AEU Plan and Participating Plans, creditors have initiated collection actions against multiple plan participants and beneficiaries.

8. The TRO also permitted Receivership to take control of bank accounts believed to hold plan assets of the Participating Plans. As of the date of this Declaration, Receivership has control of 17 bank accounts believed to hold plan assets.

9. Based on a review of these 17 bank accounts, there is presently approximately \$10,401,405.10 million in cash, although it is unknown if all of these funds consist of plan assets.

10. I know of two current legal proceedings relating to the AEU Plan’s non-payment of claims, *Employers’ Innovative Network, LLC v. Black Wolf Consulting, Inc.*, No. 17C-1-H (Cir.

Ct. Raleigh County, W. Va.) and *PFS HR Solutions, LLC v. Black Wolf Consulting, Inc.*, No. 1:17-cv-00277-JRG-SKL (E.D. Tenn.). I believe these lawsuits seek to recover plan assets and put at risk the AEU Plan and Participating Plans' remaining funds.

11. On November 7, 2017, the Secretary of the U.S. Department of Labor issued a Cease and Desist Order to prevent brokers working on behalf of AEU and Black Wolf from marketing the AEU Plan to prospective employers and collecting applications for enrollment of new employers in the AEU Plan.

12. I believe the individual participants and participating employers have lost confidence in the AEU Plan's ability to pay claims and provide health coverage to Participating Plans. Prior to the issuance of the TRO, several employers withdrew from the AEU Plan entirely.

13. The withdrawal of employers and lack of incoming new employers will result in a substantial reduction in the AEU Plan's cash flow.

Pursuant to 28 U.S.C. Section 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed: This 13<sup>th</sup> day of November, 2017.

  
JEANNE BARNES BRYANT