

## INTRODUCTION

Cooperative Funeral Fund, Inc. is a Massachusetts Corporation currently serving funeral homes in the States of Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, and Tennessee. Its head office is in Madison, Connecticut. The Corporation and its president, Mark C. Mannix, are registered with the United States Security and Exchange Commission; The Commonwealth of Massachusetts Department of Securities; The State of Connecticut, Department of Banking, Securities Division; Rhode Island Department of Securities; and the New York Department of Law as an Investment Advisor.

Mr. Mannix is a Graduate of Boston College's School of Management with a Bachelor of Science in Finance and has attended Finance classes at Boston University Graduate School of Management. His employment experience has a combined 10 years of service with Pepsico, Liggett & Myers, and Norton and Simon. For the past eight years he has been in the Funeral Trust business. During which time he has served on a Pre-Need Legislative Advisory Panel under the Massachusetts Secretary of Consumer Affairs, Paula Gold. He incorporated Cooperative Funeral Fund in July of 1989.

Cooperative Funeral Fund, Inc. has created a program for the funeral service industry to facilitate the creation, investment, tax compliance and payout of Pre-Need Funeral Trusts.

The objective of this program is to provide maximum security to the principal and to pace inflation (or the rising costs of funerals) as best possible. In that the funds of an individual escrow account exist, on average, seven years before being withdrawn, the investment philosophy is one of passive management. Financial instruments are bought and held for long durations not actively traded.

As Investment Advisor, Cooperative Funeral Fund, Inc., directs the investment of the Funds in accordance with the Funeral Service Contracts which restricts the portfolio to Government Securities, Corporate Bonds (A or Better rated), Money Market funds, Certificates of Deposits and Insurance Annuity Products: "Fixed Income Investments".

The ability to market the services of Cooperative Funeral Fund, Inc. lies not so much in the appreciation of principal but in the other services the Company offers:

- 1) On behalf of Massachusetts funeral directors, Cooperative Funeral Fund, Inc. has negotiated a solid "Funeral Services Agreement" with Wachovia Bank, NA.  
This Agreement allows the funds to be commingled so as to be invested in large blocks which generate higher yields.
- 2) Cooperative Funeral Fund, Inc. prepares and files all forms required by the IRS. To insure that

all work is performed correctly the Company has retained Ben Schiraldi & Associates, a CT accounting firm, to oversee all aspects of the Company's tax work.

- 3) By handling the tax work in the correct manner for irrevocable escrow accounts, Cooperative Funeral Fund, Inc. is able to protect the funeral director and his client funds from attachment by the Department Social Services when the client has applied for financial assistance under Title 19 of the Social Security Act.
  
- 4) Cooperative Funeral Fund, Inc. provides the Escrow Agents and the funeral directors with detailed monthly reports showing beginning balance, all interest allocation, expenses and fees, additional deposits, withdrawals, and ending balance for each individual escrow account, for each funeral director, and to the Escrow Agents for the total fund.
  
- 5) Annually the escrow account is audited by an independent Certified Public Accountant. Upon request, a participant funeral director will receive a copy of that report.

Cooperative Funeral Fund, Inc. charges an annual fee of 1.25% of the escrow account balance which is paid monthly. We do not make any commissions from any investments purchased for the fund nor do we receive any gratuities from any of the broker/dealers we may instruct Wachovia Bank, NA to purchase such investments through.

In accordance with United States Securities and Exchange Regulations governing Registered Investment Advisors we are required to provide you with part II of our ADV registration form. (Copy enclosed)