

FREQUENTLY ASKED QUESTIONS REGARDING THE CHAPTER 11 TRUSTEE’S MOTION TO APPROVE (I) WIND-DOWN AND TERMINATION OF OPERATIONS OF DEBTOR, (II) RESIGNATION OF THE DEBTOR AS TRUSTEE OF TRUSTS, (III) APPROVE PROCEDURES TO APPOINT CPT INSTITUTE, INC. AS SUCCESSOR TRUSTEE OF THE TRUSTS, AND (IV) APPROVE FORM AND MANNER OF OPT-OUT NOTICE FOR APPOINTMENT OF CPT INSTITUTE, INC. AS SUCCESSOR TRUSTEE (DOC. NO. 76)

THE “WIND DOWN MOTION”

The Center for Special Needs Trust Administration, Inc. (“**Center**” or the “**Debtor**”) filed bankruptcy in February of 2024. Many trusts were partially or fully compromised. A Chapter 11 bankruptcy trustee was appointed to oversee the Debtor, the administration of your trusts, facilitate a wind down of the Debtor, and recover over \$100,000,000 of improper trust funds transfers resulting in many compromised trusts.

The Debtor and the Trustee’s resources are limited, and the Trustee must transition all of your trusts to a new trust administrator. The Wind Down Motion was filed to facilitate that process.

The Debtor will be winding down and closing by December 31, 2024, and you must select a new pooled trust, or successor trustee, depending on the type of trust you have. Below are Frequently Asked Questions (and answers) to assist you through this process.

Your decision to select a new Pooled Trust or Non-Pooled Trustee may depend on whether your account is fully or partially compromised by the actions of the Debtor and its owners and related parties.

To be clear, as you review the information below, please understand that you, as a Beneficiary trust representative, **must** make arrangements to move your trust to your desired successor trustee or pooled Trust company before sending in the appropriate paperwork to ensure the successor will accept you as a client. Other than the default transfer of the Pooled Trusts to CPT Institute as set forth below, the transfers are not automatic.

Can the Debtor summarize the process?

All beneficiaries must select a new trustee or pooled trust because the Debtor is winding down as of December 2024. Pooled Trusts will be transferred to CPT Institute unless you opt out. Non-Pooled Trusts require additional review of trust documents and state law.

If you do not choose a successor trustee by November 22, 2024, CPT Institute will review your Non-Pooled trust and determine if it can take it, or assist you in finding a new successor trustee. The Chapter 11 Trustee will continue collection efforts on behalf of all Beneficiaries and will make distributions to Beneficiaries when recoveries are received.

How can I tell if I have a Pooled Trust or a Non-Pooled Individual (Stand Alone) Trust?

You can locate your trust number on this list (click here – link to [Exhibit C](#)) and determine whether you are the beneficiary of a pooled trust or a non-pooled individual trust. If you do not know your trust number, you can ask the Claims Agent by emailing: centerforspecialneedstrust@epiqglobal.com

note that the names of Beneficiaries has been protected in this case to prevent beneficiaries' privacy and unwanted solicitation

How do I choose a New Pooled Trust if I have a Pooled Trust?

If you have a Pooled Trust, the Chapter 11 Trustee has chosen CPT Institute (www.CPTInstitute.org) (“CPT”) as the default pooled trustee for beneficiaries who wish to do nothing. CPT Institute is a 501(c)(3) non-profit organization registered to administer trusts in 48 states (other than New Mexico and Connecticut). For more information on CPT, [click here https://www.cptinstitute.org](https://www.cptinstitute.org) All Beneficiaries have the option of choosing their own successor trustee if they choose not to transition their trusts to CPT.

If you do not consent to CPT as your Pooled Trustee, you must fill out [Exhibit A](#). If you do not fill out Exhibit A and select new successor Pooled Trust by November 22, 2024, CPT will begin to transfer your Pooled Trust to CPT automatically.

Alternatively, if you consent to CPT's appointment as successor trustee, you may visit their website at www.cptinstitute.org/the-center to complete the OPT-IN electronic form. You can also contact CPT directly at:

Telephone: 813-687-8818

Email: join@cptcharity.org

URL: www.cptinstitute.org/the-center

How do I know if my Trust is fully or partially compromised (or not compromised at all)?

See [Exhibit C](#). Exact amounts are protected for the privacy of each beneficiary. If you wish to obtain additional information about the amounts in trust, please contact info@centertrust.org.

Who do I contact if I need to obtain a copy of my trust documents?

You can email info@centertrust.org and the Debtor (overseen by the Chapter 11 Trustee) will provide you with the trust documents it has in its possession.

How do I choose a Successor Trustee if I have a Non-Pooled Trust?

If you have a Non-Pooled Trust, it must be evaluated separately due to the unique nature of the trust agreement and the relevant state law applicable to your trust. *****There will be no automatic transfer of Non-Pooled Trusts to CPT***** Each Beneficiary of a Non-Pooled Trust may consider CPT as a successor trustee or, at its option, move his or her Trust to a new third party administrator.

If you do not select a new successor trustee by November 22, 2024 by filing out [Exhibit B \(LINK\)](#), CPT shall be compensated up to \$500 per non-pooled trust instrument to evaluate the legal and economic feasibility of CPT's assumption of successor trustee duties of each Non-Pooled Trust. [CPT has agreed to waive the \$500 fee for reviewing any trust with a principal account balance of less than fifty thousand dollars (\$50,000)].

What if I don't want CPT as my successor trustee of any trust?

All beneficiaries are entitled to choose a successor trustee or pooled trust of their option. If you do not want CPT Institute as your successor trustee then you should complete and return the "Opt-Out Notice" **no later than November 22, 2024**. The "Opt-Out Notices" for Pooled and Non-Pooled Trusts can be found here ([click here Exhibits A / B](#)).

Whether you have a Pooled Trust or Non-Pooled Trust, if you wish to explore other trust administration options, attorneys specializing in special needs planning from around the country have volunteered to advise you about your options. See list of attorneys ([click here](#)). These volunteer attorneys have agreed to donate their time to help you understand

your rights. Please understand that these are busy professionals who will be assisting many people in making their decisions. Please respect their time and efforts on your behalf.

What if I did not act quickly enough and my trust went to CPT, but I want to choose another Pooled Trust or Non-Pooled Trustee?

The transfer of your trust to CPT under these procedures does not prevent you from later moving your trust to a new trustee in the future. These procedures are being implemented because the Center is Closing by the end of 2024.

To determine the amount of compromised and non-compromised funds in your account you can email: info@centertrust.org

What happens to accounts with fully compromised trusts?

If your account is fully compromised, the Chapter 11 Trustee will seek to recover your compromised trust funds and will send any recoveries to your chosen successor trustee or pooled trust of your choice.

If you have selected CPT as your successor Pooled Trust, CPT will open an account when the Chapter 11 Trustee has identified that distributions are being made from recovered trust assets. **You should still identify a successor trustee or pooled trust, even if your trust is fully compromised with the Debtor.**

If your account is partially comprised, the assets that the Debtor is still holding at third-party financial institutions will be transferred to your selected Pooled Trust or Non-Pooled Trustee of your choosing at the end of the year as part of the wind down procedures. The remaining assets will be sent to the Pooled Trust or Successor Trustee when such funds are recovered by the Chapter 11 Trustee.

How do I know CPT will not misuse my trust funds?

Before selecting CPT, the Chapter 11 Trustee and his representatives investigated alternatives and conducted extensive due diligence on CPT, including interviewing the officers of CPT and its counsel, reviewing its financial records, conducting public records searches, conducting searches for litigation involving CPT, and confirming CPT's qualification to conduct business as a trustee in the administration of pooled special needs trusts in 48 states. The Chapter 11 Trustee's due diligence has uncovered no reported

misconduct by, or litigation involving, CPT. However, the Chapter 11 Trustee cannot and does not make any guarantees with respect to CPT, and all Beneficiaries are entitled to opt out of the appointment of CPT as successor trustee, in the manner described below, and select an alternative successor trustee of their Trusts.

The Chapter 11 Trustee discloses that CPT has indicated that it may hire certain of the Debtor's employees, some of whom have worked for the Debtor in the past.

How do I submit my “Opt-Out Notice”

Submission instructions are at the bottom of each Opt-Out Notice (see Exhibit A/Exhibit B).

What does CPT charge for its Pooled Trust services?

See [Link to Exhibit A]

What does CPT charge for its Non-Pooled Trust services?

See [Link to Exhibit B]

Should I consult legal counsel about the decision as to successor trustee?

It is strongly recommended that you consult with an attorney experienced in special needs trusts before making a decision regarding your trust. A list of attorneys who have agreed to provide volunteer consultations can be found here ([click here](#)).

There are other resources available to provide assistance, including:

- **Special Needs Alliance:** www.specialneedsalliance.org
- **Academy of Special Needs Planners:** <https://specialneedsanswers.com/>
- **National Academy of Elder Law Attorneys:** www.naela.org
- **National Elder Law Foundation:** www.nelf.org

The Chapter 11 Trustee, the Debtor, the Committee, and their representatives are not responsible for any consequences resulting from your decisions electing a successor trustee or Pooled Trust.

What if I choose CPT Institute to be my successor trustee?

If you have a Pooled Trust, CPT Institute will become your new pooled trustee on January 1, 2025, unless you opt-out.

If you have a Non-Pooled Trust, CPT Institute will assess a fee of up to \$500 to review your trust documents to ensure CPT Institute can take over as your Trust, which fee is waived if your account is below \$50,000. If CPT Institute cannot be your successor Trustee of your Non-Pooled Trust, it will provide you with a written report to assist you in finding a new successor trustee.

If I opt out of CPT Institute, will I still have the potential to recover my lost money?

The Chapter 11 Trustee will continue to seek recovery of any compromised trust funds even after you move your trust funds to a successor trustee or successor Pooled Trust. Any assets recovered will be funded into your account with the trust program you selected after January 1, 2025. Pursuant to the Wind Down Motion, all Beneficiaries will automatically assign their litigation rights back to the Chapter 11 Trustee to allow the Chapter 11 Trustee to recover funds on your behalf.

Once the Debtor is no longer operational, who should I contact if I need "old" information from my trust fund account?

You can email info@centertrust.org and the Debtor (overseen by the Chapter 11 Trustee) will provide you with the trust documents and information it has in its possession.

Will beneficiaries receive annual accountings for 2023 and 2024?

The Chapter 11 Trustee's forensic accountant is working to provide accounting to beneficiaries, which will be made available at a later date.

For those Beneficiaries who receive caregiver payments or other type of payments, will they receive their 1099 forms as usually so they can do their 2024 taxes? If they don't receive these forms, who can they contact?

The Chapter 11 Trustee's forensic accountant is working to provide accounting to beneficiaries at a later date. If you do not receive these forms, you can email info@centertrust.org to request them directly.

When is the cut-off deadline to send in distribution requests to the Debtor?

The Chapter 11 Trustee is endeavoring to close the Debtor by the end of 2024. Please attempt to provide all distribution requests **by December 1, 2024**. Any distribution requests sent to the Chapter 11 Trustee during the month of December will be dealt with by the Debtor on an individual basis. The Chapter 11 Trustee will work with your new selected Trustee or Pooled Trust to coordinate payment.

Will I continue to get distributions under the Critical Expense Loan?

The Bankruptcy Court entered an order allowing the Debtor to continue making distributions on account of compromised trust accounts until liquid assets are depleted, and then to cease distributions except for [Critical Expenses](#). The Debtor will cease making distributions as Critical Expense advances as of December 31, 2024. If your trust is fully compromised, you should consult the legal aid options here [LINK](#) or consult Medicare and Medicaid for additional resources and assistance.

What should I do if my Beneficiary has passed away?

The Chapter 11 Trustee is working to administer these trusts with the appropriate state Medicare and Medicaid agencies. The Chapter 11 Trustee is aware of these trusts and will reach out to you directly to identify where residual trust amounts should be sent once this process is completed. You do not need to fill out Exhibit A or Exhibit B, although you can email info@centertrust.org if you wish determine whether the Beneficiaries' account was compromised.