

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

~~PROPOSED~~ ORDER STAYING ALL PROCEEDINGS AGAINST PARTICIPANTS,  
BENEFICIARIES, THE AEU HOLDINGS, LLC EMPLOYEE BENEFIT PLAN (“AEU  
PLAN”), EMPLOYER PLANS PARTICIPATING IN THE AEU PLAN, AND PLAN  
ASSETS

WHEREAS, the above-captioned action has been filed pursuant to the Secretary of Labor’s authority under the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1001 *et seq.*, alleging over \$26 million in unpaid claims for a multiple employer welfare arrangement, the AEU Holdings, LLC Employee Benefit Plan (“AEU Plan”)<sup>1</sup> covering the participants and beneficiaries of hundreds of ERISA-covered employer plans (“Participating Plans”); and

WHEREAS, the Court removed Defendants AEU Holdings, LLC, AEU Benefits, LLC

<sup>1</sup> According to allegations in the Complaint, the AEU Plan has been referred to in the past and present by many names, including the Veritas Employee Benefits Plan, Employers Network Association Plan, PHCS Multi-Plan Network, CIGNA VEBA Trust Program, VEBA Health Benefit Plan, Black Wolf Plan, Veritas Plan, and AEU Benefit Plan.

(collectively, “AEU”), and Black Wolf Consulting, Inc. (“Black Wolf”) as fiduciaries to the AEU Plan and the Participating Plans and appointed an Independent Fiduciary to administer AEU Plan and the Participating Plans; and

WHEREAS, the Court deems it necessary to avoid, to the extent possible, any unnecessary drain of the AEU Plan and Participating Plans’ plan assets that would result from litigation involving the plan assets, participants and beneficiaries; and

WHEREAS, the Court deems it necessary to protect, to the extent possible, the participants and beneficiaries from litigation relating to the unpaid claims of the AEU Plan; and

WHEREAS, the Court is vested with the authority to stay and enjoin actions in aid of its jurisdiction over this action, under the All Writs Act, 28 U.S.C. § 1651, including litigation seeking to collect plan assets and collection actions filed by health care providers against the AEU Plan’s participants and beneficiaries for unpaid benefit claims, see Cutler v. The 65 Security Plan, 831 F. Supp. 1008 (E.D.N.Y. 1993); In re Consolidated Welfare Fund ERISA Litigation, 798 F. Supp. 125 (S.D.N.Y. 1992);

IT IS HEREBY ORDERED that:

1. All state and other federal court actions against the AEU Plan and Participating Plans and their plan assets, or against participants and beneficiaries for unpaid benefit claims incurred while a participant or beneficiary participating in the AEU Plan and payment for which the AEU Plan is likely responsible, whether filed by or on behalf of participants, participating employers, health care providers, collection agencies, or others, are hereby stayed and enjoined pending the final disposition of this action, or until further order of this Court.

2. All health care providers, collection agencies, AEU Plan participants or beneficiaries, participating employers, or other persons having actual knowledge of this Order, are enjoined

from filing, prosecuting or enforcing any state or other federal court action against the AEU Plan and Participating Plans, plan assets, participants or beneficiaries for payment of monies which constitute liabilities or allowable charges against the AEU Plan and Participating Plans, including, but not limited to, related claims for attorneys' fees, costs and other demands, pending the final disposition of this action or until further order of this Court.

3. All known creditors of the AEU Plan or Participating Plans, collection or credit reporting agencies and their agents are prohibited from making or continuing to make any adverse credit reports regarding participants or beneficiaries of the AEU Plan and Participating Plans for nonpayment of monies from health claims incurred while they participated or were covered by the AEU Plan or Participating Plans.

4. The Independent Fiduciary shall cause a copy of this Order to be served by United States mail or electronic mail upon all employers currently identified by the Independent Fiduciary, as well as any additional employers discovered during the Independent Fiduciary's review of documentation relating to the AEU Plan.

5. The Independent Fiduciary shall cause a copy of this Order to be served by United States mail upon all persons or entities of which he is aware who are parties to any litigation stayed or enjoined by this Order.

6. The Independent Fiduciary shall cause a copy of this Order to be served by United States mail upon all known creditors of the AEU Plan, Participating Plans, and/or participants and beneficiaries, and any collection or credit reporting agencies and their agents, who may be affected by this Order.

7. The Independent Fiduciary shall keep a record, available for review by the Court, of the names and addresses of all individuals and entities whom were served pursuant to Paragraphs

4 and 5 of this Order.


8. Excluded from this Order are any actions, whether legal, equitable, or administrative in nature, by the Secretary of Labor or any other federal governmental authority and any state or state agency.

9. Excluded from this Order are any actions, whether legal, equitable, or administrative in nature, against the owners, officers, or agents of Defendants AEU or Black Wolf in their individual capacities. Nothing in this Order shall prohibit any actions, whether legal, equitable, or administrative in nature, between and among service providers to the AEU Plan, to the extent such claims do not target or seek to recover plan assets of the AEU Plan and Participating Plans.

10. Any action filed after the filing of this Order is also to be stayed pursuant to the All Writs Act, 28 U.S.C. § 1651.

11. Any objections to this Order shall be filed with the Court and served upon the parties herein within five business days of receipt of this Order.

Date: NOV 15 2017

  
Hon. Joan H. Lefkow  
United States District Court Judge