

# Appeals court docket upholds \$107M judgment towards PNC in trustee case

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A federal appeals court docket has upheld a \$107 million judgment towards PNC Financial institution, a unit of PNC Monetary Companies Group, in a lawsuit over a multi-state fraud scheme involving funeral house contracts.

The Eighth Circuit Courtroom of Appeals issued its ruling on Monday, two years after District Judge E. Richard Webber of the Japanese District of Missouri ordered the nine-digit judgment.

PNC was the only remaining financial institution defendant in litigation first filed in 2009 that alleged fraud and breach of fiduciary responsibility by St. Louis-based Allegiant Bancorp in administering seven trusts. Allegiant was bought in 2003 by Nationwide Metropolis Corp., which was purchased by PNC in 2008.

PNC had appealed a \$107 million judgment, arguing that the decision improperly included punitive damages and made different errors, however the Eighth Circuit Courtroom of Appeals disagreed.

Six people [have been convicted](#) and served jail time for fraud perpetrated by Nationwide Prearranged Companies, a St. Louis vendor of funeral contracts, and

two associated and now-defunct Texas life insurers. Roughly 250,000 prospects in 35 states paid for prearranged funeral contracts that have been required by state legislation to be saved in a safe belief.

"These banks let a Ponzi scheme run by means of their belief departments and didn't do something to guard the belief's belongings," stated Dan Reilly, a companion on the legislation agency Fennemore Craig, who was the lead plaintiff trial counsel. As a result of PNC purchased Allegiant, it purchased the financial institution's liabilities, he stated.

PNC didn't reply to a request for remark.

PNC had argued on enchantment that the district court docket improperly calculated compensatory damages; improperly awarded punitive damages; erred in awarding prejudgment curiosity; and exceeded its authority by awarding attorneys' charges and declining to cut back the award.

Plaintiffs within the lawsuit included 35 state warranty associations and the Nationwide Group of Life and Well being Insurance coverage Warranty Associations.