

Madison County Officials critical of Treasurer's settlement of lawsuit

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EDWARDSVILLE, February 23, 2015 – Two Madison County officials are criticizing the actions of Treasurer Kurt Prenzler related to the premature selling of more than \$41 million in Triple A rated bonds and the subsequent lawsuit brought by the treasurer against Sterne Agee, an Arkansas-based brokerage firm, over excessive commissions.

This afternoon, Prenzler announced a settlement of the lawsuit with Sterne Agee agreeing to pay the county \$340,000. As part of the proposed settlement, Prenzler will admit the commissions charged by Sterne Agee were not excessive or illegal.

Madison County Chairman Alan J. Dunstan said Mr. Prenzler chose to enter into litigation by prematurely selling the bonds at a loss of more than \$365,000. “The settlement comes up far short of what Mr. Prenzler expected to receive and what this issue has cost Madison County,” Dunstan said.

“The proposed \$340,000 settlement does not begin to approach the monetary loss to county taxpayers,” Dunstan added. “Mr. Prenzler never should have sold the Triple A rated bonds in the first place. Madison County taxpayers incurred a loss when the bonds were sold, so the settlement does not even cover the initial loss,” Dunstan said. “This whole issue has been a fool’s errand on the part of the treasurer.”

Madison County Auditor Rick Faccin agreed the bonds should never have been sold by the treasurer. “It is a simple matter of basic math,” Faccin explained. “Mr. Prenzler incurred a loss of approximately \$365,000 when he prematurely sold the bonds. The opportunity loss is approximately \$700,000, the amount of revenue the county would have received. And through December, 2014, the treasurer has incurred more than \$164,000 in litigation expenses and we think that amount will increase significantly as all charges are received.”