

REGULAR BOARD MEETING

MINUTES

April 10, 2013

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on April 10, 2013, at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Harris High, President; J. T. Willoughby III, Vice-President; Ken Stainback, Secretary; Kelly Byrd, Lawrence Jackson III, Stephen Aldridge III, John Shields and Tryphina Wiseman. Absent: Broadus Combs.

Also Present: Peter M. Burke, Executive Director, Stephen N. Dirksen, General Counsel, Patricia Hayes with North Carolina Funeral Directors Association, Fred Jordan with NC Eye Bank, Will Staton and Michael Fulwood with NC Crematory Authority, Gary Ballance, attorney, and Lyn Cochrane.

Mr. High called the meeting to order at 9:10 a.m., led the Pledge of Allegiance, had the invocation and read the Ethics Awareness & Conflict of Interest statement. Mr. High and Mr. Byrd stated they had attended the NCFDA District 9 meeting.

Mr. High asked the guests to introduce themselves.

Mr. Stainback presented the March 13 2013, minutes. Mr. Aldridge made the motion to approve the minutes and Mr. Byrd seconded. The motion carried.

Preneed Committee: Mr. High stated the Committee last met by teleconference on February 8.

There are 171,237 active contracts as of March 12, 2013; 662 licensed preneed funeral establishments; and 1,673 individuals licensed to sell preneed as of April 8, 2013. Mr. High stated this report was for information only.

At this time Mr. Jackson entered the meeting.

Traineeship Committee: Ms. Wiseman and the Committee met by teleconference on April 3 to discuss a request from a trainee, their supervisor and manager to extend a traineeship for an additional six months. Trainee has been registered for three years and has completed 1,827 of the required 2,000 hours. Committee recommends denying the request since traineeship has been renewed two times which is the legal maximum. Trainee may reapply and start over. Ms. Wiseman made the motion to accept the recommendation. Mr. Jackson seconded and the motion carried.

Disciplinary Committee: Mr. Byrd stated the Committee met by teleconference on April 4 and presented the recommendations. Mr. Byrd noted there was an addendum. Mr. Byrd made the motion to accept the recommendation for V12-085, C13-006, C13-013, C13-022, V12-083, C13-004, M13-001, M13-011, M13-012, M12-024, M13-010 and the Addendum M13-009. Mr. Willoughby seconded. Ms. Wiseman recused herself from M13-001. Mr. Willoughby amended the motion to exclude M-13-001. The motion carried. Mr. Aldridge made the motion to approve M13-001 and Mr. Byrd seconded. Ms. Wiseman moved away from the table. The motion carried and Ms. Wiseman did not participate in the vote.

Finance/Personnel Committee Mr. Willoughby stated the Committee met by teleconference on April 9. The Committee discussed the 2013 Mutual Burial Association assessment. There are 68 active MBAs as of 12-31-12 with a combined membership of 49,580 members and assets totaling \$4,943,481.43. Committee recommended the 2013 assessment remain at \$100 per MBA and \$0.30 per member.

Board staff met with First-Citizens Bank to discuss the Remote Image Deposit service they offer. Committee recommends purchasing the required equipment and process deposits electronically.

Ms. Wiseman made the motion to accept the recommendations for the MBA assessment and the Remote Image Deposit service. Mr. Byrd seconded and the motion carried.

Mr. Willoughby reviewed the financials. Questions ensued. Mr. Willoughby stated the report was for information only.

Attorney Report: Mr. Dirksen presented his report. Staff has received a Notice of Appeal from Morris Funeral Home requesting a new trial. Mr. High continued the hearing scheduled for today and tomorrow and it will be heard at the May meeting. Mr. Dirksen stated the report was for information only.

Executive Director's Report: Mr. Burke presented the report.

New Funeral Homes: J.S.D. Funeral Home, Lumberton; J.S.D. Kinlaw Funeral Home, Elizabethtown

New Crematory: Regional Memorial Cremations, Greensboro

New Funeral Service Licensees: Henry Dunbar II, Tammy Johnson, David Kelleher, Frank McFarland IV, Michellie Pharr

New Funeral Director Licensees: Landon Cloer, Megan Sutherland

New Courtesy Card Registrations: Janet Clarke, James Toney

New Transport/Removal: Zachary Chapple, Kevin Field

New Unaffiliated Licensee: Robert S. Morgan, Jr., Fallston

Exam Notes: 10 applicants took Laws & Rules. Two passed, one failed, third will re-take per The Conference. No data on other seven.

N. C. Department of State Auditor has not reported on their audit from February. The FBI will meet with staff on May 9 to audit security of fingerprint cards. SBI will meet with staff on Friday for a pre-audit meeting.

Board Members are reminded that Statement of Economic Interest with Ethics Commission is due Monday, April 15.

Mr. Burke discussed Prudent Man legislation and NCBFS proposed legislation. Discussion ensued.

Mr. Burke will attend the District 5 NCFDA meeting on April 11 and the District 5 meeting on April 24. A Preneed/FTC Seminar will be held in the Board office on May 21. The office now has wireless Internet.

Ms. Wiseman stated she had received several phone calls from licensees regarding unaffiliated licensees and the need for more regulation and concerns about their inspection. Questions ensued. Mr. Dirksen gave the history of unaffiliated licensees from the 2003 law change. Mr. Aldridge made the motion to have the Laws & Rules Committee look at unaffiliated licensees and to study the existing rule. Ms. Wiseman seconded and the motion carried.

Mr. Shields continued the discussion on Prudent Man legislation. Mr. Aldridge made the motion to have staff express opposition to the bill as written due to questions regarding risk tolerance and lack of consumer protection. Mr. Willoughby seconded and the motion carried.

At this time Mr. High called for a recess.

At this time Mr. Burke introduced Steve Shaal with Matthews Cremation who presented information on Alkaline Hydrolysis and answered questions.

Upon reconvening Mr. High changed the agenda due to the late time.

Old Business: There was none.

Mr. High asked if there were any public comments. Mr. Staton made comments regarding the legislation mentioned earlier.

Mr. High recessed the meeting at 11:50.

The Board returned from recess at 12:25. Mr. Aldridge made the motion to go into closed session to discuss a personnel matter and to protect attorney-client privileges regarding two disciplinary matters.

The Board returned to open session after a motion from Mr. Willoughby and second from Mr. Byrd. Ms. Wiseman made a motion for Board staff to proceed with injunctive relief for First Choice Funeral Home. Mr. Byrd seconded and the motion carried.

Attorney Gary Ballance entered the meeting on behalf of R. H. Greene Funeral Home and Nathaniel Yarbrough. Mr. Byrd and Ms. Wiseman were given permission by Mr. Ballance to participate in the discussion. Questions ensued and Mr. Ballance and Mr. Dirksen responded. Mr. Aldridge made the motion to approve and sign the consent order. Mr. Stainback seconded and the motion carried.

Mr. High adjourned the meeting at 2:00 p.m.

Harris High, President

Ken Stainback, Secretary