

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA
BOARD OF FUNERAL SERVICE
CASE NO. M23-0047

In the matter of:

Neddo Watkins, Inc. d/b/a Lowe-Neddo
Funeral Home and Michael J. Neddo,
Respondents.

)
)
)
)
)

CONSENT ORDER

THIS CAUSE, coming before the North Carolina Board of Funeral Service (hereinafter the "Board") at its offices at 1033 Wade Avenue, Suite 108, Raleigh, North Carolina 27605, with a quorum present, the Board and Respondents stipulate and agree to entry of the following Consent Order:

FINDINGS OF FACT

1. Respondent Neddo Watkins, Inc. d/b/a Lowe-Neddo Funeral Home (hereinafter "Respondent Funeral Home"), is licensed by the Board as Funeral Establishment Permit No. 0668 and Preneed Establishment Permit No. 0737 and, therefore, is subject to Chapter 90 of the North Carolina General Statutes and Title 21, Chapter 34 of the North Carolina Administrative Code. Respondent Funeral Home is located in Matthews, North Carolina.
2. Respondent Michael J. Neddo (hereinafter "Respondent Individual" or collectively with Respondent Funeral Home as "Respondents") is licensed by the Board as Funeral Service Licensee No. 2576 and, therefore, is subject to Chapter 90 of the North Carolina General Statutes and Title 21, Chapter 34 of the North Carolina Administrative Code.
3. For all times relevant to this matter, Respondent Individual has been a shareholder and licensed manager of Respondent Funeral Home and has held a preneed sales license on behalf of Respondent Funeral Home.
4. On or about September 12, 2023, Board Inspector Debbie Hamm conducted a preneed examination and audit of trust-funded and insurance-funded preneed contracts for which Respondents serve as trustee (the "2023 Examination").
5. During the 2023 Examination, Inspector Hamm found evidence tending to show violations of statutes and rules governing the practice of funeral service, in that Respondents:
 - a. failed to file the following preneed contracts with the Board within ten (10) days of sale:
 - i. [REDACTED] (date of contract - 01.28.2020)
 - ii. [REDACTED] (date of contract - 04.14.2016)
 - iii. [REDACTED] (date of contract - 01.28.2020)
 - iv. [REDACTED] (date of contract - 02.02.2021)

- v. [REDACTED] (date of contract - 09.18.2017)
- vi. [REDACTED] (date of contract - 09.18.2017)
- vii. [REDACTED] (date of contract - 12.07.2018)
- viii. [REDACTED] (date of contract - 12.07.2018)
- ix. [REDACTED] (date of contract - 05.18.2021)
- x. [REDACTED] (date of contract - 07.31.2018)
- xi. [REDACTED] (date of contract - 06.16.2016)
- xii. [REDACTED] (date of contract - 06.16.2016)
- xiii. [REDACTED] (date of contract - 06.16.2016)
- xiv. [REDACTED] (date of contract - 08.20.2016)
- xv. [REDACTED] (date of contract - 11.22.2017)
- xvi. [REDACTED] (date of contract - 10.02.2017)
- xvii. [REDACTED] (date of contract - 04.05.2021)
- xviii. [REDACTED] (date of contract - 04.16.2018)
- xix. [REDACTED] (date of contract - 04.21.2021)
- xx. [REDACTED] (date of contract - 02.20.2021)
- xxi. [REDACTED] (date of contract - 02.20.2021)
- xxii. [REDACTED] (date of contract - 08.29.2016)
- xxiii. [REDACTED] (date of contract - 08.17.2017)
- xxiv. [REDACTED] (date of contract - 07.20.2016)
- xxv. [REDACTED] (date of contract - 02.07.2023)
- xxvi. [REDACTED] (date of contract - 02.16.2018)
- xxvii. [REDACTED] (date of contract - 03.22.2021)
- xxviii. [REDACTED] (date of contract - 01.16.2018)
- xxix. [REDACTED] (date of contract - 07.20.2016)
- xxx. [REDACTED] (date of contract - 02.07.2023)
- xxxii. [REDACTED] (date of contract - 02.07.2023)

b. failed to retain a copy of insurance information, beneficiary designation documents, or instrument of assignment for the preneed contract of [REDACTED] that was sold by Respondents on 10.28.2023.

c. failed to file with the Board a certificate of performance for the following contracts within ten (10) days following receipt of payment:

- i. [REDACTED] (date of payment 05.08.2023)
- ii. [REDACTED] (date of payment 06.10.2022)
- iii. [REDACTED] (date of payment 09.13.2022)
- iv. [REDACTED] (date of payment 08.17.2022)
- v. [REDACTED] (date of payment 11.08.2022)

d. failed to accurately complete its preneed annual reports to the Board from 2017-2023.

6. Respondent Michael J. Neddo remains fit to practice. Since the issuance of the Notice of Hearing, Respondents have provided the Board with additional information with regard to the deficiencies described in the Notice and have taken corrective action to address the deficiencies identified in the 2023 Examinations.

CONCLUSIONS OF LAW

1. Respondents are subject to jurisdiction before the Board.
2. The acts and omissions of Respondents described in Paragraphs 1-6 constitute a failure to timely file with the Board a certificate of performance for a performed preneed contract, in violation of N.C. Gen. Stat. § 90-210.64(a) and 21 N.C. Admin. Code 34D .0303(b).
3. The acts and omissions of Respondents described in Paragraphs 1-6 constitute a failure to timely file multiple preneed contracts with the Board, in violation of N.C. Gen. Stat. § 90-210.67(d), and 21 NCAC 34D .0105.
4. If established by a preponderance of the evidence, the acts and omissions of Respondents described in Paragraphs 1-6 constitute a failure to either execute or retain multiple applications for insurance, insurance policies, beneficiary designation documents, or instruments of assignment for insurance funded preneed contracts sold, in violation of N.C. Gen. Stat. § 90-210.68(a) and 21 NCAC 34D .0301(c)(5).
5. The acts and omissions of Respondents described in Paragraphs 1-6 constitute a failure to accurately complete their preneed annual reports between 2017 and 2023, in violation of N.C. Gen. Stat. § 90-210.68(a) and 21 NCAC 34D .0302.
6. The acts and omissions of Respondents described in Paragraphs 1-6 violate N.C. Gen. Stat. § 90-210.69(c)(6), which prohibits violating or cooperating with others to violate the laws, rules and regulations of the Board, or the standards set forth in Funeral Industry Practices, 16 C.F.R. § 453 (1984), as amended from time to time.
7. The acts and omissions of Respondents described in Paragraphs 1-6 violate N.C. Gen. Stat. § 90-210.25(e)(1)j., which prohibits violating or cooperating with others to violate the laws, rules and regulations of the Board, or the standards set forth in Funeral Industry Practices, 16 C.F.R. § 453 (1984), as amended from time to time.
2. Pursuant to N.C. Gen. Stat. § 90-210.25(d)(4), the Board has the authority to revoke, suspend, or refuse to issue or renew the funeral establishment permit of Respondent Funeral Home, to place Respondent Funeral Home on probation, and to assess a civil penalty not to exceed \$5,000.00.

3. Pursuant to N.C. Gen. Stat. §§ 90-210.69(c)(6) and (d) the Board has the authority to revoke, suspend, or refuse to issue or renew the preneed establishment permit and all ancillary preneed sales licenses of Respondent Funeral Home, or to place Respondent Funeral Home on probation, and to assess a civil penalty not to exceed \$5,000.00.
4. Pursuant to N.C. Gen. Stat. § 90-210.25(e)(1)j., the Board has the authority to suspend, revoke, or refuse to issue or renew the funeral service license of Respondent Individual. If the Board concludes that Respondent Individual committed one or more of the aforementioned violations but remains fit to practice, pursuant to N.C. Gen. Stat. § 90-210.25(e)(2), the Board has the authority to place Respondent Individual on probation and to assess a civil penalty not to exceed \$5,000.00.
5. Pursuant to N.C. Gen. Stat. § 90-210.69(c)(6), the Board has the authority to revoke, suspend, or refuse to issue or renew the preneed sales license of Respondent Individual, to place Respondent Individual on probation, and to assess a civil penalty not to exceed \$5,000.00.

BASED upon the foregoing Findings of Fact and Conclusions of Law, and in lieu of further proceedings, Respondents wish to resolve this matter by consent and agree that Board staff and counsel may discuss this Consent Order with the Board *ex parte* whether or not the Board accepts this Consent Order as written.

Whereas Respondents acknowledge that they have read this entire document and understand it;

Whereas Respondents acknowledge that they enter into this Consent Order freely and voluntarily;

Whereas Respondents acknowledge that they have had full and adequate opportunity to confer with legal counsel in connection with this matter;

Whereas Respondents understand that this Consent Order must be presented to the Board for approval and that Respondents hereby waive any argument that any Board members considering this Consent Order are disqualified from participating in a hearing of this matter; and

Whereas the Board has determined that the public interest is served by resolving this matter as set forth below.

THEREFORE, with the consent of Respondents, it is ORDERED that:

1. The Board hereby suspends for three (3) years the preneed establishment permit and any and all ancillary preneed sales licenses of Respondent Funeral Home, provided however that the suspension shall be stayed on the following terms and conditions:

North Carolina Board of Funeral Service

In the matter of: Neddo Watkins, Inc. d/b/a Lowe-Neddo

Funeral Home and Michael J. Neddo

Case No. M23-0047

Consent Order

- a. Within fifteen (15) days of this Consent Order, Respondent shall file with the Board all certificates of performance identified in Paragraph 5(c) of the above Findings of Facts, and pay to the Board all associated late fees;
 - b. Respondents shall not violate any law or rule of the Board during the period of suspension;
 - c. Respondents shall timely respond to any and all Board and/or Board staff correspondence;
 - d. Respondents shall comply with all terms of this Consent Order; and
 - e. Within thirty (30) days from the date this Consent Order takes effect, Respondents shall pay a compromise penalty of Two Thousand Dollars (\$2,000.00) Dollars to the Civil Penalty and Forfeiture Fund in accordance with Article 31A of Chapter 115C of the North Carolina General Statutes.
2. The Board hereby puts on probation the Funeral Service License of Respondent Individual for three (3) year, on the following terms and conditions:
- a. Respondent Individual shall not violate any law or rule of the Board during the period of probation;
 - b. Respondent Individual shall timely respond to any and all Board and/or Board staff correspondence; and
 - c. Respondent Individual shall comply with all terms of this Consent Order.
3. The Board shall retain jurisdiction under Article 3A, Chapter 150B for all administrative hearings held in connection with or pursuant to this Consent Order. If the Board receives evidence that Respondents, collectively or individually, have violated any term of this Consent Order or any other law or rule enforced by the Board, the Board shall schedule a show cause hearing for a determination of the violations. If the Board determines that a violation has occurred, the Board may impose such disciplinary action as it determines is appropriate and is authorized by law.
4. This Consent Order shall take effect immediately upon its execution by all parties and reflects the entire agreement between Respondents and the Board, there being no agreement of any kind, verbal or otherwise, which varies, alters, or modifies this Consent Order.
5. No modification or waiver of any provision of this Consent Order shall be effective unless it is in writing, adopted and approved by the Board, and signed by the parties affected.

North Carolina Board of Funeral Service
In the matter of: Neddo Watkins, Inc. d/b/a Lowe-Neddo
Funeral Home and Michael J. Neddo
Case No. M23-0047
Consent Order

6. Both the Board and Respondents participated in the drafting of this Consent Order. Any ambiguities herein shall not be construed against either party in any future civil or administrative proceeding.
7. Respondents hereby waive any requirement under any law or rule that this Consent Order be served upon them.
8. Upon its execution by the Board and Respondents, this Consent Order shall become a public record within the meaning of Chapter 132 of the North Carolina General Statutes and shall be subject to public inspection and dissemination pursuant to the provisions thereof.

CONSENTED TO:

Neddo Watkins, Inc. d/b/a Lowe-Neddo Funeral Home

Michael J. Neddo Date: 3/12/24
Michael J. Neddo
Manager

Michael J. Neddo Date: 3/12/24
Michael J. Neddo

By Order of the North Carolina Board of Funeral Service, this the 13th day of March, 2024.

By: Thomas Hilderbrand
Thomas Hilderbrand
Board President