

BOARD MEETING

MINUTES

June 8, 2016

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on June 8, 2016, at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Valdus Lockhart, President; Kelly Byrd, Vice President via teleconference; Charles Graves, Secretary; Craig Olive, Matt Staton, Stephen Aldridge, and Mark Blake.

Also Present: Christina Cress, General Counsel; Staff members Lyn Cochrane, Alice Knowles, Brett Lisenbee, Mary Elizabeth Lennon, Lloyd Davis and Virginia Harris; Catherine Lee with Nichols, Choi & Lee; Michael Rulison with Funeral Consumers Alliance of the Triangle; Bill Forsberg, Executive Director of NC Funeral Directors Association; Dorman Caudle with Carolina Donor Services; Jeff Gray with Bailey & Dixon, Paul Moore, Market Manager for SCI; Carolyn Whitehead-Jones with Hamilton Funeral Chapel; and David Liggett, local counsel for Hamilton Funeral Chapel.

Mr. Lockhart called the meeting to order at 9:02 a.m. and read the Ethics Statement. No one recused themselves at this time.

Mr. Lockhart led the Pledge of Allegiance and Mr. Graves had the invocation.

At this time Mr. Lockhart introduced David Shehdan as the Board's new Executive Director to begin June 13.

Mr. Lockhart entertained a motion to approve the minutes of the May 11, 2016 Board meeting. Mr. Graves made the motion to approve the minutes of the May 11, 2016 meeting. Dr. Aldridge seconded and the motion carried.

Preneed Committee: Mr. Byrd stated the Committee met via teleconference on May 27 to discuss and make recommendations pertaining to several matters. The Committee reviewed requests for revocation of two preneed contracts written by North Carolina establishments for local consumers that have since moved to South Carolina and the other to New York. Recommendation is to approve both requests for Order of Revocation for transfer of preneed contracts out of state.

The Committee reviewed Preneed Recovery Fund Claim Number P15-007 in the amount of \$1,360.00, and recommended approval of claim in full.

The Committee reviewed Preneed Recovery Fund Claim Number P15-019 in the amount of \$4,502.15, and recommended approval of the claim in full.

Mr. Byrd made the motion to accept the recommendations of the Committee for all matters. Mr. Graves seconded and the motion carried.

Mr. Lockhart then welcomed the guests and asked them to introduce themselves. Mr. Lockhart reminded everyone to turn off their cell phone ringers.

Public Comment: There was none.

Ms. Cress presented a proposed Consent Order regarding M15-044 in the matter of Hamilton Funeral Chapel, LaMont Hamilton and Carolyn Whitehead-Jones for approval and acceptance by the Board. After comments by Mr. Liggett and Ms. Cress and review by the Board members, Mr. Staton made the motion to accept the Consent Order. Mr. Olive seconded and the motion carried. Dr. Aldridge and Mr. Graves did not participate in the discussion or vote as they currently serve on the Board's Disciplinary Committee.

At this time Mr. Moore, Mr. Liggett and Ms. Jones departed the meeting.

Finance & Personnel Committee: Mr. Lockhart stated the Committee met via teleconference May 18 to discuss future expenses previously incorporated into the budget for Fiscal Year 2016 that could be reduced or eliminated in order to offset increased salary expenses pertaining to hiring additional staff. Committee recommends canceling the July 13 Board Meeting.

Dr. Aldridge presented the Board's current balance sheet and profit and loss (P/L) statement. Dr. Aldridge made the motion to approve the financials presented. Mr. Blake seconded and the motion carried.

Dr. Aldridge made the motion to accept the recommendation to cancel the July meeting. Mr. Olive seconded and the motion carried.

Exam Committee: Mr. Staton reported the Committee met via teleconference May 27 to review and discuss test questions currently administered to application applicants sitting for the North Carolina Laws & Rules Examination as required to become licensed as a funeral director or funeral service licensee in this state. Committee is recommending revising questions and presenting proposed revisions to the full Board for review and vote at the August 2016 Board Meeting. Once any changes to the Laws & Rules Exam are completed, review of the Pathology Exam will be done. Mr. Graves made the motion to accept the recommendation. Mr. Olive seconded and the motion carried.

Disciplinary Committee: Mr. Graves reported that the Disciplinary Committee met on several occasions by teleconference and e-mail to review pending matters. Mr. Graves presented the following case numbers and made the motion to accept the Committee recommendation: Dismissals—C14-063, C15-055, C15-058, C15-064, C15-065, C15-068, C15-069, C15-073, C15-074, C15-075, C15-076, C15-077, C15-078, C15-080, C15-083, C15-084, C15-085, C15-087, C15-090, C15-093, C15-095, C15-097, C15-098, C15-100, C15-101, C15-103, C16-004, C16-031, C16-033, C16-038, C16-040, C16-045, M16-001, M16-018, V09-065; Letters of Caution—C15-009, C14-025, C15-081, C15-082, C15-088, C15-089, C15-091, C15-092, C15-102, C15-106, C15-107, M16-030, M16-031, M16-032, M16-033, V11-005; Notice of Hearing—C14-009, C16-026, M16-021; Consent Orders—M15-031, M16-020, M16-029; Other matters—M16-026, M16-027, M16-034. Mr. Staton seconded and the motion carried.

Dr. Aldridge thanked Ms. Cress and Mr. Graves for their hard work on the cases reviewed.

Trainee Committee: Mr. Staton reported the Committee met prior to the Board meeting regarding three trainees. Trainee #1 and Trainee #2 missed two reports and the recommendation is for both to lose credit for May and be allowed to resume their traineeships in June. Trainee #3 missed several reports. The supervisor but not the trainee appeared before the Committee and the trainee will stay on suspension until they appear before the Committee at the August meeting. Mr. Staton made the motion to accept the recommendations and Mr. Graves seconded. The motion carried.

Laws, Rules & Legislation Committee: Mr. Lockhart reported the Committee met June 2 via teleconference to discuss two requests for declaratory ruling. In the matter of D16-003 the copy of the Declaratory Ruling was presented for review. Dr. Aldridge made the motion to accept the Committee recommendation. Mr. Staton seconded and the motion carried.

The Committee recommends that the Board deny the request for declaratory ruling received on May 17 from J. Vernon Peterson on the grounds that it does not fulfill the statutory requirements for a request for declaratory ruling to be approved. The Committee recommends the Board grant the request for declaratory ruling received on May 20 from J. Vernon Peterson and issue a ruling within 45 days upon recommendation from the Laws & Rules Committee. Because the Board's July Meeting has been canceled, the Committee also recommends that the Board vote to delegate the authority of approving a declaratory ruling in this matter to the Committee without need for the full Board's consideration and vote. Mr. Graves made the motion to accept the Committee recommendation and Mr. Staton seconded. The motion carried.

Continuing Education Committee: Mr. Blake stated the Committee met on May 27 via teleconference to review four proposed continuing education courses and recommends the following: Course #1 approve for 2 CE hours; Course #2 delegate authority to the CE Committee to obtain additional information and documentation regarding the content of this course and once the information has been obtained, a decision will be made; Course #3 approve for 9 CE hours; Course #4 approve for 1 CE hour. Mr. Blake made the motion to approve the recommendations. Mr. Olive seconded and the motion carried.

Acting Interim Office Manager Report: Ms. Cress thanked the Board and staff for their continued help over the last several months. Mary Elizabeth Lennon was introduced as the new receptionist. Currently Ms. Lennon is helping Ms. Mills with the NC Department of Revenue form that is due July 1. Summer temp Hannah Strach is also helping Ms. Mills with the report and with the preneed filing.

The IT position was reposted and over 50 applications have been received and forwarded to Mr. Shehdan for his review on Monday.

New staff office chairs to replace the old and/or broken ones have been received, and the new cubicles should be installed mid-June to accommodate our growing staff.

Mr. Graves presented the Board report at the NCFDA Conference two weeks ago. Ms. Cress and Inspectors Lisenbee, Cagle and Green were all present at some point during the conference. Mr. Lockhart will present the Board report at the FD&MA of NC, Inc. conference next week. Mr. Shehdan and Inspector Lisenbee will be in attendance for a portion of this conference.

Staff has received a signed contract from Raleigh Memorial Park to store the cremains being held in this office. It will be reviewed during new business.

Mr. Shehdan will be out of the office for a previously scheduled vacation June 24 to July 5. Ms. Cress will be out from June 30 to July 5. During the overlapping days, Ms. Lee will be available for any questions.

An Employee Time Report showing employee hours worked, leave used and comp time earned was included for Board members.

House Bill 1007, which would amend certain occupational licensing Boards statutes if passed, was discussed.

Ms. Cochrane presented the statistics report for preneed: 1,690 individuals licensed to sell preneed as of June 6, 2016. There are 177,764 active contracts as of June 6, 2016, and 2,120 Certificates of Performance have been processed since the June Board meeting. As of the last report to the Board, 1,256 preneed contracts were recorded; of that amount, 159 were trust-funded contracts while 1,097 were insurance-funded contracts.

Trainees beginning in May: Ramick Brooks, Kimberly Coleman, Nathan Ingle, Deborah Johnson, Dana Overcash, John Shields, Chelsea Stygles, Kendall Taylor, Carolyn Thompson.

Funeral Directors licensed in May: Ernest Simmons, III and Sarah Levy.

Funeral Service licensed in May: Joshua Gordon, Scott Whitney, Erin Clements, Lindsey Osborn, Eric Weston.

Funeral Establishments in May (new or ownership change): Cumbo Funeral Home, Alliance; McClure Funeral Service, Mebane; McClure Funeral Service, Graham.

Mr. Lockhart thanked Ms. Cress for her hard work over the last several months.

Attorney's Report: Ms. Cress stated she required a closed session to discuss matters pertaining to attorney-client privilege during New Business.

Ms. Cress thanked Ms. Lee for all her help during this transition period and the Board members for allowing the hiring of Alice Knowles as her legal assistant and how much help Ms. Knowles has provided the Legal Department. Dr. Aldridge and Mr. Graves were thanked for the review of 60 cases and meeting several times to review them over the past month. Of the four hearings scheduled for today, one was continued, one was resolved through a Consent Order, one was partially resolved by a proposed Consent Order and one would be heard today.

Compliance: Mr. Lisenbee presented an updated Funeral Establishment Inspection Form and the old form for comparison for review. Also, presented was a Monthly Cremation Report that will be available on the Board's website in PDF. Dr. Aldridge made the motion to approve the two forms. Mr. Graves seconded and the motion carried.

Mr. Lisenbee reported that, for the month ending May 31, 2016, 39 funeral establishments were inspected, 27 preneed examinations were conducted, 8 crematories were inspected, 1 chapel was inspected, and no unaffiliated practitioner was inspected. Inspectors fielded 230 compliance phone calls and, between May 9, 2016 and May 31, 2016, responded to 6 compliance opinions via email. Individual inspector reports were provided for the Board to review.

Old Business: There was none.

New Business: Dr. Aldridge presented Mr. Davis and Ms. Harris with a plaque and the Board's sincere thanks for over 15 years of dedicated and continuing service to the Board, the public and the Mutual Burial Associations of the State of North Carolina.

Mr. Graves made a motion to go into closed session for attorney-client privilege and to discuss personnel matters. Mr. Olive seconded and the motion carried.

Upon proper motion, the Board to return to open session. Mr. Graves made a motion to accept the recommendations coming from the Personnel & Finance Committee regarding a personnel matter. Dr. Aldridge seconded and the motion carried. Mr. Graves made a motion to instruct outside counsel to file an injunction for unlicensed practice against Marcus Barber. Mr. Staton seconded and the motion

carried. Mr. Staton made a motion to accept the terms of the contract signed by Raleigh Memorial Park for transfer and storage of the Board's remains. Dr. Aldridge seconded and the motion carried. The Board then took a five-minute recess.

Upon return from recess, Ms. Cress stated she was in receipt of a signed Consent Order in the matter of Board Case Nos. V12-036; C13-089; C15-014; C15-053 regarding Rosadale Funeral Parlor. Discussion ensued. Mr. Lockhart made the motion to go into closed session to discuss a matter of attorney-client privilege with the Board's administrative law counsel, Mr. Gray. Mr. Graves seconded and the motion carried.

The Board returned to open session after motion by Mr. Staton and second by Mr. Olive. Discussion ensued regarding the Consent Order. Mr. Blake made the motion to go back into closed session to discuss a matter of attorney-client privilege with the Board's administrative law counsel, Mr. Gray. Mr. Staton seconded and the motion carried.

Upon proper motion, the Board returned to open session and Mr. Olive made the motion to accept the Consent Order and seek an injunction against Delrika McManus and Tito Truesdale. Mr. Staton seconded and the motion carried.

Mr. Blake extended sympathy to the family of B. Stuart Terry, former Board President, and owner of Drum Funeral Home. Mr. Terry passed away June 7. Ms. Cress extended sympathy to the family of staff member Valencia Brown. Ms. Brown's aunt, Kathleen Boomer Lewis, passed away June 6.

After the public hearing was held and upon proper motion, the Board meeting was adjourned.

Valdus T. Lockhart, President

Charles Graves, Secretary