

## EMERGENCY BOARD MEETING

### MINUTES

March 30, 2017

The North Carolina Board of Funeral Service met for an emergency Board Meeting at 4:00 p.m. on March 30, 2017, at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Charles Graves, President; Matt Staton, Vice President (by telephone); Craig Olive, Secretary; Mark Blake, Valdus Lockhart, Don Brown, Kelly Byrd and Steve Herndon (by telephone)  
Absent: Mike Stone

Also Present: David Shehdan, Executive Director; Christina Cress, General Counsel; Staff members Brett Lisenbee, Compliance Liaison, Amy Mauldin, Tanya Pearson, Alice Knowles; Bill Forsberg the Executive Director of the North Carolina Funeral Directors Association; Henry Lancaster II, attorney for FD&MA; Jodie Dupree, Funeral Service Licensee with SCI; Richard Stevens, attorney for SCI; Trevor "Nute" Thompson, Representative Boles' legislative intern.

Mr. Graves called the meeting to order at 4:03 p.m. and led the Pledge of Allegiance.

Mr. Byrd had the invocation.

Mr. Graves read the Ethics Statement.

Mr. Graves introduced all guests

Mr. Graves issued a clarifying statement regarding legislative meetings that have taken place since the Board voted to endorse a legislative proposal in February 2017.

Mr. Graves reminded everyone to turn off their cell phone ringers.

Ms. Cress indicated some areas of concern with the companion legislative Bills, HB529 filed by Representatives Boles, Alexander, Hunter and Jones; and SB 479 filed by Senators Woodard and McInnis. Both Bills were filed on March 29, 2017. A line by line discussion of the most problematic areas of concerns ensued.

Discussion of lines 21-23 on Page 2 ensued. Mr. Lockhart made a motion to revise lines 21-23 on page 2 in a manner consistent with the Administrative Procedures Act. Mr. Olive seconded. Motion carried.

Discussion of lines 11-40 on Page 10 ensued. Mr. Byrd made a motion to strike lines 37-38 on Page 10 and Mr. Lockhart seconded. Motion carried.

Discussion of lines 18-26 on Page 13 ensued. Mr. Lockhart made a motion to strike from content from lines 18-19 and Mr. Byrd seconded. Motion carried.

Discussion of lines 8-9 on Page 15 ensued. Mr. Byrd made a motion to prohibit a 10% retainer of preneed trust funds. Mr. Blake, Mr. Staton and Mr. Herndon voted no. Mr. Lockhart, Mr. Byrd, Mr. Graves, Mr. Olive and Mr. Brown voted yes. Motion carried.

Discussion of lines 33-38 on Page 15 ensued. Mr. Byrd made a motion to strike lines 33-38 on Page 15 and Mr. Lockhart seconded. Motion carried.

Discussion of the effective date of the prohibition against a 10% retainer of preneed trust funds ensued. Mr. Byrd made a motion that the prohibition should not be retroactive to January 1, 2015; and instead that the prohibition should take effect only if and when the legislation is enacted into law. Mr. Lockhart seconded. Motion carried.

Discussion of lines 7-16 on Page 17 ensued. Mr. Byrd made a motion to revise lines 7-16 on Page 17 and rewrite so an individual can sell for multiple firms. Mr. Lockhart seconded. Motion carried.

At this time, Mr. Staton disconnected his telephone attendance.

Discussion of lines 49-51 on Page 17 ensued. Mr. Thompson indicated that there was a drafting error and it would be corrected.

Mr. Brown made a motion that the members of the Laws, Rules and Legislation Committee be notified and invited to attend future planned meetings with legislators. Mr. Lockhart seconded. Motion carried.

Discussion of line 35 on Page 19. Mr. Brown made a motion to leave line 35 as currently written. Mr. Olive seconded. Motion carried.

Discussion of lines 6-14 on Page 20 ensued. Mr. Byrd made a motion to strike lines 6-14 in favor of further studying mutual burial associations prior to a mandated dissolution that does not involve the Board acquiring any private assets or exposing the Board's Preneed Recovery Fund. Mr. Brown seconded. Motion carried.

Discussion of lines 22-23 on Page 20 ensued. Mr. Byrd made a motion to leave lines 22-23 as currently written and Mr. Olive seconded. Motion carried.

Discussion of lines 36-37 on Page 20 ensued. It was concluded that this was a drafting error by Mr. Thompson and would be corrected.

Discussion of lines 36-37 on Page 21 ensued. Mr. Olive made a motion to leave lines 36-37 as currently written and Mr. Byrd seconded. Motion carried.

Discussion of lines 49-51 on Page 21, lines 1-2 on Page 22 and lines 13-51 on Page 24 ensued. Mr. Byrd made a motion to leave as written but to add definitions to distinguish between unclaimed and abandoned bodies and Mr. Lockhart seconded. Motion carried.

Public Comment: Jodie Dupree expressed concern about lines 1-4 on Page 23. Discussion ensued. Mr. Byrd made a motion to strike lines 3-4 on Page 23 and Mr. Brown seconded. Motion carried.

Mr. Thompson made comments on behalf of Rep. Boles expressing concern that Rep. Boles was not made aware of a meeting between Board staff and Senator Woodard concerning the Board's legislative proposal; and that the Board appears to be fractured regarding certain issues pertaining to the legislative process. A brief discussion ensued with statements of clarification by Mr. Graves, Mr. Blake and Mr. Shehdan. Ms. Cress made comments clarifying the intent behind the meeting she attended with Senator Woodard and Mr. Shehdan, at which a copy of the Board's endorsed proposal from February 9, 2017 was shared.

Mr. Lancaster made comments as to the need for the Board to delegate authority to someone who can act quickly when necessary if there is not time to involve the Laws, Rules and Legislation Committee or the full Board.

Mr. Graves confirmed that Mr. Shehdan and Ms. Cress are the Board's two registered legislative liaisons.

Mr. Byrd made a motion to adjourn the meeting and Mr. Lockhart seconded.

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Charles Graves, President

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Craig Olive, Secretary