

BOARD MEETING
MINUTES
April 11, 2018

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on April 11, 2018, at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Matt Staton, President; Charles Graves, Vice President; Steve Herndon, Secretary; Valdus Lockhart; Craig Olive; Mark Blake; Don Brown; Mike Stone; Chris Watson.

Also Present: Stephen Davis, Executive Director; Catherine Lee, General Counsel; Staff members Amy Mauldin and Brett Lisenbee; Dorman Caudle with Carolina Donor Services; Fred Jordan, Miracles in Sight; Bill Forsberg, Executive Director NCFDA; Hasten Wall, Licensee; Tim Hodges, Licensee; Kristy Casper, Licensee; Tina Smith and Sandy Newell, Bernard Robinson & Co.; Bob Crawford, Attorney at Law.

Mr. Staton called the meeting to order and led the Pledge of Allegiance. Mr. Graves had the invocation.

Mr. Staton read the Ethics Statement and guests introduced themselves.

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

March Minutes: Mr. Herndon stated the draft March meeting minutes were available and then made the motion to approve the minutes. Mr. Brown seconded, and the motion carried.

Public Comment: There was none.

Preneed Committee Report: Mr. Blake stated that the Preneed Committee members met by teleconference on Friday, April 6, 2018 and makes the following recommendation:

- That the full Board approve the proposed changes in format and content to the pre-need confirmation letter sent to consumers. Mr. Davis offered additional information. Discussion ensued.
- Review of Existing Pre-need contract instruments. Mr. Davis offered additional information. Discussion ensued.

Finance and Personnel Committee Report: Mr. Herndon stated that members of the Finance & Personnel Committee met via teleconference on Friday, April 6, 2018. The Committee reviewed the following items:

- 2017 Audit Report
- Human Resources Objectives
- HVAC Repairs

Mr. Davis offered additional information regarding the Profit & Loss statement.

Mr. Davis offered additional information regarding the Human Resources objectives. Discussion ensued.

The Committee then made the following recommendations:

- Revise the current retainer agreement with Nichols, Choi & Lee to show Catherine Lee as General Counsel rather than Interim Executive Director.
- Change the office business hours from 8:30am – 4:30pm to 8:00am – 5:00pm.

Mr. Herndon made a motion to accept the Finance & Personnel Committee recommendations, the Profit and Loss Statement and Balance Sheet. Mr. Graves seconded, and the motion carried.

Ms. Smith and Ms. Newell with Barnard Robinson & Co. presented the audit report.

Mr. Blake made a motion to accept the audit. Mr. Graves seconded, and the motion carried.

Disciplinary Committee Report: Mr. Lockhart stated that the Disciplinary Committee met on April 5 and 10, 2018, and brings the following recommendations:

- Dismissals – C18-007; C18-009; C18-010; C18-012; C18-024
- Letters of Caution – C18-011; M18-018
- Consent Orders – R18-035; M15-043; R18-038; M16-057
- Notices of Hearing – C17-084; C18-008; M18-012; M18-017

Mr. Blake recused himself from C18-011.

Mr. Blake asked for clarification regarding C18-009. Ms. Lee offered additional information.

Mr. Blake asked for clarification regarding M15-043. Ms. Lee offered additional information.

Ms. Lee introduced Bob Crawford as attorney for the Respondents in Case M16-057 and informed the Board that he was available for questions.

Mr. Blake made a motion to accept the report, with the exception of C18-011. Mr. Lockhart seconded, and the motion carried.

Mr. Lockhart made motion to accept the recommendation for C18-011. Mr. Graves seconded, and the motion carried.

Continuing Education Committee Report: Mr. Graves stated that the Continuing Education Committee met on Monday, April 9, 2018 and makes the following recommendation:

- Approve the course entitled Business Liability Insurance for inclusion on the Board's approved listing of courses for continuing education credit.

Mr. Graves made a motion to accept the recommendation. Mr. Brown seconded, and the motion carried. Mr. Stone opposed.

Mr. Staton requested a recess.

Executive Director's Report: Mr. Davis offered the following information:

Scheduled Meetings & Events:

- NC Funeral Director's Association Thursday, April 5, 2018
- Funeral Directors & Morticians Association of NC Thursday, April 12, 2018
- NCFDA Conference & Exposition May 21-22, 2018 Pinehurst, NC
- FD&MANC Convention June 18 – 21, 2018 Pinehurst, NC
- NC Cemetery Commission Meeting April 25, 2018
- Joint Legislative Admin Procedures Oversight Comm. May 1, 2018

Reports Due

- Report Summarizing the Licensing Activities of the NC Board of Funeral Service [93B-2 Report] April 30, 2018
- Updates for Annual Information Reporting Required by the North Carolina Department of Revenue July 2, 2018

Current Activities & Updates

Information Technology Initiative

For the past several months, staff have been engaged in the construction, implementation and testing of a comprehensive on-line system for reporting, tracking and analyzing licensure, examinations, pre-need, trainee certification, continuing education, field inspections and disciplinary data. Through iGovSolutions, a nationally recognized firm specializing in the development of computer-based applications for regulatory and occupational licensing agencies,

we are preparing to launch a new data base system to enable the following:

- Intake and processing of licensure applications,
- Tracking consumer complaints,
- Intake and analysis of field inspection data,
- Document management and analysis,
- Integrated payment processing for fees and penalties, and,
- Customizable reports

The new system will go on-line April 16, 2018. Board staff will transfer existing data in our current database to the new system on Thursday, April 12. No new data will be entered between April 12 and April 16, which will result in the delay of approximately 1 ½ days in processing pre-need contracts.

Activity Reports:

PRENEED:

- As of the last Report to the Board, 1,610 preneed contracts were recorded. Of that amount, 193 were trust funded whereas 1,417 were insurance funded contracts. For the reporting period, an overage of 95 new preneed contracts were filed daily.
- Approximately 2,899 Certificates of Performance have been processed.
- There are 182,020 active contracts as of April 9, 2018.
- Preneed contracts received as of April 2, 2018 have been entered.
- There are 1,455 individuals licensed to sell preneed as of April 9, 2018.

No new funeral homes have been licensed since the last Board meeting
 No funeral homes have had a change of ownership since the last Board meeting.

AT-NEED:

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| <u>Chapels</u> | None |
| <u>Crematories</u> | None |
| <u>Transporters</u> | Edward Gary Ricks, Sr. – Mount Holly |
| <u>Unaffiliated Licensees</u> | None |
| <u>Funeral Establishments</u> | None |
| <u>Funeral Service Licensees</u> | Michael Steven Elmore – Dunn Rodney Eugene Sanders - Franklin Brent Wayne Woodruff – Cary |

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| <u>Funeral Directors</u> | Sean Calvin Clark – Fayetteville David Lanier Green – Dover Derek Reams Sherrod – Nashville |
| <u>Trainees (Starting April 1, 2018)</u> | Barbara L. Barcomb – Greer-McElveen Funeral Home Matthew K. Blanks – Boles Funeral Home Joshua K. Craver – Eaton Funeral Service, Inc. Robert S. Davis – Harris Funeral Home Michael D. Grice – Davis Funeral Home Stanley C. Jones, Jr. – Boyd’s Funeral Service Josephus W. Lewis – Cunningham and Sons Mortuary, Inc. William H. Lloyd – Flowers Funeral Home Laura J. Luther – Wilkinson Funeral Home John H. McLendon – Forbis and Dick Funeral Service Velveeta Reid-Hairston – Rouse Funeral Home Lola N. Rountree – Community of Hope Funeral Service |

TRAINEESHIP:

- There are currently 188 active Trainees
- 9 Trainees were certified in the month of March
- 12 new Trainees started their traineeships on April 1, 2018
- 8 Trainee applications currently are pending
- 3 Trainees submitted late work reports for the month of February
- 1 Trainees failed to submit a work report for the month of February
- 15 Trainees submitted deficient work reports for the month of February
- 1 Trainee failed to timely renew or certify their Traineeship

Pre-Need Program Objectives

Eliminated significant backlog of Certificates of Performance; preparing to pull 2017 pre-need files to enable disposition of 2014 files now that the 2017 financial audit has been completed.

Will begin processing and entering data for 640+ 2017 Annual Reports received as of March 31st for the Pre-need program.

Mutual Burial Associations

All MBA's have now submitted their 2017 financial statements to the Board that were due February 15, 2018.

Board Communications

- 3700 subscribers received the March newsletter; 1546 subscribers opened it.
- 785 people visited the NCBFS website in the last week, and 2,600 people visited the website in April.

Other Board Activities and Notices

- Newly-sworn Board member Mr. Chris Watson received mandatory training on the Board's practice act, GS93B and other statutes pertaining to his responsibilities as a Board member, on March 14 following the last Board meeting.
- Please be reminded that the Statement of Economic Interest required of each Board member is due April 15th to the NC Ethics Commission.

Board staff recommends cancellation of the June Board meeting to allow sufficient time for the Field Inspections team to develop, prepare and conduct Board-sponsored Continuing Education courses. This recommendation also recognizes possible difficulty in scheduling meetings given potential conflicts with summer-related activities.

Mr. Stone asked the MOU with the Cemetery Commission be discussed at the May Board meeting.

Mr. Lisenbee entered the meeting at this time to offer additional information regarding the rescheduling of the June Board meeting. Mr. Olive made a motion to cancel the July Board meeting instead of the June Board meeting. Mr. Graves seconded, and the motion carried.

Discussion ensued regarding the required licensing examinations pass/fail rate. The Board requested that Board staff contact Fayetteville Technical Community College to discuss.

Compliance Liaison / Lead Inspector's Report: Mr. Davis offered the following information:

Inspection Report: Mr. Davis offered the following information:

- 26 Funeral Establishments were inspected
- 23 Preneed Establishments were inspected
- 1 Crematories were inspected
- 0 Unaffiliated Licensee was inspected
- 1 Chapel was inspected
- 2 Mutual Burial Associations were inspected
- 0 Embalming Facilities were inspected

- 5 Notices of Hearing were served
- 1 Final Agency Decision was served
- 179 Compliance calls were received
- 1 Continuing Education class was taught
- 3 Compliance emails were issued.

Attorney's Report: Ms. Lee offered the following information:

DISCIPLINARY MATTERS

Current Active Cases: 29

Pending Investigation: 2
 Pending Review by Disciplinary Committee: 14
 Pending Dispositive Action: 0
 Pending Hearing: 16
 Post-Hearing: 1

New files opened since last Board meeting: 7

Notices of Hearing sent since last Board meeting: 5

Consent Orders received since last Board meeting: 4, not including renewal cases

Cases reviewed by Disciplinary Committee since last Board meeting: 13

PRENEED RECOVERY FUND CLAIMS

Current Active Preneed Recovery Fund Claims: 2

Preneed Recovery Fund Claims received since last Board meeting: 0

Preneed Recovery Fund Claims re-opened since last Board meeting: 0

Preneed Recovery Fund Claims reviewed by Preneed Committee since December Board meeting:
 2

Ms. Lee offered additional information regarding M16-057 and the transfer of deficient Mutual Burial Associations to new Establishments.

Ms. Lee offered additional information regarding M16-045 and the dissolution of the Mutual Burial Association versus transferring the files to a new Establishment. Mr. Lockhart made a motion to lift the freezes on the financial accounts of the MBAs at issue in M16-057 and M16-045, and to transfer the assets and membership of the MBAs at issue in M16-057 and M16-045 to Reich-Hayes-Bowen MBA. Mr. Graves seconded, and the motion carried.

Old Business: There was none.

New Business: Mr. Brown added clarification regarding fees to ship cremains through the USPS and asked Mr. Davis to have a representative speak to the Board regarding the increase in fees.

Mr. Davis offered additional information regarding the 93B-2 report.

Mr. Blake asked that Board staff track the time it takes to become licensed.

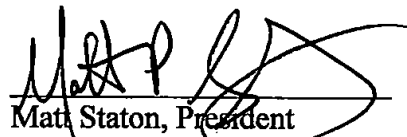
Mr. Staton made a motion to go into closed session for the purpose of consulting with in-house counsel in order to preserve attorney-client privilege, pursuant to NCGS 143-318.11. Mr. Lockhart seconded, and the motion carried. Upon proper motion, the meeting was brought back into open session.

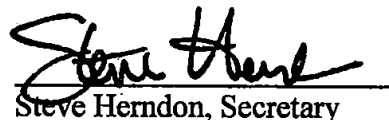
Mr. Lockhart made a motion to go into closed session for the purpose of deliberating on the proceedings in Board Case No. T18-001. Mr. Olive seconded, and the motion carried. At the conclusion of the Board's closed session, Mr. Graves made a motion to bring the Board back into open session. Mr. Lockhart seconded, and the motion carried. Mr. Herndon made a motion to revoke the Respondent's traineeship, pursuant to N.C. Gen. Stat. § 90-210.25(e). Mr. Graves seconded, and the motion carried.

The hearing on the matter of Board Case No. M16-045 began. At the conclusion of the Board Case No. M16-045, Mr. Graves made a motion to go into closed session to deliberate the proceedings. Mr. Watson seconded, and the motion carried. At the conclusion of the Board's closed session, Mr. Stone made a motion to bring the Board back into open session. Mr. Graves seconded, and the motion carried.

Mr. Graves made a motion for the Board to revoke the funeral director's license of the Respondent in Board Case No. M16-045. Mr. Brown seconded, and the motion carried.

Mr. Stone made a motion to adjourn the meeting. Mr. Graves seconded, and the meeting was adjourned.


Matt Staton, President


Steve Herndon, Secretary