

BOARD MEETING MINUTES

August 15, 2018

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on August 15, 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; Chris Watson; Craig Olive; Mark Blake, Don Brown; Mike Stone.

Also Present: Stephen Davis, Executive Director; Catherine Lee, General Counsel; Staff members Amy Mauldin, Brett Lisenbee, Sharon Devine and Alice Knowles; Peter Burke with NCFDA District 3; Dorman Caudle with Carolina Donor Services; Nick Fountain, attorney; Fred Jordan with Miracles in Sight; Larry Nelson with SCI Corporation; Maggie Craven with Bailey & Dixon; Benjamin Bellante with Carolina Mortuary Service & Cremation; Fred Handsel with Carolina Mortuary Service & Cremation; Barry Henline, attorney; Jack Nichols with Nichols, Choi & Lee; Bob Crawford, attorney; Robert Brunson, licensee.

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 Mr. Blake announced that he had a conflict of interest and would be recusing himself from disciplinary matter C18-038. Mr. Lockhart announced that he would be recusing himself from disciplinary matter C18-033 due to a conflict of interest, or the appearance of a conflict of interest. Mr. Herndon recused himself from disciplinary matter C17-060.

Mr. Staton reminded everyone to turn off their cell phone ringers and the guests introduced themselves.

Mr. Herndon stated the June minutes had been previously provided to all Board members and then made the motion to approve the minutes. Mr. Graves seconded and the motion carried.

Public Comment:

Mr. Robert Brunson requested the Board consider supporting an amendment to the statutes governing the revocability of irrevocable preneed contracts by beneficiaries and purchasers of preneed contracts, which would allow the Board to cancel such contracts in certain cases without a court order. He pointed out that consumers usually seek such revocations in times of financial hardship and that seeking revocations from the general courts requires significant time and costs for the consumer. Mr. Brunson relayed recent instances he experienced with two families.

Mr. Jordan announced a CE class dealing with dissection, that he would be presenting during dates in September and October and invited Board members to attend.

Preneed Committee:

Mr. Blake stated the Preneed Committee met via teleconference on August 2, 2018 with all committee members in attendance.

Mr. Blake stated 11,596 preneed contracts were filed with the Board between January 2018 and June 2018. At \$5.00 per contract toward the Board's Preneed Recovery Fund (the "Fund"), a total of \$57,980.00 has been placed into the Fund this year. Due to the increase from \$2.00 per contract to \$5.00 per contract, the amount placed into the Fund this year is \$34,788.00 more than it otherwise would have been.

The current total balance in the Fund, as of August 1, 2018, was \$194,691.08.

The Committee reviewed Preneed Recovery Fund Claim Number P18-008, and recommended that the full Board approve of the claim in the amount of \$4,132.16.

Mr. Graves requested clarification. Ms. Lee offered additional information.

The Committee reviewed Preneed Recovery Fund Claim Number P18-009. The claim does not appear to meet the statutory requirement for reimbursement and the Committee recommended the full Board deny the claim.

Ms. Lee offered additional information and clarification on the reason for the denial.

The Committee reviewed Preneed Recovery Fund Claim Number P18-010 in the amount of \$3,711.27. The claim does not appear to meet the statutory requirements for reimbursement. The committee recommended the full Board deny the claim.

Ms. Lee offered additional information and clarification on the reason for the denial.

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

Crematory Authority/MBA:

Mr. Staton stated the Crematory Authority/Mutual Burial Association Committee met via teleconference with all committee members in attendance.

The committee discussed the following items:

- Revised Model Cremation Authorization Forms
- Proposed Model Forms for Alkaline Hydrolysis
- Balloting for the Crematory Authority Vacancy

Mr. Davis distributed copies of the forms. Mr. Herndon asked for the effective date. Mr. Lisenbee responded. Mr. Davis commented more on the forms. Mr. Blake asked additional questions. Discussion ensued between Mr. Blake, Mr. Lisenbee and Mr. Brown.

Mr. Blake recommended that an article be placed in the Board's next newsletter to advise funeral homes of the changes to the forms and to urge their use going forward.

Mr. Herndon recommended acceptance of the forms. Mr. Brown seconded and the motion carried.

Finance and Personnel Committee:

Members of the Finance & Personnel Committee met on July 19, 2018. Mr. Staton and Mr. Herndon met via teleconference and Mr. Blake attended on-site. The Committee discussed the July 13, 2018 Profit & Loss and

Balance Sheets. Mr. Davis offered explanation of items on the Profit & Loss statement that exceeded expectations.

Mr. Herndon made a motion to the full Board to approve the Profit & Loss Statement and Balance Sheet. Mr. Graves seconded, and the motion carried.

Mr. Herndon stated that Mr. Davis should continue to handle human resource matters within the staff office.

Disciplinary Committee:

Mr. Lockhart stated that he and Mr. Herndon of the Disciplinary Committee met via teleconference on August 3, 2018.

The following recommendations were made:

Dismissals – C18-029, C18-031, C18-032, C18-043, C18-048, C18-050, C18-051, C18-052, C18-053.
Mr. Lockhart recused himself from matter C18-033.

Letters of Caution – C18-028, C18-030, C18-038, C18-039, C18-047, C18-049, M18-038, M18-039, M18-040, M18-041, M18-042, M18-043, M18-044, M18-045, M18-046.

Notice of Hearing – C18-026, C18-035, C18-040, C18-041, C18-044, C18-045.

Consent Orders – R18-042, C17-082.

Mr. Lockhart made a motion to accept the Disciplinary Committee Report, with the exception of C18-033. Mr. Brown seconded, and the motion carried.

Mr. Hendon made a motion to accept the recommendation for C18-033. Mr. Brown seconded, and the motion carried.

Ms. Lee stated there were several Consent Orders not contained in distributed documents. One of matters was for M17-036/M17-040/M17-048. Ms. Lee introduced Mr. Nick Fountain, attorney for the Respondents.

Ms. Lee discussed a proposed Consent Order

Mr. Fountain commented and read a letter from Respondent Alex Lee, who could not be present.

Mr. Lockhart made a motion to accept the proposed consent order. Mr. Graves seconded. Board members voted in favor and the motion carried.

Mr. Herndon recused himself from C17-060/P17-042

Ms. Maggie Craven entered the room. Mr. Benjamin Bellante, Mr. Barry Henline and Mr. Fred Handsel also entered the room.

Ms. Lee presented a proposed consent order to resolving pending disciplinary matters C17-60/P17-042.

Mr. Jack Nichols entered the room.

Ms. Lee continued presenting the proposed consent order for disciplinary matters C17-060/P17-042. Mr. Blake questioned Mr. Henline, attorney for the Respondents, regarding the matter. Discussion ensued between representatives from Carolina Mortuary Service & Cremation, Ms. Lee, Mr. Lisenbee, Ms. Craven and Board members Mr. Blake, Mr. Stone and Mr. Staton.

Mr. Graves made a motion to go into closed session. Mr. Brown seconded and the motion carried.

Mr. Graves made a motion to accept the proposed Consent Order as written. Mr. Watson seconded. Blake opposed. The motion carried.

Mr. Nichols presented on a proposed Consent Judgment to resolve litigation pending in the general courts regarding subrogation efforts against Alton C. Hunnicutt, Jr. Mr. Graves made a motion to accept the proposed Consent Order. Mr. Lockhart seconded, and the motion carried.

Mr. Nichols presented on a proposed Consent Judgment to resolve litigation pending in the general courts regarding contempt proceedings against Tito Truesdale. Mr. Crawford discussed details of the matter and requested approval of the proposed Consent Judgment.

Mr. Lockhart made a motion to go into closed session.

Mr. Graves motioned to accept the recommendations. Mr. Lockhart seconded and the motion carried.

Executive Director:

Mr. Davis stated that he and Amy Mauldin attended a meeting on July 23rd with other members of the Electronic Death Registration System Advisory Group. He expressed confidence that the Electronic Death Registration System would be in place within one year. Mr. Davis responded to questions and comments by Mr. Graves, Mr. Blake and Mr. Lockhart.

Mr. Davis stated Board staff is encumbered with reports and he has therefore placed Amy Mauldin responsible for reports management and distribution. Two mandatory reports were due at the end of July, The Internal Controls and Risk Assessment Report and the NC Bold Report.

Mr. Davis elaborated on what is contained in the Internal Controls and Risk Assessment Report and advised of its timely completion and certification.

Amy Mauldin expounded on what the NC Bold report is; a comprehensive listing of all licensure requirements and characteristics that have a statutory basis and are vested with a recognized Occupational Licensing Board.

Mr. Davis stated he is continuing his review and assessment of Board programs and services and determined that combining active and prospective licensees under a single umbrella could improve services. He expressed confidence that the new iGov system can now support and in some cases replace some functions that have traditionally been done manually.

Mr. Davis stated he has shifted responsibility for documenting funeral establishment status changes from the At Need Program to the Inspections Team and beginning September 1st he will shift responsibility for at-need licensure and examinations to Amy Mauldin.

Mr. Davis stated the Board's calligrapher now has a supply of blank certificates on hand so she can produce and mail out certificates once she receives emails containing the necessary information. This will reduce the amount of time it had been taking for licensees to receive their wall certificates.

Mr. Lockhart and Mr. Graves commended Mr. Davis on a job well done.

Mr. Davis stated that he has assigned Marty Mills the responsibility of conducting a comprehensive review and assessment of current policies, practices and procedures regarding the Continuing Education program and that she will be submitting her findings and a report on August 24th.

Mr. Blake questioned whether CE programs are being audited. Lisenbee responded that they are not at this time. Discussion ensued.

Mr. Blake discussed some "unlicensed staff dos and don'ts". Further discussion ensued between Mr. Blake and Mr. Lisenbee regarding Mr. Lisenbee's current efforts to produce a compliance manual that will address these topics.

Activity Measures & Metrics:

AT NEED PROGRAM:

Chapels:

None

Crematories:

None

Transporters:

Eric Terrell Thomas – Smithfield, NC

Joshua H. Bugajski – Raleigh, NC

Unaffiliated:

V. B. Peterkins Funeral Director Licensee – Clayton

Funeral Establishments:

Western Carolina Funeral & Cremation Service, Inc. – Sylva

Grandview Memorial Funeral Home – change ownership – Sparta

Webb Funeral Home – change ownership – Spruce Pines

Rein-Sturdivant – change ownership – Newland

McLeod & Peterkin Funeral Home – Sanford

Salem Funeral & Cremation Service, Inc. – Winston-Salem

Funeral Service Licensees:

Katherine L. Sims – Mars Hill

Shannon D. Parks – TN
 Donald J. Gloege – Shelby
 Hakeem T. Brown - Bennettsville, SC
 Austin K. O'Neal – Copperhill, TN

Funeral Directors:

Keenan Travor Walsh – Myrtle Beach, SC
 Deborah Reid Johnson – High Point
 Charles Eric Susong – Salisbury
 Gloria Adam Stephens – Greenville
 Emily Carol Boles – Southern Pines
 Colleen K. Heck – Wilmington

PRENEED PROGRAM:

Total number of active contracts as of July 25, 2018	182,671
Number of contracts recorded since last Board meeting	2,480
Number of trust contracts	309
Number of Insurance funded contracts	2,171
Estimated number of Certificate of Performances processed	2,989
Number of preneed sales licensees	1,469
Number of newly licensed establishments	6

	10/2017	11/2017	12/2017	1/2018	2/2018	3/2018	4/2018	5/2018	6/2018	8/2018
Total Contracts Filed	495,874	497,547	499,630	500,436	502,503	504,485	506,266	507,373	509,447	513,653
Total Active Contracts	181,060	181,124	181,745	181,790	182,403	183,236	182,018	181,182	181,760	182,671
Total Deceased	287,491	289,030	290,393	291,127	292,512	293,596	296,495	298,271	299,599	302,588
Total Cancelled	9,194	9,225	9,246	9,254	9,294	9,327	9,376	9,423	9,482	9,584
Total Revoked	2,094	2,102	2,104	2,104	2,105	2,106	2,108	2,109	2,111	2,111
Total Closed	1,873	1,883	1,891	1,892	1,900	1,906	1,908	1,936	1,961	2,045
Total Lapsed	3,424	3,425	3,425	3,425	3,428	3,429	3,429	3,439	3,449	3,468
Total Transferred	9,939	9,960	10,027	10,045	10,064	10,088	10,121	10,182	10,239	10,333
Total Updated	781	781	782	782	780	780	781	790	791	797

TRAINEESHIP PROGRAM:

Number of Active Trainees	176
Number Trainee Applications Currently Pending	15
Number of Trainees Certified in June	8
Number Trainees Submitting Late Work Reports for June	4
Number Trainees Failing to Submit a Work Report for June	0
Number Trainees Submitting Deficient Work Reports for June	5
Number of Traineeships Terminated for Submitting Late Reports for June	0
Number Trainees Failing to Timely Renew or Certify Traineeship	2
Trainees Starting July 1, 2018 Dean D. Vinson – Cleveland Funeral Service & Crematory Darrell D. Howell – Montlawn Funeral Home & Cremations Heather R. Gwyn – Advantage Funeral & Cremation Services Vanstory Chapel Jan S. Berry – Pollock-Best Funerals & Cremations Amanda Jean Miller – Reeves Funeral Home Hannah L. Kirksey – Sossoman Funeral Home, Inc. Jennifer L. Warner – McClure Funeral Operation, Inc. Robert L. Pate – Munden Funeral Home & Crematory, Inc.	8
Number of Trainees Certified in July	6
Trainees Starting August 1, 2018 Amelia N. Moody Harrison – Moody Funeral Services, Inc. Brandon W. Smith – Carter Funeral Home Ronald J. Boyd – Benson Funeral & Cremation Services, LLC April D. Lett – McDougald Funeral Home & Crematorium, LLC Erin E. Preslar – Linn-Honeycutt Funeral Home	5

INSPECTION REPORTS:

Mr. Davis offered the following information.

- 23 Funeral Establishments were inspected
- 16 Preneed Establishments were inspected
- 2 Crematories were inspected
- 0 Unaffiliated Licensees were inspected
- 0 Chapels were inspected
- 2 Mutual Burial Associations were inspected
- 0 Embalming Facilities were inspected

- 2 Complaints were served
- 3 Investigations were completed
- 0 Notices of Hearing were served
- 0 Final Agency Decisions were served
- 220 Compliance calls were received
- 4 Continuing Education classes were taught
- 13 Compliance emails were issued.

General Counsel's Report:

Ms. Lee offered the following information:

DISCIPLINARY MATTERS

Current Active Cases: 66

Pending Investigation: 15
Pending Review by Disciplinary Committee: 0
Pending Dispositive Action: 31
Pending Hearing: 20
Post-Hearing: 0
Other: 0

New files opened since last Board meeting: 28

Notices of Hearing sent since last Board meeting: 7

Consent Orders received since last Board meeting: 4

Cases reviewed by Disciplinary Committee since last Board meeting: 31

PRENEED RECOVERY FUND CLAIMS

Current Active Preneed Recovery Fund Claims: 3

Pending Investigation: 0
Pending Dispositive Action: 3

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 June Board meeting: 3

Ms. Lee discussed some of the details of pending bill HR 6515 in the federal House of Representatives.

Ms. Lee advised the Board regarding recent complaints received against Heritage Cremation Provider and Legacy Funeral Services, LLC regarding online advertising targeted to North Carolina consumers. Ms. Lee advised the Board that the Board staff does not currently have evidence that said entities are making arrangements with consumers who live in North Carolina or with consumers on behalf of decedents whose final disposition will be in North Carolina. The Board directed Ms. Lee to contact the Defendants regarding the Board's concerns about the continued online advertising.

Ms. Lee explained a situation involving recent complaints of unlicensed practice against Betty Randolph in Washington, NC. Mr. Blake made a motion to authorize the Board to pursue contempt proceedings in Superior Court against Ms. Randolph. Mr. Graves seconded, and the motion carried.

Ms. Lee advised the Board that William Tracy Wilson recently had contacted the Board and provided updated contact information. Ms. Lee asked whether the Board wished to pursue subrogation litigation against Mr. Wilson, in light of the reimbursements made from the Preneed Recovery Fund as a result of his actions and omissions. Discussion ensued between Mr. Lockhart and Ms. Lee. Mr. Stone suggested civil proceedings. Ms. Lee and Mr. Stone discussed further. Mr. Graves inquired about the filing costs. Mr. Stone suggested weighing costs of filing against the amount that could possibly recovered. No action was directed at this time.

Ms. Lee offered information regarding Hargett Mutual Burial Association, which is a defunct mutual burial association that is not associated with a funeral home. Ms. Lee requested that the Board consider an order to unfreeze the assets of said burial association, and to order the transfer of said assets to a successor establishment. Mr. Graves so moved, and Mr. Lockhart seconded. The motion carried.

Mr. Brown commented Ms. Lee on a job well done.

Mr. Blake questioned Ms. Lee about a particular constitutional amendment transferring powers of appointment from the governor to the legislature. Discussion ensued between Ms. Lee, Mr. Herndon and Mr. Stone.

Old Business:

There was none.

New Business:

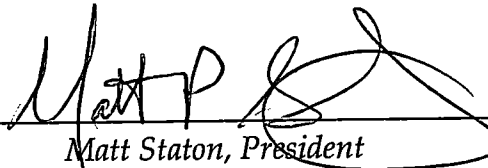
Mr. Davis presented to the Board revised initial and renewal licensure applications, which were revised to comply with recent changes to the Board's practice act and other recent statutory changes. Mr. Davis also brought attention to the proposed ballot that will solicit nominations for a position on the Crematory Authority that will become vacant on January 1, 2019.

Mr. Graves made a motion to accept the revised licensure applications. Mr. Stone seconded and the motion carried.

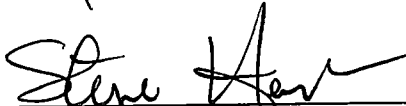
Mr. Graves motioned to accept the proposed ballot for the upcoming vacancy on the Crematory Authority. Mr. Herndon seconded, and the motion carried.

The Board recessed for lunch and then resumed to conduct a hearing in disciplinary matter M18-021. Upon conclusion of the hearing and upon deliberation, Mr. Graves made a motion to allow the Respondent to begin a resident traineeship with the Board. Mr. Brown seconded. The motion carried, with Mr. Blake opposing.

Upon proper motion, the meeting was adjourned.



Matt Staton, President



Steve Herndon, Secretary

October 10, 2018

Date