



# NORTH CAROLINA BOARD OF FUNERAL SERVICE

Minutes  
February 9, 2022, Board Meeting

*The North Carolina Board of Funeral Service met for a duly scheduled Board meeting on February 9, 2022, via WebEx teleconferencing. The meeting was also streamed live on YouTube. All votes were recorded by roll call.*

Present: Chris Watson, President; Steven Lyons, Vice-President; Thomas Hilderbrand, Secretary; Don Brown; Mark Blake; Steve Herndon; Robb Jansen; and Darrell McCormick.

Staff and Counsel: Stephen Davis, Executive Director; Amy Acord, Assistant Director; Brett Lisenbee, Compliance Officer; and Catherine Lee, General Counsel.

Guests and Visitors: Mr. Edward Fantauzzi, Divisional Vice-President of Operations for StoneMor Corporation.

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Mr. Watson called the meeting to order at 9:06 a.m. and led members and staff in a recitation of the Pledge of Allegiance followed by the invocation by Dr. Lyons. He proceeded by reading the Statement of Ethics and asked if any members would be recusing themselves. None recused. Mr. Watson then asked if any guests were present and if they wished to offer any public comment. Mr. Edward Fantauzzi introduced himself as a representative of StoneMor.

Mr. Watson continued and asked Mr. Hilderbrand to present the minutes from the January 12, 2022, Board meeting.

## **Approval of Minutes**

Mr. Hilderbrand reported that Board staff had sent the minutes to each member for their review prior to the meeting. He asked if there were any questions or changes to the minutes. Hearing none, he offered a motion for approval of the minutes.

*Upon a motion by Mr. Hilderbrand and a second by Mr. McCormick, the Board voted to adopt the January 12, 2022, minutes as presented.*

Mr. Watson recognized Mr. Blake for the Finance and Personnel Committee report.

## **Finance and Personnel Committee Report**

Mr. Blake reported that the Finance and Personnel Committee met on February 7, 2022, with all members present. He stated that the Committee reviewed and discussed the Board's financial reports

for the period ending December 2022, and he asked Mr. Davis to summarize the Statement of Net Position and the Statement of Revenue/Expenditures.

Mr. Davis reviewed the Statement of Net Position and reported that the Preneed Recovery Trust Fund balance had increased from \$455,133.26 as of November 2021 to \$486,721.45 as of December 31, 2021. He noted that this and other balances reported for Current and Non-current Assets were final reports from Thomas, Judy & Tucker for FY2021. Mr. Davis mentioned that there was a slight increase in the balance shown for the CD investments held by Horizon Trust Bank to reflect accrued interest. He stated that staff would begin discussions soon with the State Treasurer's Office regarding investment opportunities through the AGPIP, the Ancillary Government Participant Investment Program, in hopes of optimizing the return on invested funds. He concluded his summary by reminding Committee members that the Deferred Income shown under Current Liabilities represented license and permit renewal fees received through the end of 2021 and would be subsequently reported on future Statements as Revenue. He noted that the Unrestricted Fund Balance, which is a measure of the Board's net position, had increased from \$1,063,146.84 to \$1,121,719.83 which assures reserve operating capital at an 8-9 month level.

Mr. Davis continued with highlighting the Statement of Revenue and Expenses. He noted that the revenue collections as the end of the Fiscal Year exceeded initial projections by 13.3% in the amount of \$201,813.65 derived primarily from cremation fees and preneed contract registrations. He expressed hope that this revenue surplus indicated a future trend given the expectation for increasing rates of cremations in North Carolina as well as increased consumer demand for preneed contractual arrangements. He noted that the expenditures for FY2021 were 5.8% above initial projections but that the increased revenue offset the overage. As a result, the net balance of expenditures in relation to revenues showed that the Board was under budget by nearly 7% for FY2021. An additional benefit due to the increased revenue collection as a deposit of \$58,572.99 to the Unrestricted Fund Balance which measures the Board's net position.

Mr. Davis offered to answer any questions from Board members. Brief discussion ensued. In response to questions regarding the Report on Revenues and Expenditures, Mr. Davis said that staff would be redefining the Chart of Accounts to assure a more realistic presentation of specific line items, and he reminded the Board that staff would also be adjusting the projected expenditures for certain line items to avoid if possible percentages of expenditure exceeded 100%. Following additional discussion, Mr. Blake moved for approval of the financial reports for the period ending December 2021.

*In response to Mr. Blake's motion for approval of the December 2021 financial reports, Mr. Hilderbrand offered a second. The full Board voted unanimously by roll call to approve the December 2021 financial reports.*

Mr. Watson thanked Mr. Blake and Mr. Davis for their comments and continued the meeting by asking Mr. Hilderbrand to present the Preneed Committee report.

### **Preneed Committee Report**

Mr. Hilderbrand reported that the Preneed Committee convened by conference call on February 8, 2022, to discuss two staff recommendations concerning a claim against the Preneed Recovery Trust Fund and another for the revocation of an irrevocable preneed contract. Mr. Hilderbrand presented each recommendation with an explanation regarding particular circumstances in each case. With regard to the claim presented against the Preneed Recovery Trust Fund in Case Number P21-0017, he noted that the claimant furnished appropriate documentation in support of the claim. He further stated that staff recommended approval of this claim given the documentation provided and consistency with prior Board actions in similar circumstances.

Mr. Hilderbrand continued his report and noted that staff had received a request to revoke an irrevocable preneed contract which complied with all relevant general statutes allowing revocation. He noted that the request for revocation was in response to the purchasers moving out-of-state and who had submitted new irrevocable preneed funeral contracts in their new location for an amount in excess of the funds paid toward their North Carolina preneed contracts. He also noted that staff recommended approval of the request and that the Committee members agreed with the recommendation.

Mr. Hilderbrand asked if members had questions. Brief discussion ensued, and Ms. Lee, General Counsel, addressed questions arising in the discussion. Mr. Hilderbrand moved for approval of the Preneed Committee's recommendation for approval in the matters under discussion and consideration.

*In response to Mr. Hilderbrand's motion for approval of the Preneed Committee report, Dr. Lyons offered a second. The full Board voted unanimously to adopt the Committee's recommendations for approval of the claim presented in P21-0017 and for approval of the request for Revocation of Irrevocable Preneed Contracts pursuant to N.C. Gen. Stat. 90-210.65 (e)(1).*

Mr. Watson continued the meeting and recognized Mr. Herndon for the Disciplinary Committee report.

### **Disciplinary Committee Report**

Mr. Herndon stated that the Disciplinary Committee met on Friday, February 4, 2022, to consider and discuss cases and recommendations from General Counsel Catherine Lee for the following cases:

#### **Summary Dismissal**

C21-0130

#### **Dismissals**

C21-0114      C21-0129

#### **Letters of Caution**

C21-0125/M22-0001    C21-0127      M22-0002

#### **Notice of Hearing**

C21-0132/M22-0004

#### **Other**

M21-0110

Mr. Herndon invited questions regarding the presentation of cases in the Disciplinary Committee report. He noted that Ms. Lee would also respond to questions or comments. Mr. Blake asked for additional information regarding M22-0002 regarding any history that the Respondent has had with prior Board actions. Ms. Lee reported that this particular Respondent had several violations in prior years stemming

from audits of preneed records. Without further questions, Mr. Herndon offered a motion for approval of the recommendations from the Disciplinary Committee as presented.

*Upon Mr. Herndon's motion, Mr. Brown offered a second. The Board voted by roll call to adopt the recommendations from the Disciplinary Committee as presented.*

Mr. Watson continued the meeting and recognized Mr. Davis for the Executive Director's report.

### **Executive Director's Report**

#### ■ Funeral Director role for anatomical gift programs

Mr. Davis said that he had received communication from the NC Department of Health and Human Services regarding the preparation and submission of death certificates in locations receiving decedents as an anatomical gift. He noted that these locations typically do not have a licensee in their employment. Mr. Lisenbee offered additional and more specific detail regarding this issue and noted that there were no issues under the Board's jurisdiction.

- Mr. Davis reported that Bernard Robinson & Company would begin the annual audit of the Board's financial statements beginning the third week in March.
- Mr. Davis reported that he, Mr. Watson, Dr. Lyons, and Mr. Hilderbrand will be attending The Conference Annual Meeting in Houston, Texas the week of February 21, 2022.
- Mr. Davis provided a summary of the license renewals for the 2022 renewal cycle and affirmed that the online renewals slightly exceeded the percentage from the 2021 cycle.
- Mr. Davis reported that he had received several media calls regarding the implementation of NC DAVE as well as concerns regarding participation by physicians and other medical certifiers.
- Mr. Davis reminded members that he had earlier provided the monthly Inspections & Licensure Reports for January and offered to answer any questions.

Mr. Watson then recognized Ms. Lee for the Legal Report.

### **Legal Report**

Ms. Lee reported the following activity to the Board:

#### Disciplinary Matters

Current Active Cases: 45

Pending Investigation:	17
Pending Review by Disciplinary Committee:	2
Pending Dispositive Action:	11
Pending Hearing:	12

Post-Hearing:	0
Other:	4
New files opened since last Board meeting:	19
Notices of Hearing sent since last Board meeting:	3
Consent Orders received since last Board meeting:	2
Cases reviewed by Disciplinary Committee since last Board meeting:	11

Preneed Recovery Fund Claims

Current Active Preneed Recovery Fund Claims	1
Pending Investigation	0
Pending Dispositive Action	1

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 Committee since last Board meeting: 0

Mr. Watson thanked Mr. Davis and Ms. Lee for their reports to the Board. He then asked for any Old Business and New Business items.

**Old Business:**

No Old Business items were offered.

**New Business:**

Mr. Blake stated that there were continuing concerns regarding the procedures at the NC Office of the Chief Medical Examiner pertaining to receiving and releasing decedents. He asked Mr. Davis if staff had any ongoing discussion with OCME concerning issues of mutual concern. Mr. Davis responded that such discussions had tapered off with the departure of the former OCME General Counsel. He said that he would reach out to OCME to resurrect dialogue on matters of mutual concern with the Board.

Mr. Watson thanked staff and Board members for their discussion and attention to issues brought before them in the Business Session. He stated that the Board would convene in closed session to consider matters requiring attorney-client confidentiality pursuant to NCGS 143-318.11.

*Upon a motion by Mr. Blake and a second by Mr. Brown, the Board voted to convene in closed session to consider Board Case Number C21-0067/M21-0089 and Board Case Number C21-0083/M21-0094.*

Upon a motion by Mr. McCormick and a second by Mr. Brown, the Board reconvened in open session. Mr. Watson invited any motions pertaining to the matters discussed in closed session.



*Upon a motion by Mr. Blake and a second by Mr. Herndon, the Board voted to approve Consent Orders in settlement of Board Case Number C21-0067/M21-0089 and Board Case Number C21-0083/M21-0094.*

Mr. Watson thanked the Board for their deliberations and stated that the Board meeting would recess from 10:25 a.m. until 10:55 a.m. He stated that the Board would hold a disciplinary hearing beginning at 11:00 a.m. in the matter of M21-0091. At the conclusion of the hearing and upon proper motion, the Board convened in closed session to deliberate. Upon proper motion, the Board returned to open session. Mr. Watson invited a motion pertaining to the matter of M21-0091.

*Upon a motion by Mr. Jansen and a second by Mr. McCormick, the Board voted in the majority to grant Respondent's application for registration as a trainee in the matter of M21-0091 with the condition that any future application from Respondent for licensure shall be reviewed by the Board and that Respondent shall submit to another criminal background check at the time of any future application for licensure. Mr. Herndon and Dr. Lyons were recused from voting.*

Mr. Watson then asked if there were any other matters to come before the Board. Hearing none and upon proper motion and vote, the Board voted unanimously to adjourn.

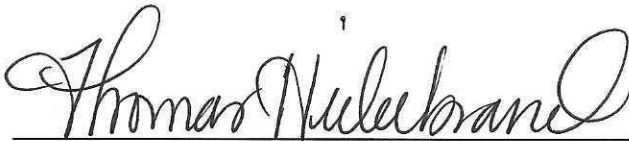
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Affirmation:



Christian E. Watson, President



Thomas T. Hilderbrand, Secretary

March 9, 2022

Date