

REGULAR BOARD MEETING

MINUTES

January 19, 2011

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on January 19, 2011 at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: George Parrott, President; Tryphina Wiseman, Vice President; Elizabeth Webber, Secretary; Rudy Lea, Frank McCree, Mark Blake, J. T. Willoughby III, Larry Andrews and Jack Briggs.

Also Present: Paul Harris, Executive Director; Stephen N. Dirksen, General Counsel; Dorman Caudle with Carolina Donor Services, Herb Reichlin with Funeral Consumers Alliance of the Triangle, Bob Crawford, Attorney, Dan Funchess, Funeral Service Licensee, Lynn Sawyer and Jennifer Secrist, Tim and Beth Hodges, Raymond Hackett, Ken Stainback and Lyn Cochrane.

Mr. Parrott called the meeting to order at 9:07 a.m. and led the Pledge of Allegiance. Mr. Willoughby had the invocation.

Mr. Parrott read the Ethics Awareness & Conflict of Interest statement and no one recused themselves.

Mr. Parrott asked the guests to identify themselves and there was no public comment.

Mr. Parrott administered the Crematory Oaths of Office to Mr. Sawyer and Mr. Hackett.

At this time Mr. Crawford entered the meeting.

Mr. Parrott presented Mr. Willoughby with a gift of appreciation for his leadership in 2010. Mr. Willoughby presented Mr. Parrott with the Board President pin. Mr. Andrews presented Mr. Willoughby with the Past President's pin.

Ms. Webber stated the minutes had been previously mailed. Mr. Blake made the motion for approval. Ms. Wiseman seconded and the motion carried.

Exam Committee: Mr. Willoughby reported 18 applicants were registered to take the exam since the December meeting. Eight have taken the exam with six passing and two failing. One failed applicant informed staff they wanted a review. Staff requested the candidate's exam answers and prepared the missed questions. When notified the materials were ready and to arrange a time to conduct the review at the Board offices, the applicant declined, thinking staff could e-mail the information to him. Staff has been working with Castle to resolve a problem that occurred with uploading the applicants to Castle for exam scheduling. This report was for information only.

Finance and Personnel Committee: Mr. Briggs commended Mr. Harris and staff for keeping expenses under budget in 2010 and yielded to Mr. Harris for comments. Mr. Harris estimates that the expenses for 2010 were about 6% under budget. Mr. Briggs presented the report and made the motion to adopt the report. Mr. Andrews seconded and the motion carried.

Laws and Rules: Mr. Briggs stated the Committee had met by teleconference. The Nixon MBA in Burgaw was operated by Nixon Funeral Home, which closed in 2003. The MBA never officially dissolved. The Board has been receiving the bank statements for the MBA since the funeral home closed. There are no records available to determine members in good standing who might have rights to proportionate share of the funds. The Committee was recommending pursuant to GS §90-210.87, to notify the bank to escheat the funds to the Unclaimed Property division of the State Treasurers office and publish an advertisement in the Burgaw newspaper informing potential claimants of this matter. The motion to accept the recommendation was made by Mr. Briggs and seconded by Mr. Willoughby. The motion carried.

Mr. Briggs presented an Order of Liquidation for Osborne-Simpson MBA and all documents are in order. He made the motion to accept the Order. Mr. McCree seconded and the motion carried.

Mr. Briggs asked Mr. Harris to inform the members of the now active number of mutual burial associations and the money in the treasury of those active. Mr. Harris will comply at the February meeting.

Preneed Committee: Mr. Andrews stated the report would be presented in two parts. He first presented the report for information only. Questions ensued.

Mr. Andrews yielded the floor Mr. Harris to present the second part of the report. Mr. Harris stated the Committee had met by teleconference Tuesday afternoon. A preneed establishment under bond requirements has petitioned to discontinue the bond. Staff and Committee reviewed the financials. The Committee recommends denying the request since financials do not demonstrate adequate solvency in order to drop the bond. Mr. Willoughby made the motion to accept the recommendation. Mr. Blake seconded and the motion carried.

Mr. Harris stated the Committee had also discussed interest payments on 2011 recovery fund claims. State Treasurers paid an average interest rate of 1.15% in 2010. The Committee recommends applying ½ of 1% interest to claims submitted in 2011. Mr. Briggs made the motion and Mr. Lea seconded. Motion carried.

Disciplinary Committee: Mr. Lea stated the addendum would be handled separately. Questions ensued. Mr. Briggs made the motion to remove V10-014 from the report due to a technical correction. Mr. Blake seconded and the motion carried.

Mr. Willoughby made the motion to accept the recommendations for V10-075, V10-076, V10-077, V10-080, V10-081, V09-029, V10-013 and V10-048. Mr. Lea seconded and the motion carried.

Questions ensued regarding the addenda. Mr. Blake made the motion to accept V09-034, V09-035, M10-029 and remove V10-008. Discussion ensued. Ms. Wiseman seconded and the motion carried.

With regards to V10-008, Mr. Briggs made the motion to accept the recommendation for Funeral Service Licensee B. Mr. Andrews seconded and the motion carried. Mr. Briggs made the motion to deny the recommendation for Funeral Director A. Mr. Willoughby seconded and the motion carried. Discussion ensued. Mr. Willoughby made the motion to send the case back to Committee for recommendation of Funeral Director A and to bring the

recommendation back to the February meeting. Mr. Briggs seconded and the motion carried.

Traineeship Committee: Mr. Blake stated three trainees have been on suspension for late reports. One trainee's supervisor informed the staff the trainee was no longer employed with the firm. The Committee met with one trainee prior to the Board meeting and recommends lifting the suspension effective February 1. Mr. Blake made the motion to accept the recommendation and Mr. Andrews seconded. The motion carried. One trainee could not attend the meeting prior to the Board meeting and will remain on suspension until they can meet with the Committee next month.

Attorney Report: Mr. Dirksen presented his report and stated there will be two hearings at 1:00. President Parrott commended Mr. Dirksen for his continued good work.

Executive Director's Report: Fifteen reports have been filed since the December Board meeting.

Status of 2011 renewals:

Funeral Homes—555
Licensees – active 1,979 – inactive 130
Crematories—87
Chapels—9
Removal/Transport—61
Unaffiliated—8

New Funeral Home: Lori Chappell Funeral Home, Raleigh; First Choice Funeral Home & Cremation Services, Murfreesboro

Location Change: New Beginnings Funeral Service, Hendersonville

Closed Funeral Home: Brown's Funeral Services, Warrenton; A. L. Jinwright Funeral Service, Charlotte and Pineville

New Transport/Removal: Valachie Anton Leggett, Darryl Watts, Jason Crawford; Eldon Hinegardner

New FS Licensees: Chelsea Tolman, Myron Davis, Vincent Wilson, Timothy Loflin II, Thomas Whitson

New Trainees: Matthew Riggan, Jordan Barker, Jeff Person, Kimada McLeod, Patricia Daniels

Staff Ethics Report: Mr. Harris stated he would be filing liaison report and also the 4th quarter 2010 report for expenses with no expense.

The Office of State Budget and Management fee report due January 15 was filed January 14th. The Board member attendance report has been filed. The office interior construction has been approved by the City of Raleigh and now a contractor will be selected. The Board is participating in GAO survey through the International Conference. Mr. Harris conducted orientation except for Ethics for Mr. High and Mr. Stainback on December 19th. No word from the Governors' office on their appointments. The paralegal position for Mr. Dirksen will be advertised in the next week.

Late 2011 renewal reminders will be mailed this Friday.

The 2011 Board calendar needs to be set and discussion on meeting every six weeks. Discussion ensued. Mr. Blake made the motion to set February 9 and 10 with hearings and an abbreviated Board meeting. Mr. Willoughby seconded and the motion carried.

Mr. Blake thanked the Board for their support regarding the death of his father.

The 2010 Preneed Annual Reports are being prepared and the letter on the moratorium will be mailed next week. Mr. Harris will conduct a Crematory Law Review on February 24th and Preneed/FTC Reviews will be presented quarterly beginning March 2011. This will be 20 hours of CE provided by the Board in 2011. The ICFSEB Annual Meeting will be held in Myrtle Beach March 3-4. The Executive Committee is authorized to attend and others with prior permission. Mr. Harris will be participating in the CANC Convention on March 23 in Greensboro, the National Healthcare Decisions Day for the FCA in Chapel Hill on April 16 and the NCFDA Convention in Asheville May 16-18.

At this time Mr. Parrott recessed the meeting. Mr. Crawford, Mr. Sawyer, Ms. Secrist, Mr. Reichlin, and Mr. Hackett departed the meeting. Mr. Parrott reconvened the meeting at 10:35 am.

New Business: Tim Hodges appeared to make request to become employed with a funeral home as a non-licensed employee. Questions ensued. Mr. Briggs made the motion to have Mr. Dirksen and staff draft an offer that can be discussed at the February meeting with terms of employment. Mr. Blake seconded and motion carried.

Old Business: There was no old business.

Informational Items: There were no informational items.

Public Comment: There was none.

Mr. Parrott asked if there was any further business. There was none and the meeting was recessed until the 1:00 hearing.

George S. Parrott, President

Elizabeth S. Webber, Secretary