

## BOARD MEETING

### MINUTES

March 9, 2016

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on March 9, 2016, at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Valdus Lockhart, President; Kelly Byrd, Vice President; Charles Graves, Secretary; Elizabeth Williams-Smith, Craig Olive, Matt Staton and Stephen Aldridge via teleconference.

Also Present: Peter M. Burke, Executive Director; Christina Cress, General Counsel; Staff members Brett Lisenbee, Darrell Cagle, Lyn Cochrane and Dara Warner; Dorman Caudle with Carolina Donor Services, Fred Jordan with Miracles in Sight, Dan Funchess and Horton Landreth, Funeral Service Licensees, Anthony Worley with Funeral Directors and Morticians Association of N. C., Inc., Darin Griffin with Prominence Funeral Home, Ricky Cash, Dee Webb, Troy Matthews, and Jeff Gray.

Mr. Lockhart called the meeting to order at 9:00 a.m. and read the Ethics Statement. Mr. Staton read a statement from the NC State Ethics Commission regarding the potential for a conflict of interest to arise if any matters involving his individual funeral service license or the licenses or permits of anyone associated with Powles Staton Funeral Home come before the Board.

Mr. Lockhart led the Pledge of Allegiance and Mr. Byrd had the invocation.

Mr. Lockhart then welcomed the guests and asked them to introduce themselves. Mr. Lockhart reminded everyone to turn off their cell phone ringers.

Mr. Graves stated the minutes had been previously mailed and made the motion to approve the minutes of the February 10 and February 19 meetings. Mr. Olive seconded and the motion carried.

Preneed Committee: Mr. Byrd stated the committee met via e-mail on March 1 to discuss a second request from a preneed establishment to waive their surety bond. The committee recommended to the Board in January that the request be denied. At this time, the committee did not agree that the firm met the conditions for waiver and recommended that the second request be denied.

A second firm presented a request to waive their bond requirement. Supporting documentation includes assets which are not to be included when determining solvency. Committee recommends denying this request.

The committee met via e-mail on Friday, March 4, regarding matters involving three contracts written by establishments for the benefits of consumers who have since moved out of state. The consumers are requesting the contracts be revoked for the purpose of transfers out of state to South Carolina, Ohio and Kentucky. Committee recommends approval of the three requests.

Mr. Byrd made the motion to accept the recommendations of the committee for all matters. Mr. Graves seconded and the motion carried.

There are 659 licensed preneed funeral establishments and 1,666 individuals licensed to sell preneed as of March 7, 2016. There are 176,605 active contracts as of March 8, 2016 and 1,010 Certificates of Performance have been processed since the February meeting.

At this time Mr. Cagle entered the meeting.

Finance & Personnel Committee: Mr. Aldridge presented the report and made the motion to accept it. Mr. Byrd seconded and the motion carried.

Mr. Aldridge made the motion to go into closed session to discuss a matter of attorney-client privilege. Mr. Byrd seconded and the motion carried.

Upon proper motion the meeting returned to open session. At this time Mr. Matthews and Mr. Gray entered the meeting.

Mr. Aldridge made a motion to accept the request for Declaratory Ruling and that the Laws and Rules Committee be empowered to draft a proposed ruling for the Board's review and vote. Mr. Byrd seconded and the motion carried.

Mr. Byrd made a motion to empower staff to interview a potential candidate for a Legal Assistant position and report back to the Personnel and Finance Committee. Mr. Aldridge seconded and the motion carried.

Trainee Report: Mr. Lockhart stated committee had met prior to Board meeting. Trainee #1 missed two reports and the recommendation is the trainee lose two months of traineeship and may resume the traineeship on April 1, 2016. Trainee #2 did not respond to a letter and recommendation is for trainee to stay on suspension until they decide to restart the traineeship. Trainee #3 missed two months and recommendation is to terminate the traineeship. It is also the responsibility of the funeral home to notify Board staff when a trainee leaves their firm. Mr. Graves made the motion to accept the committee recommendations on all matters. Mr. Byrd seconded and the motion carried.

Executive Director Report: Mr. Burke presented the following information:

New Establishments: Gilliam Memorial Mortuary, Windsor; Kenneth W. Poe Funeral & Cremation Service, Winston-Salem.

New Chapel: Gallop Memorial Chapel, Currituck.

New Funeral Service Licensee: Peter Calcutta, Mark Grissom, Francis Migliore, Jr., Hannah Tucker.

New Funeral Director Licensees: Brandon Akridge, Naomi Smith.

New Trainee: Linda Huntley.

New committee assignments have been e-mailed.

Mr. Burke has been in touch with System Automation and will have a technology presentation set-up at a future meeting. Ms. Cress and Mr. Burke have been in contact with the Medical Board to review the Houdini product and how it works. HoudiniEsq has been purchased for use by the Board's Legal Department.

Representative Boles was not available to meet with the Board today. Mr. Burke will contact him about possibly attending a future meeting to discuss possible legislative changes.

Mr. Burke discussed the ICFSEB Annual Meeting that he, Mr. Lockhart, Mr. Graves, Ms. Smith and Mr. Byrd attended in February.

The North Carolina Funeral Directors Association is working on the vacancy left by Mr. Stainback. No word has been given regarding the other Board vacancy.

A sample of the filing requirements regarding the Statement of Economic interest is included and must be filed with the Ethics Commission by April 15, 2016.

During the ICFSEB conference, Mr. Burke met with Craig Tregillus, the FTC Staff Attorney for the Funeral Rule, regarding the online cremation sales and agreed to serve as point person for collecting information regarding the same.

Attorney's Report: Ms. Cress presented the report for information only. There is one hearing today and one hearing tomorrow. There are also four proposed consent orders. There was no Disciplinary Committee meeting since there was only one committee member until late last week and will be included on future Disciplinary committee reports. Ms. Cress discussed the Case Numbering Legend that was included in the report.

Old Business: Mr. Burke stated that preneed contracts had been entered as of March 3 and thanked Ms. Brown, Ms. Devine and Ms. Pearson for their work on this.

New Business: Mr. Lockhart welcomed Mr. Staton as a new Board member.

Public Comment: There was none.

After a five-minute recess, Ms. Cress invited Stephen Carroll and Attorney Brooke Ottesen into the Board Room to discuss the terms of the consent order for M15-023 McKinney-Landreth & Carroll. Mr. Carroll apologized for what he did and Ms. Ottesen spoke on behalf of Mr. Carroll. Mr. Graves made the motion to approve the proposed consent order. Mr. Byrd seconded and the motion carried.

At this time Mr. Carroll, Ms. Ottesen and Mr. Funchess departed the meeting.

Ms. Cress stated the next item M15-041 Neptune Management Corp. dba Neptune Society. Party appearance was not expected. Ms. Cress reviewed the consent order and questions ensued. Mr. Byrd made the motion to go into closed session to discuss a matter of attorney-client privilege with the Board's impartial hearing counsel, Jeff Gray. Mr. Graves seconded and the motion carried.

At this time Mr. Matthews departed the meeting. Mr. Byrd made the motion to return to open session and Mr. Graves seconded. Mr. Byrd made the motion to deny the consent order and refer it back to the Disciplinary Committee. Ms. Smith seconded and the motion carried.

Ms. Cress asked that motion be granted to continue the scheduled hearing for a mutually agreeable time if the parties are unable to resolve this matter informally.

Mr. Aldridge and Mr. Graves recused themselves from the discussion of Regional Memorial Cremation. Mr. Aldridge disconnected from the teleconference and Mr. Graves left the room.

Party appearance was not expected. The crematory had been summarily suspended. Mr. Byrd made the motion to sever the allegations against Clifton Quick from the allegations against Regional Memorial Crematory. Mr. Staton seconded and the motion carried. Mr. Byrd made the motion to accept the consent order. Mr. Olive seconded and the motion carried.

At this time Mr. Graves re-entered the meeting.

Ms. Cress reviewed the consent order for M16-006 Prominence Funeral Home. Mr. Griffin is in attendance but will not speak since his attorney was not present. After review of the consent order, Mr. Byrd made the motion to approve and Mr. Olive seconded. The motion carried.

Mr. Lockhart made a motion to go into closed session to discuss a personnel matter. The motion was seconded and properly carried. Upon proper motion, the meeting returned to open session. Mr. Byrd made a motion to move forward with the plan discussed in closed session regarding the personnel matter. Mr. Graves seconded and the motion carried.

At this time the Board recessed for lunch and to prepare for the hearing.

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Valdus T. Lockhart, President

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Charles Graves, Secretary