

Minutes of Meeting
Louisiana Cemetery Board
May 22, 2009

The regular meeting of the Louisiana Cemetery Board was held May 4, 2007, at 111 Veterans Memorial Boulevard, Heritage Plaza, Eighteenth Floor Conference Room, Metairie, Louisiana, pursuant to notice. Chairman Melancon called the meeting to order at 9:05 A.M.

Present were: Gerald W. Melancon, Chairman
 Marilyn P. Leufroy, Vice-Chairman
 Shelly M. Crow, Secretary/Treasurer
 Michael D. Boudreaux, Board Member
 Ann B. Clement, Board Member
 Stacey L. Patin, Board Member
 Louise F. Saenz, At-Large Board Member
 Lucy L. McCann, Director
 Anna H. Aucoin, Assistant to the Director
 Sharon C. Mize, Special Counsel to the Board
 Ryan M. Seidemann, Assistant Attorney General

Also present at the meeting were Charles Fauchaux, Westlawn Cemeteries, L.L.C., Gretna, Louisiana; Paul Raymond, Acme Mausoleum, New Orleans, Louisiana; Mark Russell, Resthaven Gardens of Memory, Baton Rouge, Louisiana; Mr. and Mrs. George B. Annison, Azalea Rest, Inc., Zachary, Louisiana; Blake Alfortish, Alfortish Cemetery Management, Inc. d/b/a False River Memorial Park, New Roads, Louisiana; Richard David, Beau Pre Memorial Park, Inc., Jeanerette, Louisiana; Stephen F. Mestayer, Counsel for Beau Pre Memorial Park, Inc., New Iberia, Louisiana; Bob Lomison, President, Forest Park East Associates, Inc. d/b/a Forest Park Cemetery & Forest Park West Associates, Inc., d/b/a Forest Park West Cemetery, Shreveport, Louisiana; April DeYoung, General Manager, Forest Park East Associates, Inc. d/b/a Forest Park Cemetery & Forest Park West Associates, Inc., d/b/a Forest Park West Cemetery, Shreveport, Louisiana

Ms. Leufroy made a motion to take the Agenda out of order to accommodate any guests in attendance. The motion was seconded by Mr. Boudreaux and unanimously approved.

Azalea Rest, Inc. d/b/a Azalea Rest Cemetery, Zachary, LA – Perpetual Care Trust Fund investments.

The Director stated at the November 7, 2007, meeting the Board reviewed the investments contained in the perpetual care trust fund of Azalea Rest Cemetery and determined the certificate of deposit with Sanford International Bank in Antigua was not a permissible investment under La. R.S. 8:465. At the May 16, 2008 meeting, Mr. & Mrs. Annison appeared before the Board and requested the Board allow the investment until its maturity, January 13, 2010, to avoid an early withdrawal penalty. The Board determined the investment could remain in the perpetual care trust fund until maturity if Mr. & Mrs. Annison personally guaranteed the investment against loss. Mr. & Mrs. Annison agreed to guarantee the investment against loss.

In February 2009, federal regulators placed Stanford International Bank in receivership. Prior to the receivership, the certificate of deposit was cashed, and the funds were placed with the Stanford Trust Company. However, because of the receivership, Mr. & Mrs. Annison do not have access to the funds at Stanford Trust Company at this time. In March 2009, Mr. & Mrs. Annison established an escrow account, for \$65,532.20, with Hancock Bank in the name of Azalea Rest Cemetery to cover the investment and the early withdrawal penalty.

Chairman Melancon asked Mr. Annison if they knew when the funds at Stanford Trust would be released. Mr. Annison said he has heard the funds with Stanford Trust are insured, but he is not sure if that is true. Chairman Melancon asked if they were getting statements. Mr. Annison said they were getting quarterly statements. A copy of the most recent statement was part of the meeting folders before each Board Member. The Director asked if they have communicated or filed a claim with the receiver. Mr. Annison said they have not, based on advice from their legal counsel.

After discussion, Mr. Boudreaux made a motion to continue to monitor the situation, leave the funds in escrow, and copy the Board on all correspondence and statements between Stanford and Azalea Rest. The motion was seconded by Ms. Clement and unanimously approved.

Chairman Melancon thanked the Mr. & Mrs. Annison for appearing.

Alfortish Cemetery Management, Inc. d/b/a False River Memorial Park, New Roads, LA
– Sales of pre-need merchandise and services by prior owner.

At the November 7, 2008, meeting the Board recommended the Director and Mr. Melancon schedule a meeting with the owner of False River, Mr. Stampley, to address outstanding violations from the on-site examination of the cemetery, more specifically, insufficient interment records. The Director reported they were unable to schedule a meeting with Mr. Stampley, and the cemetery did not timely renew their 2009 license.

On February 14, 2009, David and Blake Alfortish purchased the cemetery. The Director reviewed documentation received from Blake Alfortish, copies of which were before

each Board Member, detailing debts paid by the new owners since the purchase of the cemetery. Including money owned to suppliers, as well as, delivery of merchandise sold by the prior owner. The prior owner also sold pre-development mausoleum crypts and the new owners are in the process of building a mausoleum to satisfy those contracts. The Director also reviewed preliminary interment records and data the new owners provided regarding the sale of pre-need vaults and interment fees. The Director also advised Mr. Stampley did not turn over the accounting records of the cemetery to the new owners.

Mr. Alfortish addressed the Board advising, at the time of sale, all Mr. Stampley turned over were three lot books. The lot books have notations indicating when the cemetery sold a pre-need vault. Additionally, customers are coming forward with cancelled checks for undelivered memorials. In many instances, Mr. Stampley did not give the consumer a contract or purchase agreement. Mr. Alfortish stated they are honoring all contracts. He also stated they are in the process of building the new mausoleum, which he anticipates will be complete by the end of summer. Mr. Alfortish also advised Mr. Stampley sold a one-acre tract of undeveloped land in the cemetery. Burial transit permits, provided by the local funeral homes, were used to establish the number of interments made in the last year and to establish current interment records.

Chairman Melancon asked if the cemetery has a merchandise trust fund. The Director advised the cemetery did not have an established pre-need merchandise trust fund. Ms. Leufroy asked how many undelivered contracts were outstanding. Mr. Alfortish said he is still getting calls regularly from customers who are providing cancelled checks, layouts, etc., and they are honoring them all. He said he couldn't estimate the number outstanding because there are no contracts in the files. Mr. Alfortish stated all the files would be transported to his office in New Orleans for review. Chairman Melancon asked if there were pending charges against Mr. Stampley. Mr. Alfortish indicated the District Attorney would like them to press charges, but they do not plan to at this time. Chairman Melancon asked if they plan on establishing a merchandise trust fund. Mr. Alfortish said they have no problem honoring contracts. Chairman Melancon stated the law requires the cemetery to establish a merchandise trust fund or store the merchandise. The Director asked if the pre-need vaults sold by the cemetery were concrete or poly vaults. Mr. Alfortish stated it would depend on when they were sold, prior to Mr. Gremillion owning the cemetery it would be concrete, but after that time they would be poly. Ms. Clement asked if any of the pre-need vaults on the list were delivered. Mr. Alfortish indicated there were still trying to determine what has been delivered, and what is undelivered.

After discussion, Ms. Leufroy made a motion that the Director work with Mr. Alfortish to determine the outstanding liabilities of the cemetery, for cemetery related merchandise and services, and present a plan to the Board for consideration at the November 2009 meeting. The motion was seconded by Ms. Clement and unanimously approved.

The Director advised the Board Mr. Alfortish has two pending Applications for Certificate of Authority, one for the purchase of Our Lady of Prompt Succor, and another

for the purchase of False River Memorial Park. They also have a pending request to waive the 2009 late fee due for the 2009 license of False River Memorial Park.

The Board thanked Mr. Alfortish for his attendance and participation.

Pre-Construction Sales Projects – Completion Notification

At the November 7, 2008, meeting the Board determined procedures should be established to verify completion, and to collect information and final drawings, on all completed pre-construction projects to determine compliance with Title 8. On May 12, 2009, the Director met with Charlie Fauchaux and Paul Raymond to receive recommendations regarding the establishment of a completion notification procedure. The Director reviewed the recommendations and proposed Pre-Construction Sales Project – Completion Notification and Instruction, copies of which were before each Board Member.

Mr. Raymond addressed the Board stating the primary concern he has is approval of modifications to projects between Board meetings. In light of the economy, many times projects are downsized. Mr. Raymond indicated their solicitations clearly indicate the number of sales will determine the size of the mausoleum. Mr. Raymond stated delays on approval of a valid modification would be hardship to his company.

Mr. Fauchaux also stated his primary concern is approval of modifications to projects between Board meetings. Mr. Fauchaux suggested the Board allow the Director, or appoint a committee, to approve valid modifications between Board meetings.

After discussion, Mr. Boudreaux made a motion the Board adopt the Completion Notification and recommendations as presented, and that requests received between Board meetings, for a significant modifications to a pre-construction sales projects, be disseminated to the Executive Committee for consideration and approval. The motion was seconded by Ms. Leufroy and unanimously approved.

The Board thanked Mr. Raymond and Mr. Fauchaux for their attendance and participation.

Beau Pre' Memorial Park, Inc. d/b/a Beau Pre' Memorial Park, Jeanerette, LA – Internal Revenue Service Tax Notice against Merchandise Trust Fund.

The Director stated on May 15, 2009, Mr. Mestayer advised the Board the IRS was attempting to place a lien against the merchandise trust fund of Beau Pre' Memorial Park in the amount of \$121,758.12, including penalty and interest. The balance of the merchandise trust fund as of December 31, 2008, is \$198,043.16. The tax lien is in the

name of Loewen Group, Inc. Louisiana QFT (qualified funeral trust), under taxpayer identification number 75-6538506, and covers the 2000 and 2001 tax period. Loewen purchased Beau Pre' Memorial Park in 1997 or 1998. Loewen filed bankruptcy in 2000 and emerged from bankruptcy as Alderwoods in 2002. In 2000 and 2001 Loewen also owned Forest Park Cemetery and Forest Park West Cemetery in Shreveport, Southern Memorial Gardens in Baton Rouge, Resthaven Gardens of Memory in Baton Rouge, and Garden of Memories in Metairie. The trustee at that time was Argent Trust. National Fiduciary Services was acting as agent and/or investment advisor. Based on the limited information and documentation gathered at this time, it appears Loewen filed a consolidated tax return on the merchandise trust funds of their Louisiana cemeteries in 2000 and 2001, and each trust fund was assessed, and paid, their proportionate share of taxes due in 2001. In 2002, for reasons unknown, the IRS issued tax refunds and the refunds were deposited in each merchandise trust fund that previously paid taxes in the 2000 and 2001 tax period. The merchandise trust fund of Beau Pre' Memorial Park did not receive a tax refund.

On May 15, 2009, the Attorney General's Office, as counsel for the Board, notified the IRS we were working with Beau Pre' Memorial Park and the current trustee, Regions Bank, to resolve this matter.

Mr. Mestayer advised he had recently talked with the IRS collections agent, Ms. Montet, but it was before she had received the letter from the Attorney General's Office. Mr. Mestayer asked if the other cemeteries previously owned by Loewen had received tax liens against their merchandise trust funds. The Director stated the Board was not aware of any other tax liens. Ms. Mize stated she talked with Regina Wedig who represents the current owners of two of the former Loewen properties, and she was not aware of any tax liens on the trust funds of those properties. There was a discussion regarding the tax identification number and amounts due in the various tax notices.

After discussion, Mr. Mestayer stated he would schedule a meeting with the IRS. The Board recommended the Director and Ryan Seidemann attend the meeting with Beau Pre' Memorial Park and Regions Bank to try to sort out this matter.

The Board thanked Mr. David and Mr. Mestayer for their attendance and participation.

Forest Park East Associates, Inc. d/b/a Forest Park Cemetery & Forest Park West Associates, Inc. d/b/a Forest Park West Cemetery, Shreveport, LA – On-Site Examination of Perpetual Care and Merchandise Trust Funds.

The Director stated in October 2008, the Board conducted on-site examinations of Forest Park Cemetery and Forest Park West Cemetery and found several deficiencies. At the November 7, 2008, meeting the Board considered the preliminary findings of the examination and determined the perpetual care and merchandise trust fund deposits must be brought current no later than April 1, 2009, or an administrative hearing would be

called. Regarding merchandise trust fund withdrawals, the Board recommended the Director conduct a random sampling of the withdrawals made during the year examined and report any problems to the Board at its next meeting. Additionally, the Board requested Mr. Lomison and the location manager attend today's meeting to address the maintenance issues found during the examination.

The Director stated Forest Park Cemetery and Forest Park West Cemetery were still delinquent on deposits due their perpetual care and merchandise trust funds, but administrative hearings were not convened because the Director negotiated a Consent Agreement with the cemeteries stipulating to the facts. Forest Park has agreed to work with the Board on a reasonable payment plan.

The Director reviewed the findings of the examination outlining the deposits owed to the perpetual care and merchandised trust funds. Additionally, the Director reviewed the Consent Agreement entered into by the Board and Forest Park.

At this time, Ms. DeYoung provided each Board Member with a package containing information and photographs relating to the maintenance issues at Forest Park Cemetery and Forest Park West Cemetery. The package contained copies of bids to repair foundation problems at two mausoleums that were built by Loewen when they owned the properties. The estimated combined costs for the foundation repairs on both mausoleums exceed \$90,000. The estimates do not include labor costs to remove and reaffix the granite crypt fronts, concrete work, drainage, and other cosmetic work around the mausoleums. The next estimate in the package was for Forest Park Cemetery, Garden of Roses Mausoleum, to replace the marble couch crypt fronts that have bowed and broken. The estimate does not include labor costs to remove and reaffix the new crypt fronts or inscriptions. The main problems relating to the general maintenance of Forest Park Cemetery involve drainage issues with the City of Shreveport. Ms. DeYoung gave a detailed summary of the steps taken since 2004 to address this issue. Photographs of the damage caused by the drainage issue were included in the package before each Board Member. Also discussed were the lawn crypt gardens at each cemetery that was built by Loewen when they owned the properties. The gardens are not usable because of the poor quality of construction and all contracts have been relocated. Ms. DeYoung reviewed general maintenance issues at each cemetery including scrub and tree removal, and irrigation.

Mr. Lomison addressed the Board stating the money owed is delinquent perpetual care deposits relate to memorial care. Delinquent merchandise deposits will be offset against pending withdrawals. The cemetery has made current monthly deposits since the on-site examination of the cemetery. Mr. Lomison proposed bringing past due deposits current as follows: \$6,400 per month for Forest Park East, and \$3,900 per month for Forest Park West for a total of \$10,300 per month in addition to regular monthly deposits over a twenty four (24) month period. Chairman Melancon asked Mr. Lomison if he places 15% of gross sales into his perpetual care trust fund. Mr. Lomison said that was correct they voluntarily contribute more than the statutorily required 10% on perpetual care in addition to memorial care. Chairman Melancon asked Mr. Lomison to give a brief

summary of the properties he owns for the benefit of the Boards new members. Mr. Lomison stated he has been in the industry for twenty-eight years and owns properties in five states, including Pennsylvania, New York, Washington State, Louisiana, and Texas. He has an accounting and administrative staff of seven people to oversee the properties. Although they are delinquent in deposits, all merchandise and services have been delivered to the customers. For Forest Park East and Forest Park West they spend approximately \$500,000 per year on maintenance. Shreveport is his largest operation doing a combined eight hundred interments per year.

Chairman Melancon asked if Mr. Lomison had a line of credit he could borrow against to make the trusts whole. Mr. Lomison said that is one of the problems he has in Louisiana, you cannot borrow against your cemetery property, and in other states he can finance his cemeteries. Chairman Melancon asked if he could borrow against another cemetery and pay the other cemetery back with interest. Mr. Lomison said he keeps each cemetery business separate and likes every cemetery to pay for itself. Mr. Lomison would like the Board to allow him to repay the delinquent deposits through operating revenue. Typically Shreveport does \$150,000 a month in sales, with the current economy, that is down to under \$100,000 per month. The Shreveport properties have approximately forty employees, and they think they can maintain that number if the Board allows the repayment plan.

There was a discussion regarding the pending withdrawals and the process that will take place once the withdrawals are approved. The Board also discussed funding delinquent deposits with future withdrawals from the merchandise trust fund, on delivered contracts, and the impact that would have on the day-to-day operations of the cemetery. Ms. Leufroy asked if the delinquent deposits could be repaid over a twelve-month period. Mr. Lomison said that would be agreeable. Mr. Boudreaux asked if the cemetery would be able to meet its perpetual care obligations if the Board required the delinquent deposits be paid over a shorter period of time. Mr. Lomison assured the Board the maintenance obligations would be met regardless of the agreement reached. Ms. Leufroy made a motion the delinquent deposits to the perpetual care trust fund be paid over a twelve-month period and the monthly payments be adjusted accordingly. After discussion on the motion, Mr. Boudreaux seconded the motion and it was unanimously approved.

Regarding maintenance, Mr. Lomison asked that he be allowed to do a comprehensive study and come back to the Board at its November meeting with a specific proposal addressing costs and time needed to address the each issue. After discussion, Mr. Boudreaux made a motion to accept Mr. Lomison proposal. The motion was seconded by Ms. Patin and unanimously approved.

Regarding the examination fee, the Director proposed the maximum fee of \$500 per trust be assessed. After discussion, Ms. Clement made a motion to assess the maximum fee of \$500 per trust, for a total of \$2,000. The motion was seconded by Ms. Crow and unanimously approved.

Ms. Leufroy made a motion to accept and ratify the Consent Agreement entered into between the Board and Forest Park. The motion was seconded by Mr. Boudreaux and unanimously approved.

The Board thanked Mr. Lomison and Ms. DeYoung for their attendance and participation.

Ms. Clement made a motion to adjourn for lunch at 12:30 P.M. The motion was seconded by Ms. Patin and unanimously approved.

Since copies of the Minutes of the Meeting held November 7, 2008 and February 13, 2009 had been previously mailed to each Board Member, the Chairman asked if there was any discussion and/or amendments. Ms. Leufroy made a motion to approve the Minutes of the November 7, 2008 and February 13, 2009 meetings as presented. The motion was seconded by Mr. Boudreaux and unanimously approved.

Report of Officers

The Secretary/Treasurer, Ms. Crow asked the Director to review the financial statements of the Board.

The Director reviewed the Statement of Operations for year ending December 31, 2008; Cash & Investments as of December 31, 2008; the Statement of Operations January through April 2009; Cash & Investments as of April 30, 2009; and the Budget vs. Actual January through April 2009. After review and discussion, Mr. Boudreaux made a motion to accept the financial statements as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

At this time there was a discussion regarding legal fees year to date. The Director discussed the issues and pending Applications for Certificate of Authority that consumed the majority of the hours billed year to date for legal fees. After discussion, Ms. Leufroy made a motion giving the Director authority to amend the legal contract up to \$8,000 if necessary prior to the next regularly scheduled meeting in November. The motion was seconded by Ms. Patin and unanimously approved.

After review and discussion of the 2009 Proposed Budget Amendments, Ms. Leufroy made a motion to approve the 2009 Budget Amendments as presented. The motion was seconded by Ms. Clement and unanimously approved.

The Director presented to the Board for review and approval the Louisiana Attestation Questionnaire needed for the Boards annual audit. Ms. Leufroy made a motion to approve the Louisiana Attestation Questionnaire as presented. The motion was seconded by Ms. Clement and unanimously approved.

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Report of Director

Sand Hill Cemetery Association, Inc. d/b/a Sand Hill Cemetery, Ponchatoula, LA – Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application. The Director reminded the Board the cemetery is involved in a civil dispute which is pending in court.

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Woodlawn Mausoleum, Inc. d/b/a Woodlawn Mausoleum, Ferriday, LA – Pending Application for Certificate of Authority for the change in ownership. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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Old Mt. Olive Baptist Church d/b/a The Methodist Mt. Olive Baptist Cemetery, Grosse Tete, LA – Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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Church Point Baptist Church, Inc. d/b/a Church Point Baptist Church Cemetery, Church Point, LA – Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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Bethlehem Baptist Church of Flagville, LA d/b/a Bethlehem Baptist Church Cemetery, Hahnville, LA – Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is complete and has been forwarded to the Special Counsel to the Board; Ms. Mize, for review and approval.

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Town of Kentwood d/b/a Kentwood Woodland Cemetery, Kentwood, LA – Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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St. Charles Roman Catholic Church d/b/a St. Charles Cemetery, Evergreen, LA – Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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Garden of Memories of Alexandria, Inc. d/b/a Garden of Memories of Alexandria, Alexandria, LA – Pending Application for Certificate of Authority for the change in ownership. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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Our Lady of Prompt Succor Mausoleum, Inc. d/b/a Our Lady of Prompt Succor, Westwego, LA – Pending Application for Certificate of Authority for the change in ownership. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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City of Leesville d/b/a Vernon Cemetery, Leesville, LA – Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is complete and has been forwarded to the Special Counsel to the Board; Ms. Mize, for review and approval.

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St. Anne Roman Catholic Church of Cow Island d/b/a St. Anne Cemetery, Abbeville, LA – Pending Application for Certificate of Authority changing from Exempt status to a Non-Exempt Status. The Director advised the Application for Certificate of Authority is complete and has been forwarded to the Special Counsel to the Board; Ms. Mize, for review and approval.

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St. Anne Roman Catholic Church of Cow Island d/b/a Sacred Heart Cemetery, Kaplan, LA – Pending Application for Certificate of Authority changing from Exempt status to a Non-Exempt Status. The Director advised the Application for Certificate of Authority is complete and has been forwarded to the Special Counsel to the Board; Ms. Mize, for review and approval.

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St. Anne Roman Catholic Church of Cow Island d/b/a Immaculate Conception Cemetery, Abbeville, LA – Pending Application for Certificate of Authority changing from Exempt status to a Non-Exempt Status. The Director advised the Application for Certificate of Authority is complete and has been forwarded to the Special Counsel to the Board; Ms. Mize, for review and approval.

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St. John the Baptist Church d/b/a St. John the Baptist Cemetery, Crowley, LA - Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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St. Peter the Apostle Roman Catholic Church d/b/a St. Peter the Apostle Cemetery, Baldwin, LA - Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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Alfortish Cemetery Management, Inc. d/b/a False River Memorial Park, New Roads, LA - Pending Application for Certificate of Authority for the change in ownership. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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Greater Philadelphia Baptist Church, Inc. d/b/a Greater Philadelphia Cemetery, Slaughter, LA - Pending Application for Certificate of Authority changing from an Exempt status to a Non-Exempt status. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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SCI Louisiana Funeral Services, Inc. d/b/a Garden of Memories, Metairie, LA – Pending Application for Certificate of Authority for the change in ownership. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

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New Orleans Katrina Memorial Corporation d/b/a Katrina Memorial, New Orleans, LA – Pending Application for the establishment of a Cemetery Management Organizations. The Director advised the Application for Cemetery Management Organization is complete and has been forwarded to the Special Counsel to the Board; Ms. Mize, for review and approval.

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The Director reviewed the requests for a waiver of late fees from the following: St. Rose of Lima Roman Catholic Church d/b/a St. Rose Cemetery, Cecilia, LA; Our Lady of the Lake Catholic Church d/b/a Delcambre Catholic Cemetery, Delcambre, LA; St. John the Baptist Catholic Church Cemetery Association d/b/a St. John the Baptist Cemetery, Edgard, LA; Alfortish Cemetery Management, Inc. d/b/a False River Memorial Park, New Roads, LA; and St. Charles Borromeo Roman Catholic Church d/b/a St. Charles Borromeo Cemetery, Montegut, LA. After discussion and review of the information presented, Ms. Crow made a motion to grant the waiver of the late fees for the above captioned cemeteries. The motion was seconded by Ms. Leufroy and unanimously approved.

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Arcola-Roseland Cemetery Association, Roseland, LA – 2009 Renewal. The Director advised the cemetery has not renewed its license or responded to the outstanding issues relating to the on-site examination. On April 30, 2009, Ryan Seidemann, Assistant Attorney General sent correspondence outlining the violations, but not response has been received.

At this time there was a motion by Ms. Leufroy to move to Topic 18. The motion was seconded by Ms. Crow and unanimously approved. Mr. Seidemann said there are several cemeteries that refuse to give the Board, through correspondence, information necessary to complete applications. After several attempts through correspondence from the Board the Attorney General's Office will send a letter saying, last warning you are operating illegally, and in many instances still no reply is received. It is obvious the letters are going nowhere, so the question has been what else can be done to bring the cemeteries into compliance. In those instances where numerous attempts to bring a cemetery into compliance has failed, Mr. Seidemann suggest we request the court to order them to come into compliance. A sample Petition for Compliance Order was provided to the

Board for discussion and consideration. The Order would not shut down a cemetery or take over a cemetery; it is simply an order for them to come into compliance. If they refuse, they would be in contempt of court, which carries a greater penalty than being in violation of Title 8. Mr. Boudreaux thought it was a good way to address non-compliant cemeteries, but expressed concern the cemeteries may become abandoned. There was a discussion regarding the costs associated with requesting a Compliance Order, and what happens when someone does not comply with an Order. Chairman Melancon asked if there were any disadvantages to seeking the Compliance Order. After discussion, Mr. Boudreaux made a motion giving permission to the Attorney General's Office to obtain Compliance Orders when attempts by the Board and the Attorney General's Office have failed to bring a cemetery into compliance. Ms. Clement seconded the motion and it was unanimously approved.

Regarding Arcola Roseland Cemetery, Ms Leufroy made a motion to send a second notice to the cemetery, and if they fail to comply seek a Compliance Order from the court. The motion was seconded by Ms. Patin and unanimously approved.

Gilbert Memorial Park, Baton Rouge, LA – Perpetual Care cemetery operating without a license. The Director stated in 2003 the trustee asked to place the perpetual care trust fund with the 19th Judicial Court in East Baton Rouge Parish because the income from the trust was not sufficient to cover trustee fees. At that time the Board requested the trustee give us the opportunity to try and locate a successor trustee for the trust fund. The Report of Trustee and Report of Cemetery Authority for fiscal year ending August 31, 2008, a copy which was before each Board Member, indicates the trust has a loss of \$2,907.70, leaving a trust balance at cost of \$18,956.23. There was a discussion regarding placing the trust in the registry of the court, and the costs associated with placing the trust with the court.

The Director gave a brief history of the cemetery for the new Board Members. Mr. Seidemann gave a summary of the conditions found in a recent site inspection he conducted along with Chairman Melancon and the Director. Mr. Seidemann stated consideration had been given to placing the cemetery into receivership, but the cemetery does not have sufficient income to support a receivership. Other options would be to close the cemetery, or ask the City of Baton Rouge or a not for profit community organization, to take over the cemetery. After discussion Mr. Boudreaux made a motion that Chairman Melancon, Ms. Leufroy, Mr. Seidemann, and the Director meet with the City of Baton Rouge and community leaders to determine if they could be of assistance in this matter. The motion was seconded by Ms. Crow and unanimously approved. The Board also recommended the Director and legal counsel review the trust agreement to determine if there are additional options available regarding the trust fund, research what cost are associated with placing the trust with the court, and report at the next meeting.

Richwood Gardens, Inc. d/b/a Richwood Gardens, Monroe, LA – On-site Examination of Perpetual Care Trust Fund. The Director reviewed information from Richwood Gardens indicating the pre-need granite storage is adequate with the exception of six pieces, which will be shipped May 25, 2009. Also information was provided indicating the pre-need interment fee collected has been refunded.

Woodlawn Park Holdings, Inc. d/b/a Woodlawn Park Memorial Cemetery & Mausoleum, Bridge City, LA – Establishment of Merchandise Trust Fund. The Director reported in February 2008 it was determined Woodlawn Park Memorial Cemetery was selling pre-need cemetery related merchandise and services. Since that time, she has been working with the cemetery to establish a merchandise trust fund. In that regard, the Director provided the Board with a copy of the executed Merchandise Trust Agreement between the cemetery and Argent Trust. Also provided were fund activity reports from the cemetery's computer system detailing collections on pre-need items and the corresponding trust deposits due on the collections. The Director reported deposits totaling \$8,148.53 have been made to the merchandise trust funds, and all deposits are now current.

Forest Lawn Memorial Association, Inc. d/b/a Forest Lawn Memorial Park, Ball, LA – Transfer of Merchandise Trust Fund. The Director reported SCI Louisiana Funeral Services, Inc. sold this property to Forest Lawn Memorial Association, Inc. on January 9, 2007. At the time of the sale, Argent Trust was the trustee of both the perpetual care and merchandise trust funds of the cemetery. On or about May 31, 2007, Argent Trust transferred the Merchandise Trust Fund, in its entirety, to a successor trustee, Regions Bank. On or about July 15, 2007, Regions Bank transferred a portion of the Merchandise Trust Fund (\$563,798.49 in principal and \$534,511.65 in interest) to Independence Trust Company (ITC) pursuant to SCI's wiring instructions dated June 28, 2007 directed to Argent Trust. As of December 31, 2008, the balance of the merchandise trust fund remaining in the custody of Regions Bank was \$204,073.97. According to information provided by SCI approximately \$19,000 represents delivered contracts that were not withdrawn at the time the cemetery was sold. Further, SCI believes any excess funds held in trust at Regions belong to SCI. The Director stated that she advised SCI, in a recent telephone conversation, that there should be a contract for contract accounting of the excess funds and reviewed the provisions of Title 8 regarding requirements for withdrawal. Ms. Mize stated the sale document provided the entirety of the trust fund would be transferred to the new owner. Ms. Mize pointed out the sale was after SCI and the Board had agreed on a procedure to bring withdrawals in their merchandise trust funds current. The Director stated that Regions Bank has been notified that no transfers or withdrawals should be made from the trust fund that remains in their custody until our office has the opportunity to review this matter for compliance with the provisions of Title 8. After discussion, Mr. Boudreaux made a motion that SCI provide documented evidence regarding what the funds, remaining in the custody of Regions Bank, represents

no later than 30 days before the next meeting, and if the funds are not subject to withdrawal pursuant to Title 8 they must be transferred to the successor trustee, ITC. The motion was seconded by Ms. Patin and unanimously approved.

Northwestern Mutual Wealth Management Company, Milwaukee, Wisconsin – Request to serve as a trustee for cemeteries located in Louisiana. The Director advised Northwestern Mutual Wealth Management Company (NMWM) is a Federal Savings Bank with Trust powers in all fifty states, and they are requesting approval to serve as a trustee for cemeteries located in Louisiana.

Ms. Mize reviewed the requirements in Title 8 to serve as a trustee. NMWM is a federally insured Federal Savings Bank and authorized to exercise Trust powers. The question is whether or not they are located in Louisiana as required by LA. R.S. 8:454B. Ms. Mize stated that NMWM is registered with the Secretary of State and by operation of law they are required to maintain a registered agent in Louisiana and a registered office. In this case, they are the same. NMWM is using CT Corporation in Baton Rouge, as both registered agent and office. When the Board asked how they complied with LA. R.S. 8:454B, NMWM pointed to their Wealth Management Advisors that are located in the state. We received a copy of the contract between NMWM and their Wealth Management Advisors, which indicates they are independent contractors. So the questions for consideration is whether the located in Louisiana requirement in LA. R.S. 8:454B is met by a trust company that has a registered agent and office in the State of Louisiana, and has contractual agreements with independent contractors located in the State of Louisiana. When asked for references, including other cemetery trusts, NMWM declined to give any information stating they consider that information confidential.

The proposed client in Louisiana is Lafayette Memorial Park, which has both perpetual care and merchandise trust funds. The Director stated one question they have not asked is who would be responsible for regulatory compliance in Louisiana if they were approved. Another question is whether the Wealth Management Advisors are limited in the types of investments they can offer, to company or related company products. If that is the case, there may be a compliance issue with LA. R.S. 8:465, which prohibits the investment of funds directly or indirectly with the trustee. Chairman Melancon asked if the Board had enough information available to make a determination on this matter. After discussion, the Board determined they would like to know who would handle regulatory compliance, if investments are limited to company products or related company products, and is NMWM the trustee of any cemetery trusts. Ms. Leufroy made a motion the Director gather the above information and any other information that would be helpful in determining compliance, and require someone with NMWM appear at the next meeting to respond to any additional questions the Board may have. The motion was seconded by Ms. Crow and unanimously approved.

Garza Family vs. Restlawn Park Cemetery, Inc. Mr. Seidemann gave brief summary of the pending litigation between the two parties. The attorney for the Garza Family has advised, now that the remains have been located, the only issue pending is damages for emotional distress. In this regard, the attorney for Restlawn's insurance company is representing the cemetery's interest.

Consolata Cemetery, Lake Charles, LA – Lawn Crypt Sections FF & GG – downsized pre-construction sales project.

The Director advised the Board received the Application for Pre-Construction Sales Project in February 2005. Pursuant to law, construction of the project was to commence in March 2009. When the Board contacted the cemetery to confirm construction had commenced, we were informed construction was complete but only one half of the proposed project was built. The cemetery is now proposing to complete the project in two phases. The cemetery cited poor sales and financial limitations as the reasons for downsizing the project. The preliminary plans submitted to the Board in 2005 called for 758 single crypts, and 666 double crypts. The completed project, Phase I, contains 343 single crypts, 343 double crypts, and 192 cremation niches. The Director reviewed the status of the four pre-construction sales contracts in Phase II the cemetery is in the process of trying to relocate to the completed area of the project, Phase I. After discussion, Ms. Leufroy made a motion to approve the cemetery's request to build the project in two phases. The motion was seconded by Ms. Patin and unanimously approved.

The Director reviewed the Applications for Pre-Construction Sales Projects received since the last meeting, copies of which were before each Board Member.

Ratification of Certificates of Authority issued

The Chairman asked for a motion to ratify the licenses issued since the last Board Meeting. Mr. Boudreaux made a motion to ratify the 2008 Non-Exempt (New/Transfers) #08-493 - #08-494; 2009 Non-Exempt (New/Transfers) #09-471, #09-479, #09-488, #09-491; 2009 Non-Exempt (Renewals) #09-001 - #09-470, #09-472 - #09-478, #09-480 - #09-487, #09-489 - #09-490; 2009 Cemetery Sales Organizations (Renewals) #CSO-09-01 - #CSO-09-07; 2008 Cemetery Management Organizations (New) #CMO-08-05; 2009 Cemetery Management Organizations (Renewals) #CMO-09-01 - #CMO-09-05; and Exempts (New) #1239 - #1251. The motion was seconded by Ms. Patin and unanimously approved.

On-site Examinations performed since last Board Meeting

The Director stated (1) Perpetual Care and (1) Merchandise examinations since the last Board Meeting.

Reports of Committees

North American Death Care Regulators Association (DCRA) Conference – September 14-17, 2009, Grapevine, Texas; Tri-State Cemetery Conference, August 2-4, 2009, New Orleans, Louisiana. Ms. Leufroy made a motion to approve travel for the Director to attend the above-mentioned conferences. Ms. Crow seconded the motion and it unanimously approved.

The Director stated appointments to the Examination and Inspection Committee, as well as, the Rules and Regulations were needed to fill the vacancies created when Mr. Melancon was appointed Chairman. After discussion and a brief description of the Committees functions, Ms. Saenz was appointed to the Examination and Inspection Committee, and Ms. Patin was appointed to the Rules and Regulations Committee.

Status Report – 2009 Legislative Session. The Director advised there were no bills affecting Title 8 this session.

Old Business

George Washington Carver Memorial Park, Inc. – Status Report regarding Consent Agreement issued in Administrative Hearing #2008-001. The Director advised all issues cited in the Consent Agreement have been resolved.

Alexandria Garden of Memories, Inc. – Status Report regarding Order issued in Administrative Hearing #2008-002. The Director advised she has been in contact with Mr. Claiborne regarding delinquent deposits to his perpetual care and merchandise trust funds, and the pending application for the change in the ownership of the cemetery but he has not responded. After discussion the Board recommended the matter be reviewed by Mr. Seidemann to determine if a Petition For Compliance Order should be sought in this matter.

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Oak Lane Memorial Park, L.L.C. – Status report regarding conditions on issuance of Certificate of Authority. The Director advised it is her understanding the cemetery will begin sales and open in the very near future.

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Attorney General's Opinion request regarding jurisdiction. Mr. Seidemann stated he is still working on the opinion and anticipates its release prior to the next meeting.

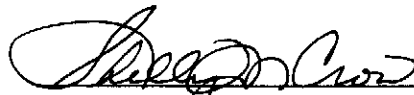
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Gilmore v. Whited and Grace Episcopal Church. Ms. Mize provided a summary of the decision issued by the First Circuit Court of Appeals of Louisiana in this matter. Ms. Mize stated the decision does not appear to limit the Board's authority to apply the provisions of Title 8 to a specific situation.

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Public Comment

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New Business

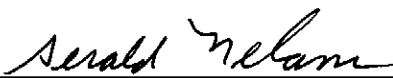
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Executive Session

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Since there was no further business, Ms. Leufroy made a motion to adjourn at 4:40 P.M. The motion was seconded by Mr. Boudreaux and unanimously approved.



Shelly M. Crow, Secretary/Treasurer

Attested To:



Gerald W. Melancon, Chairman