

Minutes of Meeting
Louisiana Cemetery Board
May 5, 2017

The regular meeting of the Louisiana Cemetery Board was held May 13, 2016 at 3445 N. Causeway Boulevard, Suite 509, Metairie, Louisiana, pursuant to notice. Chairman Melancon called the meeting to order at 9:03 A.M.

Present were: Gerald W. Melancon, Chairman
 Shelly M. Holloway, Secretary/Treasurer
 Rev. Shelton C. Dixon, At-Large Board Member
 F. Anton Wilbert, Board Member
 Stacey L. Patin, Board Member
 Richard C. Briede, Board Member
 Lucy L. McCann, Director
 Jerry W. Sullivan, Special Counsel to the Board
 Ryan M. Seidemann, Assistant Attorney General

Absent was: Marilyn Leufroy, Vice-Chairman

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Esther H. Bateman, Director, Trust, SCI Management, Jefferson, Louisiana; Jimmy Patin, Greenwood Memorial Gardens, Pineville, Louisiana; Gary A. Moore, President, Argent Trust Company, Shreveport, Louisiana; Debbie Holmes, Argent Trust, Ruston, Louisiana; Joni C. Thompson, Compliance Investigator, Louisiana Cemetery Board; and John W. Wilbert, Jr., Plaquemine, Louisiana.

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Chairman Melancon welcomed newly appointed At-Large Board Member, Rev. Shelton C. Dixon from Central, Louisiana.

Chairman Melancon also recognized John W. Wilbert, Jr. from Plaquemine, Louisiana, who was a Board Member when the Board was established in 1974 and served on the Board for many years.

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Public Comment

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Mr. Wilbert made a motion to take the agenda out of order to accommodate any guests that were in attendance. The motion was seconded by Ms. Patin and unanimously approved.

New Business

Request for withdrawals from Merchandise Trust Fund pursuant to LAC 46:XIII.1705(D) by: Lake Lawn Park, LLC d/b/a Lake Lawn Park; and S.E. Cemeteries of Louisiana, LLC d/b/a Metairie Cemetery and St. Bernard Memorial Gardens.

Copies of the correspondence requesting the withdrawals and supporting documentation from Esther Bateman, Director, Trust, SCI Management, were before each Board Member.

The Director reviewed the law and rules applicable to this request.

Ms. Bateman addressed the Board and advised the error was caused when the trust system was setup incorrectly. The system was trusting private tombs and mausoleums crypts, which were incorrectly coded the same as cremation benches. The system has now been corrected and SCI is requesting withdrawal of the private tomb and mausoleums crypt contracts trusted in error. Supporting documentation has been provided to the Board for each of the contracts trusted in error. Ms. Bateman also advised the income withdrawal amount shown on the request will vary slightly due to interest earned between the date of the request and the actual withdrawal.

Further, SCI has reviewed the perpetual care due on the contracts that are the subject of the request and all but \$672.01 has been trusted. The Director advised she was still reviewing the perpetual care on these contracts but was unable to complete the review due to time restraints. Ms. Bateman assured the Board that any identified perpetual care shortfalls will be deposited.

The Director also advised the Board that an analysis of each of the merchandise trust funds had been completed. The withdrawal request appears reasonable and reconciles to the deposits made and interest earned in each trust for the time frame in which the error occurred.

After discussion and review of the request, Rev. Dixon made a motion to authorize the withdrawal request of \$7,110,396.97 plus any additional interest earned since the date of said request, with the understanding, that any additional perpetual care liabilities identified on these contracts would be deposited. The motion was seconded by Ms. Patin and carried. Mr. Briede abstained.

Ms. Bateman thanked the Board.

Mr. Briede made a motion to return to the regular order of the agenda. The motion was seconded by Rev. Dixon and unanimously approved.

Since copies of the Minutes had been previously disseminated to each Board Member, the Chairman asked if there was any discussion and/or amendments. Mr. Briede made a motion to approve the Minutes of the November 4, 2016 Board Meeting as presented. The motion was seconded by Ms. Patin and unanimously approved.

Report of Officers

The Director reviewed the Statement of Operations for year ending December 31, 2016; the Cash & Investments as of December 31, 2016; the Statement of Operations January through April 2017; Cash & Investments as of April 30, 2017; and the Budget vs. Actual January through April 2017. After review and discussion Mr. Briede made a motion to accept the financial statements as presented. The motion was seconded by Rev. Dixon and unanimously approved.

After discussion regarding the Board’s certificates of deposit, the Board recommended the Director contact Capital One and request they provide a proposal on other permissible investment vehicles available to the Board for presentation at the next regular meeting.

Report of Director

The Director reported on matters being handled by staff and not requiring action by the Board at this time.

Approval of Applications for Pre-Construction Sales Projects

The Director reviewed the Applications for Pre-Construction Sales Projects received by the Board since the last Board meeting. After review and discussion, Mr. Briede made a motion to approve the Applications for Pre-Construction Sales Projects received since the last Board meeting. The motion was seconded by Mr. Wilbert and it was unanimously approved.

Ratification of Certificates of Authority issued

The Chairman asked for a motion to ratify the licenses issued since the last Board Meeting. Ms. Holloway made a motion to ratify the 2016 Non-Exempt (New/Transfers) #16-529 - #16-530; 2017 Non-Exempt (New/Transfers) #17-491 - #17-493, #17-528; 2017 Non-

Exempt (Renewals) #17-001 - #17-490, #17-494 - #17-527; 2017 Cemetery Sales Organizations (Renewals) #CSO-17-01 - #CSO-17-07; 2017 Cemetery Management Organizations (Renewals) #CMO-17-01 - #CMO-17-06; and Exempts (New) #1400E - #1406E. The motion was seconded by Ms. Patin and unanimously approved.

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Reports of Committees

The Director reviewed the May 2016 Summary Report accepted by the Examination and Inspection Committee, Ms. Patin and Chairman Melancon (ex officio member).

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Old Business

Assistant Attorney General, Mr. Seidemann, provided a status report on the 2017 flooding, advising thirteen parishes and seventy one cemeteries were affected by the flooding resulting in approximately eight hundred compromised graves. A spreadsheet outlining the status of the compromised cemeteries and graves was before each Board Member.

Mr. Seidemann advised unfortunately, his office is still receiving calls about flood damage in cemeteries six months after the floods.

There was a discussion regarding the types of burials affected by the floods and Mr. Seidemann advised that Livingston Parish has adopted an ordinance requiring all new burials to be below the surface of the ground. The City of Bogalusa is also considering a similar ordinance.

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The Director reported that the proposed changes to LAC 46:XIII approved at the last Board meeting have not been published. Mr. Sullivan advised there are proposed new laws that may or may not be enacted this Legislative Session which could affect the proposed changes. They will not be published until the conclusion of the Legislative Session and a determination can be made that if any new laws would not affect the proposed changes.

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New Business

Request for waiver of late fees on 2017 Renewal Applications for Certificate of Authority: Fern Park Cemetery, Inc., Natchitoches, LA.; Evergreen Memorial Park & Mausoleum, Inc., Denham Springs, LA.; Beech Ridge Cemetery, Inc., Denham Springs, LA.; Mount Calvary Baptist Church, Chauvin, LA.; St. Joseph Catholic Church, Zwolle, LA.; City of Bastrop d/b/a Christ

Church Cemetery, Bastrop, LA.; City of Bastrop d/b/a Memorial Park Cemetery, Bastrop, LA.; and City of Bastrop d/b/a H V Adams Cemetery, Bastrop, LA.

After review of the information presented, Mr. Briede made a motion to grant the waivers. The motion was seconded by Mr. Wilbert and unanimously approved.

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Examination & Inspection Committee – Appointment of new member(s). After discussion of the Committee’s functions and duties, Mr. Wilbert and Rev. Dixon volunteered to serve on the Examination and Inspection Committee.

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Tri-State Cemetery Conference – July 16-19, 2017, Biloxi, MS and North American Death Care Regulators Association (DCRA) Conference – September 11-15, 2017, Portland, OR.

After discussion, Rev. Dixon made a motion to approve registration and travel for the Director to attend the Tri-state Cemetery Conference; and for the Director, Compliance Investigator, Joni C. Thompson, and the Assistant Attorney General, Ryan M. Seidemann, to attend the DCRA Conference. The motion was seconded by Ms. Patin and unanimously approved.

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Legal Contract – Leefe, Gibbs, Sullivan, & Dupre’, L.L.C. After discussion, Rev. Dixon made a motion to renew the legal contract for Special Counsel to the Board, Jerry W. Sullivan, for a two-year period at the hourly rate of \$190 per hour with a yearly maximum of \$35,000 per year. The motion was seconded by Ms. Holloway and unanimously approved.

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The Director reviewed pending 2017 legislation which could affect the administrative functions of the Board, including SB 205 and SB 232.

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The Board adjourned for lunch between 11:45 and 1:30.

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Informal Proceeding Docket #2016-002-1 – Ardoin’s Marble Works, L.L.C. d/b/a Mt. Calvary Cemetery, Eunice, LA.

The Director and Mr. Seidemann reviewed the details of the stipulated facts and violation(s), as well as the proposed resolution outlined by the Consent Agreement, a copy of which was before each Board Member.

The Director and Mr. Seidemann answered questions by the Board regarding the stipulated facts, violation(s), and the recommended resolution.

After discussion, Mr. Briede made a motion to ratify the Consent Agreement with Ardoin's Marble Works, L.L.C. d/b/a Mt. Calvary Cemetery as presented. The motion was seconded by Rev. Dixon and unanimously approved.

Informal Proceeding Docket #2016-04-I – Carriage Services of Louisiana, Inc. d/b/a Garden of Memories, Metairie, LA.

The Director and Mr. Seidemann reviewed the details of the stipulated facts and violation(s), as well as the proposed resolution outlined by the Consent Agreement, a copy of which was before each Board Member.

The Director and Mr. Seidemann answered questions by the Board regarding the stipulated facts, violation(s), and the recommended resolution.

After discussion, Rev. Dixon made a motion to ratify the Consent Agreement with Carriage Services of Louisiana, Inc. d/b/a Garden of Memories and authorize the Director to forward a copy of the Consent Agreement to Carriage's Board of Directors and the SEC, if it has not been reported. The motion was seconded by Mr. Wilbert and carried. Mr. Briede abstained.

Executive Session

Mr. Wilbert made a motion to go into Executive Session to discuss litigation. The motion was seconded by Mr. Briede and a roll call vote was taken: Rev. Dixon – yea; Ms. Patin – yea; Mr. Wilbert – yea; Mr. Briede – yea; Ms. Holloway – yea; and Mr. Melancon – yea.

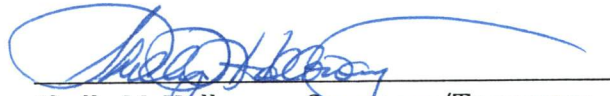
Mr. Briede made a motion to come out of Executive Session. The motion was seconded by Rev. Dixon and a roll call vote was taken: Rev. Dixon – yea; Ms. Patin – yea; Mr. Wilbert – yea; Mr. Briede – yea; Ms. Holloway – yea; and Mr. Melancon – yea.

Regarding State of Louisiana and the Louisiana Cemetery Board's Motion for leave of Court to Intervene, Petition of Intervention and Rule to Show Cause – In Re: Eugene J. Sonnier, II versus the Catholic Foundation of the Diocese of Lafayette, et. al., Docket No. C-20146291, 15th Judicial District Court, Parish of Lafayette, Rev. Dixon made a motion to authorize Mr. Seidemann to proceed as directed in executive session. The motion was seconded by Mr. Briede and unanimously approved.

Regarding Oak Lane Memorial Park, L.L.C. versus State of Louisiana Through the Louisiana Cemetery Board – Docket No. 739-710, Judgment by Twenty-Fourth Judicial District Court,

Parish of Jefferson, Rev. Dixon made a motion to authorize Mr. Seidemann to proceed as directed in executive session. The motion was seconded by Mr. Wilbert and unanimously approved.

Since there was no further business, Rev. Dixon made a motion to adjourn at 3:50 P.M. The motion was seconded by Ms. Patin and unanimously approved.



Shelly M. Holloway, Secretary/Treasurer

Attested To:

Gerald W. Melancon, Chairman

