

Minutes of Meeting
Louisiana Cemetery Board
November 5, 2010

The regular meeting of the Louisiana Cemetery Board was held November 5, 2010, at 111 Veterans Memorial Boulevard, Heritage Plaza, Eighteenth Floor Conference Room, Metairie, Louisiana, pursuant to notice. Chairman Melancon called the meeting to order at 9:00 A.M.

Present were: Gerald W. Melancon, Chairman
Marilyn Leufroy, Vice-Chairman
Shelly M. Holloway, Secretary/Treasurer
Charles H. Fauchaux, Board Member
F. Anton Wilbert, Board Member
Stacey L. Patin, 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

Absent was: Louise F. Saenz, At-Large Board Member

Also present at the meeting were Michael D. Boudreaux, New Orleans Archdiocesan Cemeteries, New Orleans, Louisiana; Bill Wimberly, Resthaven Gardens of Memory, Baton Rouge, Louisiana; Debbie Holmes, Argent Trust, Ruston, Louisiana; Paul Raymond, Acme Mausoleum Corporation, New Orleans, Louisiana; Jimmy Patin, Greenwood Memorial Park, Inc., Pineville, Louisiana; James Claiborne, Alexandria Garden of Memories, Inc., Alexandria, Louisiana; Rodney Jenkins & Sharon Blankenship, Evangeline Memorial Park, Incorporated, Ville Platte, Louisiana; Blake Alfortish, Alfortish Cemetery Management, Inc. d/b/a False River Memorial Park, New Roads, Louisiana; George Bonfanti & Michael Miller, Oak Lane Memorial Park, L.L.C., Prairieville, Louisiana; Edward N. George of Chaffe McCall, L.L.P., New Orleans, Louisiana representing Oak Lane Memorial Park, L.L.P.; Gloria Chapman & Montrice D. Preatto, Woodlawn Park Holdings, Inc. d/b/a Woodlawn Park Memorial Cemetery & Mausoleum, Westwego, Louisiana; and Dennis Flynn & John Samons, Dennis Flynn, Inc. d/b/a Parklawn Memorial Gardens, Hammond, Louisiana.

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

Alexandria Garden of Memories, Inc. d/b/a Alexandria Garden of Memories, Alexandria, LA – On site Examination of Perpetual Care and Merchandise Trust Funds and Order issued in Administrative Hearing #2008-002.

The Director advised an Administrative Hearing was held in 2008 and pursuant to the Order issued; the Certificate of Authority issued to Alexandria Garden of Memories (AGM) is suspended with the exception of at-need sales and operations. Further, on April 12, 2010 an on-site examination was conducted, but due to insufficient bookkeeping records, gross receipts on burial spaces and pre-need merchandise and services could not be verified.

At the May 7, 2010 meeting the Board requested the Director continue working on the 2008 and 2009 receipts to substantiate whether or not pre-need sales have been made in violation of the Board's Order, and require Mr. Claiborne attend the November 5, 2010 meeting. The Director advised although she is still working with the cemetery on the 2008 and 2009 receipts, it is clear the cemetery is making pre-need sales in violation of the Board's Order. Information from the trustee, Argent, indicates the cemetery has not made any deposits to its perpetual care or merchandise trust funds in 2010. Further, the cemetery's Application for Certificate of Authority for a change in ownership remains incomplete.

Chairman Melancon asked Mr. Claiborne to explain why he continues to make pre-need sales in violation of the Board's Order. Mr. Claiborne stated the problem he is having with selling pre-need is when a family comes in its hard to tell them you cannot sell to them because they will just go buy it from someone else, and the cemetery loses money. Further, the families he serves have trouble paying for everything at the time of need, they like to pay for one thing at a time. Chairman Melancon stated that is not the Board's fault; the reason AGM cannot sell pre-need is the cemetery's own negligence for violating the law. Chairman Melancon asked about the delinquent deposits to the perpetual care and merchandise trust funds. Mr. Claiborne stated he would bring them current. Chairman Melancon also asked about the information needed to complete the Application for Certificate of Authority. Mr. Claiborne said he was working on that when his home caught fire and he lost the documentation. The Director asked Mr. Claiborne if he had an attorney and CPA. Mr. Claiborne stated he does not have an attorney. He has a CPA but he does not handle the day-to-day operations of the cemetery.

Chairman Melancon asked the Director to review what options the Board has in this matter. The Director stated the following options: do nothing; reconvene the hearing to take further action, including civil penalties; provide the cemetery with additional time to bring the cemetery into compliance; and court action to enforce the Board's Order.

After discussion, Ms. Holloway made a motion to allow AGM ninety (90) days to bring the cemetery and mausoleum issues into compliance or the Administrative Hearing will be reconvened. The motion was seconded by Ms. Leufroy and unanimously approved.

Evangeline Memorial Park Incorporated d/b/a Evangeline Memorial Park, Ville Platte, LA – Status Report regarding Order issued in Administrative Hearing #2010-001.

The Director advised an Administrative Hearing was held May 6, 2010 and pursuant to the Order issued; Evangeline Memorial Park (EMP) was to provide satisfactory proof of compliance with Title 8 and the Rules and Regulation of the Board by October 30, 2010. If proof of compliance was not received by October 30, 2010, the Certificate of Authority of EMP would be suspended, with the exception of necessary operations, sales of burial spaces, and at-need sales of merchandise and services, until EMP provided satisfactory proof of compliance. The Director stated the cemetery's perpetual care deposits are current. However, no information has been received from EMP regarding the violations of Title 8 regarding pre-need storage, delinquent perpetual care reports, or the cemetery's interment records. EMP has paid the costs of the Hearing, which were assessed by the Board.

Mr. Jenkins stated at the Hearing they were trying to enter into an agreement with Doug O'Neal to come in as a salesmen for EMP, unfortunately, that did not workout. Further Mr. Jenkins stated All Saints Day was fairly good, and as of next week all bronze and granite will be up to date. They are still obviously short on the storage of pre-need vaults, and as of November 1, 2010 they have ceased voluntarily selling any vaults pre-need. The Director stated, under the Order issued by the Board, as of October 30, 2010, the cemetery must cease selling pre-need merchandise and services until the Board receives satisfactory proof of compliance. Mr. Jenkins stated he hoped that was just for the sale of pre-need vaults. The Director stated no, the Order covered all pre-need merchandise and services. Mr. Jenkins said since they are up to date on bronze and granite he is asking they be allowed to sell pre-need bronze and granite. The Director stated the Board could not change the Order issued without reconvening the Hearing. There was a discussion regarding the pre-need vault deficiency. The Director stated the number deficient is a moving target and depends on if EMP sold any additional pre-need merchandise and services contracts since the Hearing or delivered any pre-need contracts.

Ms. Holloway stated if the cemetery has an at-need vault sale they need to order the vault and not use a vault from their pre-need storage or replace it immediately. Mr. Jenkins said a year and a half ago that was no problem, but currently Vantage does not have a supplier in Louisiana. Chairman Melancon indicated Vantage will delivery with a minimum order of ten vaults. Mr. Jenkins stated if the Board does not allow them to sell pre-need they cannot afford to bring the pre-need storage current.

The Director stated, according to the Order, once EMP provides satisfactory proof of compliance with Title 8 and the Rules and Regulations of the Board they can resume pre-need sales of merchandise and services. The Director stated the Board has the following options: do nothing; reconvene the hearing to take further action, including civil penalties; provide the cemetery with additional time to bring the cemetery into compliance; and court action to enforce the Board's Order.

After discussion, Ms. Holloway made a motion to allow EMP ninety (90) days to bring the cemetery into compliance or the Administrative Hearing will be reconvened. The motion was seconded by Ms. Leufroy and unanimously approved.

Mr. Jenkins asked how the Order affected the sale of a companion memorial when only one person was deceased, such as a veteran. After discussion, the memorial for the deceased individual could be purchased along with the granite, including a double piece of granite, but the companion bronze could not be sold pre-need.

Ms. Blankenship said she had a copy EMP's interment records. The Director stated, EMP should provide written confirmation regarding the records being current and information regarding how the records will be protected from destruction from fire.

Oak Lane Memorial Park, L.L.C. d/b/a Oak Lane Memorial Park – On-site Examination of Perpetual Care Trust Fund.

The Director stated in 2008 the Board placed conditions on the issuance of a Certificate of Authority to Oak Lane Memorial Park (Oak Lane) for the first five years. During that five-year period the cemetery must, among other things, submit all sales materials prior to dissemination, and submit to yearly audits.

During that first year of business Oak Lane ran several advertising promotions including, but not limited to: "2 for 1 spaces" "buy one space get one free" and "1/2 price on burials spaces". The advertisements included a disclaimer such as "plus a onetime p/c fee" "plus required p/c fee" and "prices do not include state required p/c fee". The Director stated the examination on Oak Lane's first year of business was conducted July 8, 2010. The Director reviewed the examination results, including sample contracts, and stated Oak Lane was not making perpetual care deposits on discounts and free burial spaces. Further, the Director reviewed Title 8 regarding perpetual care deposits on spaces provided without charge, and fair market value as discussed in the Rules and Regulations of the Board. Historically, the Board has always required perpetual care to be deposited on free spaces in an amount equal to ten percent of the fair market value, which according to the Rules and Regulations is the price of a comparable space in the same cemetery. In those instances most cemeteries charge the perpetual care due on free spaces to the consumer.

The Director also reviewed the bookkeeping method used by Oak Lane and how they calculated perpetual care. The current bookkeeping method used by Oak Lane does not support the payment of perpetual care on discounts and free spaces. Oak Lane has indicated they give pre-need discounts as an incentive. The Director provided a spreadsheet of the contracts written in the first year, which included but was not limited to, the price of burial spaces prior to discounts and free spaces, the discounts and free spaces provided, and the total cash price after discounts and free spaces. Assuming all contracts were paid in full, the difference between perpetual care on the price of burial

spaces prior to discounts and free spaces, versus the perpetual care after discounts and free spaces is approximately \$118,325.00.

The Director reviewed an appraisal provided by Oak Lane on how they believe “Fair Market Value” should be calculated. The Director stated the appraisal includes free spaces in its calculation, which dilutes the “Fair Market Value”. The appraisal appears to be the cash receipts, by garden, divided by the number of spaces conveyed. Basically, it is an average of cash receipts by garden. Using this methodology, the Fair Market Value is a moving target, making enforcement impractical. Also perpetual care on Oak Lane’s contracts is a separate line item charge. If the Fair Market Value is constantly changing based on this methodology, some consumers could be overcharged for perpetual care. Also the cemetery could deposit into perpetual care less than the line item charge for perpetual care.

Mr. George stated the methodology described by the Director is what the statute requires. The statute speaks in terms of a minimum deposit of ten percent of the gross sales price received. Similarly, this Board’s regulations talk in terms of ten percent of the gross receipts, but in no event less than ten percent of the Fair Market Value. Louisiana statutes are very clear on what Fair Market Value is, and it’s the actual price a willing seller and a willing buyer will enter into a contract. What better measure than what actually was bought and sold within that cemetery by gardens over a relevant period of time. As far as the administrative accessibility I make two points. One, ease of administration, it seems to me that the easiest way to take a look at how much perpetual care was required to be paid in is to follow the statute and look at the percentage of the gross sales price received. Administratively it is much simpler to take ten percent of actual receipts rather than ten percent of a hypothetical price determined I’m not exactly sure how. The Board has in its wisdom set out or carved out when you have a free giveaway. What we submit to the Board is what we are talking about there is a service man killed in action and the cemetery, as a gesture of good will to the community, gives that space away. With those it is appropriate and required that we trust at the full Fair Market Value of that space. With these discounted programs whether it’s a 2 for 1 or a fifty percent (50%) discount it’s the same. The economic substance is the same, what the consumer pays is identical however you phrase that discount. Similar an advertisement for buy three tires get one for free, I don’t know that anyone expects to get a free tire but people expect to get a twenty-five percent (25%) discount, and that is what is going on here. In that context, we trust the discounted price the actual amount received as set forth specifically and expressly in the statute and regulation.

Mr. Bonfanti stated they try hard to follow the rules and the law. We’re new in this business and opened up May 31, 2009, without any guidance whatsoever as to how to go about this so we went back to the ordinance. For marketing purposes, we felt we had to advertise and we felt like we had to give a bargain and that is why the advertising has been presented the way it has been. The advertising has changed from 2 for 1 to half price and subsequently after our audit, and quite frankly I was a little bit confused by the results about how we do our marketing, we did a level pricing and each grave site is now X dollars. I think I have submitted the price list and that’s the way we do it now. In our

enthusiasm and effort to present as much detail as possible to the consumer we may have gone overboard in terms of what we wrote on our contracts, rather than just putting a price and ten percent (10%) perpetual care. We were over exuberant in the way we presented things to the consumer and that's why we're here today. I would like clarification exactly what we have done wrong, if we have done anything wrong. and where we go from here.

Chairman Melancon stated he was around when the law was clarified regarding discounted burial spaces and the legislative intent at the time was for the Fair Market Value to be within a particular garden within the cemetery. The cemetery determines what they want their Fair Market Value to be, they can do a discount, but the cemetery perpetual care fund is what we are concerned with not what you sell your spaces for. We're concerned with consumer protection and the amount that goes into the trust fund. We were concerned with giving away spaces and not putting up any money into the trust fund. The trust fund has to be funded with enough money in it to take care of the cemetery in the future. The intent was to use the cemetery's prices they generate; they have a price list in the cemetery, to use that to do the perpetual care. The cemetery can discount all they want, but could not discount so low as to give away the money owed to the trust.

Mr. George said he understands and does not want to sound over legalistic, but the statute doesn't make reference to list price. It does not convey the intent that you described. The statute says what the statute says and it talks about the gross sales price received, which in any reading should be net of any discounts. We absolutely understand, and have no quibble with the intention of fully funding the perpetual care; we absolutely understand the whys and the necessity of it. My concern is the disconnect between the language of the statute and the language of this Board's regulation and the manner in which it is being enforced. If we are going to go to list price and if that is how the Board is going to enforce the regulation it really should say that and not use a term like Fair Market Value, which has a broad well established legally defined meaning. The thing I got stuck on when thinking through this is list price as of when. A cemetery can have a different list price for different times of the year. A cemetery can do that if they want to gin up sales and maximize their profits. That brings us back to the administrative issue that I'm concerned about. I can make a different price list for everyday and every contract. I'm coming into the ambit of your interpretation of what the intent was but I'm making a hugely confusing audit issue.

Chairman Melancon stated that in your letter of October 25, 2010 if we go under your scenario its whatever the market can bear. Under that scenario you can change your prices several times a day, and that would be more of an administrative nightmare than what is set up right now.

Mr. George stated what he is doing is consistent. I'm following the exact language of the statute, and I will be trusting at the amount I received. So the at-need that I have sold at \$10,000 I am trusting at \$1,000, and for the one I sold at \$500 I am trusting at \$50. The one I have given away at \$50 there may have been good market reasons to do it. I know that you all have done that for families in necessitatous circumstances. There is an

average price, as you have pointed out, that I have to pay on in order to make my cemetery profitable. That average is the Fair Market Value of everything I have sold in that garden, and that is what I trust the ten percent (10%) on.

Chairman Melancon said that what you are saying is you could have two lots next to each other, on one sale \$5 goes into trust and on the other sale \$100 goes into trust, and that \$5 is going to do as much grass cutting as the \$100. That does not work; you have to trust a certain amount to upkeep the cemetery. You are shorting yourself in the future by not having the money in the trust to upkeep the cemetery and you are shortchanging the public by not putting the proper amount into trust. The bigger your trust funds the better your cemetery is going to operate in the future.

Mr. George said they had absolutely no quibble or concern about the purpose of the trust and why it needs to be funded. The point we are trying to say is, according to the language of the statute, the result that you are saying is not appropriate. Because once I average all the sales I've made we come up with the actual price, the Fair Market Value of the lot. I don't think it is uncommon to have a price to sell at-need, but to incentivize the person to buy pre-need I sell it to them at a discount, so I get my cash today. I get my money in the trust fund today. That money in the trust fund is earning interest and growing the trust fund.

The Director stated she could not recall any cemetery that discounts grave spaces on a pre-need basis. She asked the members of the Board if they discount pre-need sales of grave spaces, and each indicated that they do not. Mr. Bonfanti said they do not have heritage because they just opened so they need to generate pre-need business as well as at-need business.

Mr. Fauchaux referred to sample contract #1 and stated the contract had a line item charge for perpetual care of \$1,350 as required by Louisiana law, but only \$675 was placed into trust. In his opinion, he thinks the cemetery has a contractual obligation to place \$1,350 into the trust. He asked how many contracts were written that way. The Director said that it appeared that contracts written from May 2009 to almost the end of November 2009 appeared to be written similar to sample #1. From late November 2009 forward the cemetery changed how they wrote up the contract with the consumer. Mr. Fauchaux asked Mr. George if he agreed with this statement. Mr. George said what he would look at is the actual amount that they have received and take ten percent (10%) of that amount. Mr. Bonfanti said the only reason the \$1,350 was on the contract was to show the consumer the total. Mr. Bonfanti said without any guidance, we were trying to disclose as much as possible. The Director stated that she had spent several hours at the cemetery when it first opened to answer all of their questions by their accountant and sales people. Mr. Bonfanti said that was three weeks after they opened and frankly they didn't know what to ask. I am here today for guidance; tell me what I have to do. Mr. George said there is no quibble or dispute; it is Oak Lane's responsibility to understand the law and not your responsibility to teach it to us. And we appreciate this opportunity to have this dialog and discussion particularly so that we can correct errors that we have made and know how to move forward. To the extent that this is an erroneous way of

demonstrating or putting this on a contract certainly we can correct that going forward in a fully compliant basis. We do have the underlying issue though that remains on the discounts.

Mr. Fauchaux asked if we are in agreement with the free lot. Are you saying the free lot should be an average of the lots sold in that particular section? Mr. Bonfanti said he thinks the issue here is we didn't give away anything-we sold something. If a soldier comes to our cemetery we are going to give him a free space and we're going to pay the perpetual care. The Director asked if advertisements for 2 for 1, buy one get one free, and ½ price in your opinion is not giving anything without charge as stated in the statute. Mr. Bonfanti and Mr. George said that is correct.

Mr. Fauchaux then referred to sample contract #2 and stated, in his opinion, he had no issue with the way that contract was written. Mr. Miller said that some of the contract issues in the beginning might be that some of the advertising concepts and marketing that we did was things that I had done in Texas. In Texas your compliancy was almost the gospel, and on contracts you had to show your gross price and how much you are discounting to the general public. So what we did was try to be more compliant and more transparent on what it would normally cost and the discount is the advantage for coming in pre-need.

Mr. Fauchaux said the next issue is a free space. The rules of the Board do specify that it's suppose to be a comparable value in the particular section you are giving the space away in. You are saying that the price is an average of what has sold in that garden prior, which is a moving target, is that right. Mr. George said lets be clear, we'll use the soldier example, there is no other sale associated with it, and it's a free space. I think the regulations require you to determine how much you are going to trust and determine what the Fair Market Value of similar spaces in that garden are. My understanding of that regulation is the cemetery will sell a more desirable space closer to the road with a better view for more money then it will sell a less desirable space. So you take those comparable more desirable and less desirable spaces and you determine what is the Fair Market Value of it. Again the words have meaning. This Board chose to write it's regulations in terms of Fair Market Value. Fair Market Value has a very specific defined meaning and to synopsize it, it's the price at which transactions take place. It is not a concept specific to or limited to real estate. It comes up in tax issues when you are trying to figure out how much tax is due on personal property. The Director stated Title 8 is specific in that it talks about comparable spaces within the same garden. Mr. George said the comparable spaces as he understands it is in the garden on the hill versus the comparable spaces in the garden at the foot of the hill by the utility lines. The Director asked if that included averaging in the ones you gave away for free. Mr. George stated it includes all of the spaces that have been sold in the garden. Going back to the Chairman's comments that you are going to sell in a way that is going to continue your profits to keep the gates open. So yes, the overall discounts including the ones given away. For the one you gave away to the soldier you need to add into that determination not at zero but at the Fair Market Value so as not to have a skewing in the average, I have not argued with that. Chairman Melancon said if you sold that space to the veteran for \$1

you would not have to put up the Fair Market Value or ten cents (.10¢). Mr. George said he understands that and I say two things to that. First, in your position I would say that is substantively a giveaway. Second, in my position I would say the way the regulation is written, it allows that result. It's not a result I would argue for but the way the regulation is written, it allows the result. The way I would deal with it if I were sitting in your chair is \$1 is a giveaway. Chairman Melancon said he would say it's a discount, but you still pay ten percent (10%) of the price before the discount. Mr. Bonfanti said in the example of the veteran that would be at-need and that would be the full price with no discounts, and we would give that space to a veteran at no charge and pay the full perpetual care at our undiscounted at-need price. Chairman Melancon said that is contrary to what you have previously said about Fair Market Value. Mr. Bonfanti said other cemeteries do the same thing and give discounts on pre-need. We may give deeper discounts on pre-need but at-need is basically a full price situation. In the example of the veteran we would give that space at no charge and yet pay perpetual care at the full-undiscounted price. If you came in tomorrow and wanted to buy a space we would sell it to you at half price pre-need. ICCFA has told us that roughly eighty-five (85%) of the population has not done any pre-need at all, and that is the people we are trying to get. Chairman Melancon said we have gotten off track-the issue is not what you sell the spaces for but what is placed in the perpetual care trust fund, what the Fair Market Value is, and what the legislative intent was when the statute was passed. In my opinion it was to keep this exact scenario from happening.

Ms. Mize said it is unclear what Oak Lane is asking the Board for today. Does the cemetery want to continue these same promotions and continue operating in the same way, and they are asking the Board if that is allowable. Or that's their first request, but if the Board has other instructions that it is asking for those other instructions, and will comply with those prospectively. Mr. George said to be precise we are not asking for anything we were requested to come to answer questions from the Board is how the letter was phrased to us. Ms. Mize said, Mr. Bonfanti's opening remarks were requesting guidance for the future. Mr. George stated what they can go with is what is written, although the purpose of the law and the intent of the law is as you say it is, the Supreme Court has talked in terms of what Fair Market Value is. The legislature when it tells you how to interpret statutes it specifically says you have got to stick with the language as it is written you cannot abandon the language that is written to pursue the intent. Certainly I understand, but the free program, buy one get one free, has been discontinued and I believe is a relatively small part of the sample. I can understand how the Board would take the position that the free space comes within the ambit of the law when it's given away for free. I would argue that the substance of it is a discount but again free is free, and we can deal with that. But I don't think that grows into we will not recognize any discounts whatsoever. Chairman Melancon said that their view of Fair Market Value is a moving target and the Board's view is not. Mr. George said it is not really a moving target, I think you get into a moving target when you go back to that list price, because there is no restriction on how many times you can change your list price. What you have here is ten percent of the gross receipts and you are fully compliant with the statute and the regulation.

Mr. Miller said he thinks there are a total of five contracts that have been written off of the \$1 advertising promotion. As far as discounts go it's my job to know what my competitor is selling their property for, and I obviously send people out to find out. When I send them out to all my competitors in the Baton Rouge area everything that they brought back showed discounts, it showed a gross price, a discount and then a net price. Chairman Melancon asked what was the perpetual care charge on those contracts. Mr. Miller said the contract did not show a perpetual care charge. The Director stated not all cemeteries have a line item charge for perpetual care.

Mr. Fauchaux asked the Director for clarification on sample contract #2. If I run a fifty percent discount promotion and someone comes in and I verbally honor that discount and I write the contract for the discounted price what is the difference then if I had shown the gross price, discount and then the net price. The Director stated that when she looked at sample contract #2, historically the Fair Market Value would be the gross price before the discount. In all fairness to Mr. Bonfanti, this is different because very few cemeteries run this amount of advertising. You have to look at the situation in totality including the advertisements. If you look at Oak Lane veterans ad which lists a gross price, large discount and the net price, if the gross price is not the Fair Market Value then the advertisements, in my opinion, are misleading. Mr. Bonfanti said they never have advertised price, the veterans ads never ran nor were the \$1 burial space ads. The Director pointed out that the \$1 burial space promotion was on Oak Lane's website. Mr. Bonfanti indicated he had requested that it be removed from the website.

Chairman Melancon asked Mr. Fauchaux if he wrote a contract for \$8000 but the list price was \$10,000 what would he charge perpetual care on. Mr. Fauchaux said \$8000-what his actual price is-what he is willing to sell it for and what the purchaser is willing to pay for it. Chairman Melancon disagreed. Mr. Fauchaux said he would never offer the size of discounts shown in Oak Lane veteran's advertisement because he would not have the funds to properly maintain his cemetery. He went on to say he has never advertised discounts and if they give a space away they put up perpetual care based on regular price of the space. Mr. Fauchaux said he is amazed they can market like this. If I purchase a grave and I find out that my neighbor a week later buys a similar grave for half price I am going back looking for my discount.

The Director said the Board could take the matter under advisement and request additional information.

Chairman Melancon asked Assistant Attorney General, Ryan Seidemann for his comment on the issue.

Mr. Seidemann stated he had reviewed Mr. George's correspondence and has several thoughts on the arguments in that letter and to a large extent I disagree with the conclusions drawn. In terms of the issues that Mr. Fauchaux has been discussing I do not have any comments and I believe that is more of an industry practice issue. In terms of this Fair Market Value matter, and to the extent that is the appropriate standard for determining what is to be trusted, I would respectfully disagree with the interpretation by

Oak Lane that it is this real estate broad based Fair Market Value definition of that term. Louisiana courts have said that cemetery law here in the state is very specific and it is a heavily regulated industry, and that we cannot apply non-cemetery concepts to cemetery law. Effectively that is what Oak Lane's legal arguments would have us do. They make citation to legal definition of Fair Market Value in the Louisiana Revenue Code. Fair Market Value is referenced in Title 8 and it's fleshed out as the legislature is authorized to delegate that authority in the regulations. It is our office's position that the term is specifically defined as it applies to cemeteries in our regulation, and that is the comparable interment space definition. It is not the willing seller willing buyer definition in the revenue code and I think that the case law in Louisiana supports that. The remainder of the case law that is cited in Oak Lane's response is real estate law and that is again, under Louisiana jurisprudence, not comparable. We can't use these general real estate principles to apply to the cemeteries for a few reasons. Number one we are not selling in cemeteries a real estate right, we are selling an interment right. Number two real estate deals in speculation and Title 8 specifically forbids speculation. So with regard to those issues related to the Fair Market Value question, I think the argument has gone off track. In terms of what the law allows, from my position, it is clear that the law doesn't contemplate anything less than ten percent to the perpetual care trust fund based upon the value as defined in the regulations. I think that under the case law in Louisiana we are not allowed to look to the revenue code, we are not allowed to look to real estate law for a definition of the value of these spaces. We have to remain within the cemetery law. I will agree with Mr. George that the intent of the legislature when the law is clear, is inapplicable to statutory interpretation. With that said it is also clear to me that the law does not expressly discuss discounts; it talks about free spaces and it talks about regular sales. So to the extent the legislative intent should be considered I think that it does play a part in the interpretation in how the perpetual care money is to be allocated for these discounted spaces, and it seems to me that the legislative intent here and the general concept of perpetual care trust funds is to insure that the public is protected and that we do not run into the messy situations around the state for under funded perpetual care trust funds. It's to make sure that there is money there to take care of these things in the future. I think that to the extent that legislative intent is relevant and I do believe it's relevant to this gap with regard to discounts.

Mr. George said there are two issues. First what do you pay ten percent of under the statute and under the regulations and in both there is really no dispute it is ten percent of the gross receipts, not Fair Market Value. Then you go down to in no event less than the Fair Market Value or when there is a give away I think it actually is in those give away situations certainly we agree with respect to the solid case as we described it. Then you turn to the fair market value, but the statute is abundantly clear that it is ten percent of the gross receipts. We can't read that language out of the statute and out of the regulation in order to get a result that is, again laudable, but if we are concerned that ten percent isn't the right number as suggested maybe we say the minimum you have got to do for every space is \$1,000. That's not what the statute says maybe you have to trust thirty five percent to make sure we have attempted to address the well founded concerns of this Board that there has to be good and healthy perpetual care trust fund, but what you are also bound to do is follow the law and interpret the law as written. In that particular

instance the intent is very clear it is ten percent of the gross receipts. There is really no issue we don't go into going to another section of the code we don't get into going into another part of the legislative body. I would respectfully disagree with Mr. Seidemann on the interpretive value of Supreme Court precedent discussing a common term such as Fair Market Value, whose use is not unique to cemeteries and is used throughout the code throughout the statutory law. The Supreme Court gives us the definition and we can't turn our back on that definition. One of the reasons you promulgate your regulations is so everyone knows what you are talking about, and if you say I'm going to use the phrase fair market value but I'm really going to give it a different meaning different from what the Louisiana Supreme Court says it is then you need to take a look at amending the regulations to say exactly what is meant not what a reader who is trying to interpret the law would reasonably interpret it to mean. I know we have taken a lot of your time we sincerely appreciate the time you have taken.

Ms. Mize said the only fact that she would add is that she pre-dates the Director by a couple of years. The Director worked with Frances Mayeaux and is familiar with the records but I can also support the Director's factual recitation that Ms. Mayeaux enforced the law and the regulation that full perpetual care would be due on free and discounted spaces based on what Oak Lane has termed the list price. It was noted that the law changed in 2001. Mr. George said he would respectfully submit that although the prior Director and the current Director may have interpreted a different law differently, the relevant question is how should this particular law be applied.

The Director stated that when she did the examination and even now, she is of the opinion that, 2 for 1 is offering a free space. Mr. Fauchaux said he does not disagree with that. Mr. Fauchaux said that perhaps discounts need to be addressed legislatively to make sure the Board and the Association's intent is met. The Director stated there is still the issue of whether any spaces were provided for free, and that would be up to the Board and their determination regarding whether or not the sales that were classified as 2 for 1 are considered free. Again the Board can table that issue and come back to it or make a determination today. Ms. Mize said that is certainly one option, as a practical matter I don't know if the cemetery intends to continue the 2 for 1 promotion and needs guidance today. Mr. Bonfanti indicated they have discontinued the 2 for 1 promotion. Chairman Melancon asked the Director what was the total amount of the trust fund difference that we have a disagreement on. The Director said it depends if you view everything as free space, the 2 for 1, the ½ price, etc. If you view it in their terms versus the price before discounts and free spaces the difference, if all contracts were paid in full, is approximately \$118,000.00. Ms. Mize stated that we don't know what the current deficiency is because part of that is in accounts receivable. Mr. George said that what he would ask the Board, and I haven't seen the breakdown, and I think the relevant question is what are we talking about in terms of money. I am being told by Mr. Miller that very few spaces were sold on that 2 for 1 basis or on the \$1 basis. Maybe we need to examine that more closely and continue these discussions with the Director knowing that we would have a backup if we haven't resolved the issue we would be happy to meet with the Board at its next meeting in May.

Chairman Melancon asked what the Board's options were today. Options discussed were, do nothing, take it under advisement, or request additional information. Ms. Mize said the Board could also accept Mr. George's proposal that the cemetery work with the Director on sorting out the different promotions, contracts, and the incremental trusting issues, and attempt to reach a resolution, or appear at the May meeting if no resolution is reached. The Chairman said in the meantime what are they placing into perpetual care ten percent of gross receipts or the list price. Mr. George said they would follow clear language of the statute, which is ten percent of the gross receipts after discounts. The Chairman stated, if there is an error and he is not stating there is an error, you couldn't wait long to correct the error legislatively if the Association or Board wants to go in that direction. Mr. George said they would agree not to do 2 for 1 or buy one get one free but they reserve their right to discount as appropriate and as I would phrase it follow the law and trust on our gross receipts.

After discussion, Ms. Holloway made a motion to accept Mr. George's proposal that the cemetery work with the Director on sorting out the different promotions, contracts, and the incremental trusting issues, and attempt to reach a resolution, and if a resolution could not be reached that Oak Lane appear at the May meeting. The motion was seconded by Ms. Patin and unanimously approved.

Dennis Flynn, Inc. d/b/a Parklawn Memorial Gardens, Hammond, LA – Status Report regarding On-site Examination of Perpetual Care Trust Fund.

The Director reviewed the findings of the February 24, 2010 on-site examination, which revealed the cemetery was delinquent in their perpetual care deposits and pre-need storage of granite for bronze memorials in storage at the cemetery. Since the examination, the delinquent perpetual care deposits noted in the examination have been made. At the May 7, 2010 meeting the Board determined Parklawn Memorial Gardens must provide the information requested regarding the storage of pre-need bronze and granite within (60) days, and all pre-need storage must be brought current, (30) days prior to the next meeting, or a representative of Parklawn would be required to appear at the November 5, 2010. The Director advised, to date, the information requested on the pre-need storage has not been received. Further, since July a total of seven written consumer complaints have been received regarding the lack of maintenance at the cemetery.

Mr. Flynn stated he had no experience in running a cemetery. The manager who ran the cemetery after he purchased it, Ferlin Palmer, retired two years ago, and was replaced by John Samons. The cemetery is built on flat land and holds water, which makes mowing difficult. After a hard rain it takes ten days before they can mow the cemetery. Mr. Flynn stated it rained a lot this summer and they did have some grass issues. The cemetery is approximately four acres. He stated the complaints make it look like the cemetery has been abandoned, and that is not true.

Mr. Samons said the pre-need contracts date back to the previous owners of the cemetery, and provided an inventory list of the pre-need memorials in storage at the cemetery. The Director stated that she would schedule a time with the cemetery to verify the pre-need storage.

The Director asked how often was the cemetery cutting the grass. Mr. Flynn said normally they would cut every two-week if they were on schedule. Previously they had a contract with a mowing company but that got to be a problem when the ground was wet, because getting the mowing company to respond as soon as the cemetery was dry enough to cut was difficult. The cemetery has since purchased two skid steer mowers and began doing the maintenance. He said he couldn't say they mowed every time it was dry, but almost every time it was dry. Mr. Flynn stated he knew it was a problem at times he is not denying that. The Director stated that she had several calls before All Saints Day, and asked if the cemetery was mowed prior to All Saints Day. Mr. Flynn said they did not get it mowed for All Saints Day and that was not weather related, the cemetery should have been mowed. Mr. Flynn said, is it bad, that's debatable in my opinion. The Director asked if they trim around the memorial when the cemetery is mowed, and he responded yes.

Chairman Melancon asked if they had an office staff and were open during regular business hours. Mr. Flynn said no Mr. Samons has a full time job; it's a part time cemetery. Chairman Melancon asked if the cemetery had been cut since All Saints Day, and he responded no, it's too wet now. It was dry enough before but now it's too wet. Ms. Leufroy asked if the problem was a scheduling issue since his employees have other jobs. Mr. Flynn said no he thinks they did the best they could through this summer and it's a part time cemetery. The reason I came today is because I am part owner and ultimately responsible. Mr. Samons' is a hundred percent responsible for running the cemetery, except for mowing the grass. The Director stated Mr. Flynn uses employees from his other businesses to do the work in his cemetery on a part time basis. Mr. Flynn said that was accurate, the cemetery cannot support a full time employee.

Chairman Melancon said they had to cut the grass on a regular basis. Mr. Flynn asked if anyone had a recommendation on special equipment that could be used to cut the grass when the property was wet. Ms. Holloway stated that when the ground is wet you might have to use push mowers and weed eaters to cut the grass, stating the families who purchased in the cemetery did not purchase in a part time cemetery. Mr. Flynn said they would look into sending a crew in to cut with weed eaters, but just cutting around the memorials was a six-hour job. Mr. Flynn said he would review their price structure, make some improvements in the cemetery, and consider staffing a full time person.

After discussion, the Board determined that the cemetery needed to provide written response to all the complaints within ten days.

Woodlawn Park Holdings, Inc. d/b/a Woodlawn Park Memorial Cemetery & Mausoleum, Westwego, LA – Status Report regarding On-site Examination of Perpetual Care and Merchandise Trust Funds.

The Director reviewed the findings of the March 9, 2010 on-site examination, which revealed their trust system was programmed to trust merchandise and perpetual care sequentially versus proportionally. Further the examination revealed: perpetual care and merchandise deposits were not current pursuant to law; the cemetery was not depositing perpetual care on mausoleum sales and free space; cemetery deeds do not provide for perpetual care; the annual merchandise trust fund report was delinquent; interment records were not correct pursuant to law; and an examination fee is due. At the May 7, 2010 meeting the Board determined all violations must be brought current, (30) days prior to the next meeting, or Mr. Davis must appear at the November 5, 2010 meeting.

Ms. Montrice Davis Preatto stated she was in attendance today on behalf of her father Mr. Davis who is out on extended medical leave. Ms. Preatto stated she and Gloria Chapman have stepped in to try and run the cemetery, and correct the problems. They have corrected the deeds and the interment record issues, and are currently working on the trust issues and delinquent reports. The Director asked what was owed to the perpetual care and merchandise trust funds. Ms. Chapman stated for 2009 they owe approximately \$12,515.00 for perpetual care, and for merchandise approximately \$3,000.00. Amounts were not available for 2010. Ms. Preatto requested additional time to bring the violations into compliance.

After discussion, Ms. Holloway made a motion that all violations be brought current thirty (30) days prior to the next meeting or a representative of Woodlawn Park Memorial Cemetery & Mausoleum must appear at the next Board meeting. The motion was seconded by Ms. Leufroy and unanimously approved.

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

The Director stated at the November 6, 2009 meeting the Board determined False River Memorial Park must bring all pre-need vault liabilities into compliance with Title 8 within twelve months, purchasing and storing one fourth (1/4) of the pre-need vaults needed every quarter, and must reimburse the pre-need opening and closings contracts or assign the contracts to a local Funeral Home. At the May 7, 2010 meeting the Director advised the cemetery had not purchased any pre-need vaults as directed by the Board in November 2009. At that time the Board determined the cemetery must conduct an internal review to confirm all pre-need liabilities and report their finding within (60) days and, the Director would audit the findings of the internal audit. If unfunded pre-need liabilities were not brought current, Mr. Alfortish was to appear at the next Board meeting. The Director advised that the internal audit information was received two days prior the Assistant Director taking extended medical leave, therefore, the Board' audit has

not been conducted. The Director stated she would try and schedule the audit in December 2010. The Director also advised that the Application for Certificate of Authority for the change in ownership of this cemetery remains pending because the required documentation needed to complete the application has not been received.

Mr. Alfortish said they plan to buy the pre-need vaults and store them at the cemetery. The reason they had not purchased the vaults was because they had to honor approximately \$70,000 in merchandise sold by the prior owner, build a fifty two (52) crypt mausoleum, and renovate the cemetery's roads and office. Currently they have twelve vaults on site and he is requesting that he be allowed one year to bring the required inventory current. The Director asked about the pre-need services, and if they had assigned those contracts to the funeral home. Mr. Alfortish said no, they still have to assign those to the funeral home.

After discussion, Ms. Holloway made a motion to allow False River Memorial Park ninety (90) days to bring all pre-need merchandise and services violations current or an Administrative Hearing will called. The motion was seconded by Mr. Fauchaux and unanimously approved.

Legacy Funeral Holdings of Louisiana, L.L.C. d/b/a Resthaven Gardens of Memory, Baton Rouge, LA – On-site Examination of Perpetual Care and Merchandise Trust Funds.

The Director stated since the May 7, 2010 meeting, Resthaven Gardens of Memory has funded the errors found in the merchandise trust fund withdrawals totaling approximately \$35,388.00. The results need to be tested and the Director advised she would schedule the testing in the near future. Regarding the trusting system being programmed to trust merchandise and perpetual care sequentially versus proportionally, this matter has been resolved and the cemetery has deposited approximately \$31,120.72 due the perpetual care trust fund. Regarding the unfunded granite liability relating to bronze memorials in storage at the cemetery, a deposit of approximately \$63,580.62 has been made to the merchandise trust fund.

Regarding the over funding issue in the merchandise trust fund that Mr. Wimberly requested be deferred until the November 2010 meeting, the Director stated it was her understanding the cemetery was not prepared to address this issue at this time. Chairman Melancon asked Mr. Wimberly if they planned to address this issue in the future. Mr. Wimberly stated they would like to, but they have no avenue to identify the over funded contracts. Mr. Wimberly stated if they cannot identify what contracts the over funding applies to they would like to allocate the funds proportionately to all trusted contracts. After discussion, the Board asked the Director to work with the cemetery on confirming and documenting any over funding within the merchandise trust fund.

Ms. Leufroy made a motion to adjourn for lunch at 12:50 P.M. The motion was seconded Ms. Patin and unanimously approved.

Ms. Leufroy made a motion to return to the regular order of the Agenda. The motion was seconded by Ms. Holloway and unanimously approved.

Since copies of the Minutes of Meetings held May 6, 2010 and May 7, 2010 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 May 6, 2010 and May 7, 2010 meetings as presented. The motion was seconded by Ms. Patin and unanimously approved.

Report of Officers

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

The Director reviewed the Statement of Operations for January through October 2010; Louisiana Cemetery Board Cash & Investments as of October 31, 2010; and Louisiana Cemetery Board Budget vs. Actual January through October 2010. Mr. Fauchaux made a motion to accept the financial statements as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

After review and discussion of the 2010 Proposed Budget Amendments Mr. Fauchaux made a motion to approve the 2010 Budget Amendments as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

The Director then reviewed the 2011 Proposed Budget outlining estimated income and expenses. After review and discussion, Ms. Leufroy made a motion to approve the 2011 Proposed Budget as presented. The motion was seconded by Mr. Fauchaux and unanimously approved.

After review of the Legal Litigation Escrow Account and Long Term Liabilities and Extra Ordinary Expenses Account Ms. Leufroy made a motion to allow the funds to remain whole and increase by the interest earned. The motion was seconded by Ms. Patin and unanimously approved.

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.

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.

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 cemetery has now advised they no longer sell in excess of three hundred dollars and would like to maintain the Exempt status.

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.

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.

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.

- - -
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.

- - -
Broussard Cemetery Annex, Inc. d/b/a Broussard Cemetery Annex, New Iberia, LA – Pending Application for Certificate of Authority for a change in ownership. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

- - -
Christensen Properties, L.L.C. d/b/a DeQuincy Memorial Park, DeQuincy, LA – Pending Application for Certificate of Authority for a change in ownership. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

- - -
Jigger Gardens of Memories Cemetery Corporation d/b/a Jigger Garden of Memories, Winnsboro, LA – Pending Application for Certificate of Authority for the establishment of a new cemetery. The Director advised the Application for Certificate of Authority is incomplete and reviewed the outstanding documentation needed to complete the application.

- - -
Pleasant Valley Missionary Baptist Church d/b/a Pleasant Valley Missionary Baptist Church Cemetery, Loranger, 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.

- - -
St. Peter Baptist Church No. II of New Roads, Louisiana, Inc. d/b/a Memorial Gardens Cemetery, New Roads, 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 Congregation of Saint Mary Magdalene Roman Catholic Church d/b/a St. Mary Magdalen Cemetery, Abbeville, 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.

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, has been approved by the Executive Committee, and the license will be issued.

Gilbert Memorial Park, Baton Rouge, LA – Operating without a license. The Board has previously given authority to the Attorney Generals Office to take whatever action them deemed appropriate and necessary. Mr. Seidemann gave a summary of the Attorney General's ongoing investigation in this matter, stating this matter is moving forward.

Arcola Roseland Cemetery Association d/b/a Arcola Roseland Cemetery, Roseland, LA – Operating without a license. At the May 7, 2010 meeting the Board requested the Attorney General send correspondence to the cemetery regarding operating without a license. Mr. Seidemann forwarded correspondence to the cemetery, but no response has been received and the cemetery continues to operate without a license. The Director advised an on-site examination is scheduled for 2011.

After discussion and review of the law, Ms. Leufroy made a motion for the Director to conduct the on-site examination, if they refuse to cooperate with the on-site examination issue a cease a desist order and require someone on behalf of the cemetery appear at the next meeting. The motion was seconded by Mr. Fauchaux and unanimously approved.

Holy Mary Mother of God Cemetery, Inc. d/b/a Holy Mary Mother of God Cemetery, Lafayette, LA – Status Report regarding On-site examination of Perpetual Care Trust Fund.

At the May 7, 2010 meeting the Board determined the cemetery must change the beneficiaries on the existing insurance policies covering pre-need contracts within (60) days, or appear at the November 5, 2010 meeting. The Director advised information was received July 14, 2010 advising the beneficiaries had been changed from Holy Mary Mother of God Cemetery to a relative of the insured.

Restlawn Park Cemetery, Inc. d/b/a Restlawn Park Cemetery, Avondale, LA – Status Report regarding On-site Examination of Perpetual Care and Merchandise Trust Funds.

The Director advised all exceptions noted in the on-site examination have now been cleared.

Rose Memorial Park Cemetery d/b/a Rose Memorial Park, Hammond, LA – On-site examination of Perpetual Care Trust Funds.

The Director stated the cemetery currently has two perpetual care trust funds, the first is a grandfathered trust where the cemetery acts as their own trustee and the second is with an institutional trustee. At the Board request, the Director and Special Counsel to the Board, Ms. Mize, is working with the legal counsel for the cemetery to merge the two trust funds and placing the surviving trust with an institutional trustee.

Westlake Memorial Park, Inc. d/b/a Westlake Memorial Park, Westlake, LA – On-site Examination of Perpetual Care Trust Fund.

At the May 7, 2010 meeting the Board determined all pre-need storage must be brought current, (30) days prior to the next meeting, or a representative of Westlake must appear at the November 5, 2010. The Director advised information was received May 10, 2010 indicating all pre-need vaults and granite storage was current pursuant to law.

Kramer Development, Inc. d/b/a Alexandria Memorial Gardens, Alexandria, LA – On-site Examination of Merchandise Trust Fund

At the May 7, 2010 meeting the Board determined all pre-need storage must be brought current, (30) days prior to the next meeting, or Mr. Kramer must appear at the November 5, 2010. The Director advised information was received August 16, 2010 indicating all pre-need storage was current pursuant to law.

Lafayette Memorials, Inc. d/b/a Lafayette Memorial Park Cemetery, Lafayette, LA: Transfer of Perpetual Care and Merchandise Trust Funds from Argent Trust to Northwestern Mutual Wealth Management Company

The Director advised notification had been received requesting Argent to resign as trustee of the perpetual care and merchandise trust funds of Lafayette Memorial Park Cemetery, and appointing Northwestern Mutual Wealth Management Company. The Director advised the funds were recently transferred to the successor trustee.

- - -
Acadia Resthaven Cemetery, Inc. d/b/a Acadia Resthaven Cemetery, Crowley, LA – Perpetual Care Deposits.

The Director advised notification was forwarded to the cemetery on September 15, 2010 advising they could no longer draw against their initial \$15,000 perpetual care deposit. Information was received yesterday indicating the required deposit to the trust fund would be made next week.

- - -
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. Ms. Leufroy made a motion to ratify the 2010 Non-Exempt (New/Transfers) #10-503 - #10-504; 2010 Non-Exempt (Renewals) #10-502; and Exempts (New) #1263 - #1275. The motion was seconded by Ms. Patin and unanimously approved.

On-site Examinations performed since last Board Meeting

The Director stated (16) Perpetual Care and (5) Merchandise examinations since the last Board Meeting.

Reports of Committees

The Board scheduled the 2011 Regular Meetings for May 12 & 13, 2011 and November 3 & 4, 2011.

After discussion Ms. Leufroy made a motion to renew the legal contract for Special Counsel to the Board, Sharon C. Mize, for a period of two years at the current contract rate of \$35,000 per year. The motion was seconded by Ms. Patin and unanimously approved. Mr. Fauchaux was not present for the vote.

The Director advised the current office lease will expire May 31, 2011 and she is in the process of exercising the lease option for an additional five-year period. After discussion Ms. Leufroy made a motion to allow the Director to execute documentation needed to extend the lease of the Board's offices. The motion was seconded by Mr. Wilbert and unanimously approved.

The Director advised that notification was received from LASERS and the IRS advising beginning in January 2011 all payment must be made through electronic funds. The Director advised she had met with Capitol One regarding the Board's options and the associated costs associated with the different electronic transactions. Additionally, the new requirements were reviewed with the Board's Auditor. After discussion of the options, Mr. Wilbert made a motion allowing the Director and Assistant to the Director pay the bills through the most efficient method including but not limited to checks, on-line banking, EFT, and ACH transfers, once the transaction has been approved by the Secretary/Treasurer or the Chairman. The motion was seconded by Ms. Leufroy and unanimously approved.

There was a discussion regarding the scattering of cremated remains. After discussion, Ms. Leufroy made a motion to seek an Attorney General's opinion on whether or not the isolated scattering of cremated remains triggers the dedication provisions of Title 8. The motion was seconded by Ms. Patin and unanimously approved.

Status Report – 2010 Request for Information on Exempt Certificate of Authority to determine if exemption previously granted should be continued. The Director reported 1,124 Request for Information had been sent out and only 84 cemeteries have not responded. Of the responses received, approximately nineteen appear to have lost their exempt status and have been forwarded an Application for Certificate of Authority.

The Director reviewed the 2010 legislation affecting Title 8.

There was a discussion regarding Act 707 establishing the Louisiana Historic Cemetery Preservation Act under Title 25. The Act creates the Louisiana Historic Cemetery Trust Fund Advisory Board within the Department of Culture, Recreation and Tourism Office of Cultural Development, Division of Archaeology. Further the Act provides that one member of the Louisiana Historic Cemetery Trust Fund Advisory Board shall be appointed by the Louisiana Cemetery Board. After discussion, Ms. Leufroy made a motion to appoint At-Large Board Member, Louise F. Saenz, to serve on the Louisiana Historic Cemetery Trust Fund Advisory Board on behalf of the Louisiana Cemetery Board. The motion was seconded by Mr. Fauchaux and unanimously approved.

Mr. Seidemann stated that Attorney General Opinion #08-0135 was written prior to the passage of Act 707 and may be affected by the new legislation. After discussion, Ms. Leufroy made a motion to ask the Attorney General's office to review Attorney General Opinion #08-0135 to determine if it should be modified or repealed. The motion was seconded by Mr. Fauchaux and unanimously approved.

The Director reported the Examination and Inspection Committee, Ms. Saenz and Ms. Patin, reviewed the current perpetual care and merchandise trust fund reports on October 19, 2010. A spreadsheet was provided to the Board outlining each Perpetual Care and Merchandise Trust Fund and their current balances.

The Director and Mr. Seidemann advised they were still drafting amendments to the Board's Rules and Regulations for consideration.

Old Business

Forest Park East Associates, Inc. d/b/a Forest Park Cemetery, Shreveport, LA & Forest Park West Associates, Inc. d/b/a Forest Park West Cemetery, Shreveport, LA – Status Report regarding Consent Agreement and maintenance issues.

Regarding old business before the Director stated that currently, the reconciliation on the perpetual care and merchandise trust funds of Forest Park Cemetery (FPE) and Forest Park West Cemetery (FPW) are now complete. The Board and the cemetery have agreed that the following amounts are due: FPE Perpetual Care \$45,162.10; FPE Merchandise Trust \$97,860.00; FPW Perpetual Care \$28,127.31; and FPW Merchandise Trust \$39,434.61. Totaling \$210,584.02. Mr. Lomison originally proposed to pay the delinquent deposits over a forty-eight month payment plan and has made two monthly deposits based on the forty-eight month plan. However, he is currently in the process of securing a loan to pay the delinquent deposits no later than January 17, 2011. After review of the written proposal and discussion, Ms. Leufroy made a motion to accept Mr. Lomison's proposal to pay the delinquent deposits no later than January 17, 2011,

however, if verification is not received within ninety (90) days, the Director is to set an Administrative Hearing. The motion was seconded by Ms. Patin and unanimously approved.

The Director also provided the latest quarterly report regarding the maintenance issues at FPE and FPW. Attached to the report were the bids for the repairs and according to information received the work at FPE is scheduled later this month and the work at FPW is scheduled for January 2011.

- - -

New Business

Public Comment

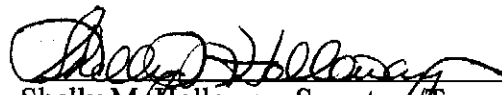
- - -

Executive Session

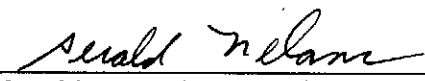
Review of staff performance. The Director advised Executive Order BJ 2010-5 has placed a freeze on all merit increases. The Board stated, that although the Board could not approve any raises in salary, they want the record to reflect that Board's satisfaction with the performance of the Board's Director and Assistant Director in the past year. The Director thanked the Board for their comments and consideration.

- - -

Since there was no further business, Ms. Leufroy made a motion to adjourn at 4:10 P.M. The motion was seconded by Ms. Patin and unanimously approved.


Shelly M. Holloway, Secretary/Treasurer

Attested To:


Gerald W. Melancon, Chairman