

State of North Carolina

Cemetery Commission Meeting Minutes

October 20, 2021

The North Carolina Cemetery Commission held a regularly scheduled quarterly meeting on Wednesday, October 20th, 2021, at 10 am at the Hilton in North Hills Raleigh, NC.

President William “Bill” Gaffney and the following Commissioners were present: Linda Cotten Dodson, Ebbie Whitley Hendren, Bobby Townsend, Dyanne Miller, Bonita Caldwell, Sharon Weaver, David Simmons, and John A. “Winn” Graham. Gantt Stephens, as Director of Operations, was also in attendance, as well as members of the public.

The meeting was called to order by President Gaffney at 10:00 a.m. The President called for a Moment of Reflection.

The first item of the meeting was the agenda approval. Mrs. Cotten Dodson moved to approve the agenda as written, seconded by Mrs. Whitley Hendren and all voted in favor.

The next item for approval was the minutes from the July 21st, 2021, of the NC Cemetery Commission meeting. Mr. Graham moved to approve the minutes, seconded by Ms. Miller and all voted in favor.

I. Conflict of Interest:

President Gaffney declared that, in accordance with the State Government Ethics Act 138A 15E, it is the duty of every Commission member to avoid both conflicts of interest and appearances of conflicts regarding the matters being brought before them and to refrain from any undue participation in the matters involved.

Mr. William Gaffney recused himself from voting on any matters related to New Business items:
A. Change of Control request – New Hope Memorial Gardens to Parklawn.

Ms. Dyanne Miller recused herself from voting on any matters related to New Business items:
A. Change of Control request – New Hope Memorial Gardens to Parklawn.

Mr. Winn Graham recused himself from voting on any matters related to Old Business items: C. Harnett Devotional Gardens.

II. Operations Report:

Mr. Stephens began the report by reviewing the financials. Twenty-four (24) complaints were reported for this quarter, most of these are related to two owners. Twenty-three (23) inspections have been completed since the last meeting. After asking for questions and receiving none, Mr. Stephens concluded his report.

III. Requests from Public to Address Commission:

President Gaffney invited any member of the public wishing to address the Commission to come forward. He explained each individual would have two minutes of time.

Paul Smith requested to address the commission regarding his ongoing issues with the previous owner of Crestlawn Memorial Gardens. In 2007, Mr. Smith's mother purchased two vaults and a companion bronze memorial marker from Crestlawn Memorial Gardens. Mrs. Futrell, the receiver of Crestlawn Memorial Gardens, was present and addressed the commission and agrees that the documentation supports Mr. Smith's claims. Mrs. Whitley Hendren moved to use the Consumer Protection Fund to make whole Mr. Smith's mother's purchase of two Wilbert vaults and a companion Coldspring bronze memorial and have them delivered to Crestlawn Memorial Gardens at time of need. Ms. Miller seconded the motion. All voted in favor.

IV. New Business:

- a. **Change of Control - New Hope Memorial Gardens to Parklawn-** President Gaffney, having recused himself from this agenda item, passed the gavel to Mrs. Cotten Dodson. Vice President Cotten Dodson stated that the Commissioners have each received a copy of the Change of Control application from New Hope Memorial Gardens. These packets include all the required information to transfer ownership of New Hope Memorial Gardens #96 from New Hope MG, LLC to Park Lawn Corp. Mr. Taron Smith, representing the buyer and Mr. Tom Pugh, representing the seller, were present. Mrs. Whitley Hendren moved to approve the Change of Control application for New Hope Memorial Gardens to Parklawn Corp. Mrs. Weaver seconded the motion. All voted in favor.

- b. **Change of Control - Carolina Memorial Gardens in Creedmor & Ridge-View Memorial Gardens to StoneMor-** President Gaffney resumed control of the meeting. President Gaffney noted that the Commissioners have each received a copy of the Change of Control request for Carolina Memorial Gardens in Creedmor & Ridge-View Memorial Gardens in Eden to StoneMor. Mrs. Tamala Randolph and Mr. Jack Omer, representing the buyers and Pat Daly representing the seller, were present. Ms. Miller moved to deny the Change of Control request for Carolina Memorial Gardens of Creedmor & Ridge-View Memorial Gardens of Eden to StoneMor. The Commissioners explained that it would be irresponsible on the part of the Commission to approve a Change of Control to StoneMor when there are statutory violations at other StoneMor owned properties in the state. Mrs. Whitley Hendren seconded the motion. All voted in favor.

V. Old Business:

- a. **StoneMor Properties** – Mr. Jack Omer and Tamala Randolph addressed the Commission. Mr. Omer stated that the Carolina Biblical Gardens preconstruction project was “kicked back” by the Municipality for additional mapping of the stream related to moving the maintenance building. This has required them to submit another request for a permit. Mrs. Whitley Hendren asked if it would be possible to submit the original plans for the preconstruction plan without the moving of the maintenance building to get the project moved along since it has been a substantial length of time StoneMor has been

selling pre-need spaces for this project. Mr. Omer agreed and stated they will be submitting these projects separately.

Regarding recent grounds' complaints, Mr. Omer stated that in 2020, StoneMor did a national outsourcing for all maintenance activities with Moon Group, Inc. and that this group has since filed for bankruptcy. All the properties owned by StoneMor in North Carolina will exit from the Moon Master Service Agreement and transition back to in-house maintenance care. Additionally, StoneMor has launched a project as of September of this year called FIIX, which is a cloud-based work order escalation database application. This will help prioritize complaints, work orders, and maintenance to the grounds. Mr. Gaffney asked Mr. Omer when the Randolph project will be completed. Mr. Omer states it should be completed within the next 15-30 days.

Mrs. Cotten Dodson asked if pre-need is still being sold in these uncompleted mausoleum projects. Mrs. Tamala Randolph explained that pre-need sales have stopped at Carolina Biblical Gardens of Guilford but not at Alamance Memorial Park. Mrs. Randolph states she is "pretty sure" those have been trusted appropriately. Mrs. Randolph later clarified that Carolina Biblical Gardens of Guilford is trusted and Alamance is Bonded.

Mr. Gaffney asked Mr. Omer and Mrs. Randolph how many cemeteries have preconstruction projects that the commission was not properly notified of. Mrs. Randolph stated that she has been a part of all the preconstruction projects and the only one she is not sure if the Commission is aware of is a project at Wayne Memorial Park that is either finished or completely bonded. Mrs. Randolph added that the only open preconstruction plans in North Carolina are with Carolina Biblical Gardens of Guilford and Alamance Memorial Park.

b. Crestlawn Memorial Gardens

Mr. Gaffney explained that the Commissioners have been provided with a proposal from Mrs. Futrell, the receiver of Crestlawn Memorial Gardens. Mrs. Futrell also addressed the Commission to explain some of the issues the cemetery is facing. As the receiver, Mrs. Futrell explained that she and her husband, Mr. Steve Futrell, have made great strides to fix the issues that Tim Watson, former owner, left the cemetery with. She stated that she has no issue paying what is due to Perpetual Care, but the cemetery will not be profitable for at least 5 more years. Mrs. Futrell stated that Tim Watson has not paid any income tax and since he still has legal ownership of the property, it is severely hampering their [the Futrell's] ability to fix other issues at the cemetery.

Mr. Gaffney stated that he has been to the cemetery and the grounds look great. Mr. Gaffney thanked Mrs. Futrell for everything she has done for the cemetery. Mr. Stephens clarified that even though Tim Watson is still the legal owner, the cemetery is under the control of the court [receivership]. He explained that the decision for today is whether to go to trial with the lawsuit against Watson or agree to the consent judgment wherein Watson cedes all rights to Crestlawn. This action would

terminate the lawsuit against Watson. If the consent judgment is executed the next step would be to determine the future ownership of Crestlawn. The Commission would have the option to agree to terms with a buyer or ask the Court to auction the cemetery.

Mrs. Whitley Hendren moved that the Commission execute the consent judgment with Tim Watson/Allen Enterprises under the condition that he relinquish ownership of Crestlawn Memorial Gardens. Mrs. Cotten Dodson seconded the motion. All voted in favor.

- c. **Harnett Devotional Gardens** - Mr. Stephens stated that the cemetery receiver has identified a purchaser for the cemetery. Mr. Stephens added that the Commission office is waiting for a completed change of control packet from the proposed buyers before moving forward and anticipates this being an agenda item in January.
- d. **Shepherd Memorial Park**- Mr. Stephens stated the receivership process has been moving slower than expected because of legal delays. The Commission has not been able to serve the current owners, Mr. and Mrs. Shepherd, any court documents. There is a court date scheduled for the 1st of November. There was no further discussion.
- e. **Swain Memorial Park and Fairview Memorial Park** Mr. Stephens stated that everything has been frozen with Mrs. Gahagan's process of selling the land to herself and her attempt to sell it to a third party. Each county that the cemeteries are in have expressed interest in taking the properties. The process for receivership is moving forward.

VI. REMINDER OF NEXT MEETING DATE:
January 19th, 2022, at 10:00 a.m.

VII. Adjournment:
Meeting Adjourned at 11:52AM.