

North Carolina Cemetery Commission

Meeting Minutes

January 19, 2022

The North Carolina Cemetery Commission held a regularly scheduled quarterly meeting on Wednesday, January 19th, 2022, at 10 a.m. 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 with an amendment that the purchaser of Harnett Devotional Gardens, Mrs. Ruth Thornquest, be allowed to address the Commission by phone due to her testing positive for COVID-19. Mrs. Whitley Hendren moved to approve the agenda as written and during the COVID-19 pandemic that the Commission, upon approved request allow, call-ins to augment the transfer documents that comply with sale procedures. Mrs. Cotten Dodson seconded the motion. All voted in favor.

The next item for approval was the minutes from the October 20th, 2021, of the NC Cemetery Commission meeting. Mrs. Whitley Hendren moved to approve the minutes as written. seconded by Mrs. Cotten Dodson 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.

Ms. Dyanne Miller recused herself from voting on any matters related to New Business items: B. Change of Trustee – New Hope Memorial Gardens to Argent Trust.

Mr. Winn Graham recused himself from voting on any matters related to New Business items: A. Change of Control of Harnett Devotional Gardens to Faithful Heritage Holdings LLC.

II. Operations Report:

Mr. Stephens began the report by reviewing the financials. Thirteen (13) complaints were reported for this quarter, 8 of these complaints were filed against Shepherd Memorial Park. Twenty-six (26) 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. No members of the public requested to address the Commission.

IV. New Business:

A. Change of Control – Harnett Devotional Gardens to Faithful Heritage Holdings LLC-

President Gaffney stated that the Commissioners have each received a copy of the Change of Control application from Faithful Heritage Holdings LLC. These packets include all the required information to transfer ownership of Harnett Devotional Gardens to Faithful Heritage Holdings LLC. Mrs. Ruth Thornquest, representing the buyer, was present by phone upon approval by the Commission. Mrs. Whitley Hendren moved to approve the Change of Control application for Harnett Devotional Gardens to Faithful Heritage Holdings LLC and to approve the change of Trustee from Cemetery Funds of North Carolina to Argent Trust. Mrs. Cotten Dodson seconded the motion. All voted in favor.

B. Change of Trustee- New Hope Memorial Gardens to Argent Trust-

President Gaffney noted that the Commissioners have each received a copy of the Change of Trustee request for New Hope Memorial Gardens to Argent Trust. Mr. Justin Wilson, representing Argent Trust, was present. Mrs. Cotten Dodson moved to approve the Change of Trustee for New Hope Memorial Gardens to Argent Trust. Mr. Graham seconded the motion. All voted in favor.

V. Old Business:

a. StoneMor Properties –

Mr. Jack Omer and Mrs. Tamala Randolph addressed the Commission. Mr. Omer reviewed the letter sent to the Commissioners on January 10th, 2022, that includes the updates on the pre-construction projects that were not in compliance with N.C. State Law. Mr. Omer stated that he and Mrs. Randolph will be the main points of contact going forward for all StoneMor compliance issues within the state of North Carolina. In addition, Mr. Omer stated that Carolina Biblical Gardens continues to be delayed. The county is now requiring a traffic and septic study. Mrs. Randolph and Mr. Omer stated their confusion as to how a garden mausoleum would increase traffic to the cemetery and if there are no bathrooms or plumbing required within this pre-constructed mausoleum project why a septic study would need to be completed. It was discussed further that any traffic impacts the garden mausoleum might cause would not be known until the project had been completed.

Mr. Gaffney asked Mr. Omer if these studies were the only thing stopping construction from starting at this location. Mr. Omer confirmed this was correct and that StoneMor would be able to provide a follow-up on these later this week.

Mr. Stephens addressed Mr. Omer regarding the January 10th, 2022, letter that states, “The StoneMor Perpetual Care Trusts had been below market value... StoneMor recently funded two final North Carolina Perpetual Care Trusts so that all of the StoneMor Perpetual Care Trusts in North Carolina are above the corpus value”.

Mrs. Randolph stated that payments to the final North Carolina Perpetual Trusts for those two funds were completed last month and should be reflected on the 2021 Annual Care and Maintenance Reports.

Mr. Omer stated that across the company, StoneMor has hired five quality assurance managers, three of which are in the Southeast, including North Carolina. Mr. Omer stated these Quality Assurance Managers will lead Risk and Safety Compliance Excellence Audits automated by the application RisePoint. These managers will be responsible for visiting StoneMor properties to complete these audits ensuring cemeteries are being operated and maintained appropriately.

b. Crestlawn Memorial Gardens

Mrs. Futrell addressed the Commission to explain some of the issues the cemetery is still facing. As the receiver, Mrs. Ruth Futrell explained that she and her husband, Mr. Steve Futrell, have “found 19 more missed burials” since the last meeting. Mrs. Futrell explained that this cemetery has run with volunteers, and she would like to make it clear that these individuals were paid with food for their services rather than money. The cemetery is “up-to-par” on markers that needed to be ordered/placed. Mrs. Futrell continued to explain that the cemetery office is still running on a generator and has no working bathroom.

Mrs. Futrell explained that she is aware that some Commissioners had concerns regarding their financials when considering their proposal and stated that the reason for their food expenses are so high is from their working out of McDonalds, Bojangles, and Burger King.

Mrs. Whitley Hendren moved for a private sale of the cemetery. Mr. Graham seconded the motion to allow further discussion.

Mrs. Whitley Hendren explained that her concern is that there is an overwhelming responsibility of the Commission to make sure that consumers that have been disenfranchised are protected. Mrs. Hendren continued that it is not right for one consumer to be made whole and not have the resources to do that for others. Mrs. Whitley Hendren explains that an influx of resources could facilitate relief for future owners and based on rough estimates, it would take \$80,000 minimum to make consumers whole that have been disenfranchised. All voted in favor.

Mr. Gaffney thanked the Futrells for their help. Mr. Stephens explained that the Futrells still hold the right to purchase the cemetery. Mrs. Futrell explained that her wages will be submitted, and she believes that the “cemetery owes them about \$200,000”. Mr. Gaffney restated that the Futrells still hold the right to bid on the cemetery and that the Commission will reach out to the Court to let them know the Commission’s decision.

Mr. Stephens explained to Mrs. Futrell that nothing with the receivership has changed. Mr. Stephens continued that the only decision made today was what happens to the cemetery in terms of new ownership.

c. **Shepherd Memorial Park-**

President Gaffney explained that at the last meeting, the Commission voted to put the cemetery into receivership. Mr. Stephens explained that the judge did not approve the first receiver that the Commission suggested. A new name for receivership has been brought to the judge and the Commission is waiting for that to be accepted. This is a frustrating situation for the NCCC and the public, but there is nothing more the NCCC knows to do to encourage the Court to take action and bring relief to the consumers there.

d. **Swain Memorial Park and Fairview Memorial Park-**

Mr. Stephens explained that the same judge from the Shepherd case is presiding over this case. Mr. Stephens explained that the cities in which the cemeteries are located are expressing an openness to take the cemeteries over. Mrs. Whitley Hendren asks to clarify if these issues are to be argued as points of law.

Mr. Stephen explained that the first point of action is to get a receiver appointed and then the judge will allow the lawsuit to move forward.

Mr. Gaffney explained that the receiver that was proposed to the judge was denied on the grounds of not being qualified for the position. However, the receiver proposed has been a receiver for a separate cemetery and did a fantastic job.

Mrs. Weaver asked the Commission if a receiver is placed, whether it takes care of the legal issue of Mrs. Gahagan trying to sell the land to herself and then to a third party. Mr. Stephens explained that would be a separate legal matter.

VI. REMINDER OF NEXT MEETING DATE:

April 20th, 2022, at 10:00 a.m.

VII. Adjournment:

Meeting Adjourned at 11:07 a.m.