

North Carolina Cemetery Commission

Meeting Minutes

October 19th, 2022

The North Carolina Cemetery Commission held a regularly scheduled quarterly meeting on Wednesday, October 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, John A. “Winn” Graham, Dyanne Miller, Bonita Caldwell, Sharon Weaver, Bobby Townsend, and David Simmons. Gantt Stephens, as Director of Operations, were 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. Ms. Miller moved to approve the agenda as written. Seconded by Mrs. Cotten Dodson. All voted in favor.

The next item for approval were the minutes from the July 20th, 2022, of the NC Cemetery Commission meeting. Mrs. Whitley Hendren moved to approve the minutes as written. Seconded by Mrs. Cotten Dodson. 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. Miller recused herself from the topic of discussion on the new business C. Onslow Memorial Park-Pre-Construction Extension Request.

II. Operations Report:

Mr. Stephens began the report by reviewing the financials. Twenty-seven (27) complaints were reported for this quarter. Twenty-nine (29) inspections have been completed since the last meeting. Mrs. Weaver asked about the status of Bon-A-Venture Cemetery since the previous owner passed earlier this year. Mr. Gaffney explained that he has spoken with the family, and they wish to sell the cemetery. Mr. Gaffney continued that this will be difficult given the cemetery has no more plots for burial. After asking 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 public members wished to address the Commission.

IV. New Business:

A. Change of Control- Forest Lawn East to Carriage

President Gaffney stated that the Commissioners have each received a copy of the

change of control for Forest Lawn East to Carriage. Sam Mazzu, representing Carriage, was present. Mrs. Weaver explained to Mr. Mazzu that the submitted credit report contained multiple errors. Mrs. Weaver asked Mr. Mazzu why a corrected one was not submitted. Mr. Mazzu explained that sometimes using a third-party credit report for a publicly traded company can contain outdated information. Mr. Mazzu continues that the most updated information for Carriage can be found in their publicly filed financials. Mrs. Whitley Hendren moved to approve the change of control of Forest Lawn East to Carriage. Ms. Miller seconded the motion. All voted in favor.

B. Landquest Cemeteries

Mr. Kyle Corkum, representative and owner of Landquest Legacy cemetery properties, addressed the Commission. Mr. Corkum explained that inspections had been completed at all five cemeteries and a \$6,058.00 check for late fees and assessments for monthly reports were delivered to the Commission office yesterday. Mr. Corkum added that a check for \$87,947.09 will be arriving at Pinehurst Funds today for the late perpetual care.

Mr. Gaffney asked Mr. Corkum how he plans to pay the \$88,115.67 to the underfunded pre-construction trust fund. Mr. Corkum explained that his primary business is real estate, and he will be closing on a project in the next week. Mr. Corkum continued that he will take that payment to pay the underfunded pre-construction trust fund to get them back on track.

Ms. Miller asked Mr. Corkum if there are any liens or encumbrances on any of the cemetery properties or funds. Mr. Corkum explained that there are liens on the future cash flow but none on the properties or trust funds.

Mr. Stephens explained that the Commission office had received many calls from a landscaper, Ryan Walsh, from Capital City Landscaping. Mr. Stephens asked Mr. Corkum what his status is with that situation. Mr. Corkum explained that he has sent Mr. Walsh small payments up until this week. Mr. Corkum continued that there has not been enough cash flow to keep up with everything, but he is hopeful he will be able to pay Mr. Walsh the remainder of what is still owed.

Ms. Miller moved that the Commission move forward with receivership of all Landquest Legacy cemetery properties. There was no second and the motion died. Mrs. Cotten Dodson asked Mr. Corkum what is still owed to trust. Mr. Corkum explained that based on the inspections \$88,115.67 is due to the preconstruction trust fund that will be paid next Wednesday, \$87,947.09 is due to Perpetual care and that checks were mailed overnight to Pinehurst Funds. Mr. Corkum continued that this should resolve the trusting issues.

Mr. Stephens asked Mr. Corkum what he expected the Commission to do if he is not able to pay what is owed to the trust. Mr. Corkum stated that should not happen but if it does, receivership would be a reasonable course of action.

Mrs. Whitley Hendren explained to Mr. Corkum that the repayment agreement made at the July 20th, 2022, meeting for the total amount of \$30,172.70 at \$5,000.00 a month until the total amount due had been paid, was not upheld by Landquest. Mr. Corkum stated that is correct and a payment of \$5,000.00 was made to the Commission yesterday by way of the \$6,058.00 check.

Mrs. Cotten Dodson asked Ms. Miller if she would be willing to amend her motion to include a more concrete timeframe before the Commission seeks receivership. Ms. Miller amended her motion that if Landquest Legacy properties

are not caught up financially with payments due by October 26th, 2022, the Commission will move forward with receivership. Mrs. Whitley Hendren seconds the motion. The floor is open for additional discussion.

Mrs. Cotten Dodson asked Mr. Corkum to explain what he thinks he agrees to. Mr. Corkum explained that it is his understanding that he will get caught up on the payment plan by paying \$10,000.00 on or before October 26th, 2022, with subsequent payments made before the end of each month until the total amount of \$33,042.70 has been paid. Mr. Corkum continued that in addition to that payment he will send a check to the preconstruction fund for \$88,115.67 on or before October 26th, 2022. Mr. Corkum reiterated that a check for \$87,947.09 was overnighted to Pinehurst Funds for the late PC payments. Mr. Corkum explained that he will also be within good standing moving forward with submitting monthly reports and copies of checks that go to Pinehurst Funds.

Mr. Stephens asked Mr. Corkum if he would agree to the condition that if this agreement is not met that he (Mr. Corkum) would agree to an uncontested receivership. Mr. Corkum agreed. Mr. Stephens inquired further if Mr. Corkum would agree to an uncontested receivership in the event that any future trust deficiency occurred. Mr. Corkum stated he understood and agreed. Mrs. Cotten Dodson explained to Mr. Corkum that it would be good for him to reach out to the Commission in a timelier manner if there was a problem. Mr. Stephens asked Ms. Miller for an additional amendment to provide specific numbers included on the October 26th, 2022, deadline.

Ms. Miller amends her motion to state that if Mr. Corkum has not submitted checks for \$30,299.45 to the Perpetual Care Trust, \$57,647.64 to the Merchandise Trust, \$88,115.67 to the Pre-Construction Trust and \$10,000.00 to the Commission in late penalties on or before October 26th, 2022, that he (Mr. Corkum) will willingly turnover the cemeteries to the Commission for receivership. Mrs. Whitley Hendren seconded the motion. All voted in favor.

C. Onslow Memorial Park- Pre-Construction Extension Request

President Gaffney stated that each Commissioner has received a letter from Parklawn regarding the Onslow Memorial Park Pre-construction extension request. No representatives from Parklawn Corporation were present. Mrs. Cotten Dodson asked Mr. Stephens why Parklawn was requesting this extension. Mr. Stephens explained that he does not know for certain, but the reason is most likely due to sales being less than anticipated. Mrs. Whitley Hendren moved that the Commission support the extension of the pre-construction deadline for Onslow Memorial Park's mausoleum project to April 2023, given that they (Parklawn) submit a copy of a current construction estimate within the next 10 days. Ms. Caldwell seconded the motion. All voted in favor.

V. Old Business:

A. Crestlawn Memorial Gardens -

Mr. Stephens explained that the Commissioners are only waiting for a finalized copy of the agreement to come from their attorney which, upon execution, will terminate the receivership.

B. Shepherd Memorial Park-

Mr. Stephens explained that the Judge had a medical emergency, and the Commission is waiting for their consent order to be heard. Mr. Gaffney explained that the receiver, Gary McDowell, has had a challenging time getting utilities turned on and markers ordered due to outstanding balances from the previous owners. Mr. Gaffney continued that it is the hope that once the Judge can hear the consent order things at the cemetery will improve.

C. Swain Memorial Park and Fairview Memorial Park-

A representative of Swain County, Kevin King, addressed the Commission. Mr. King explained that a group of citizens want to create a nonprofit organization to oversee the care and maintenance of Swain Memorial Park. Mr. King explained that this organization is only interested in Swain Memorial Park but would appreciate any assistance the Commission could offer them. Mr. Gaffney explained that the Commission voted to put the cemeteries in receivership and the Commission believes the previous owner cannot sell a portion of the cemetery land. Mr. King continued that this organization is willing to be a receiver for this cemetery if needed. Mr. Gaffney expressed his gratitude to Mr. King for attending the meeting.

VII. REMINDER OF NEXT MEETING DATE:

January 18th, 2023, at 10:00 a.m.

VII. Adjournment:

Meeting Adjourned at 11:25 a.m.

