

North Carolina Cemetery Commission Quarterly Meeting Minutes October 18, 2023

The North Carolina Cemetery Commission held a regularly scheduled quarterly meeting on Wednesday, October 18, 2023, at the Hilton in North Hills, Raleigh, NC.

President William “Bill” Gaffney and the following Commissioners were present: David Simmons, Ebbie Whitley Hendren, Bonita Caldwell, Bobby Townsend, Dyanne Miller, and Sharon Weaver. Gantt Stephens, Director of Operations, was also in attendance.

The meeting was called to order at 10 am. President Gaffney called for a moment of silence.

The first item of the meeting was the agenda approval. Ms. Miller moved to approve the agenda as written. The motion was seconded by Mr. Simmons. All voted in favor to accept the agenda as written.

The next item for approval was the minutes from the July 19, 2023, of the NC Cemetery Commission meeting. Ms. Whitley Hendren moved to approve the minutes as distributed. The motion was seconded by Ms. Miller. 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.

No Commissioners declared any conflicts of interest.

- ## **II. Operations Report**
- Mr. Stephens began the report by reviewing the financials. Fifteen (15) complaints were reported for this quarter. Fifty-seven (57) inspections have been completed since the last meeting. After asking questions and receiving none, Mr. Stephens concluded his report.

Requests from Public to Speak – President Gaffney invited any member of the public wishing to address the Commission to come forward. He explained each individual will have two minutes of time. Mrs. Daphne Little and Mrs. Sharda Hasan were in attendance and spoke regarding LandQuest Legacy.

- A) Daphne Little – Complainant against Carolina Biblical Gardens of Raleigh regarding the delayed delivery of the grave marker that was paid in full. She expresses concerns about the behavior of the ownership of Landquest Legacy throughout her experience. Ms. Little explained the details of her complaint, which included the delay in a marker order placement for her son. Ms. Little provided documentation of communication with the cemetery ownership and their acknowledgement of the error. Ms. Little explained that Mr. Corkum, of Landquest Legacy, offered her a refund for her marker which she has not yet

received. She has also ordered a portrait emblem for the marker which has not yet been placed.

- B) Sharda Hasan – Complainant against Brier Creek Memorial Gardens. Ms. Hasan thanked the Commissioners for hearing her concerns. She explains that her brother, who passed away September 2021, was awaiting the ordering of his marker. Ms. Hasan provided documentation that the marker was paid for, but never ordered. Ms. Hasan explained that her experience with the ownership of Landquest Legacy made the memory of her brother's passing more difficult to cope with. Mr. Corkum offered Ms. Hasan a refund. This refund was mailed to the incorrect address and never received by Ms. Hasan. She explained she tried to contact Mr. Corkum multiple times to resolve the complaint with no response. The ordering of her brother's marker and refund remain outstanding.

III. New Business:

a. **Annual license renewal – Sunrise Memorial Gardens:**

Mr. Stephens explained that the Commission has not yet received the license renewal fees or Annual Care and Maintenance Report from Sunrise Memorial Gardens. Ms. Whitley-Hendren moved to refer Sunrise Memorial Gardens to the local District Attorney to address the outstanding items. Ms. Miller seconded. All members voted in favor.

b. **Change of Control Consideration 28 (twenty-eight) Park Lawn Corporation properties to EverStory Acquisition Portfolio:**

Ms. Whitney Weiner addressed the Commission as representation for both the buyer and seller in the proposed transaction. Ms. Weiner explained that copies of 28 Change of Control applications were submitted to the Commission on September 6, 2023. These packets included information required to transfer ownership of the properties from Park Lawn Corporation to EverStory Acquisition Portfolio, LLC. Packets for all twenty-eight cemeteries were received, however, these packets are considered pending without completed inspections to identify any outstanding liability that may need to be addressed prior to an approval. 10 (ten) of these 28 (twenty-eight) cemeteries inspections have been completed. Ms. Weiner explained that the seller sent all information requested by the Commission office to complete the rest of these inspections digitally to close the transaction before year-end.

Ms. Whitley Hendren requests additional organizational structure information regarding EverStory Acquisition Portfolio LLC and StonerMor Partners. Ms. Weaver expressed concerns regarding the ownership of the buyer and its affiliation with cemeteries in the State that have accumulated a significant percentage of annual complaints received by the Commission. Ms. Lily Donahue, present CEO of EverStory Acquisition Portfolio, LLC, explained that there is a management agreement in place that intends to shift the focus of those cemeteries owned and operated by StoneMor Partners LP business practices from a sales model to a services model. Representatives for the buyer and seller reported that the cemetery staff will remain the same locally. Commissioners requested

additional information regarding local management. Representation agrees to provide local management contacts for all cemeteries in the State.

Mr. Gaffney discussed the need for surety bonds for all properties to be cleared, appropriately transferring liabilities from the seller to the buyer. He said the Commission's attorney must review surety bond documentation before any ownership change. The Commission requires acknowledgment by all sureties that the sureties are aware of the change of control and that the liabilities will remain covered after the change of control. Ms. Weiner expressed understanding and agreement with this action. Ms. Whitley-Hendren moved to approve the 10 (ten) cemeteries with completed inspections from Park Lawn Corp to EverStory Acquisition Portfolio, LLC pending the receipt of proper documentation from the sureties, and to hold a special meeting prior to the next quarterly scheduled meeting to consider the remaining 18 (eighteen) cemeteries for change of ownership. Motion seconded by Ms. Weaver. All voted in favor. *See exhibit A.*

- c. Annual Budget Approval: Mr. Stephens stated the Commissioners were provided with copies of the annual budget for review. Statute requires the budget be approved by the Commissioners. Mr. Simmons moved to accept the annual budget as presented. Ms. Caldwell seconded the motion. All voted in favor.
 - d. Annual Internal Audit: Stancil CPA performed the annual internal audit of the Commission's financials. Copies of these documents were presented to the Commissioners for review. There were no significant findings. Hard copies of these documents will be provided via mail.
 - e. Tardy Response Fines – Mr. Stephens explained to the Commissioners the increase in delayed responses to complaints and inspection findings. The office has requested approval for delayed responses to these 20-day letters (referenced as reports) to accrue \$25.00 fines. Ms. Whitley Hendren moved to consider complaint replies and relevant cemetery inspection findings responses as late after 20-business days of the initial notice. After 20 business days, the cemetery will receive additional notice and be assessed a \$25.00 late fee for each month the response is not received. Ms. Caldwell seconded the motion. All voted in favor.
- IV. Old Business:
- a. Landquest Legacy Properties: Mr. Corkum was present to represent LandQuest Legacy. He claims the cemeteries made all payments due and satisfied all recommendations found in the most recent inspection. Ms. Hendren explained that the Commissioners are concerned that the resources from the consumers are not being used to support their orders. Mr. Corkum stated the reason for this continued cash flow problem is the result of over \$100k weather damage. Ms. Hendren reiterates to Mr. Corkum the Commission will take action against the properties if the deficiencies found have not been corrected

by the end of the week. In regard to the complainants present at the meeting, Mr. Corkum agreed to provide full refunds for both markers by the end of the week. He also agreed to provide evidence of the portrait order for Ms. Little and marker order and installation for Ms. Hasan.

- b. Shepherd Memorial Park: Mr. Stephens provided an update on Shepherd Memorial Park. The cemetery remains under the care of Mr. Gary McDowell as receiver. The court case is ongoing. As the owner has not agreed to a property sale, the judge proposed to set up a trust for the cemetery in lieu of an outright sale. Ms. Whitley Hendren moved to decline to go further explore the option of setting up a trust to operate the cemetery. Motion was seconded by Ms. Weaver. All voted in favor.

V. REMINDER OF NEXT MEETING DATE:

The next scheduled quarterly meeting will take place on January 24, at 10:00 a.m. at the Hilton in North Hills, Raleigh.

VI. Adjournment:

Ms. Dyanne Miller moved to adjourn the meeting. Ms. Caldwell seconded the motion. All in favor. Meeting adjourned.