

Minutes of Meeting
Louisiana Cemetery Board
May 18, 2012

The regular meeting of the Louisiana Cemetery Board was held May 18, 2012, 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
F. Anton Wilbert, Board Member
Stacey L. Patin, Board Member
Louise F. Saenz, At-Large 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

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Also present at the meeting were Marilyn N. Dunigan, Rose Lawn Development Association, Inc. d/b/a Roselawn Memorial Park, Baton Rouge, Louisiana; Bill Wimberly, Legacy Funeral Holdings, LLC d/b/a Resthaven Gardens of Memory, Baton Rouge, Louisiana; Debbie Holmes and Gary A. Moore, Argent Trust, Ruston, Louisiana; Brian Pellegrin, Stewart Enterprises, New Orleans, Louisiana; Keith Benit, Chaffe McCall, L.L.P., representing Stewart Enterprises, Inc.; L. Paul Raymond, Acme Mausoleum, New Orleans, Louisiana; Michael Boudreaux, Archdiocese of New Orleans; and Jimmy Patin, Greenwood Memorial Park, Pineville, Louisiana.

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Mr. Boudreaux led a time in remembrance of Board Member, Charles H. Fauchaux, who passed away Sunday, May 13, 2012.

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

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Discussion regarding Louisiana Uniform Electronic Transaction Act (“LUETA”) and cemetery records – Stewart Enterprises, Inc. (“SEI”), New Orleans, LA and Rose Lawn Development Association, Inc. d/b/a Roselawn Memorial Park, Baton Rouge LA.

Ms. Mize stated before each Board Member was the February 22, 2012 correspondence directed to Ms. McCann from Mr. Benit describing a program whereby SEI would scan/image written consumer contracts and other documents, destroy original documents, and retain only the electronic copy of the documents. Also, before the Board, was Ms. McCann's correspondence of March 1, 2012 requesting additional information and asking technical questions regarding the implementation of the program. Mr. Benit provided an answer on May 3, 2012, describing the facility they will be using and other technical information. Mr. Benit and Mr. Pellegrin are here to describe the program and to answer any additional questions the Board may have regarding the implementation of this program.

Mr. Benit stated, because of Hurricane Katrina, SEI made a decision that they were going to implement an electronic process to maintain their records to avoid any potential issues in the future, whether it is fire or flood. After reviewing the LUETA, SEI believes, Louisiana law allows it to store contracts electronically and to destroy the originals. However, SEI thought it was appropriate to bring this issue to the Board before they began that process. In 2006, SEI incurred the cost of hiring employees and purchasing the hardware and software necessary to implement the process. We have been at this for five years and we believe we are now ready to transition from a paper world to an electronic world. Under LUETA, as long as you are scanning or copying the document and putting it into a computer system that accurately reflects what is on the original document then you are allowed to destroy those original documents. It provides that those documents that are electronically stored are to be given the effect of being an original and they are appropriate for auditing purposes. When the Board comes in to do an audit SEI is producing the documents from our computer system, we are not going to the paper files. There is one provision in the statute, which provides that if there is a governmental agency that has a rule, regulation, or policy to the contrary you must follow that agency's recommendation. We have looked at the rules and regulations and we have looked at the statutes that govern the cemetery operations, and we do not see anywhere that what we want to do is prohibited.

One question we have been asked is what does the customer receive. As it relates to Louisiana, approximately seventy to seventy-five percent of our customer contracts are executed at the facilities. Under those circumstances, we execute multiple originals, the customer gets one original and we keep one original. Our proposal is that the customer has their original, we have our original, and three months after we scan our original, we will destroy our original. There is not a time frame within the statute that we must keep the original at all, but we would keep it for three months in case an issue would arise.

In those cases where the sale is made in the field, there is a single contract that is in triplicate, an original and two copies. In these cases, we keep the top copy, the customer gets the second copy, and we keep the third copy.

Another question we have been asked is what have other states done. As most of you know, SEI operates in several different states. The following states have approved our

proposal: California, Florida, Georgia, Missouri, Nebraska, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Virginia, and Wisconsin. Our request has been denied in Kentucky and West Virginia. Maryland and Oregon did not prohibit what we propose to do; they just suggested that we continue to keep the originals. We have requests pending in Mississippi, Alabama, and South Carolina, as well as Louisiana. The vast majority of the states have approved our proposal. The LUETA is a uniform act but each state's legislature is allowed to tweak those provisions, so in some of these states that have denied our request, their Board may have a policy that prohibits it or they may have tweaked it in a different manner. Therefore, the real question as we see it is what does Louisiana law allow, and what we see under Louisiana law is it allows our proposal to move forward. Regarding the questions regarding the security of the program, and exactly how that process would work, I will have Mr. Pellegrin explain that.

Mr. Pellegrin advised the physical location of the images stored on SEI's servers are in a secure AT&T data center outside of Allen, Texas. AT&T puts in data centers in various spots throughout the world based purely on no natural disasters in that particular area. We cannot go onsite without twenty-four hour written notice. In terms of physical security, you have to go through several stages of security, and each cage of servers is manually locked and everything is monitored. In terms of digital security, our employees have to have access to the network. We know each employee's network account, what files they have access to on the imaging system, when they log in and what files they are accessing. When an employee is terminated, their network account is disabled and their access is immediately pulled from all of our systems, including our imaging system. Laserfiche is a document management and imaging system that is used throughout the world.

Ms. Mize asked when the ten-page customer contract is scanned, is it scanned in its entirety or just the signature pages. Mr. Benit indicated each contract is scanned in its entirety.

Ms. Mize asked if all of the documents pertaining to a particular customer were stored in one file. Mr. Pellegrin stated that all of the documents pertaining to a particular contract are stored in one file and indexed. A file could be five pages or fifty pages, but all documents pertaining to that contract are in one file.

Ms. Mize stated the cemetery business is different from a regular commercial transaction because of the longevity, for example, Lake Lawn / Metairie has cemetery records that go back one hundred and fifty years, unlike leasing a car and in three years, the commercial transaction is over. The issue of technological obsolescence becomes a bigger issue because of the nature of the business. Ms. Mize asked how SEI intends to resolve that issue. Mr. Pellegrin stated that is why SEI went with a worldwide company that services fortune five hundred companies and uses a standard format. TIF is a worldwide standard. We do not store in PDF or other formats, we store in a TIF format. In terms of the database, we are using a standard known worldwide as a sequel database. If we were ever to transfer from a Laserfiche imaging system to another imaging system, through a conversion process, we could convert those documents. In terms of obsolescence, from

personal experience, you have the same issue in a paper world. If you have a piece of paper that is one hundred and fifty years old, that piece of paper is brittle and when you take it out of a file and unfolding it, it could crumble in your hands. Once they are digital, the digital picture will always look the same.

Ms. Mize asked if there was any point in the process where a quality control check is made, where someone looks at the scanned image to make sure, for example, the bottom of the document was not cut off. Mr. Pellegrin stated as part of SEI normal quality control process for a contract to be booked it goes through several stages, one being an eye on the page review at the facility of the actual paper contract, but once it is scanned, the next several steps of the quality control process are all electronic. Our quality control center in Dallas and our contract-processing department here at our Elmwood facility only have electronic access and they are looking for quality and completeness. Further, because SEI is publicly traded, that set of controls falls under Sarbanes-Oxley and is audited both internally and externally.

Ms. Mize stated in terms of Board action, based on the information provided by Mr. Benit, there is an issue that has to do with R.S. 8:206. As I understand it, in Louisiana, seventy to seventy-five percent of the contracts are done at the facilities and are done with duplicate originals and the customer walks away with an original contract, SEI then follows its program of scanning and eventually destroying the originals. That leaves twenty-five to thirty percent with one original and two carbon copies. As I understand it, in these instances SEI keeps the original and runs it through its program and the customer has one of the carbon copies rather than a duplicate original. In my mind, that raises an issue under R.S. 8:206, which requires that the cemetery shall provide to the customer upon purchase a written contract, which complies with the requirements and the rules and regulations. Whether the Board would like to ask SEI if it would be possible for the customer to be given that one original and SEI works with the carbon copy, or whether the Board is satisfied with SEI keeping the one original in those twenty five to thirty percent of the cases and the customer has a carbon copy. Chairman Melancon asked, if before SEI destroys the original would it be possible to mail it to the customer, or if perhaps that needs to be addressed by rule that before you destroy the original you must mail the original to the customer.

Ms. Dunigan with Roselawn Memorial Park addressed the Board to explain Roselawn's electronic records program. Ms. Dunigan said they are a single location, only two employees have access to the records, and they do not have an outside server. Roselawn started their program after Hurricane Katrina to preserve the documents. They also store everything in a fireproof safe. We scan all of our deeds, and the documents that are attached to the deeds. We do not maintain individual customer files. We cannot access John Smith's file and find everything. We have scanned all of our deeds, burial records, and decedent cards. We have several different files on the computer that we can go to and research information. The information is backed up weekly on DVD's. I take a DVD home, the other person in the office takes one home, and we live fifty miles away from one another. My copy is stored in a safe at my home. We store in a PDF format. The only originals that we have destroyed, other than some years of agreements that we

have gotten rid of, are things that were attached to our deeds like a judgments of possession or a permit to have a headstone installed. We have kept our original deeds, and we have kept our original agreements other than those that were greater than ten years old. We have someone that does our computer work for us. We are small scale, and we will ask for his assistance should our current PDF format become obsolete. When the Board does our examinations, we have been able to produce the documents requested, and I do not think it has been a problem. The Director stated the examination is a little more time consuming at Roselawn than at SEI, because of the format in which the information is stored. At SEI, the documents are available in one contract file, and at Roselawn the contracts, deeds, etc. are in separate electronic files. All of the records can be produced; it is a matter of efficiency.

Chairman Melancon asked what is normally done at an examination, does the Board look at the hard copies for the entire year. The Director said normally we sample, we do not look at every contract and ideally, from an audit prospective, it is better if a cemetery does its filing by contract and everything relating to that contract is in one file. When you pull the file, you have everything, it is more efficient, you get a better picture of what the transaction entailed and you do not have to ask for additional information. You have a cohesive picture of the entire transaction including when merchandise was ordered, delivered, etc. When you go to electronic records, you lose some of that continuity because the cemetery generally does not want to print fifty pages for every contract sampled, and they will ask which specific documents you want to review. Therefore, you may not get the same picture as you would from a paper file. However, some cemeteries, not many, file similar to Roselawn; deeds are in one file, contracts in another, etc. It depends on the adequacy of the records, whether they are electronic or original, the organization of the records and the cemetery personnel; whether they can locate and produce what you ask for in a timely manner.

SEI backs up files every four hours, and Roselawn backs up files weekly.

Chairman Melancon said when the law was written you were supposed to keep your records; we did not anticipate the transfer of records to an electronic format, and perhaps we need to take this matter under advisement. Mr. Benit said what the LUETA relates to any document created after July 1, 2001. Theoretically, any document created before July 1, 2001, must be maintained as an original. The situation that SEI finds itself in is all of our documents were destroyed in Hurricane Katrina so what we have are copies of the originals and all of those copies were created after Hurricane Katrina, so we have no documents that were created prior to 2001. The statute only applies to documents created after July 1, 2001 and our position is we have no documents created prior to 2001.

Ms. Mize summarized the Board's options, to answer Mr. Benit's original question, is there any specific prohibition. The LUETA, in some situations, requires a law passed to specifically prohibit and we know of no specific prohibition in Title 8 for the use of electronic records for audit or evidentiary purposes. The LUETA provides that an agency can nonetheless specify additional requirements for retention of electronic records for audit or evidentiary purposes. There has been no specific requirement for the retention of

electronic records for audit or evidentiary purposes at this time. If the Board would like to take that question under advisement, I see no reason why it could not. Further, each agency can decide whether to use or permit electronic records for some purpose other than audit or evidentiary purposes. For example, for administrative hearings, court purposes, etc., the Board can decide whether to permit electronic records, and that was the reason for my question about R.S. 8:206. If the Board wanted to completely prohibit, or provide some additional requirement in order to comply with R.S. 8:206, it can do so.

With respect to Mr. Benit's broader question to the Board, which was whether Louisiana law allows SEI's program to move forward, SEI should rely on its own legal counsel in order to comply with the LUETA. The LUETA is very complicated and there are overlaps with other laws, such as the Uniform Commercial Code and Louisiana laws for required forms for real estate transactions. The LUETA has requirements for agreement between the parties, completeness, legibility, and accessibility. We discussed with Mr. Pellegrin for this particular industry, accessibility includes not just retrieving it in a usable form in three years when an examination is done, but in twenty-five, fifty, or one-hundred years when those records may be necessary. SEI has legal counsel to advise them, and my comments are the same for Roselawn. The Board can thank everyone for being here today and take it under advisement.

The Director asked if the Board had a specific time frame to address this issue and whether it could come back at a later time and address this by way of regulation. Ms. Mize stated she does not know of anything that imposes a specific time frame or form on the Board for specifying additional requirements and creating uniform standards for compliance.

Chairman Melancon asked if there was an urgent need for SEI to destroy the records. Mr. Pellegrin said it was not an immediate need; the documents themselves were offsite. We just felt we had waited long enough and gone through several audits. Chairman Melancon stated he felt the Board needed more time to review this matter.

Mr. Wimberly stated that they scan documents in a PDF format and asked Mr. Pellegrin if TIF was better. Mr. Pellegrin said TIF and PDF are the two standards. The difference between the two is TIF is the format associated with a database and can be tied into an imaging system, and a PDF is typically known as a standalone document.

The Chairman thanked everyone for their attendance and participation.

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

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Since copies of the Minutes of Meetings held October 21, 2011, 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 October 21, 2011 meeting as presented. The motion was seconded by Mr. Wilbert and unanimously approved.

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Report of Officers

The Director reviewed the Statement of Operations January through December 2011; Cash & Investments as of December 31, 2011; Statement of Operation January through April 2012; Cash & Investments as of April 30, 2012; and the Budget vs. Actual January through April 2012. After review and discussion, Mr. Wilbert made a motion to accept the financial statement as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

The Director reviewed the 2012 Proposed Budget Amendment. After review and discussion, Ms. Patin made a motion to accept the 2012 Proposed Budget Amendment as presented. The motion was seconded by Ms. Leufroy and unanimously approved.

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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 stated it was her understanding the civil dispute involving this cemetery may be resolved. The Director advised that a new application has been sent to the cemetery and anticipates a revised application to be submitted.

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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.

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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.

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False River Memorial Park, L.L.C. 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.

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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.

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Jigger Garden 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 this Application for Certificate of Authority is complete. Ms. Mize recently issued her letter of approval, and it has been sent to the Executive Committee for final approval.

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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 complete and has been forwarded to Ms. Mize for approval.

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Church of Jesus Christ of Tangipahoa d/b/a Church of Jesus Christ of Tangipahoa Cemetery, Amite, LA – Pending Application for Certificate of Authority for the change in ownership. The Director advised this Application for Certificate of Authority is complete. Ms. Mize recently issued her letter of approval, and it has been sent to the Executive Committee for final approval.

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Victor Huber & Sons, Inc. d/b/a St. John Cemetery & Hope Mausoleum, New Orleans, 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.

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Highland Cemeteries, Inc. d/b/a Highland Cemeteries, Mansfield, 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. Further, the Director advised that the trustee has issued a letter of resignation, and they are awaiting the cemetery’s appointment of a successor trustee.

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St. Luke United Methodist Church, Inc. d/b/a St. Luke United Methodist Church Cemetery, Baton Rouge, 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.

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Rose Lawn Development Association, Inc. d/b/a Roselawn Memorial Park, Baton Rouge, LA – Pending Application for Certificate of Authority for the change in ownership.

The Director stated Rose Lawn Development Association, Inc. has numerous minority stockholders. The purpose of this application being on the Agenda today is that one of the stockholders and directors of the corporation has a felony conviction. Mr. Jeffrey J. Loup, inherited 11.93% ownership of the corporation from his grandmother, and is on the Board of Directors of the corporation. According to Mr. Loup’s Individual’s Questionnaire relative to the time he will devote to the cemetery business, it indicates he will attend quarterly board meetings and as needed otherwise. Mr. Loup is also a professional engineer. The Louisiana Professional Engineering and Land Surveying Board recently suspended the professional engineer’s license of Mr. Loup for a period of one year, with conditions. The Consent Agreement entered into between the Louisiana Professional Engineering and Land Surveying Board, which is public record, was a part of the package before each Board Member.

The Director stated the Application for Certificate of Authority is incomplete, and we are not seeking approval of the application by the Board. We are seeking from the Board a determination under the law and the rules and regulation whether or not Mr. Loup has produced sufficient evidence of rehabilitation for the Board to approve a license when the additional required documentation is received.

Ms. Dunigan, Manager and Secretary/Treasurer of Rose Lawn Development Association Inc., addressed the Board, stating Mr. Loup’s grandmother was a twenty-five percent shareholder in the corporation. When she passed away, through a trust, she passed that stock onto her son and her grandson. Her grandson is Jeffrey J. Loup, and it was her desire that he take her place on the Board of Directors. Mr. Loup has assisted us on the

Board in years past when we had an expansion project, his expertise, as an engineer has been very helpful to us. We are currently in the process of building a mausoleum and he has been very helpful in reviewing the documents associated with this project. Two of the Board Members are attorneys, but Mr. Loup is the only one within the cemetery structure with this type of knowledge and expertise.

The Director asked if Mr. Loup has any contact with the day-to-day operation of the cemetery or contact with customers. Ms. Dunigan said he did not; she is the only Board Member that has any association with the day-to-day operation of the cemetery. According to Ms. Dunigan, the Board controls major expenditures, reviews salaries every year, and reviews any major complaints.

Ms. Mize stated under the Board statutes and regulations, it requires the Board to determine if applicants “are financially responsible, trustworthy, and have good personal and business reputations, in order that only cemeteries of permanent benefit to the community in which they are located will be established in this state. While no rigid specification, particularly as to character, can be fashioned, some objective evidence of a lack of such qualification should exist before an application is denied. Clearly, if the applicant is an individual who has, or is a firm, association or corporation any of whose officers, owners, directors or managerial personnel has or have been convicted of a felony, unless the applicant produces evidence indicating complete rehabilitation, the application should be denied.” The evidence that he has provided is his letter outlines the incident that took place in January 2007 and the conviction. Ms. Mize summarized the criminal proceedings, which is now a final judgment. His own professional licensing board, in February 2012, entered into a Consent Order for a one-year suspension of his license. He has to submit updated violence risk assessments at interim periods during the next year. If the assessments are good, his license will be reinstated next February, if not the board will take other action. Ms. Mize gave a brief summary of the facts outlined in the First Circuit’s decision. The application was generated by the twenty-five percent change in stock ownership of the grandmother. The Board’s alternatives are to accept, or reject, the letter he produced talking about the family counseling and other measures he has taken to get his life back on track as evidence of complete rehabilitation. If the Board does not accept his letter as evidence of complete rehabilitation, they can ask Ms. Dunigan if there are any alternatives other than Mr. Loup serving on the Board of Directors of Roselawn, for example, during the period of his suspension from his own professional licensing board.

Chairman Melancon asked Ms. Dunigan if Mr. Loup had to be on the Board of Director in order to give them advice. Mr. Dunigan said no. There was a general discussion regarding procedures for reconsidering this issue once his own professional licensing board reinstates Mr. Loup.

After discussion, Ms. Leufroy made a motion that the letter submitted by Jeffrey J. Loup is not evidence of complete rehabilitation after conviction of a felony. The motion was seconded by Ms. Holloway and unanimously approved.

The Director stated that Roselawn would need to amend the application currently on file.

The Chairman thanked Ms. Dunigan for her attendance and participation.

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Oak Lane Memorial Park, L.L.C. d/b/a Oak Lane Memorial Park, Prairieville, LA – 2011 On-site Examination of Perpetual Care Trust Fund.

The Director stated that all outstanding On-site Examination issues have been resolved with the exception of the road between the gardens. Oak Lane has indicated they plan to pave the road, but they have not provided a time frame for completing that project.

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Stewart Enterprises: Lake Lawn Park, LLC d/b/a Lake Lawn Park; SE. Cemeteries of Louisiana LLC d/b/a Metairie Cemetery; Mt. Olivet Cemetery; St. Bernard Memorial Gardens; & St. Vincent de Paul Cemetery – Status Report regarding On-site Examination of Perpetual Care and Merchandise Trust Funds.

The Director advised the outstanding issues relate to some maintenance and pre-need granite storage, which SEI has recently addressed and provided the Board with a status report.

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Roselawn Memorial Gardens, Inc. d/b/a Roselawn Memorial Gardens, Calhoun, LA – Status Report regarding On-site Examination of Perpetual Care Trust Fund.

The Director stated at the Board's October 21, 2011 meeting they determined Roselawn Memorial Gardens must bring all pre-need inventory current, pursuant to law, no later than (30) days prior to the next meeting or Mr. Fortenberry must attend the next meeting. The Director reviewed information indicating that Roselawn currently has thirty-five vaults in stock and thirty-three outstanding pre-need vault contracts, and forty grave liners in stock and thirty-eight pre-need grave liner contracts. Therefore, his pre-need storage is sufficient to cover his outstanding pre-need contracts.

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Kilpatrick's Rose-Neath Funeral Homes, Crematorium and Cemeteries, Inc. d/b/a Round Grove Memorial Gardens, Shreveport, LA – Status Report regarding On-site Examination of Perpetual Care Trust Fund.

The Director stated during the On-site Examination conducted July 14, 2011, it was noted that Round Grove was not in compliance with the 2007 Consent Agreement entered into

with the Board. The Consent Agreement requires that the cemetery maintain sufficient developed grave space to meet its obligations under all existing and future Option to Purchase Agreements. At the time of the On-site Examination, Round Grove Cemetery had (235) outstanding Option to Purchase Agreements, but only (192) reserved developed grave spaces.

The Director reviewed information received in February 2012 indicating they now have (288) developed grave spaces reserved to cover the (235) outstanding Option to Purchase Agreements.

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Forest Park East Associates, Inc. d/b/a Forest Park Cemetery, Shreveport, LA – Status Report regarding On-site Examination of Perpetual Care and Merchandise Trust Fund.

Forest Park West Associates, Inc. d/b/a Forest Park West Cemetery, Shreveport, LA – Status Report regarding On-site Examination of Perpetual Care and Merchandise Trust Fund.

The Director reviewed the findings of the 2011 On-Site Examinations of Forest Park Cemetery and Forest Park West Cemetery, which included among other things a finding that the cemeteries were delinquent on its deposits to its merchandise trust funds. Further, Forest Park was in violation of the Consent Agreement entered into with the Board in 2009, which requires Forest Park to prospectively make timely deposits as required by law.

At the October 21, 2011 meeting, the Board agreed to accept Forest Park's proposal to resolve all violations noted in the perpetual care and merchandise trust fund On-site Examinations, excluding the maintenance issues, by November 30, 2011.

The Director stated proof of compliance was received but not by the agreed upon deadline. In December 2011, Forest Park presented a proposal to withdraw approximately 1,600 pre-need vault contracts currently in trust, and convert those contracts to storage. Forest Park was proposing to purchase and store 1,600 Vantage Vaults and using the proceeds from the trust to purchase the vault inventory, off-set the deposits due the trust funds, and transfer any excess funds to the operating accounts of Forest Park. Upon receipt and review of the proposed withdrawal report, we determined the withdrawal report included vault products other than Vantage Vaults. Forest Park was notified that the exact product purchased by the consumer must be properly stored or any substitution would have to be acknowledged and agreed to by the purchaser. This is what the Board has required in the past. The Director stated that Forest Park sent requests to approximately 1,300 consumers seeking authorization to convert their previously purchased vault product to a Vantage Vault. Ultimately, Forest Park made two withdrawal, the initial withdrawal was for approximately (341) contracts that were identified as Vantage Vaults. The second withdrawal was approximately (620) contracts that consumers agreed in writing to the substitution of merchandise, from their originally

purchased product to a Vantage Vault. Forest Park provided a detailed list of all vault contracts withdrawn and placed in storage. Further, documentation was provided indicating the stored merchandise is covered by insurance. The conversion project allowed Forest Park to bring the merchandise trust funds deposits current. However, a recent review of the trust fund deposits indicated that Forest Park was delinquent again, but copies of deposit checks were provided this week and the Board is awaiting confirmation from the trustee, Argent Trust.

The remaining outstanding audit issues relate to sequential versus proportional trusting within the HMIS trust system; funding of merchandise and services contracts within seven years; and maintenance issues. The Director advised that Forest Park has indicated the trust system issues have been resolved, but Forest Park said they are not able to produce any supporting documentation to reflect that the trust issues have been resolved. Further, Forest Park has advised they are in the process of changing from the HMIS trust system to a new system called SRS. The Director stated she requested Forest Park keep the Board informed regarding the conversion of the trust records so the Board could verify the new trust system complies with Title 8, and the integrity of the records conversion. Forest Park agreed to keep the Board informed about the conversion process.

Regarding the maintenance issues, the Director advised that she has requested a detailed update addressing the maintenance issues noted during the On-site Examination, which included general maintenance issues and the removal of tree stumps.

After discussion, the Board requested the Director continue to monitor Forest Park for compliance with the law and the Consent Agreement.

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Richwood Gardens, Inc. d/b/a Richwood Gardens, Monroe, LA – Status Report regarding On-site Examination of Perpetual Care Trust Fund.

The Director stated the outstanding issues related to the 2011 On-Site Examination are the pre-need storage deficiency of (9) pieces of granite and (5) vases. The Director advised she has not been able to verify compliance and will follow-up with the cemetery and report at the next meeting.

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Woodlawn Mausoleum, Inc. d/b/a Woodlawn Mausoleum, Ferriday, LA – Status Report regarding On-site Examination of Perpetual Care Trust Fund.

The Director stated as noted in the 2011 On-Site Examination the cemetery could not produce interment records. The Director advised she has not been able to verify compliance and will follow-up with the cemetery and report at the next meeting.

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The Director reviewed the Applications for Pre-Construction Sales Projects received since the last meeting, copies of which were before each Board Member.

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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 2011 Non-Exempt (New/Transfers) #11-516; 2012 Non-Exempt (New/Transfers) #12-508; 2012 Non-Exempt (Renewals) #12-001 - #12-507; 2012 Cemetery Sales Organizations (Renewals) #CSO-12-01 - #CSO-12-07; 2012 Cemetery Management Organizations (Renewals) #CMO-12-01 - #CMO-12-06; and Exempts (New) #1295E - #1303E. The motion was seconded by Ms. Holloway and unanimously approved.

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On-site Examinations performed since last Board Meeting

The Director stated (4) Perpetual Care and (1) Merchandise examinations since the last Board Meeting. Further, ongoing SCI Examination include (8) Perpetual Care and (5) Merchandise Trust Funds.

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Tri-State Cemetery Conference, July 29-31, 2012 New Orleans, Louisiana and North American Death Care Regulators Association (DCRA) Conference, September 16-19, 2012, Ann Arbor, Michigan. After discussion, Ms. Leufroy made a motion to approve travel for the Director to attend the Tri-State and DCRA conference, pending no further directive from the state that would prohibit out of state travel. The motion was seconded by Ms. Saenz and unanimously approved.

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Review of revised/amended application and forms: Application for Certificate of Authority; Application for Certificate of Authority for Publicly Owned Cemeteries; Application for License as a Cemetery Sales Organization / Cemetery Management Organization; Application to Determine Exempt Status; Exempt Application for Certificate of Authority; Application for Family Burial Ground; Application for Pre-Construction Sales Project.

Ms. Mize stated that forms were changed primarily to update them to coordinate with the change in the statute that allows a cemetery authority to be in the form of an LLC as well as a corporation. There was a discussion regarding the technical changes needed to the drafts resulting from legislation recently passed. After discussion, Ms. Leufroy made a

motion to accept the changes presented and authorize the Director to make any technical revisions needed to comply with new law relative to merchandise and services.

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The Director reviewed in detail Act 98 of the 2012 Legislative Session affecting Title 8, which becomes effective January 1, 2013.

After discussion, the Board requested the Director send a notification to all cemeteries within the next thirty days advising them of the changes to the law. In addition, the Board requested a reminder of the changes be placed in the annual license renewal notices.

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The Director advised that a Rules and Regulations Committee, which consists of Ms. Leufroy, Ms. Patin, Ms. Holloway, and Mr. Melancon, was held on April 23, 2012 in Baton Rouge, La. The meeting was an organizational meeting. The committee appointed Ms. Leufroy, Chair of the Rules and Regulations Committee, and reviewed an initial working draft of proposed changes to the Board's Rules and Regulations. Once the Committee has a draft to present to the Board a special meeting will be held for Board approval to move forward with the promulgation of any proposed changes pursuant to the Administrative Procedures Act (APA).

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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.

The Director reviewed the 4th quarter 2011 and 1st quarter 2012 maintenance reports received from Forest Park. According to information provided final (aesthetic) repairs to the Chapel Mausoleums in Forest Park Cemetery and Forest Park West Cemetery are still pending. Regarding the large drainage project at Forest Park Cemetery (East) the Board was advised recently that the City of Shreveport had recently completed some drainage work and paving in the cemetery to address some of the issues.

Ms. Holloway noted it had been one year since the foundation work was completed at the mausoleums and asked if the engineering firm had completed their one-year assessment of the repairs. The Director stated she had requested a more comprehensive update from Forest Park, but to date has not received any additional information. After discussion, Ms. Leufroy made a motion that Mr. Lomison be required to attend the next meeting to address any outstanding issues. The motion was seconded by Mr. Wilbert and unanimously approved.

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Alexandria Garden of Memories, Inc. (“AGM”) – Status Report regarding Order issued in Administrative Hearing #2008-002 Reconvened.

The Director advised the Certificate of Authority of AGM remains suspended, with the exception of at-need sales and operations, until satisfactory written proof of compliance with Title 8 and the Rules and Regulations of the Board is received. Further, AGM has not made deposits to its perpetual care and merchandise trust funds since the hearing held in May of 2011.

After discussion, the Board requested the Director conduct an On-site Examination prior to the next meeting to establish the extent of any outstanding violations, and require Mr. Claiborne attend the November 9, 2012 meeting.

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

The Director advised the Certificate of Authority of EMP remains suspended, with the exception of necessary operation, sales of burial spaces, and at-need sales of merchandise and services until satisfactory written proof of compliance with Title 8 and the Rules and Regulations of the Board is received.

Further, the Director reviewed an e-mail received from EMP on Monday, May 14, 2012, indicating that EMP now has fifty (50) Vantage vaults in storage at the cemetery. Additionally, the e-mail indicates EMP is attempting to purchase the additional concrete vault inventory and granite foundation inventory needed. The Director stated there has not been sufficient time to compare the information received to the outstanding violations. Also, EMP is scheduled for its regular On-site Examination in 2012.

At the October 21, 2011 meeting, the Board authorized the Attorney General’s Office to take whatever legal action necessary to enforce the Board’s Order. Mr. Seidemann recommended that we wait for the results of the 2012 On-site Examination prior to moving forward with any legal action.

After discussion, the Board requested the Director conduct an On-site Examination prior to the next meeting to establish the extent of any outstanding violations, and require EMP to attend the November 9, 2012 meeting.

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Oak Lane Memorial Park, L.L.C. d/b/a Oak Lane Memorial Park, Prairieville, LA – Status Report regarding Consent Agreement issued in settlement of Administrative Hearing #2011-002.

The Director reviewed a spreadsheet indicating the first payment due the perpetual care trust fund of Oak Lane Memorial Park pursuant to the Consent Agreement. Further, the Director advised that the annual On-site Examination of Oak Lane will be conducted prior to the November 9, 2012 Board Meeting.

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Public Comment

Mr. Raymond, President of the Louisiana Cemeteries Association, addressed the Board about the LCA’s Legislative Committee and its process for proposed legislation.

Chairman Melancon thanked Mr. Raymond and stated the Board has always had great cooperation from the LCA.

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Since there was no further business, Ms. Patin made a motion to adjourn at 12:08 P.M. The motion was seconded by Ms. Leufroy and unanimously approved.

Shelly M. Holloway, Secretary/Treasurer

Attested To:

Gerald W. Melancon, Chairman