

MINUTES
South Carolina Perpetual Care Cemetery
Board Meeting Via Web/Teleconference

10:00 a.m. June 3, 2021
Columbia, South Carolina

Thursday, June 3, 2021

1. Meeting called to Order

William Russel Floyd, Jr., Chairperson, of Spartanburg, called the regular meeting of the South Carolina Perpetual Care Cemetery Board to order at 10:11 a.m. Other members participating during the meeting were: Felicia Smith-Charles, Vice-Chairperson, of Florence; David H. Brown of Florence; Jeffrey W. Riggins of Lancaster; and Pamela P. Turner of Florence.

Staff members present for the meeting included: Mary League, Advice Counsel, Office of Advice Counsel; Shayla Hayes, Disciplinary Counsel; Amy Holleman, Administrator; Norma McAllister, Program Assistant; Rodney Pigford, Chief Investigator, Office of Investigations and Enforcement; William Poole, Inspector, Office of Investigation and Enforcement; and Matalie Mickens, Inspector, Office of Investigation and Enforcement.

Members of the public attending the meeting were: James H. Igleheart, of Greenhaven Memorial Cemetery and Heritage Memorial Gardens; John W. Robinson, of Bernard Robinson CPAs; Eric J. Price for Sunset Memorial Gardens, Inc.; James A. Sanders and Jeffrey K. Temples, of Bush River Memorial Gardens; Justin N. Baxley of Newberry Memorial Gardens; and Steve W. Jackson, Senior Vice-President of the Funeral and Cemetery Trust Division, of Argent Trust Company. Wendy Weiner, Consultant for HSI-SC, LLC, and Faithful Heritage Holdings, Inc. joined the meeting at 10:57 a.m.

A. Public Notice

Mr. Floyd announced that public notice of this meeting was properly posted at the South Carolina Perpetual Care Cemetery Board office, Synergy Business Park, Kingstree Building, and provided to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act.

2. Adopting the Agenda

MOTION

Mr. Brown made a motion that the Board adopts the agenda for the June 3, 2021, South Carolina Perpetual Cemetery Board meeting. Mr. Riggins seconded the motion, which carried unanimously.

3. Introduction of Board Members and Persons Attending the Meeting

The board members, staff, and all other persons attending the meeting introduced themselves.

4. Approval of Excused Absences

All Board members were present.

5. Approval of Minutes for the March 11, 2021 Board Meeting

The Board reviewed the March 11, 2021 minutes.

MOTION

Mr. Brown made a motion that the Board approve the minutes for March 11, 2021. Ms. Smith-

Charles seconded the motion, which carried unanimously.

6. Chairperson's Remarks – W. Russel Floyd, Jr.

Mr. Floyd welcomed everyone to the Board meeting.

7. Administrator's Remarks – Amy Holleman

A. Financial Report

Ms. Holleman presented the financial report, informing the Board that the cash balance at the end of April 2021 was -\$225,855.57

8. Reports

A. Inspection Report

Ms. Mickens informed the Board that she and Mr. Poole conducted 37 inspections between March 1, 2021 and May 21, 2021.

B. Investigative Review Committee (IRC) Report

Mr. Pigford asked that the Board review and approve the Investigative Review Committee Report recommending the dismissal of cases 2021-1, 2021-4, 2021-6, 2021-7, and 2021-8; a cease and desist for case 2021-5; and issue formal complaints for cases 2019-23, 2020-9, 2020-20, and 2021-9.

MOTION

Ms. Smith-Charles made a motion that the Board approves the Investigative Review Committee recommendations. Mr. Brown seconded the motion, which carried unanimously.

C. Office of Investigations and Enforcement (OIE) Report

Mr. Pigford stated that the Office of Investigation and Enforcement received 11 complaints between January 1, 2021 and May 21, 2021. There are currently two active investigations.

D. Office of Disciplinary Counsel (ODC) – Shayla Hayes

Ms. Hayes informed the Board that the Office of Disciplinary Counsel has three open cases; two pending actions; one pending a Final Order Hearing; and nine cases closed since January 1, 2021.

Application Hearings

9. A. Transfer of Irrevocable Trust Account

This proceeding was recorded by a court reporter in order to produce a verbatim transcript should one be necessary.

1. Sunset Memorial Gardens, Inc. – North Charleston – CEM.1113

Mr. Eric J. Price appeared on behalf of Sunset Memorial Gardens, Inc.

Ms. Holleman informed the Board that the request is complete. Mr. Price is requesting that the Board approve the transfer of the Care and Maintenance Trust Fund from South State Bank to Arthur State Bank.

Mr. Price concurred with Ms. Holleman's statement. Mr. Floyd called for a motion in this matter.

MOTION

Mr. Brown made a motion that the Board approves the transfer of Sunset Memorial Gardens, Inc.'s Care and Maintenance Trust Fund from South State Bank to Arthur State Bank. Ms. Smith-Charles seconded the motion, which carried unanimously.

Ms. Holleman informed the Board that items 2 through 10 are addressing the creation of a Master Trust to commingle the Care and Maintenance Trust Funds. Ms. Holleman informed the Board that Faithful Heritage Holdings, Inc. is the owner of the cemeteries named in items 2 through 9; and the HSI-SC, LLC is the owner of Newberry Memorial Gardens.

2. Aiken Memorial Gardens of SC, Inc. – Aiken – CEM.1184
3. Belleville Memorial Gardens of SC, Inc. – Orangeburg – CEM.1185
4. Chatham Hill Memorial Gardens of SC, Inc. – Cheraw – CEM.1186
5. Crestlawn Memorial Gardens of SC, Inc. – Orangeburg – CEM.1187
6. Forest Lawn Memorial Park of SC, Inc. – Greenville – CEM.1188
7. Jessamine Memorial Gardens of SC, Inc. – Aiken – CEM.1189
8. Memorial Gardens of Columbia of SC, Inc. – Columbia – CEM.1190
9. Plantation Memorial Gardens of SC, Inc. – Moncks Corner – CEM.1191

Mr. Steve Jackson, Vice-President, Funeral and Cemetery Trust Division, of Argent Trust Company, presented on behalf of the Trust Company. There were no representatives from Faithful Heritage Holdings, Inc. in attendance.

The Board determined that without sufficient statements from the cemeteries' representative it was unable to precede in this matter.

Mr. Floyd called for a motion to defer this matter due to the inability of the cemeteries' representative(s) in his/her absence to provide answers to the Board's questions.

MOTION

Ms. Turner made a motion that the matter for Faithful Heritage Holding, Inc. properties be deferred to the next scheduled Board meeting. Ms. Smith-Charles seconded the motion, which carried unanimously.

10. Newberry Memorial Gardens – Newberry – CEM.1202

Mr. Justin N. Baxley, owner and managing partner of HSI-SC, LLC, appeared on behalf of the cemetery. Mr. Steve Jackson appeared on behalf of Argent Trust Company.

Ms. Holleman informed the Board that Argent Trust Company is the trustee of the Care & Maintenance Trust account for HSI-SC, LLC d/b/a Newberry Memorial Gardens; however, HIS-SC, LLC is asking that the Board approve the transfer, within Argent Trust Company, to a newly created Master Trust that would commingle various cemeteries' Care and Maintenance Trust funds. The Master Trust accounts goal is to improve trust management services to its clients.

Mr. Jackson addressed the Board. He stated the Master Trust, with multiply trusts rolled into one would provide such services as, but not limited to, the elimination of minimum fees, better investment advisors, increase purchasing powers for investments, and premium record keeping services to its clients. These advanced multi-tier services provide advantages to the smaller cemetery companies that would normally have limited access to such services. Mr. Jackson stated the Master Irrevocable Cemetery Care and Maintenance Trust Agreement, which is subject to the South Carolina Perpetual Care Cemetery statutes and laws, is similar to previously approved agreements by the Board. Mr. Jackson stated that Argent Trust Company has engaged Funeral Services, Inc. (FSI), as the record keeping company for the cemeteries' irrevocable trust accounts with a Participation and Servicing Agency Agreement. FSI maintains the detailed records of each individual trust with the capability to generate a statement balance for each trust upon request and/or as needed.

Mr. Baxley stated that he concurred with Mr. Jackson's statements. Mr. Baxley stated that the more cohesive and precise record keeping services with the new Master Irrevocable Cemetery Care & Maintenance Trust agreement would be advantageous for HSI-SC, LLC.

For clarification, Mr. Jackson confirmed that the proposal is a Master Irrevocable Cemetery Care & Maintenance Trust Agreement with a third party Servicing Agent. The trust funds/income would pay the Servicing Agent's fees.

The Board questioned and discussed the matter with Mr. Jackson. Mr. Floyd called for a motion to go into Executive Session to receive legal advice in this matter.

Executive Session

MOTION

Ms. Turner made a motion to go into executive session to receive legal advice in this matter. Ms. Smith-Charles seconded the motion, which carried unanimously.

Ms. Wendi Weiner, legal consultant for HSI-SC, LLC, and Faithful Heritage Holdings, Inc. joined the meeting prior to the Board moving into Executive Session; however, did not acknowledge her presence until after the Board moved into Executive Session. Ms. Weiner stated that she conducts the regulatory and compliance matters for the aforementioned companies.

Return to Public Session

MOTION

Mr. Brown made a motion to come out of Executive Session. Mr. Riggins seconded the motion, which carried unanimously.

Mr. Floyd noted, for the record, there were no votes taken during Executive Session.

Mr. Floyd stated that the Board's concerns are that the statute does not regulate or address a Servicing Agency and that the Servicing Agency's relationship appears to come between the relationship of the cemetery as settlor and the bank as trustee. For example, the settlor did not sign the Trust document which was signed by the Bank and Servicing Agency. Secondly, the Board questions the reasonableness of the fees, which are unknown at this time. The cemetery is required to pay a Servicing Agency fee, which is not supported by statute. Subsequently, the Board identified in practice four fees that are appropriate to be paid by the Trust which would include trustee fees, preparation of income tax returns by the CPA, CPA fees for IRS audits, capital gain taxes, (if any), and other fees deemed reasonable by the Board on a case by case basis. Thirdly, the Board wants to ensure that the record keeping process lists each participating cemeteries' contributions itemized separately from other cemeteries participating in the Master Irrevocable Cemetery Care and Maintenance Trust.

The Board emphasized that the highest and best usage of the Trust fund is for the care and maintenance of the cemetery.

Ms. League restated the Board's position, that the Board strongly supports the concept of a Master Trust; however, it does not have jurisdiction over a Servicing Agency. The Servicing Agency Agreement in this circumstance constitutes a third party contract that the trustee and/or the Cemeterian enters into, but over which the Board has no jurisdiction; therefore, the Board cannot approve such a relationship between a Settlor and a Trustee.

In addition, the Board is requiring that the record keeping process clearly identifies the contributions/deposits of the individual cemeteries in conjunction with the proportionate distribution to the participants' account of income, capital gains, et., from the Master Trust. The Board requires that the Bank allocates and identifies expenses proportionately to the individual cemeteries/participants. Also, the Bank should identify the measures used to maintain confidentiality of each participants' individual financial information in the Master Trust. While regulation does allow commingling of deposits, it does not change the obligation of the parties nor the structure of obligations.

Ms. Wendi Weiner, consultant for HSI-SC, LLC, and Faithful Heritage Holdings, Inc., offered to answer questions the Board had regarding the Master Trust agreement..

After the Board stated the Care and Maintenance Master Trust Agreement could not be approved as written, Mr. Jackson asked to withdraw the request and revise the proposed documents.

Ms. Weiner, speaking on behalf of the cemeteries, asked that instead of a complete withdrawal that the Board consider a conditional approval subject to removing the servicing agent concept/agreement.

The Board moved to return to executive session to receive legal advice in this matter.

Executive Session

MOTION

Ms. Turner made a motion to go into executive session to receive legal advice in this matter. Ms. Smith-Charles seconded the motion, which carried unanimously.

Return to Public Session

MOTION

Ms. Turner made a motion to come out of Executive Session. Mr. Brown seconded the motion, which carried unanimously.

Mr. Floyd noted, for the record, there were no votes taken during Executive Session.

Mr. Floyd called for a motion in this matter

MOTION

Ms. Smith-Charles made a motion that the Board approves transferring the Trust into a Master Irrevocable Cemetery Care and Maintenance Trust pending revision to the Trust and Participation Agreement acceptable to staff in consultation with the Board's Chair. If an acceptable document is not obtained, the matter would be presented before the full Board. Mr. Riggins seconded the motion, which carried unanimously.

Faithful Heritage Holdings, Inc. – Items 2-9

Ms. Wendy Weiner, consultant for Faithful Heritage Holdings, Inc. joined the meeting during the presentation for Newberry Memorial Gardens. Ms. Weiner asked that the Board reconsider hearing Faithful Heritage Holdings, Inc. on today and that the company will agree to the terms and conditions set forth by the Board's motion for Newberry Memorial Garden.

Mr. Floyd called for a motion to determine if the Board would reconsider the matter of Faithful Heritage Holdings, Inc., South Carolina cemetery properties, Aiken Memorial Gardens of SC Inc., Belleville Memorial Gardens of SC Inc., Chatham Hill Memorial Gardens of SC Inc., Crestlawn Memorial Gardens of SC, Inc., Forest Lawn Memorial Park

of SC Inc., Jessamine Memorial Gardens of SC Inc., Memorial Gardens of Columbia of SC Inc., and Plantation Memorial Gardens of SC, Inc.

MOTION

Mr. Riggins made a motion for the Board to reconsider the matter at this time. Ms. Turner seconded the motion, which carried unanimously.

The Board heard the following agenda items

2. Aiken Memorial Gardens of SC, Inc. – Aiken – CEM.1184
3. Belleville Memorial Gardens of SC, Inc. – Orangeburg – CEM.1185
4. Chatham Hill Memorial Gardens of SC, Inc. – Cheraw – CEM.1186
5. Crestlawn Memorial Gardens of SC, Inc. – Orangeburg – CEM.1187
6. Forest Lawn Memorial Park of SC, Inc. – Greenville – CEM.1188
7. Jessamine Memorial Gardens of SC, Inc. – Aiken – CEM.1189
8. Memorial Gardens of Columbia of SC, Inc. – Columbia – CEM.1190
9. Plantation Memorial Gardens of SC, Inc. – Moncks Corner – CEM.1191

Ms. Wendy Weiner, legal consultant for Faithful Heritage Holdings, LLC appeared on behalf of the company. Mr. Steve Jackson, Vice-President, Funeral and Cemetery Trust Division, of Argent Trust Company, presented on behalf of the Trust Company.

Ms. Holleman informed the Board that the application is complete. Ms. Holleman stated that this is a request to transfer the Care and Maintenance Trust for Faithful Heritage Holdings, LLC to Argent Trust Company's Master Trust Fund. This would be the commingling of same Master Trust funds reviewed for Newberry Memorial Gardens.

Ms. Weiner is asking that the Board approve the transfer of the Care and Maintenance Trust funds to a Master Trust with the same terms and conditions set forth by the Board's motion for Newberry Memorial Gardens. Ms. Weiner stated that Faithful Heritage Holdings, LLC agrees to adhere to the changes to Argent's Master Trust as discussed by the Board.

Mr. Floyd called for a motion in regards to this matter.

MOTION

Ms. Smith-Charles made a motion that the Board approves transferring the Trust into a Master Irrevocable Cemetery Care & Maintenance Trust pending the revision to the Trust and Participation Agreement acceptable to staff in consultation with the Board's Chair. If an acceptable document is not obtained, the matter would be presented before the full Board. Mr. Brown seconded the motion, which carried unanimously.

B. Agreed-Upon Procedures Extension Request

This proceeding was recorded by a court reporter in order to produce a verbatim transcript should one be necessary.

1. Bush River Memorial Gardens – Columbia – CEM.1162

Mr. Jeffrey K. Temples and Mr. Jamie Sanders appeared on behalf of Bush River Memorial Gardens.

Ms. Holleman informed the Board that the applicant is requesting that the Board approve an extension to submit the 2019 Agreed-Upon procedures.

Mr. Temples and Mr. Sanders addressed the Board regarding this matter and apologized for the late submission. The Board questioned the applicants regarding this matter.

Ms. Holleman asked that the Board consider granting an extension for the 2020 and 2019 Agreed-Upon Procedures due date since cemeteries with a year-end date of December 31st Agreed-Upon Procedures would be due on June 30. Mr. Temples concurred with the request.

Mr. Floyd called for a motion in this matter.

MOTION

Mr. Brown made a motion to grant an extension for the submission of the 2019 & 2020 Agreed-Upon Procedures until September 15, 2021. Ms. Smith-Charles seconded the motion, which carried unanimously.

Ms. Holleman addressed the Board and stated that due to various lingering COVID issues and the changing of the tax filing date, many cemetery companies are concerned about meeting the 2020 Agreed-Upon Procedures June 30th deadline. Ms. Holleman asked the Board to consider granting the Administrator authority to approve an additional extension for those cemeteries that demonstrate a good faith effort and asked for an extension.

Mr. Floyd called for a motion that the Board grants the Administrator the authority to grant an extension to submit the 2021 Agreed-Upon Procedures for those cemeteries requesting an extension with the stipulation that staff provides the names to the Board at the next scheduled meeting.

MOTION

Mr. Brown made a motion to grant the Administrator the authority to grant an extension for submitting the 2020 Agreed-Upon Procedures. Mr. Riggins seconded the motion, which carried unanimously.

The Board heard agenda items 10.1 & 2 simultaneously.

10. This proceeding was recorded by a court reporter in order to produce a verbatim transcript should one be necessary.
 1. **Greenhaven Memorial Cemetery d/b/a Carolina Memorial Parks, LLC**
Request for modification of terms of Final Order Case No. 2019-26 regarding submission of Agreed Upon Procedures and Annual Reports, and Extension Request for Agreed-Upon Procedures and Annual Reports
 2. **Heritage Memorial Gardens d/b/a Carolina Memorial Parks, LLC**
Request for modification of terms of Final Order Case No. 2019-27 regarding submission of Agreed Upon Procedures and Annual Reports, and Extension Request for Agreed-Upon Procedures and Annual Reports

Mr. James H. Igleheart and Mr. John W. Robinson appeared before the Board on behalf of the Cemetery.

Ms. Holleman informed the Board that the document is complete. Ms. Holleman stated that Mr. Igleheart was unable to meet the March 1, 2021 deadline to submit the 2012-2018 Agreed-Upon Procedures, set in the signed December 22, 2020 Board Order. Also, Mr. Igleheart has not submitted the 2019 and 2020 Agreed-Upon Procedures.

Ms. Holleman stated that Mr. Igleheart is requesting an extension to submit the 2012-2018, 2019 and 2020 Agreed-Upon Procedures.

The Board questioned Mr. Igleheart and Mr. Robinson regarding this matter.

Mr. Igleheart addressed the Board and concurred with Ms. Holleman's statement. Mr. Robinson addressed the Board emphasized that especially in this circumstance due to several reporting years; it requires enormous documentation and information to adequately complete the Agreed-Upon procedures. Mr. Robinson stated that the documents received by his company are currently under review to determine whether the cemetery has submitted sufficient information or if additional documentation is required in order to complete the reports.

Mr. Robinson asked that the Board grant a three month extension to submit the past due Agreed-Upon Procedures addressed in the December 22, 2020 Board order, 2019 and 2020.

Mr. Floyd called for a motion to go into Executive Session to receive legal advice in this matter.

Executive Session

MOTION

Mr. Brown made a motion to go into executive session to receive legal advice in this matter. Mr. Riggins seconded the motion, which carried unanimously.

Return to Public Session

MOTION

Mr. Brown made a motion to come out of Executive Session. Mr. Riggins seconded the motion, which carried unanimously.

Mr. Floyd noted, for the record, there were no votes taken during Executive Session.

Mr. Floyd called for a motion in this matter

MOTION

Ms. Turner made a motion that the Board approves the request to modify the terms of the orders to revise the due dates of the 2012-2018 AUPs and to grant the request to extend the time to submit the 2019 and 2020 AUPs all until September 15, 2021. If all of the AUPs are not submitted to the Board by September 15, 2021, you must appear before the Board at its September 22, 2021 Board meeting to provide a progress report on what has and has not been completed to that date. Ms. Smith-Charles seconded the motion, which carried unanimously.

11. Public Comments (No Vote May Be Taken)

There were no public comments.

12. Adjournment

Mr. Floyd called for a motion to adjourn the meeting.

MOTION

Ms. Smith-Charles made a motion to adjourn the meeting. Mr. Brown seconded the motion, which carried unanimously.

Mr. Floyd, after ensuring there being no further business to discuss, adjourned the June 3, 2021, meeting for the South Carolina Perpetual Care Cemetery Board at 1:02 p.m.

The next scheduled Board meeting for the South Carolina Perpetual Care Cemetery Board is September 22, 2021 at 10:00 a. m.