MINUTES

South Carolina Perpetual Care Cemetery

Board Meeting (conference call)

2:00 p.m., Thursday, March 14, 2013 Synergy Business Park 110 Centerview Drive, Kingstree Building Room 202-02 Columbia, South Carolina

Thursday, March 14, 2013

1. Meeting Called to Order

J. W. Russ, Chair, of Conway, called the meeting to order at 2:12 p.m. Other members participating during the meeting included: Russel Floyd, Vice Chair, of Spartanburg; John Bartus, of Mauldin; and, Roger Finch, of Honea Path.

Staff members participating in the meeting included: Doris Cubitt, Administrator; Wendi Elrod, Program Assistant; Sara McCartha, Advice Counsel, Office of Advice Counsel; and, Christa Bell, Office of General Counsel.

No member of the public attended this meeting.

2. Introduction of Board Members and Persons Attending the Meeting

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

3. Approval of Excused Absences

Jacquelyn Petty, of Union; and, Rick Riggins, of Lancaster were granted an excused absence.

4. Old Business

A. Bamberg/Barnwell County Memory Gardens

Ms. Bell stated that Judge McLeod from the Administrative Law Court (ALC) spoke with Mr. Steven Kent last week and had concerns. The Judge wanted to know if some actions can be performed by Mr. Kent for previous obligations while the cemetery licenses are revoked.

Mr. Floyd proposed that Judge appoint an attorney (receiver) to hold all funds received from sales in escrow in order that all statutory Care and Maintenance contributions be made and any penalties due the State be paid.

Ms. Bell stated that she believes Mr. Kent is feeling the pressure from the family members and the community to get this resolved. She stated that if we can get Mr. Kent to consent to certain things then we can probably have certain things the Judge normally wouldn't be able to have jurisdiction over.

Ms. Bell stated that is a valid point but the Judge doesn't have the authority to appoint a receiver. So that is one of the things that she can mention when she speaks to Mr. Kent and the Judge. Is that the Cemetery Board is cognizant just as Mr. Kent is. And any moneys he takes in will have to be given to the receiver to be placed in to the escrow until he comes into compliance. The other thing the Judge mentioned was the fine that can be imposed up to \$10,000 per the statute. She can ask the Judge not just to impose a fine but hold it in abeyance because she thinks the Judge's concern is that the \$10,000 could be

used to obtain a CPA to get the reports in order. She stated that she believes that the Board would be ok with that. Then if Mr. Kent doesn't comply within an allotted time then the Judge would impose the \$10,000 fine. Then if he didn't pay the fine he would be in violation of the court's order.

Mr. Russ asked if the Board can suggest to the Judge and Mr. Kent to find an attorney that the funds can be escrowed with. He stated that if the Judge and Mr. Kent agree then the Board will agree.

Ms. McCartha stated that Judge McLeod is a reasonable and very fair man and she believes that he will think this is a good idea. She then stated that the next question is if the Judge thinks this is an achievable idea and if it isn't what do we do next.

Ms. Bell stated in that case as far as the law and the allegations the only recourse would be to ask the Judge to enforce the injunction and inform Mr. Kent that he is obligated to do certain things under contract law. She stated that the Judge understands that Mr. Kent hasn't provided these reports required by law. She stated that the Judge wants to give Mr. Kent a reasonable amount of time to have this completed by an accountant. She then stated the Board knows that will be problematic because of the cemetery records.

If Mr. Kent consents then he need to find an attorney to manage the escrow account and he will be responsible. He would only be allowed to collect for opening and closings and fees for bronze or markers.

Ms. Cubitt stated once Mr. Kent complies with the order then the Board may want to reevaluate to see if he can have new sales.

Ms. Bell asked what deadline should be given. Mr. Russ stated 90 days, and the CPA should notify Ms. Cubitt as to the progress. If the CPA needs an extension to complete the Agreed Upon Procedures, then Ms. Bell has the authority to grant the request up to 180 days.

Mr. Russ stated that if someone dies and they already own property in the cemetery they may be buried. But, new sales of burial property are prohibited at this time, regardless who it is for (a spouse, relative, etc.).

Mr. Russ stated that Mr. Kent can open and close a grave. And, if they already own property, then he can put the marker down or an outside vendor can, but they will have to put the fee in the perpetual care fund.

Mr. Floyd stated that Mr. Kent should collect a minimum of \$.08 per square inch to be trusted (or whatever is charged for Long Term Care) if installed, in addition to the Installation and Short Term Care charges.

Mr. Kent must find an attorney to hold the escrow money. He can also install and sell bronze for spaces that were sold prior to the revocation of the license.

He can't get money out from the escrow account until approved by the Board.

MOTION

Mr. Floyd made a motion that in lieu of a \$10,000 fine, Mr. Kent consent to find an attorney to hold all sales receipts in escrow, the details of which to be worked out with Ms Bell. Mr. Petty seconded the motion, which carried unanimously.

5. Public Comments (No Vote May Be Taken)

No public comments.

6. Adjournment

MOTION

Mr. Floyd made a motion the Board adjourn. Mr. Bartus seconded the motion, which carried unanimously.

The March 14, 2013, meeting of the SC Perpetual Care Cemetery Board adjourned at 3:06 p.m.

The next meeting of the SC Perpetual Care Cemetery Board is scheduled for March 21, 2013.