

BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE, AT NASHVILLE

RECEIVED

MAR 28 2012

FUNERAL BOARD
BURIAL SERVICES

Docket No.
12.31-108019J

IN THE MATTER OF:)

HILLCREST MEMORIAL GARDENS [CEM.
REG. NO. 9, PRENEED REG. NO. 598];)

AND)

CECIL LAWRENCE, INC., D/B/A/ THE
LAWRENCE GROUP)

AGREED ORDER

Come now the parties, Sunset Memorial Gardens and Cecil Lawrence, Inc., d/b/a/ The Lawrence Group, represented by Rachel C. Nelley, and the Tennessee Department of Commerce and Insurance (hereafter the "department"), represented by Adrian Chick, and enter into this Agreed Order for the purpose of resolving this contested case proceeding. It is the parties' intent that the terms of this Agreed Order, if accepted by the commissioner, shall be fully incorporated into a Final Order.

STIPULATIONS OF FACT

1. Cecil Lawrence, Inc. (d/b/a The Lawrence Group) is a Georgia corporation whose principal place of business is in Douglassville, Georgia.
2. Cecil Lawrence, Inc. owns and operates Hillcrest Memorial Gardens which is a cemetery located in Tennessee and is subject to the Cemetery Act of 2006.
3. At times relevant to this proceeding, an improvement care trust fund had been set up and maintained for Hillcrest Memorial Gardens at Douglas County Bank, located in Douglassville, Georgia, account number 57059.
4. Hillcrest Memorial Gardens was at all times relative to this proceeding registered by the commissioner as a cemetery [registration number 9] and a preneed seller [registration number 598].

5. On or about March 31, 2008, the Respondent Cecil Lawrence, Inc., d/b/a The Lawrence Group, by check number 1005, withdrew eighty thousand dollars (\$80,000) from Hillcrest Memorial Gardens' improvement care trust fund, account number 57059, and deposited it into the Respondent's general operating account, account number 52597.
6. On or about April 15, 2008, the Respondent Cecil Lawrence, Inc., d/b/a The Lawrence Group, by check number 1006, withdrew eighty thousand dollars (\$80,000) from Hillcrest Memorial Gardens' improvement care trust fund, account number 57059, and deposited it into the Respondent's general operating account, account number 52597.
7. On or about January 2, 2009 the Respondent Cecil Lawrence, Inc., d/b/a The Lawrence Group, by check number 1009, withdrew eighty thousand dollars (\$80,000) from Hillcrest Memorial Gardens' improvement care trust fund, account number 57059, and deposited it into the Respondent's general operating account, account number 52597.
8. On or about January 6, 2009, the Respondent Cecil Lawrence, Inc., d/b/a The Lawrence Group, by check number 1010, withdrew eighty thousand dollars (\$80,000) from Hillcrest Memorial Gardens' improvement care trust fund, account number 57059, and deposited it into the Respondent's general operating account, account number 52597.
9. On or about January 13, 2009 the Respondent Cecil Lawrence, Inc., d/b/a The Lawrence Group, by check number 1011, withdrew eighty thousand dollars (\$80,000) from Hillcrest Memorial Gardens' improvement care trust fund, account number 57059, and deposited it into the Respondent's general operating account, account number 52597.
10. On or about January 16, 2009, the Respondent Cecil Lawrence, Inc., d/b/a The Lawrence Group, by check number 1012, withdrew eighty thousand dollars (\$80,000) from Hillcrest Memorial Gardens' improvement care trust fund, account number 57059, and deposited it into the Respondent's general operating account, account number 52597.

11. On or about March 3, 2009, the Respondent Cecil Lawrence, Inc., d/b/a The Lawrence Group, by check number 1014, withdrew eighty-three thousand five hundred thirty-eight dollars and seventy-nine cents (\$83,528.79) from Hillcrest Memorial Gardens' improvement care trust fund, account number 57059, and deposited it into the Respondent's general operating account, account number 52597.
12. None of the above withdrawals were made, and none of the funds withdrawn were used, for improvement care of the cemetery.
13. Each of the above withdrawals and deposits into the Respondent's operating account constituted commingling of improvement care trust funds.
14. Cecil Lawrence Inc. subsequently made deposits to the improvement care trust fund which fully replenished the amounts withdrawn.
15. Cecil Lawrence Inc., in addition to replenishing Hillcrest Memorial Gardens' improvement care trust fund, deposited an additional penalty of \$40,000 into Hillcrest Memorial Gardens' improvement care trust fund pursuant to Tenn. Code Ann. § 46-1-311(d).
16. Cecil Lawrence, Inc. moved the trust account to a Tennessee trust company acceptable to the commissioner.

STIPULATED CONCLUSIONS OF LAW

1. The acts, omissions and conduct of the Respondents as set forth in the Stipulations of Fact numbers five (5) through eleven (11) constitute separate violations of Tenn. Code Ann. § 46-1-204, which reads, in pertinent part, as follows:
(d) The setting aside and deposit provided for in subdivision (b)(3)(A) shall be made by the cemetery company not later than thirty (30) days after the close of the month in which the final payment on the purchase price of each lot, grave space, crypt or niche, the final payment for the general or special care of the lot, grave space, crypt or niche, the final payment for the memorial care of a commodity, or the final payment of a family mausoleum, memorial, marker or monument is received. The amounts deposited shall be held by the trustee of the improvement care funds of the cemetery in trust and perpetuity for the specific purposes stated in

the written agreement. All deposits with a trustee by a cemetery company under this part shall be in cash only.

(e)(2) The net earnings of each improvement care trust fund shall be paid to and shall be used and expended by the owners or officers and directors of the cemetery company, or by the trustee of the improvement care trust fund while the cemetery is not being operated by its owner, for the improvement care, as defined in § 46-1-102, of the cemetery or separate geographical location of the cemetery for which the fund was established and for no other purpose.

2. The acts, omissions and conduct of Respondents as set forth in Stipulations of Fact twelve (12), coupled with the deposit of said funds into the cemetery's operating account, constitutes a commingling of funds prohibited by Tenn. Code Ann. § 46-1-204 which reads, in pertinent part, as follows:

(f) No cemetery company shall commingle the improvement care funds for the benefit of one (1) cemetery with improvement care funds for the benefit of any other cemetery or with any other funds...

STIPULATED DISPOSITION

1. Cecil Lawrence, Inc., d/b/a The Lawrence Group, shall pay a civil penalty to the department in the amount of fifty thousand dollars (\$50,000.00);
2. Cecil Lawrence, Inc., d/b/a/ The Lawrence Group, shall pay nine hundred eighty dollars (\$980.00) as costs assessed by the Administrative Procedures Division of the Secretary of State;
3. Cecil Lawrence, Inc., d/b/a The Lawrence Group, shall within (30) thirty days obtain a certificate of authority to transact business in this state from the Tennessee Secretary of State;
4. Cecil Lawrence, Inc., d/b/a The Lawrence Group, shall within thirty (30) days submit a completed application for renewal of cemetery registration to the department, together with the appropriate fees, including any unpaid consumer protection fees required by Tenn. Code Ann. § 46-1-105.

5. Upon compliance with paragraphs one (1) through four (4), the commissioner will issue to Cecil Lawrence, Inc., d/b/a The Lawrence Group, a certificate of registration for Hillcrest Memorial Gardens;
6. The department agrees that it shall take no further administrative action against Cecil Lawrence, Inc., d/b/a/ The Lawrence Group, for the stipulated facts and conclusions of law stated in this Agreed Order;
7. If during the seven (7) years subsequent to the entry of the Final Order in this matter, any current or subsequent owner, director, principal, manager, member, stockholder with a majority interest, or person having any control over financial operations, of Cecil Lawrence, Inc., d/b/a The Lawrence Group, is convicted of a felony, or of any crime an element of which is dishonesty or fraud, under the laws of the United States, this state, or of any other state, the certificate of registration issued to Cecil Lawrence, Inc., d/b/a The Lawrence Group, pursuant to this Agreed Order shall be automatically revoked upon such conviction.
8. If during the seven (7) years subsequent to the entry of the Final Order in this matter a disciplinary action in any state results in the suspension or revocation of a cemetery registration or license, or a finding of any violation relating to the misappropriation of trust funds, by a cemetery currently or subsequently owned or operated by Cecil Lawrence, Inc., d/b/a The Lawrence Group, or owned or operated by any of the current or subsequent owners, directors, officers, or members of Cecil Lawrence, Inc., d/b/a The Lawrence Group, the certificate of registration issued pursuant to this Agreed Order shall be automatically revoked upon such suspension, revocation, or finding of violation.
9. If the registration issued pursuant to this Agreed Order is revoked as set forth in paragraph seven (7) or eight (8), no registration shall thereafter be issued to any operator or cemetery company that consists of any person that has at any time been an officer, director, member, or employee of Cecil Lawrence, Inc., d/b/a The Lawrence Group, or any other person that has had financial control over the cemetery operations.
10. If the registration issued pursuant to this Agreed Order is revoked as set forth in paragraph seven (7) or eight (8), the commissioner may issue an order allowing

continued operations of the cemetery for such duration, and upon such conditions and limitations, as the commissioner deems appropriate to allow sufficient time for the cemetery to be marketed and sold to a third party.

11. It is understood by the parties that this Agreed Order shall be of no force or effect until accepted by the commissioner. In the event this Agreed Order is not accepted by the commissioner, the parties' rights to further participation in these proceedings shall not be prejudiced.
12. The parties waive all further rights to hearing and review with regard to the matters contained in this Agreed Order.

APPROVED:

Adrian Chick
Adrian Chick, BPR # 020010
Asst. General Counsel
Department of Commerce and Insurance
Office of Legal Counsel
500 James Robertson Parkway
Davy Crockett Tower, 12th Floor
Nashville, Tennessee 37243
Telephone (615) 741-3072

3/14/2012
Date

Bill Giannini
Bill Giannini, Assistant Commissioner
Tennessee Department of Commerce & Insurance
500 James Robertson Parkway
Nashville, TN 37243

3-28-12
Date

Cecil Lawrence
Cecil Lawrence, Principal
Cecil Lawrence, Inc., d/b/a The Lawrence Group

3-12-12
Date

Rachel C. Nelley
Rachel C. Nelley, BPR # 019844
Counsel for Wilson County Funeral Home
102 Woodmont Blvd, Suite 200
Nashville, TN 37205
615-274-4839

3-14-12
Date

Hillcrest Memorial Gardens