

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BOARD OF EXAMINERS IN MORTUARY SCIENCE

DEPARTMENT OF LICENSING AND
REGULATORY AFFAIRS,
CORPORATIONS, SECURITIES &
COMMERCIAL LICENSING BUREAU,

Complainant,

v

ROYAL FUNERAL HOME INC.
Mortuary Science Establishment
License No. 45-02-000239

Complaint No. 339517

and

RICHARD L. ROYAL
Mortuary Science
License No. 45-01-006155

Complaint No. 339519

Respondents.

FINAL ORDER

1. This matter came before the Board of Examiners in Mortuary Science on April 1, 2020.
2. Respondents Richard L. Royal and Royal Funeral Home, Inc. agreed with the requirements, conditions, and terms set forth in the attached Stipulation, signed by Richard L. Royal, Royal Funeral Home, Inc.'s Manager and President, on November 19, 2019, and Jay Tower, Attorney for Respondents, on November 24, 2019, and approved by Timothy L. Teague, Securities & Audit Division Director, on December 16, 2019, on behalf of the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau.
3. Under section 508(3) of the Michigan Occupational Code, MCL 339.508(3), the Board considered and found the Stipulation acceptable, and incorporates it by reference in this Final Order.

This Final Order is effective on the date mailed.

Given under my hand at Okemos, Michigan, this 9th day of April, 2020

BY: Linda Clegg
Linda Clegg, Interim Bureau Director
Corporations, Securities & Commercial Licensing Bureau

Date mailed: April 16, 2020

Proof of Compliance Should be filed with:

Department of Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring – Securities & Audit Division
P.O. Box 30018
Lansing, MI 48909
Telephone: (517) 241-9180
Fax: (517) 241-6656

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU
BOARD OF EXAMINERS IN MORTUARY SCIENCE

DEPARTMENT OF LICENSING AND
REGULATORY AFFAIRS,
CORPORATIONS, SECURITIES &
COMMERCIAL LICENSING BUREAU,
Complainant,

v

ROYAL FUNERAL HOME INC.
Mortuary Science Establishment
License No. 45-02-000239

Complaint No. 339517

and

RICHARD L. ROYAL
Mortuary Science
License No. 45-01-006155,
Respondents.

Complaint No. 339519

STIPULATION

A formal complaint (“Complaint”), dated May 20, 2019, was issued by the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the “Department”) against Respondents Royal Funeral Home Inc. and Richard L. Royal. On May 20, 2019, the Department also filed formal complaint No. 339109 against the registration under the Prepaid Funeral and Cemetery Sales Act (“Prepaid Act”), MCL 328.211 *et seq.* held by Royal Funeral Home Inc., Registration No. 34-01-000218. This Stipulation only addresses the admissions and sanctions being imposed against Respondents’ mortuary science

licenses. A separate Stipulation concerning complaint No. 339109 was signed by Richard L. Royal on behalf of Royal Funeral Home Inc. and approved by the Department.

Based on the Complaint, the Department summarily suspended the mortuary science establishment license of Respondent Royal Funeral Home Inc., license no. 45-02-000239, and the mortuary science license of its designated manager, Respondent Richard L. Royal, license no. 45-01-006155.

A compliance conference was held on September 19, 2019, which included the following participants: Eric M. St. Onge, Assistant Attorney General for the Department; Securities & Audit Division Director Timothy L. Teague, Administrative Law Specialist Dustin Kamerman, and Auditor Jose Quintero on behalf of the Department; Mark Ransford on behalf of the Board of Examiners in Mortuary Science (the "Board"); and Richard L. Royal and Attorney for Respondents Jay Tower, on behalf of Respondents. The parties agree to the following:

1. A complaint against the mortuary science establishment license and individual mortuary science license of Respondents, conforming to the requirements of MCL 339.501, alleging violations of the Occupational Code was filed with the Department.

2. From February 4, 2019, through March 6, 2019, Department personnel conducted an investigation of Respondents' activities and an examination of the books, records, contracts, and other documents relating to prepaid funeral contracts, under § 20(1) of the Prepaid Act, MCL 328.230(1).

3. Respondents had the following duties in connection with the funds received for prepaid funeral arrangements:

- (a) to deposit the monies received with an authorized escrow agent, MCL 328.222(1); and
- (b) to deposit the monies received with an authorized escrow agent within thirty (30) days of receipt, MCL 328.222(6).

4. As of January 31, 2019, Respondents failed to deposit at least \$269,228.29 received for prepaid funeral goods or services related to 92 prepaid contracts with an authorized escrow agent, contrary to § 12(1) of the Prepaid Act, MCL 328.222(1).¹

5. As of January 31, 2019, Respondents failed to deposit at least \$269,228.29 received for prepaid funeral goods or services related to 92 prepaid funeral contracts with an authorized escrow agent within 30 days of receipt, contrary to § 12(6) of the Prepaid Act, MCL 328.222(6).

6. Under § 21 of the Prepaid Act, MCL 328.231, a violation of the Prepaid Act by a person who is licensed under Article 18 of the Occupational Code is considered in violation of Article 18 of the Occupational Code, and the violator is subject to penalties under the Occupational Code.

7. Respondents' conduct in failing to deposit prepaid funeral contract funds with an authorized escrow agent demonstrates fraud, deceit, or dishonesty in the practice of mortuary science, contrary to MCL 339.604(b).

¹ Twenty of the 92 prepaid funeral contracts which Respondent failed to deposit funds with an authorized escrow agent, with a value of \$75,024.11, represent instances where Respondent provided funeral services pursuant to the prepaid contract for the benefit of the contract's beneficiary. The remaining 72 contracts total \$194,204.18.

8. Respondents' conduct in failing to deposit prepaid funeral contract funds with an authorized escrow agent demonstrates incompetence in the practice of mortuary science, contrary to MCL 339.604(g).

9. The order of summary suspension previously issued is DISSOLVED.

10. Respondents' Mortuary Science License Nos. 45-02-000239 and 45-01-006155 are REVOKED, effective on the mailing date of the Final Order in this matter.

11. Respondents must fully comply with all terms of the Stipulation and Final Order entered in Complaint No. 339109 against Royal Funeral Home Inc.'s registration under the Prepaid Act.

12. Respondents must pay and are jointly and severally liable for a FINE in the amount of **Five Thousand and 00/100 Dollars (\$5,000.00)**. The fine must be paid by cashier's check or money order, with Complaint Nos. 339517 and 339519 clearly indicated on the check or money order, made payable to the State of Michigan, within sixty (60) days of the date of mailing of the Final Order in this matter. The check or money order must be mailed to the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Final Order Monitoring – Securities & Audit Division, P.O. Box 30018, Lansing, Michigan 48909. If Respondents fails to comply with any term of this Stipulation or the Stipulation and Final Order in Complaint No. 339109, then the FINE increases to **Twenty-Five Thousand and 00/100 Dollars (\$25,000.00)**. The Department

7

will not consent to any type of payment plan with Respondents that results in the last payment being made after the time frame specified in this Stipulation.

13. If the FINE is overdue for at least six (6) months, the FINE will be referred to the Department of Treasury for collection action against Respondents.

14. Failure to comply with the terms set forth in this Stipulation within the time frames specified will also result in the denial of any future license, reinstatement or relicensure under the Occupational Code made by Respondents. It may also result in additional disciplinary action under MCL 339.604(k).

15. The Board may enter a Final Order with the above terms, supported by Board Chair Mark Ransford. Mr. Ransford or an attorney from the Department of Attorney General's Licensing and Regulation Division may discuss this matter with the Board in order to recommend acceptance of this resolution.

16. The Director of the Securities & Audit Division of the Corporations, Securities & Audit Bureau, or designee, must approve this Stipulation before it is submitted to the Board for final approval. Should the Securities & Audit Division Director, or that person's designee, or the Board reject this Stipulation, the Department will schedule a contested case hearing in this matter without prejudice to either party.

17. Respondents understand and intend that by signing this Stipulation, Respondents are waiving the right, under the Occupational Code, associated administrative rules, and the Administrative Procedures Act of 1969, MCL 24.201 et seq., to a hearing before an administrative law judge, at which the Department

would be required to prove the charges set forth in the Complaint by presentation of evidence and legal authority and at which Respondents would be entitled to appear with or without an attorney to cross-examine all witnesses presented by the Department and to present such testimony or other evidence or legal authority deemed appropriate as a defense to the charges.

Agreed to:

**On behalf of Royal Funeral Home Inc.
and Richard L. Royal, Individually**



Richard L. Royal, Manager
Royal Funeral Home Inc.

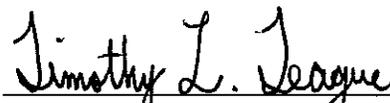
Date: 11/19/19



Jay Tower
Attorney for Respondents

Date: 11/24/19

Corporate, Securities & Commercial Licensing Bureau

Approved by: 

Timothy L. Teague, Director
Securities & Audit Division

Date: 12.16.19

LF: 2019-0253903-A/Royal Funeral Home Inc., 339517/Stipulation – to Settle – 2019-11-06