

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

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

Complaint No. 335471

Complainant,

v

CANTRELL FUNERAL HOME, INCORPORATED
Prepaid Funeral and Cemetery Sales
Registration No. 34-01-000033

Respondent.

_____ /

ORDER OF SUMMARY SUSPENSION

1. Together with this Order of Summary Suspension, the Department of Licensing and Regulatory Affairs (“Department”) is issuing an Affidavit of a person with knowledge of the facts and alleged violations of the Prepaid Funeral and Cemetery Sales Act (Prepaid Act), MCL 328.211 to 328.235, and its associated administrative rules.

2. Section 92(2) of the Administrative Procedures Act of 1969, MCL 24.292(2), provides the Department the authority to summarily suspend a license or registration if it finds that the public health, safety, or welfare requires emergency action.

3. Based on Respondent’s conduct, as alleged in the Affidavit, the Department finds that the public health, safety, or welfare requires emergency action.

4. Respondent’s registration under the Prepaid Act has been in lapsed status since its expiration on September 30, 2017.

5. Mich Admin Code, R 339.35, provides the following:

(1) A registrant who discontinues business or whose license is suspended indefinitely, lapsed, or revoked shall do both of the following:

- (a) Assign prepaid contracts to another registrant within 60 days of the event.
- (b) Notify the department and the contract buyers of the assignment within 30 days of the assignment.
- (2) Contracts not assigned as required by (1)(a) and (b) above shall be cancelled and the buyer issued a refund of the contract.

IT IS ORDERED THAT:

A. Respondent's registration as a prepaid funeral and cemetery seller in the State of Michigan is summarily suspended beginning when this Order is hand delivered on **April 25, 2018**.

B. Respondent must immediately either assign its existing prepaid contracts to another person registered under the Prepaid Act and notify the Department and contract buyers of the assignment within 30 days of the assignment, or cancel the contracts and issue refunds to each contract buyer, providing copies of refund checks and correspondence to each contract buyer to the Department within 90 days of the mailing date of this Order.

C. The Department may modify, vacate, or extend the terms of this Order if a compliance conference or formal contested case hearing is requested.

Respondent has the opportunity to show compliance with all lawful requirements for the retention of its registration, consistent with section 92(1) of the APA, MCL 24.292(1). A request for a compliance conference must be submitted within fifteen (15) calendar days after the mailing date of this Order and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909. This Order remains effective during any additional administrative proceedings associated with this matter. If Respondent submits a written request for a formal contested case hearing in this matter, the proceedings will be promptly commenced and determined.

MICHIGAN DEPARTMENT OF LICENSING
AND REGULATORY AFFAIRS
Shelly Edgerton, Director

BY Timothy L. Teague
Timothy L. Teague
Securities & Audit Division Director
Corporations, Securities & Commercial Licensing Bureau

Date Signed: April 25, 2018

Responsive Pleadings Should Be Filed With:

Department of Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

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

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

Complaint No. 335471

Complainant,

v

CANTRELL FUNERAL HOME, INCORPORATED
Prepaid Funeral and Cemetery Sales
Registration No. 34-01-000033

Respondent.

STATE OF MICHIGAN)
COUNTY OF INGHAM)

AFFIDAVIT OF TIMOTHY L. TEAGUE

Timothy L. Teague, being first duly sworn, deposes and says that:

1. He makes this Affidavit in support of the Department of Licensing and Regulatory Affairs' request for summary suspension of Respondent's registration set forth above; that the following facts are within his personal knowledge or his knowledge and belief; that he is competent to testify to the facts and will do so if called as a witness.
2. He is the Director of the Securities & Audit Division within the Corporations, Securities & Commercial Licensing Bureau within the Department of Licensing and Regulatory Affairs ("Department"), and has the responsibility of directing the investigation of complaints from the general public and the Department alleging violations of the Prepaid Funeral and Cemetery Sales Act ("Prepaid Act"), MCL 328.211 *et seq.* and the associated administrative rules and reviewing records of prepaid funeral and cemetery sales contracts and other documents involving persons and entities issued a license under the Prepaid Act.

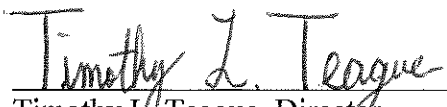
3. In the course of his duties, he reviewed reports and other documents and substantiated the following facts:

- a. Respondent obtained registration under the Prepaid Act on July 15, 1987, and that registration lapsed due to expiration on September 30, 2017. A copy of its verified registration status, is attached as Exhibit 1.
- b. In March of 2018, the Department began examining Respondent's books, records, contracts, and other documents related to prepaid funeral contracts and discovered that Respondent failed to deposit at least \$21,574.40 received for prepaid funeral goods or services related to thirteen prepaid contracts with an authorized escrow agent, contrary to Sections 12(1) and 12(6) of the Prepaid Act, MCL 328.222(1) & (6).
- c. The Department also discovered that, following the expiration of its registration under the Prepaid Act, Respondent failed to assign its existing prepaid contracts to another entity actively registered with the Department under the Prepaid Act, contrary to Mich Admin Code, R 339.35(1) and continued to engage in activities requiring a registration under the Prepaid Act including the sale of at least three prepaid contracts, contrary to MCL 328.216(1).
- d. A person who converts funds paid pursuant to a prepaid contract to his or her own use or benefit other than as authorized by the Prepaid Act or who fails to escrow or trust funds according to the Prepaid Act is guilty of a felony punishable by a fine of \$5,000.00 or imprisonment of not more than 5 years, or both, for each violation. A person who violates any other provision of the Prepaid Act is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or imprisonment for not more than 1 year, or both, for each violation. *See* MCL 328.232.

4. Respondent's above conduct demonstrates violations of the Prepaid Act.

5. Respondent's above conduct proves that it conducted itself in a manner that

justifies summary suspension of the license set forth above, under Section 92(2) of the Administrative Procedures Act, MCL 24.292(2).


Timothy L. Teague, Director
Securities & Audit Division
Corporations, Securities & Commercial
Licensing Bureau

Subscribed and sworn before me this
25th day of April, 2018
by Linda M. LeCureux
LINDA M. LeCureux
Notary Public, State of Michigan
County of Shiawassee
My commission expires 02-12-2021
Acting in the County of Ingham