

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

Complaint No. 339519

Respondents,  
\_\_\_\_\_ /

ORDER OF SUMMARY SUSPENSION

1. Section 505 of the Occupational Code, MCL 339.505, provides the Department of Licensing and Regulatory Affairs ("Department") the authority to summarily suspend a license or registration if, after an investigation, based upon an affidavit of a person with knowledge of the facts, it determines an imminent threat to the public health, safety, or welfare exists requiring emergency action.

2. Based on Respondents' conduct, as detailed in the Affidavit, the Department finds that the public health, safety, or welfare requires emergency action.

IT IS ORDERED THAT:

A. Respondents' licenses to engage in the practice of mortuary science and as a mortuary science establishment in the State of Michigan are summarily suspended for all purposes

beginning on Tuesday, May 28, 2019.

B. Respondents may complete funeral services based on current at need funeral services contracts for any bodies presently at its premises but must stop entering into new at need contracts to provide funeral services with customers immediately upon hand delivery of this Order on May 21, 2019.

C. The Michigan Vital Records Office within the Department of Health and Human Services will be notified of these license suspensions, which may affect Respondents' access to the Electronic Death Registration System ("EDRS") and the ability to file death certificates throughout the state during the period of suspension. Respondents must promptly file all outstanding death certificates before May 28, 2019, or promptly notify the Department in writing to explain why it is unable to do so within that time frame.

Respondents have the right to petition the Department to dissolve this Order, under MCL 339.505. If Respondents request a dissolution hearing, the request must clearly state it is a Petition to Dissolve Summary Suspension and must be filed with Department at the address indicated below.

MICHIGAN DEPARTMENT OF LICENSING  
AND REGULATORY AFFAIRS  
Orlene Hawks, Director

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

Dated: May 21, 2019

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

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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 to summarily suspend Respondents' licenses 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 and Article 18 of the Occupational Code, MCL 339.1801 *et seq.*

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

- a. Royal Funeral Home (“funeral home”) was licensed as a mortuary science establishment under the Occupational Code at all times relevant to this matter.
- b. Richard L. Royal (“Royal”) was, at all relevant times, the funeral home’s designated manager and held an individual mortuary science license under the Occupational Code.
- c. The funeral home, at all times relevant, was registered under the Prepaid Funeral and Cemetery Sales Act (“Prepaid Act”), MCL 328.211 *et seq.*
- d. From February 4, 2019, through March 6, 2019, Department auditors examined the funeral home’s books, records, contracts, and other documents related to prepaid funeral contracts and discovered that the funeral home 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 Sections 12(1) and 12(6) of the Prepaid Act, MCL 328.222(1) & (6).
- e. Respondents also failed to maintain copies of two prepaid funeral contracts, contrary to MCL 328.218(1).
- f. A violation of the Prepaid Act by a person licensed under article 18 of the Occupational Code, MCL 339.1801 to 339.1812, is also a violation of the Occupational Code, under MCL 328.231. 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. Respondents' above conduct proves that they committed acts which demonstrate incompetence in the practice of mortuary science, contrary to Section 604(g) of the Occupational Code, MCL 339.604(g).

5. Respondents' above conduct demonstrates violations of the Prepaid Act.

6. Respondents' above conduct in failing to deposit prepaid funeral contract funds with an authorized escrow agent constitutes the practice of fraud, deceit, or dishonesty in the practice of mortuary science, contrary to Section 604(b) of the Occupational Code, MCL 339.604(b).

7. Respondents' above conduct demonstrates an inability to serve the public in a fair, open, and honest manner in the practice of mortuary science.

8. Respondents' above conduct proves that they conducted themselves in a manner that justifies summary suspension of the licenses set forth above, under Section 505 of the Occupational Code, MCL 339.505.

Timothy L. Teague  
Timothy L. Teague

Subscribed and sworn before me this  
20th day of May, 2019  
by Linda M. LeCureux  
Linda M. LeCureux  
Notary Public, State of Michigan  
County of Shiawassee  
My commission expires 03-12-2021  
Acting in the County of Ingham

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FORMAL COMPLAINT

COUNT I – COMPLAINT NO. 339517

The Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (“Department”), Complainant, under the Occupational Code (“Occupational Code”), MCL 328.101 *et seq.*, and its associated administrative rules, alleges as follows:

1. Royal Funeral Home Inc. (“funeral home”), has, at all times relevant to this Complaint, been licensed as a mortuary science establishment, under Article 18 of the Occupational Code, MCL 339.1801 *et seq.* The funeral home also has, at all

times relevant to this Complaint, been registered under the Prepaid Funeral and Cemetery Sales Act, MCL 328.211 *et seq.*, (“Prepaid Act”).

2. A Complaint against the mortuary science establishment license of the funeral home, conforming to the requirements of MCL 339.501, alleging violations of the Occupational Code was filed with the Department.

3. From February 4, 2019, through March 6, 2019, Department personnel conducted an investigation of the funeral home’s activities and an examination of its books, records, contracts, and other documents relating to prepaid funeral contracts, under MCL 328.230(1).

4. The funeral home first became registered with the Department under the Prepaid Act on July 15, 1987.

5. Under § 12 of the Prepaid Act, MCL 328.222, the funeral home 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; and
- b. to deposit the monies received with an escrow agent within thirty (30) days of receipt.

6. Under § 8(1) of the Prepaid Act, MCL 328.218(1), the funeral home was required to maintain copies of all prepaid contracts.

7. As of January 31, 2019, the funeral home 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, contrary to MCL 328.222(1).<sup>1</sup>

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

8. As of January 31, 2019, the funeral home 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 MCL 328.222(6).

9. During the Department's investigation, Department personnel discovered two instances where the funeral home failed to maintain copies of prepaid funeral contracts, contrary to MCL 328.218(1).

10. The funeral home violated the Prepaid Act, contrary to MCL 328.228(1)(g).

11. 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 a violation of Article 18 of the Occupational Code, and the violator is subject to penalties under the Occupational Code.

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

13. The funeral home's conduct in failing to deposit prepaid funeral contract funds with an authorized escrow agent and failing to maintain copies of all prepaid funeral contracts demonstrates incompetence in the practice of mortuary science, contrary to MCL 339.604(g).

COUNT II – COMPLAINT NO. 339519

14. Richard L. Royal ("Royal") has, at all times relevant to this Complaint, been licensed as a mortuary science practitioner and is the designated manager of the funeral home under Article 18 of the Occupational Code.

15. The allegations contained in paragraphs 2 through 13 above are incorporated by reference against Royal as the manager of the funeral home.



Based upon the above conduct, Respondents acted contrary to MCL 328.222(1) & (6), MCL 328.218(1), MCL 328.228(1)(g), and MCL 339.604(b) & (g) constituting grounds for the assessment of a penalty, as defined in MCL 339.602. Complainant, the Department, is commencing proceedings under the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, ("APA"), and the Occupational Code to determine whether disciplinary action should be taken by the Department for the reasons set forth above. The Department is commencing additional proceedings under the APA and the Prepaid Act against the funeral home's registration under the Prepaid Act.

MICHIGAN DEPARTMENT OF LICENSING AND  
REGULATORY AFFAIRS

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

Date Signed: 5.20.19

Responsive Pleadings Should Be Filed With:

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