

Arkansas Burial Association Board
Rules Committee Meeting
101 East Capitol Ave, Conference Room C
Little Rock, AR 72201
Wednesday, April 23, 2014 10 a.m.

Rule committee members present were: Normal Gilchrest, Steve Ballard, Kat Hodge, Board Counsel, Amy Goode, Executive Secretary, and Bob Brooke, Auditor. Rule committee members absent were: Melanie Heath Posey. Other participants included: Scott Berna, professional member, Richard Myhand, Robert Eichelberger, Courtney Crouch, Guy Dillahunty and Jackie Harris, Attorney for Drew County.

The Executive Secretary explained that since the March 26, 2014 meeting that the committee has added the proof of notice of dissolution shall be noticed in the paper having general circulation in the city or county where the burial association is located. See 35.8.1.a a)

Since the April 9, 2014 rules committee meeting the committee has added additional language to 35.8.1.a b) to include the following: Affirmative Proxy Required by demonstrating the following: 1. Approval of the dissolution shall be by majority of those actually participating either in person or via proxy which shall be no less than twenty-six percent (26%). 2. The Secretary-Treasurer shall exercise via proxy no more than twenty-five percent (25%) of the remaining votes of the membership not exercised via affirmative proxy.

Executive Secretary diverted to Ms. Hodge for legal counsel advice on the wording of that section. You can participate in three ways, in person, via secretary-treasurer proxy, or affirmative proxy. The secretary-treasurer shall exercise no more than twenty-five percent (25%) via proxy. Mr. Harris stated that the goal was not to get to 51%, but so that the secretary-treasurer would be limited on the number of votes they would be allowed.

35.8.5.1 There was new language added to this section. The following was added:

1. The holder of a membership certificate shall also designate the name of the burial association to which said refund of premiums shall be directed.
2. Nothing in this rule shall prohibit a member from using the servicing firm of the dissolved association if they so choose and receiving face value of their original certificate.
- 3 Members transferring into an association of mutual agreement shall also receive face value of their certificate at the time of acceptance.
4. Additionally, members that have not met the twenty-four (24) month waiting period will be required to fulfill that obligation with the assuming association

The committee discussed the sixty (60) days to opt out and it was determined that must be built in on the front end prior to the association petitioning the Board to dissolve.

The other changes discussed was cleaning up 35.8.7 and referencing back to the language added in 35.8.3 a) which refers to the break downs of costs and ultimately would require Board's approval.

Executive Secretary explained that after discussion on April 9, 2014 that the language was added concerning a trust fund, but the committee decided to strike the language about the trust fund. It was mentioned that we needed some language added that would require the association to come back to the Board for an approval of the final schedule of distribution.

Executive Secretary read the following statement into the record as requested by John B. Frazer, Jr., Frazer Burial Association:

Any proxy solicited for the Dissolution of a burial association is to be a current proxy solicited for the purpose of dissolving the association.

Proxy must state the terms of the dissolution.

Proxies solicited at the time the coverage is written are prohibited from voting on dissolution.

General Purpose: Associations which are overfunded may provide for payment of an amount greater than 500.00 or 2500.00 subject to the board's approval.

There was also previous members of the Board that had sent in their opposition to the proposed rule and it was duly noted.

Motion made by Ballard to adjourn the rules committee meeting, schedule an additional rules meeting to prepare the final draft to be sent to the Board for approval at their meeting on July 23, 2014, seconded by Brooke, all in favor. Motion carried.