

Arkansas Burial Association Board

MINUTES

Wednesday, May 22, 2013, 11:00 am

101 East Capitol, Little Rock, AR

Conference Room C

Board Meeting

Acting Chairman Normal Gilchrest called the meeting to order. Members present were: Pete Sims, Steve Ballard, Dr. Jacki McCray, Charles "Chuck" Dearman, Sammie "Turner" James, and R. W. Ocker our newest member from Van Buren. Members absent were: Melanie Heath Posey and Scott Berna. Staff present: Amy S. Goode, Executive Secretary, James R. Brooke, Auditor and assistant attorney general Mark Ohrenberger, Board Counsel. Also present was Kat Hodge our newly appointed attorney. Ms. Hodge will be taking over as the Board's attorney. Kat has been with the Attorney General office for about 8 years as a litigator.

1. Introduction of the Board and guests, meeting called to order

2. *Stuttgart Home Burial Association – Default Judgment*

Normal Gilchrest explained this was a continuance from our last meeting. Ohrenberger explained that Mr. Buck had a judgment in the amount of \$22,125 and since the judgment was issued there was about \$10,000 interest accrued. At some of the previous meetings it was decided that if Mr. Buck could bring that amount down either through previous claims that he had that needed to be accounted for to offset that amount and if he could go ahead and pay it off then the Board would forgive the interest. The Board asked us to come up with a payment plan for the Board to approve, since that time Mr. Buck has met with the auditor. He was able to present documentation to Mr. Brooke to verify claims that brought the principle amount down to \$7,125. Executive Secretary has spoken with Mr. Buck and he is comfortable he could pay \$300 a month until this amount is satisfied. Of course new claims would be applied to that amount. Mr. Ohrenberger further explained he had not been able to do the consent order. The hold has been that any payment plan this Board approves will result in a waiving in the interest amount that would otherwise be paid to the Board. We would have to get approval from the Attorney General's office to enter into an agreement like that, since that interest is due to the Board. It's state money that is being waived. If the Board is satisfied with this payment plan he suspects he could get a consent order approved through his office.

Motion made by Sims to accept Mr. Buck's payment of \$300 a month, seconded by McCray

Ohrenberger had more discussion to add. The terms of the consent agreement would essentially read as follows, have Mr. Buck acknowledge the judgment and the amount that is due, have him acknowledge that it includes the outstanding interest amount as well and that the waiver of the interest would be contingent of him paying all the payments on-time and only then would the interest be waived. If he failed to make his all of his payments, then we would start over again and the interest would not have gone away.

Mr. Sims accepted any legal advice to be added to his motion.

Auditor Brooke wanted to give the Board an update since the last meeting and how this all came about. In 2007, the Stuttgart Home Burial Association was taken away from Releford Funeral Home for various reasons. When we picked up the records they were few and far between. What little records recovered, were turned over to Mr. Buck. At that time, Rachael and he had talked to Mr. Buck, told him that if people came for a funeral or to plan a funeral and if they said they had a membership in Stuttgart Home or if there was any doubt then give them the benefit of the doubt. Mr. Buck had very few records to go by we felt like payments were still being made to Releford, there was

really no way to know that for sure. He was told to go ahead and give credit. Mr. Brooke further explained that Mr. Buck's organizational skills are not his strong point. The first time Mr. Brooke went to do an audit and when this situation came about, documents were scattered. He could verify very few claims. This is when the judgment of \$22,125 came about and then Mr. Brooke went back on March 29, 2013. Mr. Buck has a new assistant now and she has gone through and organized everything. They went through the files and funeral contracts. They also had found a bunch of cards that had been stuck away. Mr. Brooke provided a two page handout, the first page had \$15,000 in claims that if Mr. Brooke had seen initially they would have been accepted. He felt these should be applied to the judgment. There are additional 13 claims which they had everything on except the payment cards. This falls back to the time period of 2007 when they first took over. The Board office told them to give credit during that time, since the records were in such poor condition. The auditor was able to verify everything else, but the payment cards. Auditor felt since these were during that time, we should accept these. This would leave a balance due of \$625.00.

Sims withdrew his first motion.

Motion made by Sims that the Board accepts the \$21,500 in claims Board Auditor has identified to offset the balance of the judgment, seconded by Ballard, all in favor. Motion carried.

Motion made by McCray pending receipt by Javier Buck of the \$625.00 the Board would waive any interest that might have accrued on judgment since the time of its entry, and would be subject to any necessary approvals, seconded by Dearman, all in favor. Motion carried.

3. *Cox Burial Association New Business Forms Approval (previously Higginbotham)*

Motion made by McCray to approve application and policy to sell new business, seconded by Ballard, all in favor. Motion carried.

4. *Election of Officers*

Nominations for Chairman

Motion made by Ballard to nominate Normal Gilchrest as Chairman, seconded by Dearman, all in favor.

Motion made by Sims nominations cease, seconded by McCray, all in favor. Motion carried.

Motion for Normal Gilchrest as Chairman carried.

Nominations for Vice-Chairman

Motion made by McCray to nominate Steve Ballard as Vice-Chairman, seconded by James, all in favor.

Motion made by Sims that nominations cease, seconded by Dearman, all in favor. Motion carried

Motion for Steve Ballard as Vice-Chairman carried.

5. *Approval of minutes of the March 2013 meeting*

Motion made by Sims to approve the March 2013 meeting minutes as written, seconded by Ballard, all in favor. Motion carried.

6. *Approval of March-April 2013 Trial Balance and DF&A Financial documents*

Motion made by Dearman to approve the March-April 2013 Trial Balance and DF&A Financial documents, seconded by Ballard, all in favor. Motion carried.

7. Board Discussion

- a. Attorney Update** – Drew County Burial Association is the only update Mr. Ohrenberger had for the Board. He explained the case is still set for a bench trial in Pulaski County on June 4, 2013, however it is likely to be continued and pushed off to a later date. The reason for that is that Mr. Dick Horne contacted him. He wanted to know if they could perhaps come to an agreement, during that conversation they discussed one rule that would allow for dissolution through assumption by an insurance company. Mr. Horne thought he might know of some insurance companies willing to assume that association. Ohrenberger stated that his understanding of that rule does allow for excess amounts in the reserves to be distributed to remaining members after the reserves had been released to the insurance company. Mr. Horne was going to discuss with Mr. Harris and thought he was in agreement Mr. Horne. It's his understanding that then the trial date will likely be pushed back. If they can work out the assumption agreement they will come before this Board with a proposal for assumption with whatever insurance company they find. If the trial goes forward on the June 4th and Mr. Ohrenberger will represent the Board's interest.
- b. Rule Updates** – Executive Secretary explained that the Board is need of some rule updates and she would like the Board's help. The Board is to take the information and work on some changes prior to the next meeting. The office had worked on some fee increases that would be similar to the current structure. Auditor Brooke explained he would work on some fee increase proposals before the next meeting.
- c. Stuttgart Home Judgment /Javier Buck** – Mr. Buck was now present at the meeting so he was brought forward and updated that through audit the judgment has been reduced to \$625.00. The Board wanted to know when the Board could expect that monetary amount to be resolved. It was agreed upon by Mr. Buck that it would be paid by Monday, June 10, 2013.

8. Next Meeting

The Board will meet Wednesday, July 24, 2013 @ 11:00am.

9. Adjournment

Motion made by Ballard to adjourn since there was no further business to discuss, seconded by Ocker, all in favor. Motion carried.

ATTEST:

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