

<b>IN THE MATTER OF</b>	*	<b>BEFORE THE</b>
<b>JAMES A. MORTON &amp; SONS</b>	*	<b>STATE BOARD OF</b>
<b>FUNERAL HOMES INC.,</b>	*	<b>MORTICIANS AND</b>
<b>Respondent</b>	*	<b>FUNERAL DIRECTORS</b>
<b>License Number: E00179</b>	*	<b>Case No. 18-042</b>

\* \* \* \* \*

**CONSENT ORDER**

On or about January 3, 2019, the Maryland State Board of Morticians and Funeral Directors (the “Board”) charged James A. Morton & Sons Funeral Homes, Inc. (the “Respondent”), the holder of funeral establishment license number E00179, with violations of the Maryland Morticians and Funeral Directors Act (the “Act”), Md. Code Ann., Health Occ. (“Health Occ.”) § 7-101 *et seq.* (2014 Repl. Vol. & 2017 Supp.); and with violating the Respondent’s Consent Order, dated November 18, 2015 (the “2015 Consent Order”), pursuant to its compliance provision, which provides in relevant part the following:

**ORDERED** that if the Respondent violates any of the terms or conditions of the Consent Order, the Board, in its discretion, after notice and an opportunity for a show cause hearing before the Board, may impose an additional probationary term and conditions of probation, reprimand, suspension, revocation and/or a monetary penalty, said violation of probation being proved by a preponderance of the evidence...

Specifically, the Board charges that the Respondent has violated the following probationary terms and conditions of the 2015 Consent Order:

**ORDERED** that the Respondent is placed on PROBATION for a minimum of five (5) years and until the following terms and conditions are satisfied:

1. Within 90 days of the effective date of the Consent Order, the Respondent shall submit to the Board a complete and detailed report documenting the status of all pre-need contracts that the Respondent or an authorized agent of the Respondent has been a party to in the last three (3) years from the effective date of this Consent Order. The report shall contain the Respondent's Manager's written affirmation certifying under oath that the report is comprehensive and accurate. The Board shall have sole discretion to determine whether the report submitted satisfactorily complies with the terms of this Consent Order. Specifically, the report shall clearly explain and provide appropriate documentation to demonstrate the following:
  - i. For all cash-funded pre-need contracts: that all monies received by the Respondent or an authorized agent of the Respondent under each contract are held within a trust or escrow account according to the requirements of the Act; and
  - ii. For all insurance-funded pre-need contracts: that the Respondent or an authorized agent of the Respondent is neither an owner nor a beneficiary of any insurance policy that is the source of funding for a contract;

...  
**ORDERED** that the Respondent shall comply with the Act [.]

In addition, the Board charges that the Respondent violated the following provisions of law during the probationary period:

**Health Occ. § 7-316. Denials, reprimands, suspensions, and revocations --  
Grounds**

- (b) Funeral establishment. -- Subject to the hearing provisions of § 7-319 of this subtitle, the Board may deny a license to an applicant for a funeral establishment license, reprimand the holder of a funeral

establishment license, place the holder of a funeral establishment license on probation, or suspend or revoke a funeral establishment license if, with the knowledge or at the direction of the funeral establishment:

- (3) An employee of the funeral establishment fails to comply with § 7-405 of this title.

Pursuant to Health Occ. § 7-316(b)(3), shown above, the pertinent provisions of Health Occ. § 7-405 are as follows:

**Health Occ. § 7-405. Pre-need contracts**

(d) Deposit of funds; status and requirements of account. --

(1) Within 10 days after receiving a payment under a pre-need contract, the seller shall deposit into an interest bearing, escrow or trust account:

(i) For services, 100% of the payment under the pre-need contract; and

(ii) For goods:

1. An amount from the payment that is equal to 80% of the selling price of a casket or casket vault under the pre-need contract; and

2. 100% of the payment that is for all other goods under the pre-need contract.

(2) The interest bearing, escrow or trust account shall be with:

(i) A banking institution that is insured by an agency of the federal government; or

(ii) A savings and loan association that is insured by an agency of the federal government.

(3) (i) A pre-need escrow or trust account may not be deemed an asset of:

1. The individual licensee; or

2. The licensed funeral establishment.

(ii) A pre-need escrow or trust account with a banking institution or savings and loan association described in paragraph (2) of this subsection shall be:

1. Established using the name, address, and Social Security number of the buyer; and
2. Held in trust for the licensed funeral establishment.

...

(4) (i) Any interest or dividends earned by the escrow or trust account prior to service being rendered belong to the buyers of the pre-need contracts.

(e) Administration of accounts; irrevocable trusts; notice. --

...

(2) (i) Except as otherwise provided in this subsection, a seller may not withdraw from the account any money received from a buyer unless the services and merchandise have been provided as agreed in the contract.

...

(f) Scope of section; funding by life insurance policy or annuity contract. --

...

(3) (i) A pre-need contract that is a guaranteed contract, a guaranteed in part contract, or a nonguaranteed contract may be funded by a life insurance policy or an annuity contract if:

1. The mortician, funeral director, licensed funeral establishment, or surviving spouse is not the owner of or beneficiary under the life insurance policy or annuity contract.

On or about March 5, 2019, a case resolution conference was held at the Board's offices. Subsequently, the Board and the Respondent agreed to enter into this Consent Order.

### **FINDINGS OF FACT**

The Board finds the following facts:

#### **Background**

1. At all times relevant to these Charges, the Respondent was and is a corporation and a licensed funeral establishment in the State of Maryland located at 1701 Laurens Street, Baltimore, Maryland, 21217.
2. On or about May 11, 1937, the Board granted the Respondent a corporation license, number C00040, to operate as a funeral establishment. On or about May 1, 1971, the Board granted the Respondent funeral establishment license number E00179. The Respondent's licenses are valid through November 30, 2016.
3. At all times relevant to these Charges, the Respondent has employed a licensed funeral director, Juanita G. Morton, license number D00076, as the corporate business manager (the "Manager").

#### **The 2015 Consent Order**

4. On or about November 11, 2015, following an investigation and charges, the Respondent entered into the 2015 Consent Order, which concluded that the Respondent violated Health Occ. § 7-316(b)(3), in that:

- A. With the knowledge or at the direction of the Respondent, an employee acting on behalf of the Respondent failed to properly deposit and hold in trust or escrow accounts proceeds from at least fourteen (14) cash-funded

pre-need contracts it sold to consumers, and instead, simply deposited the proceeds into the Respondent's bank accounts, and managed the funds at will, in violation of Health Occ. § 7-405(d) & (e) as cited above; and

- B. With the knowledge or at the direction of the Respondent, an employee acting on behalf of the Respondent caused and/or attempted to cause the Respondent to be designated as the new owner and beneficiary of insurance policies taken out by consumers for the purpose of funding fund pre-need contracts offered by the Respondent, in violation of Health Occ. § 7-405(f)(3) as cited above.

5. In pertinent part, the 2015 Consent Order imposed on the Respondent probation for a minimum of five years along with several conditions, including that the Manager submit to the Board within ninety (90) days a complete and detailed report (the "Report") documenting the status of all pre-need contracts that the Respondent had been a party to in the last three (3) years from the effective date of the 2015 Consent Order (i.e. from November 11, 2012 to November 11, 2015).

6. Specifically, the Report was required to "clearly explain and provide appropriate documentation to demonstrate" the following:

- i. For all cash-funded pre-need contracts: that all monies received by the Respondent or an authorized agent of the Respondent under each contract are held within a trust or escrow account according to the requirements of the Act; and
- ii. For all insurance-funded pre-need contracts: that the Respondent or an authorized agent of the Respondent is neither an owner nor a beneficiary of any insurance policy that is the source of funding for a contract.

7. The 2015 Consent Order stated unambiguously that, "The Board shall have sole discretion to determine whether the report submitted satisfactorily complies with the terms of this Consent Order."

8. In addition, the 2015 Consent Order required that the Report contain the Manager's "written affirmation certifying under oath that the report was comprehensive and accurate."

**The Respondent's Violations of the 2015 Consent Order**

9. On or about January 11, 2016, the Respondent submitted the Report, pursuant to the 2015 Consent Order. In doing so, the Respondent failed to comply with the provisions of the 2015 Consent Order cited above in that:

- A. The Report failed to comply with the 2015 Consent Order's requirement that it document in detail and account for any pre-need contract funds received. Specifically, the Report mentioned thirteen (13) pre-need contracts the Respondent had been a party to during the three years preceding the effective date of the 2015 Consent Order. For at least five (5) of the buyers mentioned, the Report failed to provide appropriate documentation and to demonstrate that: for all cash-funded pre-need contracts that all monies received by the Respondent or an authorized agent of the Respondent under each contract are held within a trust or escrow account according to the requirements of the Act;
- B. The Report failed to document the status of all pre-need contracts that the Respondent had been a party to in the last three (3) years from the effective date of the 2015 Consent Order. Specifically, the Report mentioned thirteen (13) pre-need contracts the Respondent had been a party to during the three years preceding the effective date of the 2015 Consent Order. However,

subsequent investigation indicated that the Respondent had been a party to eleven (11) additional pre-need contracts that the Report failed to mention. Because the Report omitted these eleven (11) pre-need contracts, the Report failed to provide appropriate documentation and to demonstrate that: for all cash-funded pre-need contracts that all monies received by the Respondent or an authorized agent of the Respondent under each contract are held within a trust or escrow account according to the requirements of the Act; and

- C. The Report failed to contain the Manager's "written affirmation certifying under oath that the report was comprehensive and accurate." In fact, the Manager failed to sign the report at all. Rather, the Report was signed by the Respondent's supervising mortician at the time.

10. Subsequent investigation revealed that during the term of probation, the Respondent also violated the 2015 Consent Order's requirement that the Respondent comply with the Act. Specifically, the Respondent violated the provisions of law cited above regarding pre-need contracts, in that the Respondent:

- A. Held funds received from buyers of cash-funded pre-need contracts in accounts that the Respondent owned, rather than accounts other than interest-bearing escrow accounts;
- B. Failed to credit buyers with interest accrued on funds during the term of the contract; and
- C. Failed to properly account for funds received.



**A. The Report Fails to Document and Account for Five (5) Pre-Need Contracts**

11. The Report listed thirteen (13) buyers of pre-need contracts which the Respondent had been a party to in the relevant three year period preceding the 2015 Consent Order.<sup>1</sup>

12. However, when the Board staff compared the Report to information and documents the Board had previously obtained, discrepancies emerged. In short, the Report failed to comply with the 2015 Consent Order's requirement that it document in detail and account for all pre-need arrangements that the Respondent had been a party to for the previous three years. The discrepancies are summarized below.

**Buyer 1**

13. The Documents submitted with the Report indicate that on or about August 25, 2015, Buyer 1 signed a pre-need contract with the Respondent valued at \$4281.00. The contract is marked with the word "check" with the amount \$2446.31, and shows the remaining balance due.

14. However, a deposit slip indicates that four months later, on January 13, 2016, the Respondent deposited the payment of \$2446.31 into an account at MECU owned by the Respondent.

15. Thus, in regard to Buyer 1, the Respondent failed to comply with the 2015 Consent Order's requirement to comply with the Act in that:

---

<sup>1</sup> In order to maintain confidentiality, the names of the buyers/parties will not be used in this document. The Respondent may obtain a legend of the names referenced by contacting the Administrative Prosecutor.

- A. In January 13, 2016, during the period of probation, the Respondent deposited the funds into an account owned by the Respondent, in violation of the Act; and
- B. The January 13, 2015 deposit was for \$2446.31, the exact amount of the initial payment received from Buyer 1 four months earlier, on August 25, 2015. The Respondent failed to credit the buyer with any interest that should have accrued during those four months, in violation of the Act.

16. Subsequently, it appears the Respondent attempted to rectify these errors.

17. In March 2016, the Respondent provided a document showing that February 25, 2016, the funds were withdrawn from Respondent's MECU account and deposited into a PNC Bank Account under the name of Buyer 1.

18. In December 2016, the Respondent submitted a second report (the "December 2016 Report"), which included PNC statement dated December 23, 2016 showing a balance of \$2466.93.

#### **Buyer 4**

19. In March 2016, the Respondent sent the Board a letter that referenced a pre-need contract with Buyer 4. The letter included a deposit slip show a deposit for \$2033.00 made on March 26, 2015 into PNC Bank account under Buyer 4's name. The letter stated that documentation from PNC Bank would be forthcoming to verify that the funds had been properly deposited into an Irrevocable Funeral Trust in the name of Buyer 4. In December 2016, the Respondent provided the Board with a PNC statement dated December 23, 2016 showing a balance of \$2039.82 in the account.

20. The Report contained insufficient documentation and the Board still has not received a copy of the actual pre-need contract. Thus, the Report fails to substantiate that the Respondent has properly accounted for all of Buyer 4's funds.

#### **Buyer 5**

21. The Report included a pre-need contract for \$5916.88, which noted a payment of \$3000.00 to the Respondent made on February 19, 2015. Also included was a deposit receipt showing \$3000.00 was deposited on March 26, 2015 into a PNC Bank account labeled the "[Buyer 5] Irrev Funeral Trt" (i.e. Irrevocable Funeral Trust).

22. However, the Respondent failed to submit a completed supplemental agreement form that established an irrevocable trust (the "Trust Addendum") as an addition to the pre-need contract form.

23. In December 2016, the Respondent submitted a PNC statement December 23, 2016 showing a balance of \$3010.07.

24. Because the date of the pre-arrangement was before the 2015 Consent Order was signed the pre-arrangement documents including a completed supplemental agreement form that established an irrevocable trust should have been provided in the January 2016 report to the Board. Because this form was not provided in January 2016 the Respondent violated the 2015 Consent Order.

#### **Buyer 6**

25. The Report included a pre-need contract for \$5916.88, which noted a payment of \$1000.00 to the Respondent made on February 19, 2015. Also included was a deposit

receipt showing \$1000.00 was deposited on March 26, 2015 into a PNC Bank account labeled the “[Buyer 6] Irrev Funeral Trt” (i.e. Irrevocable Funeral Trust).

26. However, the Respondent failed to submit a completed supplemental agreement form that established an irrevocable trust (the “Trust Addendum”) as an addition to the pre-need contract form.

27. In December 2016, the Respondent submitted a PNC statement December 23, 2016 showing a balance of \$1003.35.

28. Because the date of the pre-arrangement was before the 2015 Consent Order was signed the pre-arrangement documents including a completed supplemental agreement form that established an irrevocable trust should have been provided in the January 2016 report to the Board. Because this form was not provided in January 2016 the Respondent violated the 2015 Consent Order.

#### **Buyer 7**

29. The Report included a James A. Morton & Sons pre-need contract dated 10-13-2015 for \$4043.00 with a stamp indicating it was paid and a copy of a cashier’s check made out to James A Morton FH for \$4000.00 dated 10-27-2015.

30. Also included is a PNC deposit slip dated 11-2-2014 which indicates a transaction of \$4043.00 with \$43.00 cash amount and a \$4000.00 check.

31. However, there is no documentation showing the name or owner of the account the funds were deposited into. Therefore, the Respondent violated the 2015 Consent Order by failing to provide all documents to the Board to verify pre-need accounts are set up in compliance with current requirements.

**B. The Report Fails to Disclose Eleven (11) Pre-Need Contracts**

32. The Report listed thirteen (13) buyers of pre-need contracts which the Respondent had been a party to in the relevant three year period preceding the 2015 Consent Order.

33. However, the Board's investigation indicated that the Respondent had been a party to eleven (11) additional pre-need contracts during the relevant three (3) year period that the Report omitted entirely.

34. In addition, the documents obtained in the investigation show that the Respondent failed to properly account for the funds received. Specifically:

**Buyer 19**

35. Along with the December 2016 Report, the Respondent submitted a PNC bank statement dated December 23, 2016 showing a balance of \$8181.74. The records indicated that the pre-need contract purchase date was April 7, 2010, and continued until the date of death of Buyer 19, October 22, 2016, as shown on a death certificate.

36. The Respondent failed to submit any documentation for Buyer 19 in the January 2016 Report, even though the Respondent was a party to this contract during the (3) years prior to the 2015 Consent Order.

37. Additionally, the PNC bank account was in the name of the Respondent, and documents were not provided to verify the funds are for Buyer 19. Establishments, Morticians and Funeral Directors are prohibited to be the owner of a pre-need trust account.

**Buyer 21**

38. Documents obtained by the Board indicate that Buyer 21 entered into a pre-need contract with the Respondent on February 24, 2012, and that funds were received. However the Respondent failed to provide any documents related to Buyer 21 the Report.

39. In February 2017, the Respondent provided the Board with a copy of the contract along with a bank certificate showing a deposit into an account named [Buyer 21] Funeral Trust with a deposit date of January 24, 2017 in the amount of \$1435.00.

40. Additionally, the documents reveal that the interest accrued over the intervening five years – from February 24, 2012 when the contract was signed until January 24, 2017 when the funds were deposited -- was not credited to the account as required.

41. The Respondent failed to provide an explanation of how the funds were held during that period.

## **Buyer 22**

42. In February, 2017, the Respondent provided documents showing that Buyer 22 entered into a pre-need contract with the Respondent on August 22, 2006, for \$5151.00. A written note indicated that on October 3, 2006, Buyer 22 paid the Respondent \$3751.00, leaving a balance of \$1400.00.

43. Also provided was a statement from PNC Bank, dated December 23, 2016, showing a funeral trust account for Buyer 22 in the amount of \$1401.91. The account was opened on May 10, 2016, approximately ten (10) years after the purchase of the contract.

44. A second PNC Bank document showed another trust account for Buyer 22, with an initial purchase amount of \$2000.00 opened January 25, 2017.

45. The Respondent failed to provide documentation to indicate that it promptly and properly deposited Buyer 22's initial payment of \$3751.00, received on October 3, 2006 into a trust account.

46. In the Report, the Respondent failed to submit any documents pertaining to this pre-need contract or documentation indicating that Buyer 22 was deceased.

47. Given the records, it appears that the Respondent was a party to a pre-need contract with Buyer 22 during the three years preceding the effective date of the 2015 Consent Order. Therefore, it was a violation of the 2015 Consent Order not have submitted proper and full documentation of the contract and funds received along with the Report.

#### **Buyer 23**

48. In February 2017, the Respondent provided a copy of a contract between the Respondent and Buyer 23 dated December 5, 2005 for \$8202.00, which was marked as paid. Also provided was a death certificate dated August 24, 2016 for Buyer 23.

49. The Respondent did not provide documentation showing where the funds had been kept or what type of account the funds had been kept in.

50. Since Buyer 23 died in 2016, the Respondent was a party to a pre-need contract with Buyer 23 during the three years preceding the effective date of the 2015 Consent Order. Therefore, it was a violation of the 2015 Consent Order not have submitted proper and full documentation of the contract and funds received along with the Report.

#### **Buyer 24**

51. In February 2017, the Respondent provided the Board with documentation of a pre-need contract dated August 11, 2014, between the Respondent and Buyer 24.

52. Credit card charge slips indicated that Buyer 24 paid a total of \$3791.00 prior to her death, on August 29, 2015.

53. Since Buyer 24 died shortly before the effective date of the 2015 Consent Order, it appears that the Respondent was a party to a pre-need contract with Buyer 24 during the three years preceding the effective date of the 2015 Consent Order.

54. Therefore, it was a violation of the 2015 Consent Order not have submitted proper and full documentation of the contract and funds received along with the Report.

#### **Buyer 25**

55. Based on previous inspections, the Board has in its possession a copy of an undated pre-need contract for \$4778.00 between the Respondent and Buyer 25. Documents indicate that the contract may have been executed in February 2009 and that payments totaling \$4064.00 were being made until July 2013.

56. Given the documents, it appears that the Respondent was a party to a pre-need contract with Buyer 25 during the three years preceding the effective date of the 2015 Consent Order. However, the Respondent failed to include any documentation of this pre-need contract with the Report, which constitutes a violation of the 2015 Consent Order.

#### **Buyer 26**

57. Based on previous inspections, the Board has in its possession a copy of a pre-need contract, between the Respondent and Buyer 26, dated December 6, 2011, in the amount \$5116.00.



58. The Board also has documents indicating that Buyer 26 was making payments until August of 2014.

59. Thus, it appears that the Respondent was a party to a pre-need contract with Buyer 26 during the three years preceding the effective date of the 2015 Consent Order.

60. However, the Respondent failed to include any documentation of this pre-need contract with the Report, which constitutes a violation of the 2015 Consent Order.

61. In February 2017, the Respondent provided the Board with a copy of the contract, as well as a copy of a letter from the Respondent, dated August 27, 2015, stating the final payment had been received. The Respondent also documentation showing a deposit of \$5116.00 was made at PNC Bank January 25, 2017.

62. The Respondent did not provide any documents indicating where the funds had been kept during the period of approximately five years between December 6, 2011, the contract date, and January 25, 2017, when the funds were deposited.

63. In addition the amount deposited was the exact same dollar amount as the original contract price, indicating that the Respondent did not credit Buyer 26 with any interest that would have been earned on the funds for the years that payments were being made as required.

#### **Buyer 27**

64. Based on previous inspections, the Board has in its possession a copy of a pre-need contract, between the Respondent and Buyer 27, dated June 14, 2003, in the amount of \$4971.00. In addition the Board had on file an assignment form from The Prudential Insurance Company of America.

65. In February 2017, the Respondent produced a copy a pre-need contract for Buyer 27, dated June 14, 2003, for \$5471.00. The contract indicates that Buyer 27 paid the balance of the contract price in two installments, one for \$500.00 and one for \$4971.00, and no balance due is recorded. However, the Respondent was unable to provide any documentation accounting for the funds since the payments were received.

66. Also provided was a death certificate dated January 22, 2017.

67. Thus, it appears that the Respondent was a party to a pre-need contract with Buyer 27 during the three years preceding the effective date of the 2015 Consent Order.

68. However, the Respondent failed to include any documentation of this pre-need contract with the Report, which constitutes a violation of the 2015 Consent Order.

#### **Buyer 28**

69. Based on previous inspections, the Board has in its possession a copy of a pre-need contract, between the Respondent and Buyer 28, dated November 4, 2006, in the amount of \$1445.00. The contract is marked fully paid as of December 28, 2006.

70. In February 2017, the Respondent provided a copy of the pre-need contract, and PNC bank documentation showing a deposit of \$1440.00 on January 24, 2017, approximately ten years after payment was received.

71. Therefore, the Respondent was a party to a pre-need contract with Buyer 28 during the three years preceding the effective date of the 2015 Consent Order. However, the Respondent failed to include any documentation of this pre-need contract with the Report, which constitutes a violation of the 2015 Consent Order.

72. In addition, the Respondent failed to provide any documentation accounting for the funds in the period since payment was received until the deposit, approximately ten (10) years later.

73. Also, the amount deposited was the exact same dollar amount as the original contract price, indicating that the Respondent did not credit Buyer 28 with any interest that would have been earned on the funds during the years since payment was made as required.

#### **Buyer 29**

74. Based on previous inspections, the Board has in its possession a copy of a pre-need contract, between the Respondent and Buyer 29, dated May 24, 2004 in the amount of \$5243.00. Additional documentation indicates payments were received up until March 2005.

75. In February 2017, the Respondent provided a copy of the pre-need contract and documents from United Insurance Company of America. The Respondent failed to provide any documentation accounting for the funds during the period since payment was received.

76. In the absence of documentation showing that Buyer 29 is deceased, it appears that the Respondent was a party to a pre-need contract with Buyer 29 during the three years preceding the effective date of the 2015 Consent Order.

77. However, the Respondent failed to include any documentation of this pre-need contract with the Report or account for the funds received, in violation of the 2015 Consent Order.

**Buyer 30**

78. Based on previous inspections, the Board has in its possession a copy of an undated pre-need contract, between the Respondent and Buyer 30 in the amount of \$9325.00. Additional documents indicate that the contract was signed on September 15, 2011.

79. The contract is stamped "PAID," and a copy of a receipt provided to Buyer 30 documents that the contract was paid in full.

80. Bank documentation indicates a certificate of deposit with a final maturity date of September 16, 2014.

81. Thus, it appears that the Respondent was a party to a pre-need contract with Buyer 30 during the three years preceding the effective date of the 2015 Consent Order. However, the Respondent failed to include any documentation of this pre-need contract with the Report, which constitutes a violation of the 2015 Consent Order.

82. In February 2017, the Respondent provided a copy of the undated contract and bank statement showing a CD with a maturity date of September 16, 2014, and a death certificate for Buyer 30 dated June 5, 2015.

**CONCLUSIONS OF LAW**

Based on the foregoing Findings of Fact, the Board concludes as a matter of law that the Respondent's conduct, as described above, constitutes violations of the provisions of the Act and the terms of the 2015 Consent Order as cited above.

**ORDER**

Based on the foregoing Findings of Fact and Conclusions of Law, it is by the Board hereby:

**ORDERED** that the Requirements of the 2015 Consent Order are superseded by the new Consent Order; and it is further

**ORDERED** that the Respondent is hereby **REPRIMANDED**; and it is further

**ORDERED** that the Respondent is placed on **PROBATION** for a minimum of **two (2) years** and until the following terms and conditions are satisfied:

1. Within 90 days of the effective date of the Consent Order, the Respondent shall submit to the Board a complete and detailed report documenting the status of the following pre-need contracts. For those buyers who are deceased at the effective date of the Consent Order, the Respondent shall indicate the date of death and attach all documentation indicating that the contracted services have been provided according to the terms of the contracts:

Buyer 19  
Buyer 21  
Buyer 22  
Buyer 23  
Buyer 24  
Buyer 25  
Buyer 26  
Buyer 27  
Buyer 28  
Buyer 29  
Buyer 30

The report shall contain the Respondent's Manager's written affirmation certifying under oath that the report is comprehensive and accurate. The Board shall have sole discretion to determine whether the report submitted satisfactorily complies with the terms of this Consent Order. Specifically, the report shall clearly explain and provide appropriate documentation to demonstrate the following:

- a. For all cash-funded pre-need contracts: that all monies received by the Respondent or an authorized agent of the Respondent under each

contract are held within a trust or escrow account according to the requirements of the Act; and

- b. For all insurance-funded pre-need contracts: that the Respondent or an authorized agent of the Respondent is neither an owner nor a beneficiary of any insurance policy that is the source of funding for a contract;
2. Within ninety (90) days of the effective date of the Consent Order, the Respondent shall submit to the Board a complete and detailed report clearly documenting that all interest payments that the following buyers are entitled to since the Respondent received payment have been fairly and properly credited to their accounts:<sup>2</sup>

Buyer 21  
Buyer 26  
Buyer 28

3. Within ninety (90) days of the effective date of the Consent Order, the Respondent or an authorized agent of the Respondent shall pay to the Board a **fine** in the amount of **\$5000**, with **\$2500 STAYED** pending satisfactory completion of the terms of this Consent Order;
4. During the period of probation, the Respondent shall be subject to monitoring including random unannounced inspections by Board staff in order to verify that the Respondent is lawfully managing all accounts related to its pre-need contracts;
5. The Respondent shall comply with the Act; and it is further

**ORDERED** that after a minimum of two (2) years from the effective date of this Consent Order, the Respondent may submit a written petition to the Board requesting termination of probation. After consideration of the petition, the probation may be terminated through an order of the Board. The Board shall grant termination and waive the stayed portion of the fine mentioned above if the Respondent has fully and

---

<sup>2</sup> This requirement does not apply to those buyers who are deceased as of the effective date of the Consent Order. For deceased buyers, the Respondent shall instead indicate the buyer's date of death.

satisfactorily complied with all of the probationary terms and conditions and there are no pending investigations or outstanding complaints related to the facts outlined in this Consent Order; and it is further

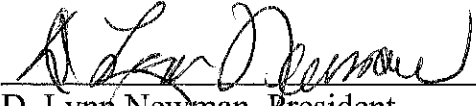
**ORDERED** that the Respondent shall at all times cooperate with the Board, any of its agents or employees, and with the Board-assigned inspector, in the monitoring, supervision and investigation of the Respondent's compliance with the terms and conditions of this Consent Order; and it is further

**ORDERED** that the Respondent shall be responsible for all costs incurred under this Consent Order; and it is further

**ORDERED** that if the Respondent violates any of the terms and conditions of this Order, the Board, in its discretion, after an opportunity for a show cause hearing before the Board (or if there is a genuine dispute as to the material facts, an evidentiary hearing before the Board) the Board shall actively impose the stayed portion of the fine mentioned above (i.e. \$2500) and may impose an additional probationary term and conditions of probation, reprimand, suspension, revocation and/or a monetary penalty, said violation being proved by a preponderance of the evidence.; and it is further

**ORDERED** that this Consent Order is a **PUBLIC DOCUMENT** pursuant to Md. Code Ann., Gen. Prov. § 4-101 et seq. (2014 Repl. Vol.).

April 10, 2019  
Date

  
D. Lynn Newman, President  
Maryland State Board of Morticians and  
Funeral Directors

CONSENT

I, David Morton, an authorized agent of the Respondent, acknowledge that the Respondent has had the opportunity to consult with counsel at this and all stages of this matter. I understand that this Consent Order will resolve the investigation against the Respondent in this matter in lieu of Charges and a formal evidentiary hearing. By this Consent, the Respondent is hereby bound by the terms of this Consent Order. I acknowledge under oath that the Respondent in fact committed the specific violations as set forth above. I acknowledge under oath the accuracy of the Findings of Fact and the validity of the Conclusions of Law contained in this Consent Order. I acknowledge that for all purposes, the Findings of Fact and Conclusions of Law will be treated as if proven and/or as if entered into after the conclusion of a formal evidentiary hearing in which the Respondent would have had the right to counsel, to confront witnesses, to give testimony, to call witnesses on my own behalf, and to all other substantive and procedural protections provided by the law. The Respondent agrees to forego the opportunity to challenge these Findings of Fact and Conclusions of Law. I acknowledge the legal authority and jurisdiction of the Board to initiate these proceedings and to issue and enforce this Consent Order. I affirm that the Respondent waives the right to any appeal in this matter. I affirm that I have asked and received satisfactory answers to all my questions regarding the language, meaning, and terms of this Consent Order. I sign this Consent Order voluntarily and without reservation, and I fully understand and comprehend the language, meaning, and terms of this Consent Order.



3/28/2019  
Date

David L Morton  
Signature of Agent

DAVID L Morton  
Printed Name of Agent

**NOTARY**

STATE OF MD  
CITY/COUNTY OF Baltimore

I HEREBY CERTIFY that on this 28<sup>th</sup> day of MARCH, 2019,  
before me, a Notary Public of the foregoing State and City/County personally appeared  
DAVID L. Morton (Agent), and made oath in due form of law that signing  
the foregoing Consent Order was his/her voluntary act and deed.

AS WITNESSETH my hand and notary seal.



Juanita G. Morton  
Notary Public

My commission expires: 2/18/2022