

**BEFORE THE IOWA INSURANCE COMMISSIONER**

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<b>IN THE MATTER OF</b>	)	
<b>Memorial Park Services, Inc. and</b>	)	<b>Consent Order and</b>
<b>Sandra L. Armstrong</b>	)	<b>Notice of Right to Hearing</b>
<b>Respondents.</b>	)	<b>Docket No. _____</b>

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Comes now the Iowa Insurance Division ("Division") and alleges the following:

**PARTIES AND JURISDICTION**

1. Commissioner of Insurance, Nick Gerhart (the Commissioner) administers and enforces Iowa Code chapters 523A (the Iowa Cemetery and Funeral Merchandise and Funeral Services Act), 523I and the related Iowa Administrative Code chapter 191-10, 100, 101, 102, 103, 105, 106 and 140.
2. The Division has jurisdiction of this matter pursuant to Iowa Code chapters 17A and 523A and 523I.
3. Memorial Park Services, Inc. is an Illinois corporation. The registered agent is Greg O'Brien, 13720 Angle Rd, Ottumwa, Iowa 52501.
4. Memorial Park Services, Inc., hereafter MPS, is registered with the Iowa Secretary of State and its Iowa business number is 476718.
5. Sandra L. Armstrong, 901 NE 3<sup>rd</sup> St, Blue Springs, MO, 64014 is president of MPS.
6. MPS recently acquired the following eight locations which were previously doing business as Lakewood Funeral Home, LLC under license number PS-00146:

- a. Iowa City Memory Gardens, 2600 Muscatine Avenue, Iowa City, Iowa 52244.
- b. Memorial Lawn Cemetery, Ottumwa, 3002 North Court Road, Ottumwa, Iowa 52501.
- c. Memorial Lawn Cemetery, Fairfield, West Burlington Avenue and 16<sup>th</sup> Street, Fairfield, Iowa 52556.
- d. Burlington Memorial Gardens, 10993 - 115<sup>th</sup> Avenue, Burlington, Iowa 52601.
- e. Sunset Memorial Park Cemetery, 3700 Main Street, Keokuk, Iowa 52632.
- f. Hillcrest Memorial Park, 2183 Highway 61, Fort Madison, Iowa 52627.
- g. Shrine of Memories Funeral Home, 3002 N. Court Rd., Ottumwa, Iowa 52501.
- h. Johnsons Funeral Chapel, 408 Church Street, Ottumwa, Iowa 52501.

### **FACTUAL BACKGROUND**

7. While attempting to conduct a routine audit of the Ottumwa properties on March 18, 2014, the Division became aware that MPS had acquired the properties listed above.
8. On March 21, 2014, Division staff met with Greg Armstrong in Iowa City, Iowa. Mr. Armstrong informed staff that he was the husband of Sandra L. Armstrong and was knowledgeable about the operations of MPS.
9. The prior owner, Frederick M. Work, was contacted and stated that the Iowa businesses previously operated by Lakewood Funeral Home, LLC have been sold to MPS and admitted that he had not filed a notice with the Division.
10. When contacted, Sandra L. Armstrong notified the Division that she is the President of MPS and acknowledged the purchase of these properties by MPS.
11. The Division met with Sandra L. and Greg Armstrong and has now verified that MPS is in good standing as an Illinois corporation and has registered with the Iowa Secretary of State.
12. On or about June 6, 2014, the Division conducted an inspection of the properties listed above and observed that some improvements for which the previous owner has been cited had been resolved and several of the properties are not yet in compliance.

## **FINDINGS OF FACT**

13. Armstrong failed to fully investigate and develop an understanding of the requirements of Iowa law and Administrative Rules regarding the operation of Perpetual Care Cemeteries and selling Preneed Services.
14. Armstrong's operation to date of the listed properties has not been conducted in full compliance with Iowa law and Administrative Rules.
15. Respondents have provided the Division a report from an accountant which documents certain deficiencies. The report is considered confidential as part of the Division's examination work papers.

## **CONCLUSIONS OF LAW**

16. Respondents have engaged in conduct which violates Iowa Code chapter 523A and 523I.
17. Respondents have indicated a willingness to comply with Iowa laws and rules and to accept a period of probation. Respondents are notified that this Consent Order will become final by operation of law within thirty days of the date of this Order unless a Respondent requests a hearing within that time period. A request for hearing may be made by writing to Commissioner Nick Gerhart at the Iowa Insurance Division, 601 Locust, 4<sup>th</sup> Floor, Des Moines, Iowa 50309.
18. Failure to comply with the provisions of this Order shall be grounds for further administrative action under Iowa Code chapter 523A or injunctive relief in district court and may constitute a violation of the Iowa Consumer Fraud Act, Iowa Code section 714.16.

### **IT IS THEREFORE ORDERED:**

- A. The Iowa preneed seller license of Memorial Park Services, Inc. is immediately placed on a term of twelve months probation and special monitoring. The probation will commence with the Division's execution of this Order.

- B. Respondents shall Cease and Desist from any actions that violate Iowa Code chapters 523A and 532I.
- C. Respondents shall comply with all provisions of Iowa Code chapter 523A to service the existing preneed purchase agreements and to file all reports required by law and regulation.
- D. Respondents shall comply with all provisions of Iowa Code chapter 523I in the administration of the Perpetual Care Cemetery accounts and services and service the existing agreements and to file all reports required.
- E. Respondents shall comply with all provisions of Iowa Code chapter 523a in the administration of the Preneed accounts and service the existing agreements and to file all reports required.
- F. Respondents shall provide the Division with reasonable, ongoing access to all books and records necessary to conduct compliance examinations and associated investigations of Respondents under Iowa Code chapter 523A and 523I.
- G. Respondents shall comply with the following requirements:
  - 1. Within thirty days of the date of this Order, Respondents shall submit a plan for addressing the issues raised in the accountant report.
  - 2. Within ten days of the date of this Order, Respondents shall have made the following property repairs and improvements or shall submit a plan to correct each item within 90 days of the date of this Order.
    - a) Cemetery rules must be posted at each entrance.
    - b) Cemetery roads need to be repaired so they are safe for vehicles.
    - c) Signage at each location needs to be placed or repaired.
    - d) Theme statues need to be restored or removed.
    - e) All on-site buildings need to be repaired or removed
    - f) The ramp entrance to office at Burlington must be inspected and repaired or closed as it appears to be unsafe.
    - g) Dead trees and tree stumps must be removed.
    - h) Water hydrants must be in working order at each property.
    - i) Property lines must be reviewed and verified at Fort Madison and Keokuk to determine if excessive debris and other items are within MPS boundaries. If yes, the excessive debris must be removed.
  - 3. Respondents shall provide monthly status reports to the Division. Each report shall be due at the Division on the last day of each month. Each report shall

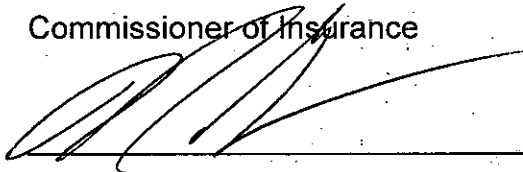
include at least the following: Statistics on services and sales for each location, Maintenance updates on each location and complaints received.

4. The Division shall provide a copy of this Order to the Iowa Board of Mortuary Science and the Iowa Attorney General.

Dated this 7 day of July, 2014.

NICK GERHART

Commissioner of Insurance

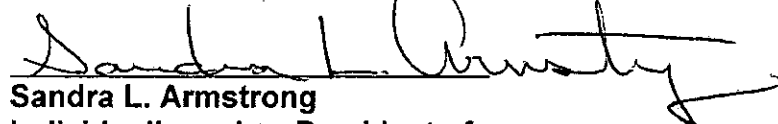


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### Consent and Waiver of Rights

1. Respondents acknowledge that they have the right to a contested case hearing on the charges set forth in this Order and that they have been advised to secure legal counsel when considering the terms of this Order.
2. Respondents freely and voluntarily waive all rights to hearing and all attendant rights, including the right to seek judicial review. This Order is a disciplinary action against Respondent's licenses, the Division's final agency action in a contested case, and the resolution of the Division's administrative action on known violations of Iowa Code chapter 523A.
3. This Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2013). The Order shall be placed on the Division's publicly available website.
4. This Order shall be provided to the Iowa Board of Mortuary Science, the Attorney General and the appropriate county attorney. Respondents understand that this Order does not preclude these officials from taking action if they have grounds to do so, and shall not impair the private right of action of any person. Respondents do not by agreeing to this Order admit liability to any other official or private party.

AGREED AND ACCEPTED

  
Sandra L. Armstrong  
Individually and as President of  
Memorial Park Services, Inc.

Date 7-2-14