

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
RHODES & SON FUNERAL HOME

A.I.D. NO. 2010- 075

CONSENT ORDER

On this day Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"), and Rhodes & Son Funeral Home, ("Respondent"), reached an agreement concerning regulatory violations committed by Respondent under its prepaid funeral benefits license. The Commissioner was represented by Booth Rand, Managing Attorney of the Legal Division of the Arkansas Insurance Department ("Department"). The Respondent voluntarily and intelligently waived its right to a hearing and consented to the entry of this Consent Order. The parties agreed as follows:

FINDINGS OF FACT

1. The Respondent is a funeral home located at 701 North 9th Street in Augusta, Arkansas 72006.
2. The Respondent is currently licensed to sell prepaid funeral benefit contracts in this state under a permit issued to it by the Department. The Respondent has been licensed to sell prepaid funeral benefits in this state since on or before 1989.
3. The Department regulates the licensing of prepaid funeral benefit providers in this state pursuant to Ark. Code Ann. § 23-40-107(a) under the Arkansas Prepaid Funeral Benefits Law codified in Ark. Code Ann. § 23-40-101 et seq.
4. Ms. Cindy Rhodes is the owner and operator of Respondent with full authority to execute this agreement for and on behalf of Respondent.
5. Respondent did not timely file its 2009 annual report and annual report fee with the Department under Ark. Code Ann. § 23-40-119 which was due on March 15, 2010. The Respondent failed to timely renew its prepaid funeral benefits permit due on June 1, 2010. Although the Respondent has since the date of this Consent Order filed the above described annual report, fee and renewal application, the Respondent has historically not timely made its required regulatory filings under its

prepaid funeral benefits license without warnings and follow up enforcement by the prepaid funeral benefits division of the Department. The Respondent filed its last four (4) annual and quarterly reports delinquent as well as was tardy with previous yearly renewal applications. As a result of this history and recent failure to timely file its annual report, on April 20, 2010, the Department non-renewed the Respondent's prepaid funeral benefits license and notified the Respondent of this decision in writing on or about April 20, 2010.

6. On June 4, 2010, the Department issued to the Respondent a Notice of Hearing setting the Respondent's license for an administrative hearing at the Department for July 20, 2010. The purpose of the administrative hearing was to determine if Respondent's prepaid funeral benefits license should be permanently revoked.

7. Under Ark. Code Ann. § 23-40-119(e)(1), absent the Commissioner's approval for an extension for good cause shown, prepaid funeral benefit licensees failing to timely report and pay any administrative and financial regulations fees to the Department may be subject to a penalty of one hundred dollars (\$100) per day for each day of delinquency, payable to the State Insurance Department Prepaid Trust Fund. Pursuant to Ark. Code Ann. § 23-40-111(b)(2), after notice to the licensee and after a hearing, the Commissioner may suspend any permit, or may revoke or refuse to continue any permit if the licensee failed to comply with any material provision of prepaid funeral benefits law. The Department interprets that the statutory requirements compelling the licensees to file annual and quarterly reports as well as provide annual renewal applications as material provisions of the Arkansas Prepaid Funeral Benefits Law. In fact, a licensee's abject failure to its annual report is a ground for placing the licensee into receivership or delinquency proceedings under Ark. Code Ann. § 23-40-123(a)(7).

8. The Respondent agrees to the findings of fact as stated in this Consent Order. The Respondent agrees that had these findings of fact been entered into the record of an administrative hearing on the Respondent's prepaid funeral benefits contracts license, the Respondent risked having its license permanently revoked and its business placed into receivership proceedings under Ark. Code Ann. § 23-40-123.

CONCLUSIONS OF LAW

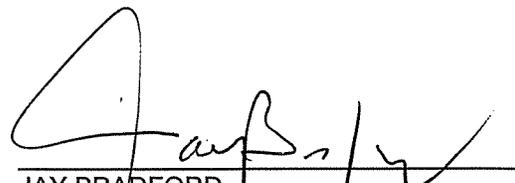
That the Commissioner has jurisdiction over the parties and over the subject matter herein.

That Respondent has been made fully aware of its right to a hearing and has voluntarily and intelligently waived said right and consents to the entry of this Consent Order.

THEREFORE, in consideration of these Findings of Fact and Conclusions of Law, it is hereby ordered and agreed that in lieu of revocation of Respondent's license and placement of its prepaid funeral benefits contracts business in receivership proceedings, the Respondent agrees to pay to the Department a fine of seven hundred and fifty dollars (\$750) within twenty (20) days from receipt of this Order after it is signed by the Commissioner. The Respondent further agrees that if it fails to timely file any future quarterly or annual reports or renewal applications with the Department, it agrees to immediate and permanent revocation of its prepaid funeral benefits license with the Department as well as placement of its prepaid funeral benefits business into receivership or delinquency proceedings under Ark. Code Ann. § 23-40-123.

DATED this 20 day of August, 2010


CINDY RHODES
OWNER
RESPONDENT


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS