

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF  
CEDRIC WILSON,  
License No. 0017914017**

**and**

**WILSON'S FUNERAL HOME,  
RESPONDENTS**

**AID ORDER NO. 2016-071**

**ORDER REVOKING PRODUCER'S LICENSE AND DENYING PREPAID  
FUNERAL BENEFITS PERMIT**

On this day, the matter of Cedric Wilson and Wilson's Funeral Home came before Allen Kerr, Arkansas Insurance Commissioner ("Commissioner"). A hearing was held at 9:00 a.m. on June 29, 2016, in the First Floor Hearing Room of the Arkansas Insurance Department ("Department") pursuant to the Notice of Hearing dated May 31, 2016. The hearing was held before Deputy Commissioner Suzanne L. Tipton ("Hearing Officer") pursuant to her appointment by the Commissioner in accordance with Ark. Code Ann. § 23-61-103(e)(1). The Department was represented by Amanda Gibson, Associate Counsel.

**FINDINGS OF FACT**

1. The Commissioner of Insurance has jurisdiction pursuant to the Arkansas Insurance Code, specifically Ark. Code Ann. §§ 23-60-101, *et seq.*
2. Respondent Wilson is the owner of Wilson's Funeral Home.
3. Respondent was granted a funeral expense license on April 15, 2016.
4. Neither of the Respondents holds a prepaid funeral benefit permit.
5. Respondents issued a prepaid funeral benefits contract to a consumer on May 13, 2015 in the amount of \$3,500.00.

6. In exchange for the contract, the consumer cashed in three life insurance policies for a total of \$3,674.21, paid these funds to the Respondents, and Respondent Wilson issued a receipt in this amount to the consumer.

7. Respondent Wilson initially applied for a prepaid funeral benefit permit on September 29, 2015, but his application was incomplete.

8. The Department attempted several times to obtain the needed information from Respondent Wilson, without success.

9. Respondent Wilson admitted at an investigative conference held at the Department on March 28, 2016 and at the hearing, that he was indeed holding the contract and the consumer's funds.

10. Evidence was presented at the hearing that Respondent: was unaware that the status of his funeral home had been revoked with the Secretary of State; had some 1,500 emails sent to his business email address that he had not read; and admitted to posting false information on social media about passing his funeral director exam when he had not yet taken it.

11. At the hearing, Respondent Wilson testified that he still held the consumer's funds.

12. Also at the hearing, the Respondent was ordered to send the consumer funds to the Department via cashier's check within 2 business days. To date, Respondent has failed to send the funds to the Department.

### **CONCLUSIONS OF LAW**

1. Ark. Code Ann. § 23-64-512(a)(8) prohibits producers from "...demonstrating incompetence, untrustworthiness, lack of good personal or business reputation, or financial

irresponsibility”. Respondents’ conduct as detailed above in Findings of Fact 4 through 12 are therefore in violation of Ark. Code Ann. § 23-64-512(a)(8).

2. Ark. Code Ann. § 23-64-506(c) and (e) require the producer to satisfy the Commissioner of the adequacy of his background, trustworthiness, personal and business reputation, and financial responsibility, not only to obtain a license, but also to renew it. Respondents’ conduct as detailed above in Findings of Fact 4 through 12 is therefore in violation of Ark. Code Ann. § 23-64-506(c) and (e).

3. Ark. Code Ann. § 23-64-512(a)(4) allows the Commissioner to sanction a producer for “improperly withholding... moneys or properties received in the course of doing insurance business”. Respondents’ conduct as detailed above in Findings of Fact 5, 6, 11 and 12 is therefore in violation of Ark. Code Ann. § 23-64-512(a)(4).

4. Ark. Code Ann. § 23-40-109(a) requires the seller of the prepaid funeral benefits contract to obtain a permit prior to accepting money, property, or any other direct or indirect consideration in exchange for a contract for prepaid funeral benefits. Subsection (c) further makes it unlawful to sell prepaid funeral benefits unless the seller holds a valid, current permit at the time the contract is made. Respondents’ conduct as detailed above in Findings of Fact 5 and 6 is therefore in violation of Ark. Code Ann. § 23-40-109(a) and (c).

5. Ark. Code Ann. § 23-40-111(a)(2) requires the applicant for the prepaid funeral benefits permit, prior to issuance of the permit, to be “...competent, trustworthy, and financially responsible, to engage in the sale of prepaid funeral contracts in this state.” Respondents’ conduct as detailed above in Findings of Fact 4 through 12 are therefore in violation of Ark. Code Ann. § 23-40-111(a)(2).

**RECOMMENDATION OF HEARING OFFICER**

WHEREFORE, upon consideration of the evidence of record and the foregoing Findings of Fact and Conclusions of Law, the Hearing Officer recommends the following:

1. That the application for the Prepaid Funeral Benefit Permit be denied for lack of completion and failure of Respondents to meet the qualifications to hold this permit;
2. That the Producer's License (Funeral Expense License) of Cedric Wilson be revoked;
3. That the Department's Criminal Investigation Division take any actions necessary in order to retrieve the consumer's funds from Respondents; and
4. That Respondent Wilson's application fee for the Prepaid Funeral Benefits Permit be returned to him.

  
**SUZANNE L. TIPTON**  
**DEPUTY COMMISSIONER AND**  
**HEARING OFFICER**

**CERTIFICATION**

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendation of the Hearing Officer were made by and under my authority and supervision by Suzanne L. Tipton, Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law and Recommendation in full, as set forth herein.

THEREFORE, it is hereby ORDERED that the Respondents' application for a prepaid funeral benefit permit is DENIED, that Respondent Wilson's funeral expense license is REVOKED, that the Criminal Investigation Division take any actions necessary to retrieve the consumer's funds, and that the Respondent's application fee for the Prepaid Funeral Benefits Permit be returned to him.

IT IS SO ORDERED THIS 22<sup>nd</sup> DAY OF JULY, 2016.



ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS