

Arkansas Insurance Department

Asa Hutchinson
Governor



Allen Kerr
Commissioner

January 10, 2019

Via First Class Mail and Certified Mail No. 7009 1680 0002 2607 8224

Mr. Larry Brown
Brown's Eternal Light Funeral Services
417 Walnut
Helena, AR 72342

Re: Letter of Reprimand, Case No. 17-48

Dear Mr. Brown:

This letter serves as the Reprimand the Board ordered to be issued at the conclusion of the hearing held on January 8, 2019. This letter is issued pursuant to the Board's authority under Ark. Code Ann. § 17-29-311(a).

At that hearing, and pursuant to Ark. Code Ann. § 17-29-311(a), the Board also ordered that all licenses held by you be put on probation for a term of six months, as a result of the findings that you violated Ark. Code Ann. § 17-29-311(a)(2), (9), (15), and (18), and Board Rule XV.4.

A copy of the Findings of Fact, Conclusions of Law and Order are enclosed herewith.

Sincerely,

A handwritten signature in blue ink, appearing to read "AG", written over a faint circular stamp.

Amanda Gibson
Associate Counsel
Legal Division

cc: Mr. James Valley
J.F. Valley, Esq., P.A.
P.O. Box 451
Helena, AR 72342-0451

Enc.

**BEFORE THE STATE BOARD OF EMBALMERS, FUNERAL DIRECTORS,
CEMETERIES, AND BURIAL SERVICES**

IN THE MATTER OF

**Brown's Eternal Light Funeral Services, Board ID# 24862
And Larry Brown, Funeral Director and Manager,
Board ID# 22697
Respondents**

Case No. 17-48

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

A hearing on the above-referenced matter was held before the Arkansas State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services (the "Board") on January 8, 2019, at the Arkansas Insurance Department, First Floor Hearing Room, 1200 W. 3rd St., Little Rock. The Respondent, Larry Brown, appeared on behalf of himself and the funeral home. Respondents were represented by James Valley. Amanda Gibson, Associate Counsel at the Arkansas Insurance Department appeared on behalf of the Board. Finding proper notice was given to the Respondent, the Board, from all the evidence presented, issues the following Findings of Fact, Conclusions of Law and Order:

FINDINGS OF FACT

1. Respondent Brown serves as the licensed Funeral Director under whose general management and supervision Respondent Brown's Eternal Light Funeral Services, a licensed Funeral Establishment Type A, operates.
2. Respondents were so licensed at all times relevant hereto.
3. On August 21, 2017, a complaint was filed with the State Board of Embalmers and Funeral Directors ("former Board") by Dienice Nelson ("Complainant"). The complaint was filed against Respondents.

4. The date of death of the decedent, Dennis Lee Nelson, Sr., was August 16, 2014. The decedent was the Complainant's father.
5. On August 18, 2014, the Complainant signed an initial agreement for funeral services in the amount of \$8,186.00 but then modified the agreement for services in the amount of \$7,616.00 and paid a \$200.00 deposit at that time, leaving the balance owed of \$7,416.00.
6. The Complainant was the named beneficiary on a life insurance policy issued through Lincoln Heritage Life Insurance Company, Policy No. ending in 2763 in the amount of \$8,000.00. In order to pay for the funeral services, on August 19, 2014, Complainant signed an irrevocable assignment to Respondents in care of Heritage Memorial Funding for the \$7,416.00 balance due on the statement.
7. On August 21, 2014, the Complainant signed an Assignment of Life Insurance Policy in the amount of \$7,416.00 on the policy issued by Lincoln Heritage Life, Policy No. ending in 2763 and Fidelity Life, Policy No. ending in 3601.
8. On or around August 20, 2014, the Complainant's aunt and uncle, Alvin and Sharonda Nelson, paid the Respondents the balance of \$7,416.00. These funds were paid because the Respondents advised that the Lincoln Heritage Life policy was contestable and the funeral needed to be paid by other means.
9. On July 11, 2017, the Respondents stated in an email to Steven Pollack, attorney for Complainant, that the policy was contestable, and therefore, no claim was filed on the policy.
10. On July 12, 2017, Lincoln Heritage Life Insurance Company provided Mr. Pollack a copy of the check they issued on September 11, 2014 to Heritage Memorial Funding Company in the amount of \$8,000.00.

11. Heritage Memorial Funding Company sent a letter to Mr. Pollack dated August 3, 2017 indicating that Heritage Memorial acknowledged that it received a re-assignment of a policy number ending in 2763 from Brown's Home for Funerals, Inc. (now known as Brown's Eternal Light Funeral Services), on or about August 20, 2014. Upon receipt of the assignment and claim documentation from Respondent funeral home and consistent with its normal operating procedures, Heritage Memorial submitted the documents to the insurance company. Subsequent to submission of the paperwork, Heritage Memorial contacted the insurance company in order to independently verify the information for the policy which had been submitted and assigned. Due to the contestability, Heritage Memorial did not initially fund the assignment.

12. Thereafter, on or about September 11, 2014, Heritage Memorial was contacted by the insurer and advised that payment of the assignment was being tendered to Heritage Memorial. At that time, Heritage Memorial wired funds to Respondent Brown's Home for Funerals, Inc. (now known as Brown's Eternal Light Funeral Services), in furtherance of the assignment.

13. Heritage Memorial provided a copy of the wire transmittal along with the Funding/Process Form which generally explains and sets forth the amount to be funded, which was \$7,665.00. This was funded on September 11, 2014.

14. Respondents were paid twice for their services.

15. Respondents also failed to respond to the complaint within the permitted fifteen (15) days. The response to the complaint was received in the former Board's office on September 22, 2017, which was one (1) day late.

16. Respondent funeral home (then known as Brown's Christianway Home for Funerals, Inc.) previously held a permit issued by the Arkansas Insurance Department ("the Department") to sell prepaid funeral benefit contracts.

17. Respondent Brown previously held a producer's funeral expense license, which expired in 2006.

18. Upon receipt of the complaint, the former Board forwarded a copy of same to the Department.

19. The Department heard the matter on March 6, 2018. At that hearing, evidence was introduced by Respondents that there was an additional remainder benefit of \$384.00 that was due back to the Complainant as the beneficiary. However, the Complainant had signed an agreement to cede that amount to her aunt and uncle.

20. AID Order No. 2018-032 was issued on March 12, 2018. That order revoked Respondent Brown's funeral expense license and the Respondent Brown's Christianway's prepaid funeral benefit permit. The order also required Respondents to make restitution to Alvin and Sharonda Nelson in the amount of \$7,800.00 (\$7,416.00 paid to Respondents + the \$384.00 remainder benefit) and to the Complainant Dienice Nelson in the amount of \$200.00.

21. The Respondents made restitution as ordered to the Complainant and her aunt and uncle.

CONCLUSIONS OF LAW

1. Respondent's actions, as set forth in Findings of Fact 3, 8, 9, 14, 18, and 20, above, constitute violations of Ark. Code Ann. §§ 17-29-311(a)(2), (9) and (15).

2. Respondent's actions as set forth in Finding of Fact 15, above, constitute violations of Ark. Code Ann. § 17-29-311(a)(18) and Board Rule XV.4.

ORDER

Based upon the testimony and evidence presented at the hearing, the Board hereby orders:

1. That all licenses held by Larry Brown are hereby placed on probation for six months.

2. That a letter of reprimand be issued to the Respondents.

Pursuant to the Arkansas Administrative Procedure Act, Ark. Code Ann. § 25-15-212, the Respondent may petition for judicial review of this decision by filing a petition in the Circuit Court of the county in which he resides or does business, or in the Circuit Court of Pulaski County, within thirty (30) days after service of this Order.

IT IS SO ORDERED THIS 8TH DAY OF JANUARY, 2019.

**STATE BOARD OF EMBALMERS,
FUNERAL DIRECTORS,
CEMETERIES, AND BURIAL
SERVICES**

By:



Amanda Gibson
Counsel for the Board