

BEFORE THE ARKANSAS CEMETERY BOARD

IN THE MATTER OF:

**REST HAVEN MEMORIAL
GARDENS, EL DORADO,
ARKANSAS**

ORDER NO. C-08-071-08-OR06

**ORDER APPROVING TEMPORARY
INCREASE OF PERMANENT MAINTENANCE CONTRIBUTIONS**

A special meeting of the Arkansas Cemetery Board (“Board”) was held on August 13, 2008. Among the matters considered was a request to waive the permanent maintenance fees owed to the permanent maintenance trust fund of Rest Haven Memorial Gardens (“Rest Haven”). Mr. Max Shelton, an attorney, appeared on behalf of Forest Hill Funeral Home and Memorial Park, LLC (“Forest Hill”), in his capacity as its court-appointed receiver. Also appearing with Mr. Shelton was his attorney, Mr. Philip Hicky. Appearing on behalf of Serenity Cemeteries II, LLC (“Serenity”), was Mr. Steven McDonald, its president. Upon consideration of the testimony, the exhibits, and all other matters presented, the Board hereby finds and concludes:

FINDINGS OF FACT

1. Rest Haven is perpetual care cemetery located in El Dorado, Arkansas. Rest Haven is licensed by the Board as a perpetual care cemetery, as defined by the Cemetery Act for Perpetually Maintained Cemeteries, (“Act”), Ark. Code Ann. §§ 20-17-1001—20-17-1028. Rest Haven has been owned by Forest Hill since 2006. Forest Hill is a Tennessee limited liability company, with a home office in Memphis, Tennessee. Max Shelton has served as receiver for Forest Hill since his appointment by the

Chancery Court of Shelby County, Tennessee, (“Court”) on April 4, 2006.

Forest Hill owns four perpetual care cemeteries in Arkansas, including Rest Haven.

2. Cemetery Holdings, LLC (“Cemetery Holdings”), owned Rest Haven from April 9, 2001, until July 29, 2005. Cemetery Holdings is the wholly-owned subsidiary of Mike Graham and Associates, LLC. Mike Graham was the sole owner of Cemetery Holdings.
3. Cemetery Holdings failed to make permanent maintenance contributions to the permanent maintenance trust fund of Rest Haven during the time period of January 5, 2005, until July 26, 2005. During that time period, Cemetery Holdings failed to deposit two thousand three hundred and fifty dollars (\$2,350.00) into Rest Haven’s permanent maintenance trust fund.
4. On July 29, 2005, Forest Hill took over management of Rest Haven while the purchase was pending. The Board approved an application to transfer ownership of Rest Haven from Cemetery Holdings to Forest Hill on June 22, 2006. Forest Hill gained ownership of Rest Haven through Cemetery Board Order Number C-06-026-OR01.
5. On August 13, 2008, the Board approved an application to transfer ownership of Rest Haven from Forest Hill to Serenity.

CONCLUSIONS OF LAW

6. A cemetery company shall deposit not less than ten percent (10%) of the gross proceeds of each sale of a lot into the permanent maintenance trust fund. Ark. Code Ann. § 20-17-1016(a).

7. A cemetery company shall be required to deposit a minimum of twenty percent (20%) of the gross proceeds of each sale of a lot into the permanent maintenance trust fund unless the cemetery company can show cause why the Board should allow a lower percentage. Rule 8.01(c) of the Rules of the Arkansas Cemetery Board.
8. A cemetery company shall make a deposit into the permanent maintenance trust fund no later than forty-five days (45) after the final payment for a burial space has been made. Ark. Code Ann. § 20-17-1016(b).

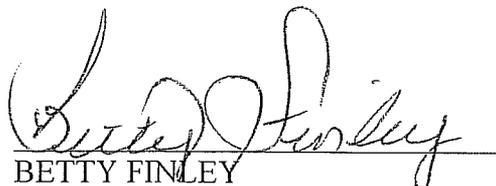
ORDER

The Board hereby orders that supplemental to the contribution to be made into the permanent maintenance trust fund of Rest Haven by Serenity, as set forth in Board Order No. C-08-071-08-OR04, dated October 2, 2008, additional contributions be made by Serenity into the permanent maintenance trust fund of Rest Haven in the amount of five percent (5%) of the gross proceeds of each sale of a lot sold until such time as the deficiency of payments that was accrued by Cemetery Holdings is cured, said deficiency being in the amount of two thousand three hundred and fifty dollars (\$2,350.00).

IT IS HEREBY ORDERED.

Dated: October 3, 2008

ARKANSAS CEMETERY BOARD


BETTY FINLEY
Chairperson


A. HEATH ABSHURE
Secretary