



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

2601 North Lamar Blvd., Austin, Texas 78705

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November 28, 2011

Denise Larry
Linden Funeral Home
1411 Nelson Blvd.
Linden, Texas 75563

*Sent via First Class Mail and Certified Mail,
Return, Receipt Requested
No. 7192 3020 0010 2000 0029*

Denise Larry
1410 Courtland Road
Atlanta, Texas 75551

*Sent via First Class Mail and Certified Mail
Return, Receipt Requested
No. 7192 3020 0010 2000 0036*

Reverend Kelton Wilson
Funeral Director
Linden Funeral Home
1411 Nelson Blvd.
Linden, Texas 75563

*Sent via First Class Mail and Certified Mail,
Return, Receipt Requested
No. 7192 3020 0010 2000 0043*

Re: In the matter of Bragg Chism, W. H. Body, and Denise Spratt-Larry dba Linden Funeral Home, Linden, Texas; Order No. 2011-038.

Dear Ms. Larry and Reverend Wilson:

As I told Reverend Wilson on the phone on November 17, 2011, I needed to consult with Deputy Commissioner Newberg regarding what action the Texas Department of Banking (Department) was going to take in regard to a further enforcement action against you and/or Linden Funeral Home. Based on the facts as you have presented them, Ms. Newberg has determined that we can resolve this matter by a letter agreement. Accordingly, I have prepared this Letter Agreement. Please review it, consult with an attorney if you so desire, and, if you agree with the terms, please sign the letter before a notary where indicated, and send the original back to me. If you have any questions or concerns, please call me.

Stipulated facts:

1. Ms. Larry and her father, Bragg Chism, are the owners of Linden Funeral Home, Linden, Texas. Mr. W. H. Body was an owner, but he is deceased. Nevertheless, Mr. Body continues to be shown on the records of the Texas Funeral Service Commission as an owner of the Linden Funeral Home. Mr. Chism is 81 years old and suffers from Alzheimer's disease.
2. Reverend Kelton Wilson is a licensed funeral director and is the Funeral Director in Charge of Linden Funeral Home.

3. Linden Funeral Home has never had a permit to sell prepaid funeral benefits.
4. M-. R---- B---- entered into an illegal prepaid funeral benefits contract (PFBC) with Linden Funeral Home in 2001 and paid \$5,190.00. At that time, Mr. Chism was the active owner of the funeral home. The agent/employee of Linden Funeral Home who signed the PFBC was L.E. (Lee) Keeton. Ms. Larry verifies that Mr. Keeton is deceased.
5. In 2002-2003, M-. B---- paid Linden Funeral Home an additional \$550.00 for a grave marker and the services of a clergyman.
6. In 2011, M-. B---- asked Linden Funeral Home for a refund and Ms. Larry eventually refunded M-. B---- all the money ---- had paid.
7. On November 14, 2011, Commissioner Charles G. Cooper signed Order No. 2011-038, Emergency Order to Cease and Desist Activity, and to Seize Records and Funds, against the owners of record of Linden Funeral Home. The order was served on Ms. Larry. After a representative of the Department conferred with Ms. Larry, no records or funds were seized.
8. During the period that Mr. Chism was running the funeral home, other illegal PFBCs were entered into by Linden Funeral Home. Ms. Larry became aware of these PFBCs because their purchasers approached her for a refund. She gave them the requested refunds.
9. Ms. Larry and Reverend Wilson have inspected the records of the funeral home. They have found no more illegal contracts. Neither they nor the funeral home has taken any funds for illegal contracts.
10. Ms. Larry and Reverend Wilson are not aware of any more outstanding illegal PFBCs. If anyone approaches them with one, they agree to contact the Texas Department of Banking regarding the appropriate action to take.

Legal Conclusions:

11. Linden Funeral Home violated Texas Finance Code §§ 154.101 and 154.159 by selling prepaid funeral benefits without a permit and by failing to deposit moneys received for M-. B----'s PFBC into a trust account or forwarding them to an insurance company.
12. The Commissioner has the authority to set this matter for hearing, and after Linden Funeral Home has an opportunity to be heard, to issue an order and to assess penalties pursuant to Texas Finance Code § 154.406. Based on (1) the stipulated facts that the illegal PFBC was written by a now-deceased person when the funeral home was run by a person who no longer plays an active role in running the funeral home, (2) the fact that the money was refunded to the purchaser, and (3) the fact that the funeral home conducts relatively few services and has minimal financial capacity, the Commissioner finds that it is appropriate that no penalty be imposed in this case.
13. If more violations of Chapter 154 of the Texas Finance Code come to light, Linden Funeral Home, Ms. Larry, and/or Reverend Wilson could be subjected to additional

regulatory or enforcement actions authorized by Texas Finance Code Chapter 154, Subchapter I.

14. Nothing in this Letter Agreement diminishes the regulatory or enforcement powers of the Department, the Commissioner, or the Finance Commission of Texas under Texas Finance Code Chapters 35 and 154, or other applicable law.

Ms. Larry, Reverend Wilson, and the Department agree to the stipulated facts, legal conclusions and terms and conditions of this Letter Agreement.

Therefore, this matter is resolved in accordance with the following terms:

1. Denise Larry, Reverend Kelton Wilson, and Linden Funeral Home will not engage in activities in violation of Texas Finance Code Chapter 154 or Order No. 2011-038.
2. If any additional illegal PFBCs come to light, Ms. Larry and Reverend Wilson agree to immediately consult with the Department regarding the proper action to take.
3. Ms. Larry will not appeal or challenge Order No. 2011-038, and agrees to abide by it.
4. The Department is not restricted with respect to any enforcement action or other recourse regarding any other past, current, or future violations by Ms. Larry, Reverend Wilson, or Linden Funeral Home, its agents, owners or employees, that come to the attention of the Department.

Yours truly,

/s/Deborah H. Loomis
Deborah H. Loomis
Assistant General Counsel
Texas Department of Banking

Cc: Donna Potter, Texas Funeral Service Commission
Stephanie Newberg, Deputy Commissioner, Texas Department of Banking
Russell Reese, Director of Special Audits, Texas Department of Banking
Kaylene Ray, General Counsel, Texas Department of Banking

Signed this 12th day of December, 2011.

/s/Stephanie Newberg
Stephanie Newberg
Deputy Commissioner
Texas Department of Banking

AGREED AND APPROVED AS TO FORM AND SUBSTANCE:

