

Texas Department of Banking

Press Release

Seized the Records and Funds Relating to the Trust-Funded Prepaid Funeral Benefit Contracts Sold by Pruitt's Mortuary

Date: May 17, 2002

On May 15, 2002, the Texas Department of Banking seized the records and funds relating to the trust-funded prepaid funeral benefit contracts sold by Pruitt's Mortuary ("Pruitt's"), Houston, Texas. Pruitt's was issued Permit Number 495 on May 28, 1974, to sell prepaid funeral benefit contracts. Pruitt's has violated Chapter 154 of the Texas Finance Code by failing to properly deposit prepaid funeral funds as required under Chapter 154.

In accordance with Section 25.19 of the Texas Administrative Code, the Department will begin proceedings to enter into an agreement with another funeral home to service the outstanding contracts of purchasers who elect to keep their contracts. The Department's goal is to preserve the rights and interests of purchasers by transferring responsibility to perform the contracts to a responsible successor selected by the Banking Commissioner of Texas. Purchasers of prepaid funeral benefit contracts with Pruitt's are asked to direct all payments due under their contracts as well as inquiries to verify contract status to:

Texas Department of Banking
Special Audits Division
2601 N. Lamar Blvd.
Austin, Texas 78705-4294

Toll-free (877) 276-5554, at the menu prompt select "6" for Inquiries/Complaints, at the next prompt select "4" for Funeral Contracts/Cemeteries or Directly (512) 475-1290.

Purchasers will receive further notification of this seizure by mail from the Department or you may contact the Department at the above-mentioned address or phone number for further explanation of your rights and options.