

**ORDER NO. 2012-005**

<b>IN THE MATTER OF:</b>	§	<b>BEFORE THE BANKING</b>
	§	
<b>LONNIE D. WRIGHT, SR.,</b>	§	
<b>DBA ANGEL HILLS FUNERAL HOME</b>	§	<b>COMMISSIONER OF TEXAS</b>
	§	
<b>ARLINGTON, TEXAS</b>	§	
	§	<b>AUSTIN, TRAVIS COUNTY, TEXAS</b>

**AGREED ORDER**

On this day, came on for consideration by Texas Banking Commissioner Charles G. Cooper (“Commissioner”) the matter of Lonnie D. Wright, Sr., dba Angel Hills Funeral Home, Arlington, Texas (“Respondent”). This matter concerns Respondent’s obtaining funds for a prepaid funeral benefits contract (“PFBC”) without holding a permit from the Texas Department of Banking (“Department”) for selling prepaid funeral benefits and failing to place those funds in trust or to remit those funds to an insurance company who was to fund the PFBC, in violation of state law. Assistant General Counsel Deborah H. Loomis represents the Department. Respondent represents himself.

1. Respondent and the Department jointly request the Commissioner to dispose of this matter pursuant to the provisions of Texas Government Code § 2001.056 by entering this Agreed Order.
2. Respondent acknowledges that the Commissioner has jurisdiction over this matter pursuant to Texas Finance Code Chapter 154.
3. Respondent agrees to this Order solely for the purpose of this proceeding, and without admitting any violations of law or regulations. Respondent does not waive any right to present defenses in any future administrative proceedings.
4. Respondent is the owner of Angel Hills Funeral Home (“Angel Hills”), formerly known as Angel Hills Funeral Directors, Arlington, Texas.
5. On March 16, 2009, BY\* came to Angel Hills to purchase prepaid funeral benefits for her mother, FC. Angel Hills did not then and does not now have a permit from the Department to sell prepaid funeral benefits.
6. BY met with the then-funeral director of Angel Hills, Terry Masters. He prepared the contract on an “at need” form. The contract price was \$18,230.00.

\*The purchaser of the PFBC is referred to by initials to preserve privacy.

7. On April 6, 2009, the Tarrant County District Court, in the case of BY on behalf of FC, Plaintiff v. K.B. Healthcare, Inc. dba Village Creek Nursing Home et al., Cause No. D17-227793-07, ordered that \$18,230.00 of settlement proceeds should be made payable to the Angel Hills of Arlington Funeral Directors and that the remainder should be deposited in an account in FC's name with her nursing home solely to be used for her benefit.
8. The settlement proceeds were placed in the trust account of FC's attorney, Michael Sawicki. From April 8, 2009, through June 23, 2010, numerous checks, totaling \$18,230.00, were made on Sawicki's trust account to "Angel Hills of Arlington" for FC's future funeral service.
9. In July 2011, BY contacted Respondent because she wanted a refund of the money so that she could obtain a PFBC for her mother from Golden Gate Funeral Home in Fort Worth ("Golden Gate"). Respondent told BY that the money was not refundable.
10. On July 25, 2011, FC signed a PFBC with Golden Gate. The PFBC is funded by an insurance policy issued by Security National Life Insurance Company. The total contract price is \$4,100.00. An \$1,800 premium was paid with the contract. The remainder is to be paid at the rate of \$50.00 per month. All payments are being made out of FC's account at her nursing home, Fort Worth Center of Rehabilitation.
11. On September 8, 2011, BY signed a complaint that she then filed with the Department. The Department wrote Respondent, demanding that Respondent refund the money and take other actions.
12. On October 14, 2011, the Department received a letter from Respondent in which he admitted that his funeral home made the 2009 contract with BY and accepted full responsibility for it. He stated that he was prepared to service the family with the funeral that was contracted. He said that the full amount was not available for a refund and that he would need time to recover that. He stated that he had purchased several items for the funeral, and that he could sell these to apply towards the refund.
13. On November 22, 2011, the Department's Legal Division sent Respondent a formal demand letter.
14. On November 30, 2011, Respondent replied to the Department's November 22, 2011, letter, and reiterated that he is accountable to resolve the mistake, that he used the money to buy the merchandise, that the money is no longer available for refund, but the service is still available for FC. He asked for time to resolve the problem.

15. The Department and Respondent have conferred and have agreed to a solution as set out in this Agreed Order.
16. Respondent admits that he has had the use of FC's funds for over two years.
17. By signing this Agreed Order, Respondent swears that the PFBC discussed in this Agreed Order is the only PFBC his funeral home has entered into that violates Texas Finance Code Chapter 154.
18. The selling of these prepaid funeral benefits for FC without a permit is a violation of Texas Finance Code § 154.101. The failure to deposit the moneys received for FC's PFBC in accordance with Chapter 154 is a violation of Texas Finance Code § 154.159.
19. The Commissioner has the authority to issue this Agreed Order and to assess penalties pursuant to Texas Finance Code § 154.406. Respondent agrees to pay the Department \$1,500.00 to compensate it for its time and expense in resolving this matter.
20. Any violation of this Agreed Order could subject Respondent to additional regulatory or enforcement actions authorized by Texas Finance Code Chapter 154, Subchapter I. Nothing in this Agreed Order 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.
21. This Agreed Order only compromises actions that could be brought against Respondent by the Department. The Texas Funeral Service Commission and the Texas Department of Insurance are separate state agencies which may take additional actions against Respondent. The Department does not control the actions of the Texas Funeral Service Commission or the Texas Department of Insurance.
22. For purposes of this proceeding, Respondent knowingly and voluntarily waives:
  - a. Service upon Respondent of this Agreed Order;
  - b. The right to present defenses to the allegations;
  - c. Notice and hearing prior to imposition of an administrative order;
  - d. The filing of proposed findings of fact and conclusions of law;
  - e. The issuance of a proposal for decision by an administrative law judge;
  - f. The filing of exceptions and briefs with respect to such proposal for decision;

- g. Any review of this Agreed Order by the Texas Finance Commission; and
  - h. Judicial review of this Agreed Order as provided by Texas Government Code §§ 2001.171 et seq. and any other challenge to the validity of this Agreed Order.
23. Respondent agrees to pay restitution in the total amount of \$18,230.00 as is set forth below in the Agreed Order.
24. Respondent agrees to pay the Department compensation in the amount of \$1,500.00.
25. Respondent and the Department agree to the terms and conditions of this Agreed Order.

### **ORDER**

It is hereby ORDERED, ADJUDGED, and DECREED that:

1. Respondent shall not engage in activities in violation of Texas Finance Code Chapter 154.
2. Respondent shall pay restitution in the total amount of \$18,230.00 as follows:
  - a. \$6,000.00 will be paid, as explained below, upon the execution of this Order by the Commissioner.
  - b. The remaining \$12,230.00 will be paid to the Department in monthly installments of \$350.00, beginning February 1, 2012, with succeeding payments due on the 1st day of each month. If Respondent pays according to the terms of this Agreed Order, his final restitution payment will be due December 1, 2014, in the amount of \$330.00. All restitution payments will be sent to the Department, and will be by money order or cashier's check made payable as follows:
    - i. The initial payment of \$6,000.00 will be made to Fort Worth Center of Rehabilitation, for the benefit of FC. The Department will then forward the payment to Fort Worth Center of Rehabilitation.
    - ii. The remaining monthly payments of \$350.00 per month will be made to Fort Worth Center of Rehabilitation, for the benefit of FC. The Department will then forward the payments to Fort Worth Center of Rehabilitation.

3. When Fort Worth Center of Rehabilitation receives restitution from the Department, it will use those funds to pay for FC's insurance policy that funds her PFBC. Fort Worth Center of Rehabilitation agrees to transmit all the funds received as restitution to Security to fully pay the policy as soon as possible, i.e., rather than continuing to pay at the rate of \$50 per month. Once the policy is paid in full, Fort Worth Center of Rehabilitation will notify the Department that the policy is paid in full. Remaining restitution payments will be deposited into FC's trust account at Fort Worth Center of Rehabilitation to be used solely for her benefit.
4. Should FC die before the restitution is paid in full, Respondent will make his payments payable to the estate of FC.
5. Respondent shall pay the Department's compensation in the amount of \$1,500.00, to the Department in monthly installments of \$350.00, beginning January 1, 2015. All compensation payments will be sent to the Department, and will be by money order or cashier's check made payable to the Texas Department of Banking. If Respondent pays according to the terms of this Agreed Order, his final compensation payment will be due May 1, 2015, in the amount of \$100.00.
6. Failure to make a monthly payment by the 5th day of the month shall cause the due date of the unpaid balance to be accelerated and immediately due and payable. Failure to pay the accelerated balance within thirty (30) days after receiving notice of default and acceleration from the Department will result in the referral of this matter to the Office of the Attorney General for collection.
7. This Order does not restrict the Department with respect to any enforcement action or other recourse regarding any other past, current, or future violations by Respondent that come to the attention of the Department.
8. This Order against Respondent is effective on the date signed by the Commissioner, and subject to its terms, Respondent may not appeal.

Signed in Austin, Texas, on this 27th day of February, 2012.

/s/ Charles G. Cooper  
Charles G. Cooper  
Texas Banking Commissioner

AGREED AND APPROVED AS TO FORM AND SUBSTANCE:

/s/ Lonnie D. Wright, Sr.  
Lonnie D. Wright, Sr.

January 26, 2012  
Date

State of Texas       §  
                                  §  
County of Tarrant   §

Sworn to and subscribed before me on the 26th day of January, 2012, by Lonnie D. Wright, Sr.

/s/ Vickie L. Richardson  
Notary Public's signature

/s/ Barbara Young  
Barbara Young  
Attorney-in-Fact for Fannie E. Cox

February 18, 2012  
Date

State of Texas       §  
                                  §  
County of Tarrant   §

Sworn to and subscribed before me on the 18th day of February, 2012, by Barbara Young.

/s/ Dulce M. Rojas  
Notary Public's signature

/s/ Eric Schusler  
(Printed Name) Eric Schusler  
(Title) Vice Chair Governing Body  
Fort Worth Center of Rehabilitation  
850 12th Avenue  
Fort Worth, Texas 76104-2516  
817-882-8289

February 18, 2012  
Date

APPROVED AS TO FORM:

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

February 23, 2012  
Date