

<b>IN THE MATTER OF:</b>	§	<b>BEFORE:</b>
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	§	
	§	
<b>LA PAZ FUNERAL HOME, INC.,</b>	§	<b>THE BANKING COMMISSIONER</b>
<b>EL PASO, TEXAS</b>	§	<b>OF TEXAS</b>
	§	
<b>AND</b>	§	
	§	
<b>PREVISIÓN INTEGRAL DE</b>	§	
<b>SERVICIOS FUNERARIOS, S.A.</b>	§	
<b>DE C.V.,</b>	§	
<b>CIUDAD JUAREZ, MEXICO</b>	§	<b>AUSTIN, TRAVIS COUNTY, TEXAS</b>

**AGREED ORDER**

On this day the matter was submitted to the Banking Commissioner (Commissioner) of the State of Texas for consideration and action, relating to Previsión Integral de Servicios Funerarios, S.A. de C.V., of Ciudad Juarez, Mexico (Previsión) and its affiliated company, La Paz Funeral Home, Inc., of El Paso, Texas (La Paz). This matter concerns the correction of violations of the *Texas Finance Code* and the assessment of an administrative penalty for the sale of prepaid funeral contracts (PFCs) without the required permit. The Texas Department of Banking (Department) and Respondents wish to enter an agreement regarding these issues according to the terms described below.

1. Respondents and the Department agree to comply with the terms of this Order and jointly request the Commissioner to dispose of this matter pursuant to the provisions of *Government Code* § 2001.056.
2. Respondents acknowledge that the Commissioner has jurisdiction over this matter pursuant to Texas Finance Code Chapter 154 and *Texas Government Code* §§ 2001.171 et seq., and that the Commissioner has the authority to issue this Agreed Order under *Texas Government Code* § 2001.056.
3. Salvador Perches Jr. owns or co-owns, and operates, a number of businesses involved in the funeral industry. These include Previsión, a Mexican company that sells PFCs in Ciudad Juarez, Mexico., and La Paz, which operates four funeral homes in the El Paso area under the names La Paz and Perches.

4. Under the authority of *Texas Finance Code* Chapter 154, the Department regulates the sale of PFCs in Texas. Neither La Paz nor Previsión have the permit required by *Texas Finance Code* § 154.101 to sell PFCs in Texas.
5. On March 3, 2015, the Department became aware of a PFC allegedly sold by Perches Funeral Home in El Paso, Texas. In response to the Department's subsequent inquiry, Previsión asserted that it had sold the contract through an agent, and provided information regarding other PFCs sold by Previsión.
6. Because information establishing where each PFC was sold would be substantially burdensome to obtain, Respondents and the Department agree for purposes of this Order that all PFCs listing a Texas address were sold in Texas and therefore should be regulated under *Texas Finance Code* Chapter 154. In accordance with this, the parties agree that there are 442 outstanding Texas PFCs.
7. Corrective actions that have been taken by Respondents are as follows. Previsión has ceased selling PFCs in Texas and has deposited all funds relating to the PFCs described in Paragraph 6, including an appropriate amount of interest, into trust at an approved financial institution. La Paz has applied for a restricted permit to administer the existing PFCs. Upon issuance of the permit, the parties intend to transfer the 442 PFCs listed in Attachment A from Previsión to La Paz for continued administration under the provisions of *Texas Finance Code* Chapter 154.
8. *Texas Finance Code* § 154.406 authorizes the Commissioner to assess administrative penalties in this matter. The imposition of an administrative penalty against Previsión in the amount of \$31,000.00 is appropriate and reasonable given the nature of the violations cited above.
9. Any violation of this Order could subject Previsión to additional regulatory or enforcement actions. Nothing in this Order diminishes the regulatory or enforcement powers of the Department, the Commissioner, the Finance Commission of Texas, or any other state agency, nor restricts the Department from using the facts of this matter, or other past matters that may come to light in the future, to establish a pattern or practice of repeated violations of law in future proceedings.
10. Previsión has been notified of the right to a hearing on the matter of administrative penalties under *Texas Finance Code* § 154.406.
11. For purposes of this proceeding, Previsión knowingly and voluntarily waives:
  - a. Service upon Previsión of this Agreed Order;
  - b. Notice and hearing prior to imposition of an administrative penalty;

- c. Review of this Agreed Order by the Texas Finance Commission, and 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 Order.
12. Respondents and the Department agree to the factual findings, legal conclusions, and terms and conditions of this Agreed Order.

### **ORDER**

WHEREFORE, based on the foregoing, the Commissioner ORDERS that this matter is resolved in accordance with the following terms:

13. Respondents affirm that to the best of Respondents' knowledge, no other PFCs exist which were sold in violation of *Texas Finance Code* Chapter 154. Previsión also affirms that it has not violated Chapter 154 in any other way.
14. No later than December 11, 2015, Respondents will contact all purchasers of PFCs that are currently past due, and offer each purchaser one of the following options:
  - a. A full refund of amounts already paid;
  - b. The opportunity to make sufficient payment to bring the contract current; or
  - c. Conversion of the PFC to an insurance-funded PFC, involving a full refund of amounts already paid and the execution of a new insurance-funded PFC using the refunded amount.
15. After December 11, 2015, all funds held for past due PFCs must be handled pursuant to Texas escheat law and subject to the authority of the Texas Comptroller.
16. Because substantially all PFCs involved in this matter were written in Spanish, if the Department is ever unable to ascertain the goods and services involved in a particular PFC, Respondents shall provide translation services.
17. Previsión shall pay an administrative penalty of \$31,000.00. The administrative penalty shall be paid in full to the Department no sooner than September 2, 2015, but no later than September 30, 2015.
18. Nothing in this Order guarantees the issuance of a permit. Provided that a permit is issued to La Paz, La Paz agrees to maintain and administer the 442 PFCs described in Paragraph 6, as listed in Attachment A, in accordance with the provisions of *Texas Finance Code* Chapter 154.
19. This Order is effective on the date signed by the Commissioner.

Signed this 12th day of August, 2015.

/s/ Stephanie Newberg for  
Charles G. Cooper  
Texas Banking Commissioner

FOR PREVISIÓN:

Salvador Perches / President 8-7-15  
Name and title Date

/s/ Salvador Perches  
Signature

FOR LA PAZ:

Salvador Perches / President 8-7-15  
Name and Title Date

/s/ Salvador Perches  
Signature

State of Texas ( )  
County of Bexar ( )

Sworn to and subscribed before me on the 7th day of August, 2015.

/s/ Daniel Alan Esteva  
Notary Public's signature

APPROVED AS TO FORM FOR RESPONDENTS:

/s/ Larry Temple 8/10/15  
Larry Temple Date  
Attorney for Respondent  
State Bar No. 19765000

APPROVED AS TO FORM FOR THE DEPARTMENT:

/s/ Daniel Wood 8/12/15  
Daniel Wood Date  
Assistant General Counsel  
Texas Department of Banking  
State Bar No. 24070876

## ATTACHMENT A

### CONTRACT NUMBERS OF ALL TEXAS PFCS

370	688	917	1052	1244	2833	3736	4125	4370	4724	5491
382	762	931	1053	1248	2863	3745	4157	4371	4742	5492
383	763	961	1056	1254	2869	3746	4158	4384	4750	5552
436	764	964	1084	1260	2873	3747	4159	4386	4751	5600
438	767	967	1085	1391	2874	3748	4175	4397	4761	5603
439	768	968	1089	1392	3225	3760	4187	4418	4762	5664
440	772	973	1090	1394	3275	3918	4207	4428	4788	5766
492	774	976	1091	1407	3314	3919	4284	4473	4875	5908
521	780	977	1093	1410	3318	3929	4285	4572	4876	6149
531	784	983	1111	1437	3326	3936	4294	4574	5172	6359
562	807	984	1149	1565	3333	3938	4295	4575	5207	7533
587	808	989	1151	1716	3384	3940	4296	4592	5213	7881
594	835	994	1157	1827	3401	3983	4307	4600	5214	8171
602	836	995	1158	1842	3420	3990	4315	4601	5309	8240
622	837	997	1162	1847	3423	3996	4317	4605	5313	8439
623	838	999	1165	1962	3444	3997	4318	4620	5340	8455
628	848	1006	1166	1963	3465	4012	4327	4630	5346	8838
629	854	1010	1168	2190	3482	4020	4328	4652	5347	9350
630	856	1011	1174	2462	3504	4023	4330	4653	5379	9351
639	857	1012	1176	2700	3557	4055	4343	4674	5380	10046
640	858	1013	1179	2702	3588	4063	4345	4675	5391	
648	860	1016	1188	2726	3589	4064	4347	4676	5394	
651	867	1019	1189	2729	3590	4072	4360	4679	5395	
657	887	1020	1193	2737	3609	4082	4361	4683	5396	
670	892	1023	1195	2757	3630	4088	4362	4684	5406	
671	893	1024	1201	2767	3669	4089	4364	4694	5450	
675	903	1049	1202	2774	3670	4097	4366	4707	5468	
684	907	1050	1220	2792	3671	4101	4367	4722	5475	
686	915	1051	1221	2795	3735	4121	4368	4723	5478	