

**ORDER NO. 2024-005**

**IN THE MATTER OF:** § **BEFORE THE**  
§  
**CREMATION SERVICE** §  
**INTERNATIONAL, INC., DBA** § **BANKING COMMISSIONER**  
**ARLINGTON NATIONAL FUNERAL** § **OF THE STATE OF TEXAS**  
§  
**PREPAID FUNERAL SELLER PERMIT** §  
**NO. 747** §  
§  
**HOUSTON, TEXAS** § **AUSTIN, TRAVIS COUNTY, TEXAS**

**EMERGENCY ORDER TO SEIZE PREPAID FUNERAL ACCOUNTS AND RECORDS**

On this day, the matter of Cremation Service International, Inc., dba Arlington National Funeral Home (Respondent), located in Houston, Texas, was submitted to the Banking Commissioner of the State of Texas (Commissioner) for consideration and action.

**I. Findings of Fact**

1. Respondent has been doing business as a seller of prepaid funeral benefits under permit number 747, issued by the Texas Department of Banking (Department) pursuant to *Texas Finance Code* Chapter 154.

2. Respondent conducts its business at its funeral home located at 5601 Arlington St. Houston, Texas 77076. Records that relate to the sale of Respondent’s prepaid funeral benefits are located at the funeral home.

3. Respondent is a Texas for-profit corporation. According to records from the Texas Secretary of State, Respondent’s registered agent is Peggy L. Murphy, with an address at 5601 Arlington St. Houston, Texas 77076.

4. Respondent holds a restricted permit to maintain prepaid funeral benefits per *Texas Finance Code* § 154.107 issued by the Department pursuant to *Texas Finance Code* § 154.103. Such a permit is issued for a one-year period. *Texas Finance Code* § 154.104.

5. Since May 31, 2011, Respondent's permit has been restricted pursuant to *Texas Finance Code* § 154.107, thereby prohibiting Respondent from sales of new prepaid benefits.

6. Pursuant to *Texas Finance Code* § 154.107, a permit holder who has outstanding prepaid funeral benefits contracts (PFBCs) is required to renew its permit until all contracts are fully discharged.

7. On July 31, 2023, Respondent received a request from the Department for records required for the Department's examination of Respondent pursuant to *Texas Finance Code* § 154.053. Respondent has never provided the requested records needed for the Department's examination, despite numerous follow-up attempts from the Department, including an in-person visit to the Respondent's funeral home during normal business hours, at which the premises were locked and not open. The Department has been unable to complete the examination due to Respondent's non-responsiveness.

8. In addition, Respondent has not paid the Department the examination fees owed for 2023 pursuant to *Texas Finance Code* § 154.054.

9. Respondent's December 31, 2022 annual report indicated that it had twelve outstanding PFBCs with a balance of \$17,833.44, including interest.

10. Respondent has represented to the Department that pursuant to *Texas Finance Code* § 154.253, it has deposited the money collected on account of PFBCs sold by Respondent with Amegy Bank, a division of Zions Bancorporation, N.A., which has a principal place of business at One South Main Street, Salt Lake City, Utah 84133, and which can be served via its registered agent at Corporation Service Company dba CSC - Lawyers Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin, Texas 78701.

11. According to the Texas Funeral Services Commission, Respondent's license from that agency is delinquent.

## **II. Conclusions**

1. The Commissioner is authorized by *Texas Finance Code* § 154.412(a) to issue an order seizing accounts in which prepaid funeral funds, including earnings, may be held and issue an order to seize the records that relate to the sale of prepaid funeral benefits if the Commissioner finds by examination or other credible evidence that the Respondent refused to submit to examination by the Department.

2. The Commissioner finds by credible evidence that Respondent refused to submit to examination by the Department.

3. The Commissioner finds this violation constitutes sufficient cause for issuance of an order to seize prepaid funeral accounts and records under *Texas Finance Code* § 154.412.

4. The Commissioner finds that immediate and irreparable harm is threatened to the public or a beneficiary under a PFBC by Respondent's failure to communicate at all with the Department regarding its examination efforts.

## **III. Order**

In accordance with *Texas Finance Code* § 154.412(a), it is hereby ORDERED that the Texas Department of Banking is authorized to immediately seize and take possession of the contracts and other records of Respondent that relate to the sale of prepaid funeral benefits, wherever they may be located, held, or found, including the funeral home location at 5601 Arlington St., Houston, Texas 77076.

In accordance with *Texas Finance Code* § 154.412(a), it is hereby further ORDERED that all accounts of Respondent at the aforementioned bank are hereby seized.

In accordance with *Texas Finance Code* § 154.412(a), it is hereby further ORDERED that Zions Bancorporation, N.A. is to freeze all of Respondent's accounts and stop all withdrawals from those accounts pending further orders under chapter 154 of the *Texas Finance Code* or other valid process of law.

Nothing in this *Emergency Order to Seize Prepaid Funeral Accounts and Records* affects any other rights, claims, or remedies available to the Department, the Commissioner, or any third-parties, including but not limited to any administrative claims for ancillary relief under *Texas Finance Code* § 154.412(f).

#### **IV. Effective Date and Notice of Right to Hearing**

Pursuant to *Texas Finance Code* § 154.412(c), this *Emergency Order to Seize Prepaid Funeral Accounts and Records* is effective immediately. Pursuant to *Texas Finance Code* § 154.412(c-1), Respondent may request in writing an opportunity for a hearing to show that this *Emergency Order* should be stayed by filing that request with the Commissioner no later than February 25, 2024, which is the 30th day after the date on which this *Emergency Order* is to be mailed to Respondent.

#### **V. Service**

This Order will be served on Respondent via first class mail and certified mail, return receipt requested to the following address:

Cremation Service International, Inc.  
5601 Arlington St.  
Houston, Texas 77076

This Order will be served on Respondent's registered agent via first class mail and certified mail, return receipt requested to the following address:

Cremation Service International, Inc.  
c/o Peggy L. Murphy, Registered Agent  
5601 Arlington St.

Houston, Texas 77076

This Order will be served on Respondent's bank via first class mail and certified mail, return receipt requested to the following address:

Amegy Bank, a division of Zions Bancorporation, N.A.  
One South Main Street  
Salt Lake City, Utah 84133

This Order will be served on Respondent's bank through its registered agent via first class mail and certified mail, return receipt requested to the following address:

Amegy Bank, a division of Zions Bancorporation, N.A.  
c/o Corporation Service Company, Registered Agent  
211 E. 7th Street, Suite 620  
Austin, Texas 78701

Signed and effective on this 26th day of January, 2024.

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