

Texas Department of Banking

Press Release

Action Against: Lakeland Hills Memorial Park, Burnet, Texas; Heritage Funeral Home, Harker Heights, Texas; Killeen Memorial Park, Killeen, Texas; and Temple Mt. Zion Garden of Memories and Temple Funeral Home, Temple, Texas

Date: January 7, 2008

The Texas Department of Banking announced today that it has seized the records relating to the unauthorized prepaid funeral benefit contracts sold by Heritage Maintenance Systems, L.C., the parent company which owns the funeral homes and cemeteries named above located in Temple, Killeen and Burnet, Texas. The Heritage Group violated Chapter 154 of the Texas Finance Code (TFC) by selling prepaid funeral benefit contracts without a trust-funded permit issued by the Department. In addition, the Heritage Group acting as an agent for Funeral Director's Life Insurance Company and Funeral Agency, Inc., Abilene, Texas (FAI) failed to forward certain insurance-funded prepaid funeral benefit contracts and related funds to FAI in violation of the TFC.

The Department also served Mr. Timothy Gaffney, President of Heritage Group and the entities owned by Heritage Group with Cease and Desist Orders ordering Mr. Gaffney and his funeral and cemetery locations to cease selling prepaid funeral benefit contracts and to cease collecting associated funds. The Heritage Group and Mr. Gaffney timely requested a hearing to appeal the Orders.

Mr. Gaffney has temporarily relinquished control over the daily operations of the Heritage Group. New management of the Heritage Group and FAI are cooperating with the Department to address this matter.

If you purchased a prepaid funeral benefit contract from Heritage Group, contact the Department to verify the status of your

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 "3" for Inquiries/Complaints, at the next prompt select "6" for Funeral Contracts/Cemeteries or Directly (512) 475-1285.