



Charles G. Cooper
Commissioner

TEXAS DEPARTMENT OF BANKING

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PRESS RELEASE

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Texas Department of Banking Commissioner Issues Consent Order Relating to Clayton Kay-Vaughan Funeral Homes

On March 22, 2019, Texas Banking Commissioner Charles G. Cooper (Commissioner) issued a Consent Order relating to Clayton Kay-Vaughan Funeral Homes (Respondent), of Grandview, Texas. Respondent operates multiple funeral homes located in Texas, performing services as a funeral provider under insurance-funded prepaid funeral benefits contracts. Respondent violated Texas Finance Code (Finance Code) § 154.161 by failing to provide refunds to customers under at least nineteen insurance-funded prepaid benefits contracts during the past three years.

Under Finance Code § 154.161, after the death of a prepaid funeral contract beneficiary, the funeral provider under the contract must: deliver the contracted funeral merchandise and services and cash advance items required under the contract; prepare a written pre-need to at-need reconciliation to verify that the specified goods and services are delivered or performed for the agreed price; and promptly refund any amounts due that may be revealed by the reconciliation. After demands from Department staff, Respondent ultimately made appropriate refunds to affected customers.

As required by Finance Code § 154.406(c), the Commissioner considered the seriousness of the violations, Respondent's compliance history, and Respondent's good faith in attempting to comply with Chapter 154. Based on these findings and the representations made by Respondent, the Commissioner assessed a penalty of \$14,250. The full text of the [Order](#) can be viewed on the Department's website.

Inquiries regarding this matter should be directed to:

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