



**OFFICE OF THE SECRETARY OF STATE
STATE OF GEORGIA**

IN THE MATTER OF	*	Case Number:
	*	
Oaknoll Memorial Gardens, LLC,	*	(ENCE-0381)
Floyd Memory Gardens, LLC,	*	(ENCE-0382)
Sunset Hills Memorial Gardens, LLC,	*	(ENCE-0383)
Floral Memory Gardens, LLC,	*	(ENCE-0389)
	*	
Respondents.	*	

STATUTORY COMPLIANCE AND SUPERVISION PLAN

Pursuant to O.C.G.A. § 10-14-1 et seq., of the Georgia Cemetery and Funeral Services Act of 2000 (“Act”), the Secretary of State for the State of Georgia (“Secretary”) caused an investigation to be made into Oaknoll Memorial Gardens, LLC, Floyd Memory Gardens, LLC, Sunset Hills Memorial Gardens, LLC, and Floral Memory Gardens, LLC (“Oaknoll”, “Floyd”, “Sunset”, “Floral”, and collectively “Respondents”) to determine whether Respondents violated the Act or a rule adopted by the Secretary thereunder (“Rules”). The Secretary subsequently issued Respondents a Proposed Order and Notice of Opportunity for Hearing (“Proposed Order”) and sought to impose a civil penalty in the amount of one hundred thousand dollars (\$100,000.00) each, collectively four hundred thousand dollars (\$400,000.00).

On June 1, 2021, Respondents timely requested a pre-hearing conference pursuant to Rule 590-3-1-.05, and continued negotiations through the informal conference process. Having considered information provided by Respondents and representations made by Respondents, the Secretary, Respondents, and the other signatories hereby agree to the terms and conditions set forth herein.

CONSENT TO JURISDICTION AND WAIVER

1. Respondents consent to the jurisdiction of the Secretary over Respondents and this matter pursuant to the Act.

2. Without Respondents admitting or denying the Secretary of State's Allegations herein, Respondents and the Secretary stipulate and agree to the issuance of this Statutory Compliance and Supervision Plan ("SCP") without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein and attached as Exhibit "A" herein.

3. Respondents agree not to make any public statements creating the impression that this SCP is without legal or factual basis.

4. Respondents stipulate and agree that in the event of a breach of this SCP by Respondents, the Secretary fully reserves the right to pursue any and all legal or administrative remedies at its disposal.

5. Respondents, through the execution of this SCP, voluntarily waive their rights to a formal hearing on this matter.

6. Respondents enter into this SCP voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Secretary or any member, officer, employee, agent, or representative of the Secretary to induce Respondents to enter into this SCP.

BACKGROUND

7. Respondent Oaknoll operates a cemetery located in Floyd County, Georgia, that is registered with the Secretary as a Perpetual Care Cemetery as defined by O.C.G.A. § 10-14-3(28). Oaknoll is a domestic for-profit corporation located at 549 Shorter Ave., Rome, Georgia 30165.

8. Respondent Floyd operates a cemetery located in Floyd County, Georgia, that is registered with the Secretary as a Perpetual Care Cemetery as defined by O.C.G.A. § 10-14-3(28). Floyd is a domestic for-profit corporation located at 895 Cartersville Highway SE, Rome, Georgia 30161.

9. Respondent Sunset operates a cemetery located in Floyd County, Georgia, that is registered with the Secretary as a Perpetual Care Cemetery as defined by O.C.G.A. § 10-14-3(28). Sunset is a domestic for-profit corporation located at 80 Church St., Rome, Georgia 30161.

10. Respondent Floral operates a cemetery located in Dougherty County, Georgia, that is registered with the Secretary as a Perpetual Care Cemetery as defined by O.C.G.A. § 10-14-3(28). Floral is a domestic for-profit corporation located at 120 Old Pretoria Road, Albany, GA 31707.

11. Respondents are subject to the provisions of the Act and the Rules.

12. On or about April of 2021, the Secretary began an investigation into potential violations of the Act. Based on complaints received from the community and inspections done, the Secretary

found that there may be cause to believe that the Respondents failed to provide requisite “care and maintenance” of their grounds, in violation of O.C.G.A. § 10-14-17(i). The Secretary specifically found that multiple care and maintenance actions were not taken. Respondents failed:

- a. To provide proper signage identifying the location of the offices;
- b. To provide proper landscaping, including failing to treat the grass for weeds and mend the barren areas in the grass;
- c. To repair and mend the grounds in a reasonable amount of time from damage caused by allowing vehicles and other heavy machinery to drive across their grounds to dig graves and conduct burial services;
- d. To repair and mend sunken graves, headstones, markers, and monuments in a reasonable amount of time after discovery; and
- e. To maintain the Cemeteries’ road system and to repair potholes, fissures, drainage and other deterioration and erosion in the road system.

APPLICABLE LAW

13. Paragraphs 1 through 12 are incorporated by reference as though fully set forth herein.

14. The Secretary has jurisdiction over this matter pursuant to the Act.

15. Pursuant to O.C.G.A. §§ 10-14-14, 10-14-15, and 10-14-19, the Secretary is authorized to conduct this investigation and issue this Statutory Compliance and Supervision Plan.

16. Pursuant to O.C.G.A. § 10-14-19(a)(1) of the Act, if the Secretary determines:

that any person has engaged in, or is engaging in, or is about to engage in any act or practice or transaction which is prohibited by this chapter or by any rule, regulation, or order of the Secretary of State promulgated or issued pursuant to any Code section of this chapter or which is declared to be unlawful under this chapter, the Secretary of State may...[i]ssue an order, if he or she deems it to be appropriate in the public interest or for the protection of consumers, prohibiting such person from continuing such act, practice, or transaction, subject to the right of such person to a hearing as provided in Code Section 10-14-23.

17. Pursuant to O.C.G.A. § 10-14-19(f) the Secretary is authorized to impose a “civil penalty not to exceed \$10,000.00 for a single violation and not exceeding \$100,000.00 for multiple violations in a single proceeding or a series of related proceedings.”

18. Respondents are registered with the Division as perpetual care cemeteries pursuant to O.C.G.A. § 10-14-4. Thus, Respondents are subject to discipline under the Act.

19. Pursuant to O.C.G.A. § 10-14-17(i), “[i]t shall be unlawful for any owner or operator of a

perpetual care cemetery to fail to provide care and maintenance for the cemetery.”

20. Pursuant to O.C.G.A. § 10-14-3(6):

“Care and maintenance” means the perpetual process of keeping a cemetery and its lots, graves, grounds, landscaping, roads, paths, parking lots, fences, mausoleums columbaria, vaults, crypts, utilities, and other improvements, structures, and embellishments in a well cared for and dignified condition, so that the cemetery does not become a nuisance or place of reproach and desolation in the community. As specified in the rules of the Secretary of State, care and maintenance may include, but is not limited to, any or all of the following activities: mowing the grass at reasonable intervals; raking and clearing the grave spaces and adjacent areas; pruning of shrubs and trees; suppression of weeds and exotic flora; and maintenance, upkeep, and repair of drains, water lines, roads, buildings, and other improvements. Care and maintenance may include, but is not limited to, reasonable overhead expenses necessary for such purposes, including maintenance of machinery, tools, and equipment used for such purposes. Care and maintenance may also include repair or restoration of improvements necessary or desirable as a result of wear, deterioration, accident, damage, or destruction. Care and maintenance does not include expenses for the construction and development of new grave spaces or interment structures to be sold to the public.

SECRETARY OF STATE’S FACTUAL ALLEGATIONS

21. Respondents engaged in a persisting and systemic failure to provide for care and maintenance for the cemeteries. Respondents did not provide landscaping for the cemetery grounds, including failing to properly treat the grounds for weeds and failing to properly mend barren areas in the grass. Respondents failed to take the proper measures to correct these care and maintenance issues, despite being repeatedly alerted to their existence. These activities described are violations of O.C.G.A. § 10-14-17(i). These violations are actionable events pursuant to O.C.G.A. § 10-14-19.

22. Respondents further failed to provide for care and maintenance for the cemeteries by failing to repair and mend the ground from damage caused by allowing vehicles and other heavy machinery to drive across its grounds. Respondents failed to take the proper measures to correct these care and maintenance issues, despite being repeatedly alerted to their existence. These activities described are violations of O.C.G.A. § 10-14-17(i). These violations are actionable events pursuant to O.C.G.A. § 10-14-19.

23. Respondents failed to provide for care and maintenance for the cemeteries by failing to maintain the cemeteries’ road system and failure to repair potholes, fissures, and other forms of

deterioration and erosion in the road system. Respondents have failed to take the proper measures to correct these care and maintenance issues, despite being repeatedly alerted to their existence. These activities described are violations of O.C.G.A. § 10-14-17(i). These violations are actionable events pursuant to O.C.G.A. § 10-14-19.

24. Respondents failed to provide for care and maintenance for the Cemetery by failing to keep its graves in a dignified condition by allowing graves to sink and become bare, and failed to provide remedial maintenance to return graves to a dignified condition. Respondents failed to take the proper measures to correct these care and maintenance issues, despite being repeatedly alerted to their existence. These activities described are violations of O.C.G.A. § 10-14-17(i). These violations are actionable events pursuant to O.C.G.A. § 10-14-19.

25. Respondents failed to provide for care and maintenance for the cemeteries by failing to repair damage caused to markers and headstones by care and maintenance staff. Respondents failed to take the proper measures to correct these care and maintenance issues, despite being repeatedly alerted to their existence. These activities described are violations of O.C.G.A. § 10-14-17(i). These violations are actionable events pursuant to O.C.G.A. § 10-14-19.

26. Respondents engaged in a persisting and systemic failure to provide for care and maintenance for the cemeteries. Respondents did not provide landscaping for the cemetery grounds, including failing to properly treat the grounds for weeds and failing to properly mend barren areas in the grass. Respondents failed to take the proper measures to correct these care and maintenance issues, despite being repeatedly alerted to their existence. These activities described are violations of O.C.G.A. § 10-14-17(i). These violations are actionable events pursuant to O.C.G.A. § 10-14-19.

27. Respondents further failed to provide for care and maintenance for the cemeteries by failing to repair and mend the ground from damage caused by allowing vehicles and other heavy machinery to drive across its grounds. Respondents failed to take the proper measures to correct these care and maintenance issues, despite being repeatedly alerted to their existence. These activities described are violations of O.C.G.A. § 10-14-17(i). These violations are actionable events pursuant to O.C.G.A. § 10-14-19.

28. Respondents neither admit or deny these allegations. However, both the Division and Respondents recognize that measures have been taken to improve the care and maintenance

conditions of the property. Respondents have shown a commitment to improving the procedures for handling complaint in-take and community outreach.

STATUTORY COMPLIANCE AND SUPERVISION PLAN

WHEREFORE, it is hereby agreed that:

1. The registration of **Oaknoll Memorial Gardens, LLC** is placed in a status of **CONDITIONAL REGISTRATION** for **TWO (2) YEARS**. Said conditional registration is considered heightened supervision requiring compliance oversight as stipulated in Exhibit "A". The conditional registration period will commence upon execution of this Statutory Compliance and Supervision Plan.

2. The registration of **Floyd Memory Gardens, LLC** is placed in a status of **CONDITIONAL REGISTRATION** for **TWO (2) YEARS**. Said conditional registration is considered heightened supervision requiring compliance oversight as stipulated in Exhibit "A". The conditional registration period will commence upon execution of this Statutory Compliance and Supervision Plan .

3. The registration of **Sunset Hills Memorial Gardens, LLC** is placed in a status of **CONDITIONAL REGISTRATION** for **TWO (2) YEARS**. Said conditional registration is considered heightened supervision requiring compliance oversight as stipulated in Exhibit "A". The conditional registration period will commence upon execution of this Statutory Compliance and Supervision Plan.

4. The registration of **Floral Memory Gardens, LLC** is placed in a status of **CONDITIONAL REGISTRATION** for **TWO (2) YEARS**. Said conditional registration is considered heightened supervision requiring compliance oversight as stipulated in Exhibit "A". The conditional registration period will commence upon execution of this Statutory Compliance and Supervision Plan.

5. At the end of the two-year period, Respondents shall jointly and severally, pay a civil penalty to the Secretary in the amount of four hundred thousand dollars (\$400,000.00), less any payments the Respondents make towards the care and maintenance improvements that are outlined in Exhibit A. The intent of this SCP is to ensure Respondents are investing the funds into the improvement of the care and maintenance conditions of the properties. Funds used for ordinary operating and business expenses shall not be considered an investment into the improvement of care and maintenance. For the purposes of this SCP, expenses for legal services, accounting

services, salaries for employees and maintenance workers, office supplies, software, and ordinary operating and business expenses (including ordinary expenses associated with the opening and closing of graves) shall not be considered care and maintenance improvement expenses. Should the Respondents breach the conditions set forth in the SCP, including but not limited to Exhibit A, and fail to promptly cure the breach after receiving notice as set forth in Paragraph 6 below, the remaining balance of the four hundred thousand dollars (\$400,000.00) civil penalty, as calculated as of the breach date, shall be due and owed immediately.

6. In the event of a breach of the SCP, including but not limited to Exhibit A, by Respondents, the Secretary shall provide notice to Respondents identifying the actions of Respondents that constitute a breach of the SCP and shall provide Respondents with ten (10) business days to respond to the Secretary. In Respondents' response to the Secretary's notice, Respondents shall provide a written estimate of a reasonable and detailed timeline needed to cure the breach. In the event that Respondents fail to respond and provide such a timeline to cure within ten (10) business days, Secretary may pursue all rights and remedies under the laws of the State of Georgia to compel Respondents' compliance with the relevant provisions of this SCP, to pursue collection of any remaining balance of the civil penalty and cost of investigation, and/or to pursue administrative disciplinary action.

7. The Division acknowledges that Respondents may have incurred qualifying improvement expenses prior to the execution of this agreement. The following non-exclusive categories of expenses incurred prior to, and/or after, the execution of this agreement shall be credited toward the penalty amount:

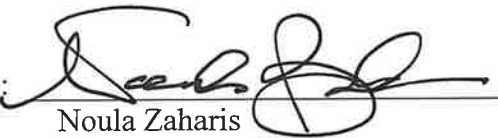
- a. Infrastructure improvements and/or repairs, including but not limited to, existing roads, curbing, sidewalks, drainage and main plumbing, signage and fencing, and professional service costs and fees associated with implementing such repairs or improvements;
- b. Outsourced services for re-leveling of graves;
- c. Repair/replacement of features, memorials, and buildings;
- d. Repair/replace/improvements to non-memorial features and buildings;
- e. Purchase of new equipment – such as a smaller backhoe; excavators, vault buggies, dump trucks, dump trailers, and similar equipment that would minimize disturbance to existing gravesites; and

f. Beautification of common areas, and the overall appearance of the properties, including, pressure washing, non-ordinary landscaping costs, such as fertilizer and weed control applications, and addition of pine straws.

8. Respondents will jointly and severally, remit payment the Secretary's cost of investigation a total of **six thousand dollars (\$6,000.00)** to the Secretary due within thirty (30) days of the entry of a final SCP by the Secretary. The entry of this SCP is deemed to be in the public interest. If at any time it appears to the Secretary that Respondents have failed to comply with this SCP or has made any other material misrepresentations or omissions in regard to this matter, the Secretary may take further action.

SO AGREED this 19th day of May, 2022.

**SECRETARY OF STATE
BRAD RAFFENSPERGER**

By: 
Noula Zaharis
Director, Securities and Charities Division

BY SIGNING BELOW, I ACKNOWLEDGE THAT I HAVE READ AND AGREE TO ALL TERMS IN THE ABOVE STATUTORY COMPLIANCE AND SUPERVISION PLAN AND THAT I AM AUTHORIZED TO SIGN THIS DOCUMENT

Stonemor, Inc. *on behalf of Respondents.*



BY: Lorena L. Trujillo

TITLE: VP, General Counsel & Secretary

DATE: May 19, 2022

**CONSENT TO ENTRY OF STATUTORY COMPLIANCE AND SUPERVISION PLAN
STONEMOR, INC.**

Stonemor, Inc. and Respondents (“Stonemor”) hereby acknowledge that it has been served with a copy of this Statutory Compliance and Supervision Plan (“SCP”), have read the foregoing SCP, are aware of their rights to a hearing and appeal in this matter, and have waived the same.

Stonemor and Respondents admit the jurisdiction of the Secretary of State for the State of Georgia and consents to entry of this SCP as settlement of the issues contained in this SCP.

Stonemor and Respondents agree that they shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any administrative monetary penalty that Stonemor or Respondents shall pay pursuant to this SCP.

Stonemor and Respondents state that no promise of any kind or nature whatsoever was made to them to induce them to enter into this SCP and that they have entered in this SCP voluntarily.

The below signator(s) represent that they are an officer of the respective organization and that, as such, has been authorized by the organization to enter into this SCP for and on behalf of Stonemor and Respondents.

Dated this 19th day of May, 2022

Stonemor, Inc.



BY: Lorena L. Trujillo

TITLE: VP, General Counsel & Secretary

EXHIBIT "A"

The Division and Respondents agree to the following conditions:

1. The Division shall place Respondents on a two (2) year compliance supervision period ("Supervision Period"). During the Supervision Period, each Respondent shall commit to improving the conditions of the grounds and property, including but not limited to the following:
 - (a) Respondents promise to repave roadways and sidewalks where such improvement is necessary;
 - (b) Respondents shall install signage throughout the properties consistent with the sign requirements found in the Act and Rules;
 - (c) Respondents shall fill all dirt holes on the property, prioritizing dirt holes on grave plots;
 - (d) Respondents shall implement appropriate procedures to reduce tire tread marks and make every best effort to avoid driving equipment and vehicles over occupied graves; and
 - (e) Respondents shall take appropriate steps to staff the properties to the fullest extent possible, considering factors like the local economy, availability of labor, and pandemic-related issues, and dedicate operating expenses to retaining adequate and competent maintenance personnel on staff.
2. Respondents shall procure and use the equipment required under the circumstances to protect the integrity of graves and to minimize any unintentional damage in the surrounding areas.
3. Respondents shall take appropriate steps to staff the properties to the fullest extent possible, considering factors like the local economy, availability of labor, and pandemic-related issues and dedicate operating expenses to ensure competitive salaries (for the location) and/or contracts for maintenance personnel. Employees shall not be compensated for under spending the budget if that under spending delays or degrades the improvement of care and maintenance standards. If Respondents are unable to staff the properties to the fullest extent possible, Respondents shall inform the Secretary via their quarterly reports.
4. Respondents shall provide biannual training to its maintenance crew with respect to industry "best practices" in performing burial services, the use of heavy equipment, and regarding care and maintenance standards for perpetual care cemeteries.
5. Respondents shall rectify identified drainage issues.
6. Respondents shall use best efforts to expeditiously repair and replace damaged gravesites, markers, stonework, and missing vases, which may include hiring of additional personnel specifically tasked with doing so, provided however, that the Respondents are able to procure the proper and necessary replacement parts in a timely manner in order to perform the

replacement. Any replacement or repair of said items that takes longer than a six (6) month period shall be noted by Respondents in their quarterly reports to the Division.

7. Respondents shall secure the services of a third-party certified public accountant (“CPA”) during the Supervision Period. The CPA’s compensation and expenses shall be borne exclusively by Respondents. Respondents must submit annual audited financial statements to the Division, beginning no later than twelve (12) months after the issuance of this SCP. Shall the engagement of the CPA with Respondents end for any reason during the Supervision Period, Respondents must engage the services of a new CPA. Failure by Respondents to provide audited financial statements to the Division within twelve (12) months of the issuance of this SCP will be treated as a breach of this SCP.
8. During the Supervision Period, Respondents shall submit care and maintenance invoices and expense reports (collectively, “Expense Reports”) on a quarterly basis following the issuance of this SCP. The Expense Reports shall be organized by property and not include expenses incurred during the normal course of business. Expenses not considered care and maintenance include but are not limited to, costs associated with opening and closing a grave, costs associated with administrative expenses such as payroll or software licenses, and payroll expenses of maintenance workers. Expenses for legal services, accounting services, salaries for employees and maintenance workers, office supplies, and ordinary operating and business expenses shall not be considered care and maintenance improvement expenses. The Expense Reports shall be limited to expenses and invoices actually paid by Respondents.
9. Respondents consent to allowing their staff members to speak and communicate with the Division and its employees. This includes allowing Division inspectors to speak directly with staff members. The Division agrees that these communications will not involve legal negotiations or other subjects more suitable for Respondents’ legal counsel.
10. During the Supervision Period, Respondents shall report to the Division, in its quarterly reports, all complaints the location received through its complaint process. This portion of the quarterly report shall include the name, address, phone number of complainants, and resolution status of the complaint. Receipt of complaints shall not necessarily constitute a breach of the SCP, however, a failure to provide these complaints to the Division in Respondents’ quarterly reports will be treated as a breach of this SCP.
11. During the Supervision Period, Respondents shall provide quarterly reports created by their implemented software documenting service requests and care and maintenance task items. The purpose of these reports is to show implementation of Respondents’ uniform processes and procedures across all properties and a commitment to transparent handling of care and maintenance complaints. Each Respondent agrees to implement the task management software within thirty (30) days of the execution of this SCP.
12. During the Supervision Period, the Respondents will provide quarterly updates as to the “care and maintenance” efforts, and capital improvements made, at the cemeteries as outlined in the SCP.

13. Respondents agree that, during the Supervision Period, in the event that they undertake any change in corporate form, including if they sell, merge, or transfer business operations, they shall include in any contract for sale the obligations under this SCP as to bind any successor owners of the particular cemetery. Respondents further agree to provide proof of this clause to the Division if a contract for the sale of property is executed.
14. At the end of the Supervision Period, the remaining balance of the civil penalty of four hundred thousand dollars (\$400,000.00), as calculated consistent with the terms of this Plan, will be due and payable.
15. Respondents, jointly and severally, agree to reimburse the Division in the amount of six thousand dollars (\$6,000.00) for investigative costs. Half of the reimbursement, three thousand dollars (\$3,000.00) is due upon execution of this SCP by Respondents, with the remaining half of the reimbursement three thousand dollars (\$3,000.00) due by January 1, 2023.

This serves as an agreement between Respondents and the Division. Respondents' full compliance with this SCP and the terms set herein will serve to vacate the Division's Proposed Order to Cease and Desist and Imposition of Civil Penalty and Notice of Opportunity for Hearing dated May 21, 2021. Failure to comply fully with the terms and deadlines set forth in Exhibit A will constitute a breach of the SCP.