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\$500K in burial funds missing

At least eight firms that sold pre-need plans investigated

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More than \$500,000 could be missing from pre-need funeral providers' trust accounts to cover burial obligations for hundreds of Mississippians, officials say.

The state has pending legal action or hearings planned for owners of at least eight pre-need burial providers.

"It's a growing concern," Secretary of State Delbert Hosemann said Friday. Misapplying trust funds from someone's funeral arrangements is "literally grave-robbing," he said.

Ellis Johnson, 74, of the Baldwin area said he paid for a burial plot and a headstone in 1999 to one of the eight pre-need providers.

"They need to be put in prison," Johnson said of providers who may have absconded with the money paid to cover future burial costs.

Johnson said the gravesite still is available, but he could lose more than \$2,000 for the headstone.

Funeral home providers who sell "pre-need" funeral plans not funded by insurance are required by law to place in trust a certain amount of funds paid by the buyer.

Current law requires that at least 85 percent of pre-need funds be placed in a trust account.

On Friday, the state got a temporary restraining order in Warren County Chancery Court to stop Green Acres of Vicksburg LLC from selling pre-need services and merchandise and to freeze company bank accounts.

Its pre-need trust account is believed to be deficient by \$373,591.80. Green Acres also faces charges of selling pre-need policies without a license by the state.

Hosemann and the state attorney general's office will be in court Feb. 2 to seek a permanent injunction.

The Clarion-Ledger was unable to reach anyone with the company on Friday.

Other providers deficient in their trust accounts and facing possible legal action are:

- Prentiss Memorial Gardens in Baldwin.
- Sunset Gardens Memorial Park in Laurel.

- Liberty Memorial Park in Booneville.
- Pinecrest Memorial Park in Pittsboro.

All four pre-need cemetery establishments were owned and operated by Don Middleton and Rogers Memorial Management Co. LLC. The Birmingham-based company apparently is no longer in business.

The pre-need trust accounts of all four were deficient.

An exact amount has yet to be determined. However, \$378,960 worth of contracts were sold by the funeral providers.

Hosemann said his examiners have found at least 50 percent of those funds unaccounted for.

A lawsuit was filed last year against Middleton and Rogers Memorial Management in Prentiss County Chancery Court seeking restitution, repayment of attorney's fees and investigative costs, as well as civil penalties in the amount of \$1,000 per violation.

The George F. West Funeral Home in Natchez also is facing legal action. In addition to not being registered to sell pre-need contracts, examiners found its trust to be underfunded by about \$95,000. An administrative hearing is pending.

Owner Theodore West didn't return a call left Friday with an employee.

Also included among the companies where people have contacted the state with complaints about pre-need funeral plans are Jackson Mortuary in Aberdeen and former Jackson crematory operator Mark Seepe.

Seepe lost his license to operate his crematory amid accusations he commingled human remains, handed over the wrong remains to families and dumped others in the trash.

Hosemann has sought a default judgment against Seepe and his company, Southern Mortuary Services, in Hinds County Chancery Court.

Hosemann said all the money may never be recovered, but the goal of his office is to help stop the losses. It is unfortunate that the state has to go after the companies in court to try to recoup missing money, he said.
