

BEFORE THE ARKANSAS CEMETERY BOARD

IN THE MATTER OF:

**PINECREST MEMORIAL
PARK, ALEXANDER, ARKANSAS**

ORDER NO. C-08-063-08-OR01

ORDER APPROVING APPLICATION FOR TRANSFER OF CEMETERY

The Arkansas Cemetery Board (“Board”) held its quarterly meeting on September 30, 2008, pursuant to Ark. Code Ann. § 20-17-1005 and Rule 4 of the Rules of the Arkansas Cemetery Board. Among the matters considered was an application for transfer of ownership of Pinecrest Memorial Park (“Pinecrest”). Pinecrest is currently owned by Pine Crest Memorial Park, Inc., Pine Crest Floral Garden, Inc., and Miller Family Limited Partnership I (referred to collectively as “Sellers”). The application proposes a sale of Pinecrest to Forest Hills Cemetery, Inc. (“Forest Hills”). Upon consideration of the testimony of the witnesses, the exhibits, and all other matters presented, the Board hereby finds and concludes:

FINDINGS OF FACT

1. Pinecrest is perpetual care cemetery located in Alexander, Arkansas.
Pinecrest is licensed by the Board as a perpetual care cemetery as defined by the Cemetery Act for Perpetually Maintained Cemeteries, Ark. Code Ann. §§ 20-17-1001 through 20-17-1029 (“Act”).
2. On September 10, 2008, the Sellers and Forest Hills submitted an application to the Board proposing a transfer of ownership of Pinecrest to Forest Hills. The original application has since been supplemented to include documents and information requested by the staff of the Arkansas Securities Department (“Staff”).

3. As part of its application, Forest Hills submitted a current financial statement of Stewart Enterprises, Inc., the parent company of Forest Hills. However, the financial statement of Stewart Enterprises, Inc., does not reflect the financial condition of Forest Hills, the proposed licensee, as required by Ark. Code Ann. § 20-17-1012 (a)(2)(L), and Rule 12 of the Rules of the Arkansas Cemetery Board.
4. Except as noted in Paragraph 3 above, the Sellers and Forest Hills have submitted all documents and information required for a transfer of ownership of a perpetual care cemetery, pursuant to Ark. Code Ann. §§ 20-17-1012(a)(2)(A)—(M), and Rules 8.01 and 11 of the Rules of the Arkansas Cemetery Board. Upon receipt of current financial statements by Forest Hills, the Sellers and Forest Hills will have met all statutory and regulatory requirements necessary for approval of the proposed transfer of ownership.

CONCLUSIONS OF LAW

5. Ark. Code Ann. § 20-17-1012(a)(1) states that when a change is proposed in the controlling interest or ownership of a perpetual care cemetery or any cemetery company, the cemetery that holds the current permit and the individual or organization proposing to obtain ownership or gain control of the cemetery shall file an application for the issuance of a new permit.
6. An application for transfer of ownership of a perpetual care cemetery must contain certain specified fees, documents, statements, and accountings. Ark. Code Ann. § 20-17-1012(a)(2), and Rule 8.01 and 11, Rules of the Arkansas Cemetery Board.

7. If the Board finds that the seller and purchaser have complied with the Act and the Rules of the Arkansas Cemetery Board, the Board shall order the issuance of a new permit to the purchaser. Rule 11.06, Rules of the Arkansas Cemetery Board.

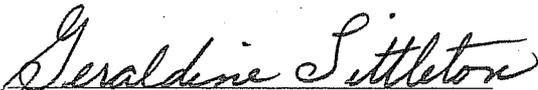
ORDER

The Board hereby orders that the transfer of ownership application for Pinecrest shall be approved conditioned upon the receipt of a current financial statement reflecting the financial condition of Forest Hills, as required by Ark. Code Ann. § 20-17-1012(a)(2)(L), and Rule 12 of the Rules of the Arkansas Cemetery Board. Upon receipt of the aforementioned item, the Staff shall be authorized to issue a new permit to Forest Hills for the operation of Pinecrest under the name of Forest Hills.

IT IS SO ORDERED.

Dated: November 10, 2008

ARKANSAS CEMETERY BOARD



GERALDINE LITTLETON
Acting Chairperson



A. HEATH ABSHURE
Secretary