

BEFORE THE ARKANSAS CEMETERY BOARD

IN THE MATTER OF:

**ARLINGTON MEMORIAL PARK
CEMETERY, EL DORADO, ARKANSAS,
REST HAVEN MEMORIAL GARDENS,
EL DORADO, ARKANSAS, MEMORIAL
PARK CEMETERY, PINE BLUFF,
ARKANSAS, EDGEWOOD MEMORIAL
CEMETERY, NORTH LITTLE ROCK,
ARKANSAS**

ORDER NO. C-08-071-08-OR05

**ORDER ESTABLISHING
PERMANENT MAINTENANCE TRUST FUND AGREEMENT**

A special meeting of the Arkansas Cemetery Board (“Board”) was held on August 13, 2008. Among the matters considered was an application for transfer of ownership and the status of the permanent maintenance trust funds of Arlington Memorial Park Cemetery (“Arlington”), Rest Haven Memorial Gardens (“Rest Haven”), Memorial Park Cemetery (“Memorial Park”), and Edgewood Memorial Cemetery (“Edgewood”), from Forest Hill Funeral Home and Memorial Park East, LLC (“Forest Hill”), to Serenity Cemeteries II, LLC (“Serenity”). Mr. Max Shelton, an attorney, appeared on behalf of Forest Hill in his capacity as its court-appointed receiver. Also appearing with Mr. Shelton was his attorney, Mr. Philip Hicky. Appearing on behalf of Serenity was Mr. Steven McDonald, its president. Upon consideration of the testimony, the exhibits, and all other matters presented, the Board hereby finds and concludes:

FINDINGS OF FACT

1. Arlington, Rest Haven, Memorial Park, and Edgewood (“Cemeteries”) are each licensed by the Board as perpetual care cemeteries as defined by the Cemetery Act for Perpetually Maintained Cemeteries, Ark. Code Ann. §§

20-17-1001—20-17-1028, (“Act”). Arlington and Rest Haven are both located in El Dorado. Memorial Park is located in Pine Bluff. Edgewood is located in North Little Rock.

2. The Board approved an application for transfer of ownership of the Cemeteries from Cemetery Holdings, LLC, to Forest Hill in 2006. At that time, the approval of the transfer of ownership application was conditioned upon execution of agreements between the Board, Forest Hill, and each financial institution where permanent maintenance trust funds for the Cemeteries are held providing that Board approval would be required prior to any action being taken to transfer any portion of the principal of the permanent maintenance trust funds to another financial institution, or prior to redirecting or reinvesting any portion of the permanent maintenance trust funds into other investment vehicles or instruments. The required agreements were executed between the Board, Forest Hill, and each of the affected financial institutions. On April 4, 2007, Max Shelton was appointed to serve as receiver for Forest Hill by the Chancery Court of Shelby County, Tennessee. The permanent maintenance trust funds for each of the Cemeteries remain at the financial institutions executing the agreements referenced above.
3. On August 13, 2008, the Board approved an application to transfer ownership of the Cemeteries from Forest Hill to Serenity, by Orders No. C-08-071-08-OR01, C-08-071-08-OR02, C-08-071-08-OR03, and C-08-071-08-OR04, each dated October 2, 2008. As was done in 2006, the

transfer of ownership approval is conditioned upon the entry of written agreements between the Board, an authorized agent of Serenity, and each of the financial institutions in which the permanent maintenance trust funds of the Cemeteries are deposited, requiring the approval of the Board prior to any action being taken to transfer any portion of the principal of the permanent maintenance trust funds to another financial institution, or prior to redirecting or reinvesting any portion of the permanent maintenance trust funds into other investment vehicles or instruments.

4. In recent years, the previous two owners of the Cemeteries have been the subjects of complaints to the Board by the public and close scrutiny by the Board. In 2005, Cemetery Holdings, LLC, was the subject of a hearing before this Board its mismanagement and numerous violations of the Act. (See, Arkansas Cemetery Board Order No. C-05-022-05 OR01). In 2007, the subsequent owner's mismanagement and abuses resulted in the placement of Forest Hill and the Cemeteries into receivership. In light of the recent history of the Cemeteries, it is necessary and in the public interest that the Board continue to closely monitor the status of the permanent maintenance trust funds of these cemeteries, and that any proposed material changes in the permanent maintenance trust funds be subject to approval by the Board.

CONCLUSIONS OF LAW

5. For a reasonable period of time following the approval of a transfer of ownership of a cemetery licensed under the Cemetery Act, the Board may

require presentation of proof of the currency of the cemetery's permanent maintenance trust fund the Board may deem necessary and in the public interest.

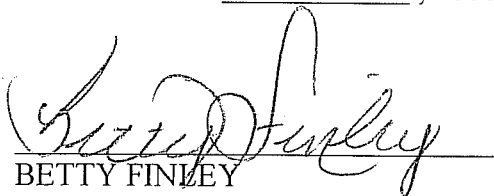
ORDER


The Board has approved the application for transfer of ownership of Arlington, Rest Haven, Memorial Park, and Edgewood, subject to the execution of agreements between the Board, Serenity, and each of the financial institutions in which the permanent maintenance trust funds of the Cemeteries are deposited; requiring approval of the Board prior to any action being taken to transfer any portion of the principal of the permanent maintenance trust funds to another financial institution, or prior to redirecting or reinvesting any portion of the permanent maintenance trust funds into other investment vehicles or instruments. The Board hereby orders that such agreements be executed, and that upon execution of the agreements, new permits for the Cemeteries shall be issued.

IT IS SO ORDERED.

ARKANSAS CEMETERY BOARD

Dated: October 2, 2008


BETTY FINLEY
Chairperson


A. HEATH ABSHURE
Secretary