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Minutes of the January 15, 2020
The State of Ohio Board of Embalmers and Funeral Directors'
Preneed Recovery Fund Committee

Wednesday, January 15, 2020

9:30 a.m.

Pursuant to Section 4717.03 (A) of the Ohio Revised Code, the State of Ohio Board of Embalmers and Funeral Directors' Preneed Recovery Fund Committee convened in Room South A on the 31st floor of the Vern Riffe Center for Government and the Arts located at 77 South High Street, Columbus, Ohio 43215 to discuss preneed recovery fund reimbursement applications.

1. Convening of the Committee – Chairperson Horne

Calling of the Roll

Chairperson George Horne, II called the meeting to order at 9:43 a.m. Executive Director of the Board Cheryl Grossman took roll call for the meeting. The following committee members were in attendance of the meeting:

George Horne, II; Edward C. Nurre, Jr.; Thomas Taneff

In attendance of the meeting was Derek Bogner, preneed compliance administrator/analyst; Cheryl L. Grossman, executive director of the board; Jack E. Lechner, Jr. and Beth Williams of Cincinnati College of Mortuary Science; Jon W. Rettig, Sr., board member; Melissa Sullivan of Ohio Funeral Directors Association; William C. Wappner, president of the board; and Jarrod Williams, program administrator.

Jon Rettig inquired for clarification on which application was being reviewed first. Mr. Bogner responded to Mr. Rettig by stating it was the application from D.C.

There was discussion among the committee members about the application.

Edward Nurre stated that the committee should be mindful to consider reimbursing only the amount of money alleged to have been misappropriated. He added that this committee is about to set a precedent with its' first claim for reimbursement. George Horne and Thomas Taneff each expressed their agreement with Mr. Nurre's statement.

Edward Nurre moved for the committee to approve the Preneed Recovery Fund Reimbursement Application Form in compliance case number CO2019-11650 and issue a payment in the amount of \$3,740.05 from the preneed recovery fund. The motion was seconded by George Horne. Mr. Horne asked for discussion on the motion.

Thomas Taneff asked Mr. Bogner if there was a copy of the back of the check payment made to the funeral home. Mr. Taneff stated that in the future he would like to see if a check was endorsed or contained documentation of when and where the money may have been deposited or cashed. Mr. Nurre agreed with Mr. Taneff's statement.

A roll call vote was taken on Mr. Nurre's motion. All committee members voted Yes. Motion carried 3/0.

Mr. Bogner informed the committee the next application for consideration was from R.T. There was discussion among the committee members about the application.

William Wappner inquired if payment was made to the funeral home or to the trust account. Mr. Bogner responded that he could not answer because the application did not include documentation of payment.

Mr. Taneff asked Mr. Bogner to clarify that there was no copy of payment to the funeral home or trust. Mr. Bogner confirmed there was no proof of payment for the preneed funeral contract submitted with the application.

Mr. Nurre questioned the amount of money alleged to have been misappropriated. Mr. Bogner responded that \$2,000.00 was the amount reportedly paid for the preneed funeral contract in 1994.

Mr. Taneff questioned if it would benefit the committee to have the applicant, or person affected by the alleged misappropriation, present during the committee meeting to answer questions, if needed. Committee members were not opposed to Mr. Taneff's idea.

Mr. Wappner inquired if there was a copy of a statement of goods and services drawn up by the funeral home. He opined that the trust agreement between the parties may not be legitimate, and the funeral expenses listed within may have been non-guaranteed as there was only \$2,000.00 reported to be deposited. Mr. Bogner responded that there was no statement of goods and services submitted with the application.

George Horne questioned if the two thousand dollars was meant as a down payment.

Jon Rettig inquired if there were any other documents available to support the applicants claim. He added that something simple as a copy of cancelled check would be helpful. Mr. Bogner responded that there was no documentation other than what is before the committee submitted with the application.

George Horne recommended the committee table discussion on this application and the two remaining applications to provide Derek Bogner with opportunity to gather additional information. He added that the committee may convene at a future date and time after Mr. Bogner has obtained the information.

(Associate Assistant Attorney General Christie Limbert arrived at Room South A prior to the scheduled 10:30 a.m. board meeting as the committee was in session.)

Mr. Rettig asked Christie Limbert, board counsel, if subrogation language was in the board's laws or rules. Ms. Limbert stated that she was aware subrogation was included in the preneed recovery fund rules but needed to review the rule and how to exercise the action before answering questions about it. Ms. Limbert requested that any questions be in writing and sent directly to her.

Mr. Nurre questioned if this claim may be eligible for reimbursement from the protection fund with the Ohio Department of Insurance. Ms. Limbert suggested contacting ODI for more information.

Melissa Sullivan offered the name of Michelle Rafeld, the Assistant Director of Fraud and Enforcement at the Ohio Department of Insurance as a contact.

Ms. Sullivan stated that the rule regarding subrogation was in Section 4717-14-15 of the Ohio Administrative Code. She also remarked that subrogation may deter licensees from purchasing existing funeral homes that may have undisclosed misappropriated prepaid preneed funeral contract funds.

Thomas Taneff moved for the committee to table discussion on the application submitted by R.T. and the two remaining applications to provide Derek Bogner with opportunity to gather additional information. The motion was seconded by Edward Nurre. Mr. Horne asked for discussion on the motion. There was no discussion. Motion carried 3/0.

Mr. Horne asked if there was any further discussion before the committee. There was none.

Edward Nurre moved for the committee to adjourn its meeting. The motion was seconded by Thomas Taneff. Motion carried 3/0.

January 15, 2020 meeting of the Preneed Recovery Fund Committee adjourned at 10:30 a.m.