

CONSENT ORDER

State Mortuary and Cemetery Board State of Oregon

In the Matter of WEST PROPERTIES II,
INC., HG SERVICES, INC. and
WALTER HOGAN

Respondents

OMCB CASE NOS. 05-1008A, B, and C

CONSENT ORDER

WHEREAS, the Oregon Mortuary and Cemetery Board (hereafter "Board" or "OMCB") is prepared to issue a notice of proposed disciplinary action in Case Nos. 05-1008A, 05-1008B and 05-1008C on the following basis:

1. On December 27, 2002, the Board received renewal applications for the 2003/2004 licensing period from Stewart Enterprises, Inc. or their subsidiaries (hereafter "Stewart") for the following facilities:
 - I. S.E. Acquisition of Oregon, Inc. dba Mountain View Memorial Chapel (OMCB License No. FE-8327), a funeral establishment
 - II. Chapel of the Valley Funeral Home, Inc. (Stewart) dba Roseburg Funeral Alternatives (OMCB License No. IM-9056), an immediate disposition company
 - III. Chapel of the Valley Funeral Home, Inc. dba Funeral Alternatives of Roseburg (OMCB License No. FE-8389), a funeral establishment
 - IV. S.E. Acquisition of Myrtle Creek, Oregon, Inc. (Stewart) dba Funeral Alternatives Crematory, Myrtle Creek (OMCB License No. CR-0520) (Now known as "Umpqua Crematory"), a crematorium
2. On January 14, 2003 the Board issued licenses to the above facilities.
3. Stewart sold the assets of the above facilities to West Properties II on or about July 30, 2004.
4. On July 29, 2004, Walter Hogan, president of HG Services, Inc. and West Properties II, Inc. and a Stewart representative, Randall Stricklin, signed a "Management and Service Agreement" transferring the management and operation of the foregoing facilities to West Properties II, Inc. to be effective on July 30, 2004.
5. Section 1 of the Management and Service Agreement reads:
"West II does hereby agree to professionally and legally manage Mountain View Memorial Chapel and Roseburg Funeral Alternatives for a period commencing on July 30, 2004, and terminating on the Closing Date as defined in the Purchase Agreement in a professional manner in full compliance with all applicable laws and regulations for and in consideration of its receipt of all of the profits from the operation of Mountain View

Memorial Chapel and Roseburg Funeral Alternatives during the period commencing on July 30, 2004 and ending on the Closing Date. "

6. On July 29, 2004, Respondents began operating the foregoing four facilities, were in a position to profit from the businesses, and employees of the facilities went to Corporate president, Walter Hogan, for his decision-making authority in business matters.

7. On July 25, 2005 the Board received completed applications for Change of Ownership for the four foregoing facilities from HG Services, Inc.; the applications were later amended to name West Properties II, Inc. as the owning entity.

8. On October 11, 2005 the Board issued temporary authority to operate to the following facilities:

Mountain View Memorial Chapel (OMCB License No. FE-8558)
Funeral Alternatives of Roseburg (OMCB License No. FE-8557)
Roseburg Funeral Alternatives (OMCB License No. IM-9069)
Umpqua Crematory (OMCB License No. CR-0712)

9. From approximately July 30, 2004 to October 11, 2005, Respondents operated the above facilities in violation of ORS 692.025(3), (4), (6); ORS 692.275(3); and OAR 830-040-0040, which is cause for disciplinary action under ORS 692.180(1)(g).

The Board and Respondents are desirous of resolving and settling the matters regarding Case Nos. 05-1008A, 05-1008B and 05-1008C without further proceedings thereon. This Consent Order constitutes the entire agreement of the parties and is a final order of the Board.

Respondents are aware of the right to a hearing with the assistance of counsel and the right to judicial review, and hereby freely and voluntarily waives those rights. Respondents hereby acknowledge that each has read, understands, and agrees to the terms of this Consent Order.

The Respondents agree that the Board may enter the following order:

NOW THEREFORE IT IS HEREBY ORDERED:

1. Respondents are hereby Reprimanded for operating facilities without an appropriate license or temporary authority in violation of ORS 692.025(3), (4), (6); ORS 692.275(3); and OAR 830-040-0040.
2. This Consent Order shall become effective when signed by the Executive Director of the Board.

DATED this 24th day of January, 2008.

MORTUARY AND CEMETERY BOARD
OF THE STATE OF OREGON

By: _____ <s> David Koach _____
David J. Koach, Executive Director

It is so Agreed.

1-18-08
Date

_____ <s> Walter Hogan _____
Walter Hogan

1-18-08
Date

_____ <s> Walter Hogan _____
West Properties II Inc.
By Walter Hogan, President

1-18-08
Date

_____ <s> Walter Hogan _____
HG Services, Inc.
By Walter Hogan, President