

**BEFORE THE MORTUARY AND CEMETERY BOARD  
OF THE STATE OF OREGON**

<p>In the Matter of the Funeral Service Practitioner License of <b>Holly Kroening</b> (FS-0391)</p> <p style="text-align: center;"><b>RESPONDENT</b></p>	<p>Notice of Proposed Disciplinary Action and Opportunity for a Hearing</p> <p style="text-align: center;"><b>CASE NO. 05-1051B</b></p>
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Pursuant to ORS 692.180, the Oregon Mortuary & Cemetery Board proposes to take disciplinary action against Respondent on the grounds noted below. For statutory and rule violations the Board may impose one or more of the following sanctions: Reprimand; license revocation; civil penalty of up to \$1000 for each violation; or other sanctions as authorized by law.

**Grounds for Disciplinary Action:**

1. At all times mentioned herein, Respondent was licensed by the Oregon Mortuary and Cemetery Board ("Board") as a funeral service practitioner (OMCB License No. FS-0391); and at all times mentioned herein Respondent was the manager of a funeral establishment: Cornerstone Funeral Services and Cremation Corporation (OMCB License #FE-8488) (hereafter "Cornerstone"). Cornerstone is licensed by the Department of Consumer and Business Services as a certified provider of prearrangement sales contracts (Certified Provider Registration No. 266).
2. On or about December 19, 2003, Respondent met with Marie L., an elderly woman residing at Fernhill Care Center, to make trust-funded prearrangements for Marie's funeral goods and services. Respondent completed, and both Respondent and Marie signed, an American Funeral & Cemetery Trust Services (AFCTS) prearranged,

guaranteed sales contract. The contract references Oregon law that requires the deposit of 90 percent of funds paid on a guaranteed prearrangement sales contract into a trust depository. Such deposits must be made within five (5) days of receipt. ORS 97.941(1)(a)(2)

3. Respondent also completed, and Respondent and Marie signed, a statement describing the funeral and cemetery goods and services selected by Marie in the amount of \$4296.00. This amount included a charge for \$350.00 for the purchase of a cemetery plot at Rock Creek Cemetery.

4. On or about March 27, 2004, Respondent received a check in the amount of \$4,296.00 from the Fernhill Care Center trust account on behalf of Marie. On March 29, 2004, the check was deposited into Cornerstone's business account at Clackamas County Bank. On April 7, 2004 Respondent wrote a Cornerstone check in the amount of \$350.00 to Rock Creek Cemetery for Marie's plot.

5. On October 5, 2005 Respondent self-disclosed to the Board that she did not deposit the appropriate amount (90%) of Marie's money into a trust depository, but instead the funds were used to operate the funeral establishment.

6. The Board proposes to take disciplinary action in the form of imposing civil penalties against Respondent because Respondent failed to follow through with agreed upon arrangements with Marie L. when failing to properly deposit Marie's funds into a trust depository within five days. The foregoing is a violation of OAR 830-030-0090 and OAR 830-030-0090(1)(d) which is cause for discipline under ORS 692.180(1)(g).

7. In addition, Respondent was the manager of Cornerstone and either used or knew that Marie's funds were used in the operation of the funeral establishment. The foregoing is considered fraudulent and dishonest conduct which is a violation of ORS 692.180(1)(b).

8. Definitions that may be relevant to this notice may be found in ORS 97.923; ORS 97.010 and OAR 830-011-0000.

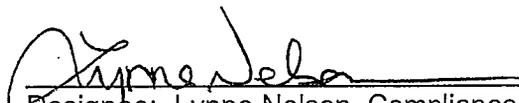
**Rights and Procedures**

You are entitled to a hearing as provided by the Administrative Procedures Act (ORS Chapter 183) and ORS 692.265(1). If you want a hearing, you must file a written request for hearing with the State Mortuary & Cemetery Board (the "Board") within 20 days from the date this notice was mailed. If a request for hearing is not received within this 20-day period, your right to a hearing shall be considered waived. Hearing requests may be mailed to State Office Building, 800 NE Oregon St., Suite 430, Portland, Oregon 97232-2195.

If you request a hearing, you will be notified of the time and place of the hearing. You have the right to be represented by legal counsel at a hearing. A Notice of Contested Case Rights and Procedures is enclosed with this Notice of Proposed Disciplinary Action. If you do not request a hearing within 20 days, or if you withdraw a hearing request, notify the Board or hearing officer that you will not appear or fail to appear at a scheduled hearing, the Board may issue a final order by default imposing the discipline as determined by the Board. If the Board issues a final order by default, it designates its file on this matter as the record for purposes of establishing a prima facie case.

DATED this 10<sup>th</sup> day of April, 2007

STATE MORTUARY AND CEMETERY BOARD

  
Designee: Lynne Nelson, Compliance Manager