

A 2627

RECEIVED

**Gelnett, Wanda B.**

**From:** Jewett, John H.  
**Sent:** Friday, October 12, 2007 3:14 PM  
**To:** Gelnett, Wanda B.  
**Subject:** FW: Proposed Pre-Need Funeral Regulations

2007 OCT 15 AM 7:34

INDEPENDENT REGULATORY  
REVIEW COMMISSION

Please add this email and the attachment to the "proposed comments" file for "2627."

-----Original Message-----

**From:** Ernie Heffner [mailto:ernieheffner@hotmail.com]  
**Sent:** Friday, October 12, 2007 5:30 AM  
**To:** msturla@pahouse.net; mtremmel@pahouse.net; cline@pahousegop.com; ssaylor@pahousegop.com  
**Cc:** jkutz@postschell.com; Jewett, John H.; Wilmarth, Fiona E.; Emery, Heather; dmorabito@state.pa.us; mrgnplant@aol.com  
**Subject:** Proposed Pre-Need Funeral Regulations

**To:** The House Professional Licensure Committee and Staff  
**From:** Ernie Heffner

In as much as I have copied all of you on my October 1<sup>st</sup>, 2007 letter to Arthur Coccodrilli, Chairman, IRRC, I am providing a copy of additional information provided by Attorney Jim Kutz on October 11<sup>th</sup> in response to a request by IRRC for more information.

I believe you will find the attached documentation to be further compelling, if not outrageous, evidence that Proposed Pre-need Regulation # 16A-4815 (Pre-Need Funeral Arrangements) published 8.25.07 and Proposed Pre-need Regulation # 16A-4816 (Pre-Need activities of unlicensed employees) published 9.29.07 are anti-consumer and anti-trust.

You will find that statements in the attached letter may seem like allegations and accusations in that are almost unbelievable were it not for the fact that you will also find the evidence documentation included.

These proposed regulations are nothing more than the ongoing protectionist scheme of a licensing board under the regulatory capture of a dubious non-profit trade association and their wholly owned for profit subsidiary, which you may recall pays kick backs to certain participating funeral directors.

Thank you for taking the time to read the attachment.

Sincerely,

*Ernie*

Ernie Heffner  
 Licensed Funeral Director  
 Heffner Funeral Chapel & Crematory  
 1551 Kenneth Road,  
 York, PA 17408  
 717-767-1551

10/15/2007



17 North Second Street  
12th Floor  
Harrisburg, PA 17101-1801  
717-731-1970 Main  
717-731-1985 Fax  
www.postschell.com

RECEIVED

2007 OCT 15 AM 7:34

James J. Kutz

jkutz@postschell.com  
717-612-6038 Direct

INDEPENDENT REGULATORY  
REVIEW COMMISSION

October 11, 2007

*Via Hand Delivery*

John H. Jewett  
Regulatory Analyst  
Independent Regulatory Review Commission  
14th Floor, Harristown 2  
333 Market Street  
Harrisburg, PA 17101

**RE: Request for Documentation Re:  
Approved Pre-Need Contracts - Bean Decision**

Dear Mr. Jewett:

In your recent e-mail, you had asked whether we could provide you with the "two pre-paid burial contracts" as they were referenced in the July 22, 2004 Opinion of the *En Banc* Commonwealth Court in the matter titled Bean v. Department of State. I am providing herewith your requested information, along with some related information. Allow me to put the documents in perspective, noting that I have handwritten paginated each of them.

Page 1 is an April 24, 2000 letter from the President of the Bean Funeral Home to the Department of State, wherein a proposed pre-need agreement is submitted for review and approval by the Board per the current Regulations of the Board.

Page 2 is a May 9, 2000 letter from Board Counsel advising that the submitted documentation "is in compliance with the Funeral Director Law...".

Pages 3, 4, 5, 6, and 7 represent the pre-need documentation that was the subject of the Bean submission and the Board approval. As this document is double-sided, please be sure to note the reverse side. Page 3 constitutes the initial part of the Security Agreement and you will note in the lower right-hand side of that document a three-day right of cancellation clause (which was approved by the Board). Page 4 is a listing of various funeral options, not necessarily related to any issue currently pending. Page 5 is the Statement of Funeral Goods and Services and the reverse side, Page 6, is, again, a listing of options. More importantly, however, I direct your attention to Page 7 (the last page of the approved pre-need agreement) and Paragraph 2 of the "General Provisions" relating to "Cancellation or Termination". Specifically, this pre-need agreement, submitted by Mr. Bean and approved by the Board, provides as follows:

Except for Buyer's three-day right of rescission set forth above,  
Buyer may not cancel this Security Agreement.

Simply stated, Pages 1-7 constitute the unequivocal approval by the State Board in calendar year 2000 of a pre-need agreement which contained an irrevocability provision but for the Unfair Trade Practices Act three-day right of rescission. Mr. Bean relied on this approval and entered into numerous pre-need agreements utilizing this form and believing that his approved contract was indeed approved for use.

Mr. Bean was also a member of the Pennsylvania Funeral Directors Association until recently, and in conjunction with that relationship, he utilized, at times, PFDA's for-profit affiliate, SecurChoice, for purposes of effectuating pre-need agreements and trusting the monies paid pursuant thereto. Pages 8-10 of the enclosed attachments represent the SecurChoice pre-need agreement which was in place and was utilized broadly by all PFDA members up until PFDA decided to rewrite the terms of its SecurChoice agreement in July, 2002. Notably, you will see that, on page 8 (the initial page of the SecurChoice agreement) there is an option to have the pre-need agreement "irrevocable" and, indeed, a specific box exists to check that category. Then, if you proceed to Page 9 (the reverse side of Page 8), you will see a "Termination" clause at Paragraph 4. That clause, although it speaks for itself, allows for termination of the pre-need agreement under two conditions, the first being if the customer checked the "revocable" (as opposed to the irrevocable) box on the front of the agreement, and the second condition being that the customer moved outside the Commonwealth of Pennsylvania. In other words, unless one of those two conditions existed, the agreement was not subject to termination by the customer. Of equal note, your attention is directed to other portions of the termination clause which expressly provide that, if there is a termination of the agreement, the funeral director is required to refund "all the money you have paid under this agreement", meaning that the consumer is assured that he will receive the same amount of monies upon termination as he paid initially at the time he or she entered into the agreement. At the same time, there is a clause allowing the funeral home to terminate the agreement but, again, that option would exist only if the customer elected the revocable option. Finally, and of particular importance, Paragraph 4 provides that, aside from the three-day right of rescission, and except for those two instances where the customer either moves out of state or has elected revocability, the customer "cannot terminate this agreement or the trust created pursuant to it."

The essence of pages 1-10 constitute irrefutable proof that the Funeral Board had approved as late as calendar year 2000, pre-need agreements which, by their terms, could be irrevocable. More importantly, these approved contracts were not only contracts drafted by individuals (as in the case of Mr. Bean), but also pre-need agreements utilized by PFDA. Again, Mr. Bean, relying upon the Board's approval of the SecurChoice contract, entered into an irrevocable pre-need agreement on numerous occasions.

Thus, even though it was your request that I provide the enclosed information, I think it is noteworthy that today, PFDA urges your office to approve Regulations which are completely

contrary to the pre-need agreements which PFDA had been using for years and for which they had asked State Board approval; *i.e.*, contracts that permitted irrevocability of obligation between the customer and the funeral home. Indeed, as Page 11 demonstrates, PFDA's SecurChoice would tender pre-need monies to its trustee, PNC, noting that the funds should be placed in the "irrevocable [master] trust".

Now, you may wonder why I include this April 9, 1999 SecurChoice confirmation to Mr. Bean's customer, confirming that \$6,500 was placed into PFDA's irrevocable trust. The answer is that this \$6,500 is invested and can result in a reduced value if the investment experience for the account is negative. Indeed, that is precisely what happened with SecurChoice's trust account for the identified customer of Mr. Bean. Specifically, attached as Page 12 is a check which SecurChoice cut for \$3,763.51, this representing the value of the customer's trust account as of January 2, 2003, the date that that customer died. In other words, although the funeral director received \$6,500 in 1999 in exchange for irrevocably committing to perform certain funeral services upon the death of the customer, at the time of her death, the account had dwindled by some \$2,200, thus causing the funeral director (in this case, Mr. Bean) to be required to provide services and merchandise now in excess of \$6,500, even though he only received back from the trust some \$3,700. The relevance of this fact? - because SecurChoice was experiencing losses in its accounts, the best way to deal with that problem was to rewrite pre-need contracts so that the funeral director could "get out of" such contracts at any time he or she wanted.

Accordingly, in the summer of 2002, PFDA's affiliate, SecurChoice, totally revamped their pre-need agreements, this time providing for the opportunity of both the customer and the funeral director to terminate the contract at any time. First, please note pages 13-17, attached hereto, which represent the correspondence leading to the State Board's approval of PFDA's "new" contracts. Notably, your attention is directed to Page 13, a July 5, 2002 letter from PFDA's affiliate pointing out two curious points. First, in Paragraph 2, the letter suggests that the new contracts and the changes in the new contracts are necessary "to come into compliance with recent rulings by the State Board of Funeral Directors...". Query: What rulings could this letter be referring to? Second, in Paragraph 5 of that same July 15, 2002 correspondence, the PFDA funeral director is advised that the major change in this new contract is that "the purchaser of a pre-need trust contract can cancel the agreement for any reason and receive all of their money back, including interest less fees...". These two statements are not only curious, they are erroneous. First, the State Board issued no "recent ruling" which would have compelled changes in the PFDA SecurChoice contract. Second, although the July 15 correspondence leads the reader to believe that only the purchaser of a pre-need contract can cancel for any reason, a review of the actual contract itself (see pages 18-20) compel a very different reading. Specifically, your attention is directed to page 20 and clause 4 thereof entitled "Termination". A review of that provision is nothing short of astounding. Indeed, what Paragraph 4 now provides (bearing in mind that this new contract was approved by the State Board) is that either the customer or the funeral director can terminate at any time. Putting to one side the fact that such a clause renders a contract "illusory" by legal definition, the more important point for purposes pertinent here is that this approved agreement now allows the funeral director to "get out of" a

pre-need contract any time he or she wants. In addition, it allows the funeral director to escape his or her obligation under the pre-need agreement at a time when termination results in the customer receiving less than the amount the customer initially placed into trust. Specifically, this approved agreement provides:

If the funeral home terminates this agreement, the funeral home will instruct the trustee to refund to you the current market value of all the money you have paid under this agreement, together with income earned less fees and reassigns any insurance policies in the trust to you. If your monies were placed in an annuity contract, you may incur penalties for early withdrawal.

See Page 20.

The import of this revision cannot be overstated. Indeed, this provision allows the funeral director to terminate the agreement any time the trust shows a negative balance, thus leaving the customer to receive only the then "current market value" of his or her investment. Perhaps to state it differently, although PFDA leads the customer to believe that the major change in this new agreement was to let the customer terminate at any time, see e.g., Page 13, the new benefit to the funeral director is the fact that he too can terminate at any time, thus leaving the pre-need customer out in the cold. In fact, even if the pre-need customer was the party seeking to terminate, note again that the customer would only receive the then-current value of his initial deposit which could be significantly less than the amount originally paid as part of the pre-need agreement. For example, Page 19 shows the different investment options which the PFDA funeral director can make for an individual's account. Suffice it to say that virtually every one of those options carry risk and the potential downside of reduced value from the initial corpus.

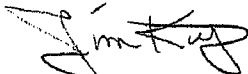
I would hope that the enclosed information is helpful to you in assessing whether or not the current Regulations are motivated by an intent to better protect the consumer or to better protect the funeral director, who has the option of terminating a contract and has the further option of harassing existing pre-need customers to sever their existing pre-need contracts, suffer the potential risks associated with said termination, and then place their remaining monies with he who has come late into the pre-need game.

Although you did not specifically request this, I am also enclosing three additional pages, Pages 21-23. These documents relate to another issue currently pending before you, *to wit*, the current Board proposal that no funeral director can have an interest in any entity which sells pre-need merchandise and requires only a 70% trusting requirement. For years, many funeral directors have been part of corporations that have sold merchandise and have trusted at 70%. In fact, one of the main reasons for that corporate formation was PFDA's strong suggestion in 1996, wherein they prepared a Pennsylvania Funeral Director Association Model Incorporation Kit, urging its members to set up a separate corporation so that trusting need only be at the 70% level for merchandise. As Page 21 of this attachment further shows, as late as 1999, the PFDA web site was urging its membership to continue to form corporations so that the benefits of the 70%

John H. Jewett  
October 11, 2007  
Page 5

trusting requirement could be achieved. Apparently, that program never got off the ground; others profited more; and, not surprisingly, PFDA and the State Board now suggest that such corporate creations are to be outlawed by the currently-proposed Regulations. Respectfully, these flip-flops are transparent. It is for all these reasons that you are seeing such significant opposition to Regulations which clearly are intended to advance the needs and desires of PFDA. Such conduct would not be so objectionable if it were not for the fact that it conflicts directly and severely with legal positions taken by PFDA and the State Board on a historical basis. The regulatory process in Pennsylvania should not be used as a conduit to achieve business goals that have no consumer benefit. Thank you.

Very truly yours,



James J. Kutz

JJK:dlh

Enclosures

cc: Ernie Heffner  
Morgan Plant



April 24, 2000

Commonwealth of Pennsylvania  
Department of State  
Bureau of Professional and Occupational Affairs  
State Board of Funeral Directors  
P.O. Box 2649  
Harrisburg, PA 17101-2649  
Attention Tom Blackburn, Esq.

RE: Statement of Funeral Goods & Services  
Pre Need Contracts

Dear Sir:

Enclosed please find copies of the above referenced documents for Board approval for Bean Funeral Homes and Crematory, Inc.

Please review the documents and communicate the Board's approval to me, if in fact the documents are acceptable to the Board.

Thank you for your attention to this matter.

Sincerely,

Terrence J. Shannon  
President  
Bean Funeral Homes and Crematory,  
Inc.

Enc.

2



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

LEGAL OFFICE  
COUNSEL DIVISION  
(717) 783-7200  
FAX: (717) 787-0251

116 PINE STREET  
P.O. BOX 2649  
HARRISBURG, PA  
17105-2649

May 9, 2000

Terrence J. Shannon, FD  
Bean Funeral Homes & Crematory, Inc.  
425 Penn Avenue  
Sinking Spring, PA 19608

Dear Mr. Shannon:

I have received your request of April 24, 2000 for approval of your at-need and pre-need statements of funeral goods and services.

Upon my review, it appears that the submitted statement of funeral goods and services is in compliance with the Funeral Director Law<sup>1</sup> and regulations promulgated thereunder. As such, this form is approved for use.

Sincerely,

Thomas A. Blackburn, Counsel  
State Board of Funeral Directors

cc: Cheryl Lyne, Administrator  
State Board of Funeral Directors

<sup>1</sup> Act of January 14, 1952 (P.L. 1951-1898), as amended; 63 P.S. § 479.1 et seq.

FOR MORE INFORMATION, VISIT US THROUGH THE PENNSYLVANIA HOMEPAGE AT WWW.STATE.PA.US,  
OR VISIT US DIRECTLY AT WWW.DOS.STATE.PA.US

2  
P-2  
Hela:



CREMATION SERVICES INC.
North 16th & Rockland Streets
Hamden Heights, Pa 19040
(610) 376-1085
Robert E. Bean, Supvr.

CREMATION SERVICES, INC.
129 East Lancaster Avenue
Shillington, PA 19087
(610) 378-1120
Kevin M. Bean, Supvr.

CREMATORY INC.
425 Penn Avenue
Shillington, Pa. 19080
(610) 376-1128
Terrence J. Shannon, Supvr.

FORM: PART 1 OF 2
SECURITY AGREEMENT FOR FUNERAL SERVICES AND/OR MERCHANDISE Pre-Need Contract #

THIS AGREEMENT is made this \_\_\_ day of \_\_\_, 20\_\_\_, by and between you the Buyer, \_\_\_ (consumer - holder of all papers)
of \_\_\_ (residence of individual buyer or place of business of commercial buyer) (25-0688)

and us the Seller:
AGREEMENT OF SALE: Subject to the terms and conditions hereof, we agree to sell and provide, and you agree to purchase, the professional services and/or funeral merchandise specifically enumerated below.

BENEFICIARY: We shall deliver the services and/or merchandise enumerated below only upon your death unless you designate otherwise below, in which event such services and goods shall be delivered only upon the death of such designee:

Name of Designee, if any: \_\_\_ Social Security No. \_\_\_ Telephone No. \_\_\_
Street Address: \_\_\_ Mailing Address (if other than Street Address): \_\_\_
City/Town: \_\_\_ State: \_\_\_ Zip Code: \_\_\_

For the purpose of this Security Agreement, the term "Beneficiary" shall mean the person upon whose death such goods and services are to be delivered, whether such person is Buyer or Buyer's designee.

STATEMENT OF FUNERAL SERVICES AND/OR MERCHANDISE SELECTED: Charges are only for those items that you selected or that are required. If we are required by law or by a cemetery to use any items, we will explain the reason in writing below. If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming you did not approve if you selected arrangements such as direct cremation or immediate burial. If we charged for embalming, we will explain why below.

- FUNERAL SERVICES REQUESTED:
Traditional Full Service
Graveside Service Only
Immediate Cremation
Cremation Service
Direct Burial
Anatomical Gift
Memorial Service

ALTERNATIVE SELECTIONS: Offerings A-H
Please consult the back of contract for detailed descriptions of the following alternative selections.
Offering Package Selected: \$

Consult the General Price List for a detailed description of the following items.

- BASIC SERVICES OF FUNERAL DIRECTOR & STAFF
TRANSFER OF REMAINS TO FUNERAL HOME
Applies to a 20 mile radius from the funeral home. Add \$1.50 per mile after the first 40 miles.

EMBALMING
If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming you did not approve if you selected arrangements such as direct cremation or immediate burial. If we charged for embalming, we will explain why below.

- ENBALMING IS REQUIRED IF YOU:
Selected a service with a viewing
Arranged for shipment by common carrier
Selected arrangements that require us to hold the remains for more than 24 hours provided no refrigeration is available or a hermetically sealed container is not used and provided that embalming does not conflict with religious beliefs or medical examination.

OTHER PREPARATION OF REMAINS
NECESSARY PREPARATION FOLLOWING AUTOPSY PROCEDURE

STAFF AND USE OF FACILITIES FOR FUNERAL SERVICE, MEMORIAL SERVICE OR SERVICE AT A LOCATION OTHER THAN FUNERAL HOME REQUIRING TRAVEL
This includes visitation or viewing two hours prior to service. Add \$125.00 for each additional hour.

STAFF AND USE OF FACILITIES FOR VISITATION OR VIEWING OTHER THAN TWO HOURS PRIOR TO FUNERAL OR MEMORIAL SERVICE

STAFF FOR GRAVESIDE SERVICE & ACCESSORIES AS NEEDED
AS NEEDED

USE OF PREPARATION ROOM FOR RELIGIOUS CEREMONY

STAFF AND USE OF PRIVATE CREMATORY & CREMATION
REFRIGERATION
Motor equipment rates listed below apply to a 20 mile radius from the funeral home. Add \$1.50 per mile after the first 40 miles for service vehicles. Add \$1.95 per mile after the first 40 miles for the funeral coach and/or limousine.

- Funeral Coach
Limousine
Family Sedan
Flower/Clergy/Lead Car
Service Vehicle

ADDITIONAL MILEAGE
Transportation beyond 20 mile local radius
miles at \_\_\_ per mile ( )
miles at \_\_\_ per mile ( )
miles at \_\_\_ per mile ( )

MISCELLANEOUS SUPPLIES AND SERVICES AVAILABLE
Great Register
Memorial Folders or Prayer Cards, (first 50 printed)
Additional folders or cards available in lots of 50 at \$12 per lot
Acknowledgement Cards (25 per box)
Temporary Grave Marker
Cruelty (Interior & Exterior)
Pillboxes
Monuments/Bronze Memorials
Clothing
Flag Cases
Other

ALTERNATIVE CONTAINER SELECTED
CREMATION URN SELECTED
CASKET SELECTED
OUTER BURIAL CONTAINER SELECTED

In most areas of the country, state or local law does not require that you buy a container to surround the casket in the grave. However, many cemeteries require that you have such a container so that the grave will not sink in. Either a burial vault or a grave liner will satisfy these requirements.

If any law, cemetery, or other requirements have required the purchase of any of the items listed above, the law or requirement is explained as follows:

THIS OFFER TO PURCHASE FUNERAL MERCHANDISE AND SERVICES SHALL NOT BE DEEMED ACCEPTED AND ENFORCEABLE UNTIL COUNTER-SIGNED BY A LICENSED FUNERAL DIRECTOR.

FINAL ACCEPTANCE: I or We accept and approve the above selections and terms, and acknowledge that the General Price List, Cash Price List and Outer Burial Container Price List were made available prior to selections of services and merchandise listed above. By signing this Statement of Funeral Goods and Services Selected, I or We acknowledge having received a signed copy thereof.

BUYER ACKNOWLEDGES RECEIPT OF A COMPLETELY FILLED-IN AND EXECUTED COPY HEREOF CONSISTING OF 2 PAGES, PAGE 1 PRINTED ON BOTH SIDES.
IN WITNESS WHEREOF, the Disclosure and General Provisions on Part II of it heretofore made in part of Security Agreement. The Funeral Director and the Purchaser have executed this Agreement, intending to be legally bound, the day and year first above written.

Name of Seller: \_\_\_ Signature of Buyer: \_\_\_
By: (Authorized Representative): \_\_\_ Social Security No.: \_\_\_
Title: \_\_\_ Signature of Buyer, if more than one: \_\_\_
Funeral Director No.: \_\_\_ Social Security No.: \_\_\_
Date: \_\_\_ Date: \_\_\_

White Copy-Buyer Yellow Copy-Seller Pink Copy-Bank

- CASH ADVANCES AND ACCOMMODATION ITEMS
For your convenience we will order and handle payment of the following items. We will charge you for services in obtaining these items. Any omission of any item by the supplier of these services shall be the sole responsibility of the supplier. The funeral director/funeral home is relieved of any liability therefore by acting as your agent. Certain charges may be estimated.
Certified Copies of Death Certificate
Local Newspaper
Out-of-town Newspapers
Cemetery Equipment
Flowers Ordered
Engraving Stone
Gravestone
Headstone
Long Distance Telephone
Transportation
Other

SPECIAL CHARGES
Forwarding Remains to:
Funeral Home/Mortuary
Receiving Remains from:
Funeral Home/Mortuary
Direct Cremation
Immediate Burial or Anatomical Gift

SUMMARY OF CHARGES
Services
Merchandise
Special Charges
Cash Advances
Alternative Selection Offering
Additional Charges (Alternative Selection)
TOTAL OF ALL SELECTIONS

FEDERAL TRUTH-IN-LENDING DISCLOSURES

Table with columns: ANNUAL PERCENTAGE RATE, FINANCE CHARGE, AMOUNT FINANCED, TOTAL OF PAYMENTS, TOTAL SALE PRICE. Includes fields for interest rate, dollar amount, and payment schedule.

Table with columns: Number of Payments, Amount of Payments, When Payments Are Due. Includes fields for payment frequency and timing.

Security: You are giving a security interest in those funds paid under this Agreement held in escrow or trust account with a Pennsylvania Banking Institution.
Late Charge: If any payment is not paid on the date hereof or within 10 days thereafter, you will be charged a late charge of \$5.00 or 5% of the payment, whichever is less, but not less than \$1.00.
Prepayment: If you pay off early, you may be entitled to a refund of part of the finance charge.
See the General Provisions of this Agreement for additional information about default, non-payment and required payment to full before the scheduled due date.

BUYER'S RIGHT TO CANCEL
You, the Buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

REQUIREMENT OF CEMETERY: The Funeral Director assumes no liability for graveside cave-in or sinking if no other burial container is used.
An outer burial container IS REQUIRED IS NOT REQUIRED
By: (Cemetery Name)

**ALTERNATIVE SELECTION - OFFERING A**  
 (Offered with casket as selected) Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, use of facilities and staff for viewing and funeral ceremony or service in other facility, funeral coach (local), limousine (local), flower/service car (local), committal or other disposition service, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING B (offered with casket as selected)**  
 Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, staff and use of funeral home facilities for up to one two (2) hour viewing and following ceremony between the hours of 6:00 PM and 9:00 PM, funeral coach (local), limousine (local), flower/service car (local), committal or other disposition service, ~~acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$~~

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING C**  
 Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, staff and use of facilities for viewing and funeral ceremony, limousine (local), flower/service car (local), committal or other disposition service, ceremonial casket (cannot be transported for off-site service), use of staff and private crematory for cremation, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING D**  
 Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, staff and use of facilities for viewing and funeral ceremony, limousine (local), flower/service car (local), ceremonial casket (cannot be transported for off-site service), use of staff and private crematory for cremation, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), Options 18D3 State Gray Scattering Urn.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING E**  
 Direct Cremation Package (includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification, staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of ceremonial casket for identification, staff and use of funeral home facilities for memorial service, staff and use of facilities for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), committal or other disposition service, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is declineable.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING F**  
 Direct Cremation Package (includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification, staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of ceremonial casket for identification, staff and use of funeral home facilities for memorial service, staff and use of facilities for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), acknowledgement cards (25), guest register, memorial folders or prayer cards (50), Options 18D3 State Gray Scattering Urn.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is declineable.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING G**  
 Direct Cremation Package (includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification; staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of ceremonial casket for identification, staff for memorial service, staff for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), committal or other disposition service, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is declineable.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING H**  
 Direct Cremation Package (includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification, staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of ceremonial casket for identification, staff for memorial service, staff for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), acknowledgement cards (25), guest register, memorial folders or prayer cards (50), Options 18D3 State Gray Scattering Urn.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is declineable.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

STATEMENT OF FUNERAL GOODS & SERVICES SELECTED Account # \_\_\_\_\_

FUNERAL SERVICES FOR \_\_\_\_\_ Date of Death \_\_\_\_\_ Date of Service \_\_\_\_\_

FUNERAL SERVICES: Charges are only for those items that you selected or that are required. If we are required by law or by a cemetery or crematory to use any items, we will explain the reasons in writing below. The Goods & Services shown are those we provide for our clients. You may choose only those items that you desire.

ALTERNATIVE SELECTIONS: Offerings A-H  
 Please consult the back of contract for detailed descriptions of the following alternative selections.

Offering Package Selected: \_\_\_\_\_ \$

Consult the General Price List for a detailed description of the following items.

BASIC SERVICES OF FUNERAL DIRECTOR & STAFF \_\_\_\_\_ \$

TRANSFER OF REMAINS TO FUNERAL HOME  
 Applies to a 20 mile radius from the funeral home.  
 Add \$1.50 per mile after the first 40 miles.

EMBALMING \_\_\_\_\_ \$

If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming you did not approve if you selected arrangements such as direct cremation or immediate burial, if we charged for embalming, we will explain why below.

EMBALMING IS REQUIRED IF YOU:  
 Selected a service with a viewing  
 Arranged for shipment by common carrier  
 Selected arrangements that require us to hold the remains for more than 24 hours provided no refrigeration is available or a hermetically sealed container is not used and provided that embalming does not conflict with religious beliefs or medical examination.

ORAL PERMISSION TO EMBALM the above named decedent  
 Was Granted  Was Refused  
 By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Relationship: \_\_\_\_\_  
 Time: \_\_\_\_\_  AM  PM  In Person  By Phone

OTHER PREPARATION OF REMAINS \_\_\_\_\_ \$

NECESSARY PREPARATION FOLLOWING AUTOPSY PROCEDURE \_\_\_\_\_ \$

STAFF AND USE OF FACILITIES FOR FUNERAL SERVICE, MEMORIAL SERVICE OR SERVICE AT A LOCATION OTHER THAN FUNERAL HOME REQUIRING TRANSFER \_\_\_\_\_ \$

This includes visitation or viewing two hours prior to service.  
 Add \$125.00 for each additional hour.

STAFF AND USE OF FACILITIES FOR VISITATION OR VIEWING OTHER THAN TWO HOURS PRIOR TO FUNERAL OR MEMORIAL SERVICE \_\_\_\_\_ \$

STAFF FOR GRANESIDE SERVICE & ACCESSORIES AS NEEDED \_\_\_\_\_ \$

STAFF FOR CHURCH MEMORIAL SERVICE AND ACCESSORIES AS NEEDED \_\_\_\_\_ \$

USE OF PREPARATION ROOM FOR RELIGIOUS CEREMONY \_\_\_\_\_ \$

STAFF AND USE OF PRIVATE CREMATORY & CREMATION \_\_\_\_\_ \$

REFRIGERATION \_\_\_\_\_ \$

Motor equipment rates listed below apply to a 20 mile radius from the funeral home. Add \$1.50 per mile after the first 40 miles for service vehicles. Add \$1.95 per mile after the first 40 miles for the funeral coach and/or limousine.

Funeral Coach \_\_\_\_\_ \$  
 Limousine \_\_\_\_\_ \$  
 Family Sedan \_\_\_\_\_ \$  
 Flower/Casket and Car \_\_\_\_\_ \$  
 Service Vehicle \_\_\_\_\_ \$

ADDITIONAL MILEAGE  
 Transportation beyond 20 mile local radius  
 \_\_\_\_\_ miles at \_\_\_\_\_ per mile \$  
 \_\_\_\_\_ miles at \_\_\_\_\_ per mile \$  
 \_\_\_\_\_ miles at \_\_\_\_\_ per mile \$

MISCELLANEOUS SUPPLIES AND SERVICES AVAILABLE

Guest Register \_\_\_\_\_ \$  
 Memorial Folders or Prayer Cards (first 50 printed) \_\_\_\_\_ \$  
 Additional folders or cards available in lots of 50 at \$12 per lot \_\_\_\_\_ \$  
 Acknowledgment Cards (25 per box) \_\_\_\_\_ \$  
 Temporary Grave Marker \_\_\_\_\_ \$  
 Casket (Inlaid & Sided) \_\_\_\_\_ \$  
 Pillars \_\_\_\_\_ \$  
 Monument/Stone Memorial \_\_\_\_\_ \$  
 Clothing \_\_\_\_\_ \$  
 Flag Case \_\_\_\_\_ \$  
 Other \_\_\_\_\_ \$

ALTERNATIVE CONTAINER SELECTED \_\_\_\_\_ \$

CREMATION URN SELECTED \_\_\_\_\_ \$

CASKET SELECTED \_\_\_\_\_ \$

OUTER BURIAL CONTAINER SELECTED \_\_\_\_\_ \$

In most areas of the country, state or local law does not require that you buy a container to surround the casket in the grave. However, many cemeteries require that you have such a container so that the grave will not sink in. Either a burial vault or a grave liner will satisfy these requirements.

REQUIREMENT OF CEMETERY: The Funeral Director assumes no liability for graveside cave-in or sinking if no other burial container is used.  
 An outer burial container  IS REQUIRED  IS NOT REQUIRED.  
 By: \_\_\_\_\_  
 (Cemetery Name)

AUTHORIZATIONS: I or We authorize and ratify prior consent to the funeral director to take possession of the body, give care and to carry out the arrangements herein specified and agreed to. I or We represent ourselves as the person(s) having the responsibility to arrange for the final disposition of the above named decedent, and do hereby grant authority to the funeral director to supply the services and or merchandise as listed above as well as any additional services and or merchandise ordered or required after the time of this arrangement. I or We guarantee payment of the cost of the services and or merchandise ordered and provided pursuant to the above TERMS OF PAYMENT.

I (WE, THE BUYER(S), INTENDING TO BE LEGALLY BOUND, HEREBY AGREE THAT IN CONSIDERATION OF THE GOODS AND/OR SERVICES TO BE DELIVERED, THAT BUYER(S) INDIVIDUALLY AND JOINTLY IS (ARE) HEREBY OBLIGATED TO PAY ALL AMOUNTS OWING AND SHOULD BUYER(S) DEFAULT IN THE AGREEMENT WITH SELLER IN ACCORDANCE WITH THE TERMS OF THE CONTRACT BETWEEN BUYER AND SELLER, BUYER(S) HEREBY AGREES TO PAY ALL COLLECTION COSTS, REASONABLE ATTORNEY FEES AND COURT COSTS UPON COMMENCEMENT OR INITIATION OF ANY COLLECTION EFFORT OR LEGAL PROCEEDINGS. THE LIABILITY HEREBY ASSUMED IS IN ADDITION TO THE LIABILITY IMPOSED BY LAW UPON THE ESTATE AND OTHERS AND SHALL NOT CONSTITUTE A RELEASE THEREOF.

WARRANTY DISCLAIMER: The only warranty on the merchandise sold in conjunction with this agreement is the express written warranty, if any, provided by the manufacturer of such merchandise. The funeral director makes no warranty, express or implied, with respect to the funeral merchandise.

FINAL ACCEPTANCE: I or We accept and approve the above selections and terms, and acknowledge that the General Price List, Casket Price List and Outer Burial Container Price List were made available prior to the selection of services and merchandise listed above. By signing this Statement of Funeral Goods and Services Selected I or We acknowledge having received a signed copy thereof.

CASH ADVANCES AND ACCOMMODATION ITEMS \_\_\_\_\_ \$  
 For your convenience we will order and handle payment of the following items. We will charge you for services in obtaining these items. Any omission of any item by the supplier of these services shall be the sole responsibility of the supplier. The funeral director/funeral home is relieved of any liability hereafter by acting as your agent. Certain charges may be estimated.

Certified Copies of Death Certificate ( ) \_\_\_\_\_ \$  
 Local Newspapers \_\_\_\_\_ \$  
 Out-of-town Newspapers \_\_\_\_\_ \$  
 Cemetery Equipment \_\_\_\_\_ \$  
 Flowers Order \_\_\_\_\_ \$  
 Engraving Stone \_\_\_\_\_ \$  
 Gravestone \_\_\_\_\_ \$  
 Headdress \_\_\_\_\_ \$  
 Long Distance Telephone \_\_\_\_\_ \$  
 Transportation \_\_\_\_\_ \$  
 (describe) \_\_\_\_\_ \$  
 Other \_\_\_\_\_ \$  
 (describe) \_\_\_\_\_ \$

SPECIAL CHARGES  
 Forwarding Remains to: \_\_\_\_\_ \$  
 Funeral Home/Memory \_\_\_\_\_ \$  
 Receiving Remains from: \_\_\_\_\_ \$  
 Funeral Home/Memory \_\_\_\_\_ \$  
 Direct Cremation \_\_\_\_\_ \$  
 Immediate Burial or Anatomical Gift \_\_\_\_\_ \$

TERMS OF PAYMENT

I/We, the undersigned, agree to be jointly and severally responsible to Bean Funeral Home, for payment for the funeral services and goods provided by Bean Funeral Home. Payment shall be by the method indicated:

Visa/MasterCard \_\_\_\_\_ Family Assistance Service  
 Insurance assignment \_\_\_\_\_ Cash/Recently dated check

PAYMENT MAY BE EXPECTED BY (DATE)

If I/We pay by cash or check, payment in full is due within thirty (30) days of the date of Bean Funeral Home's invoice. Payment is due at Bean Funeral Home, indicated. If I/We pay by cash or check by the date of the funeral services, I/We may deduct \$ \_\_\_\_\_. If I/We pay by check and for any reason my/our check is not honored, I/We will lose any discount, will be in default, and in addition to all other charges, costs, and attorneys' fees, will become liable for a returned check fee of \$25.00.

If I/We pay by charge card, I/We agree to immediately supply the charge card and any other information and identification required by Bean Funeral Home. If I/We pay by insurance assignment or through Family Assistance Service, I/We agree to obtain, sign and deliver all documents at the time of any request by Bean Funeral Home, or within thirty (30) days of the date of Bean Funeral Home's invoice, whichever is sooner.

I/We agree that Bean Funeral Home is not bound to extend credit on the payment terms set forth above, and will do so only if they are, in their sole discretion, satisfied with the creditworthiness of the purchaser and co-purchasers. The only way that Bean Funeral Home may be bound to the payment terms described above is if Bean Funeral Home signs the Funeral Goods and Services Contract. I/We agree that no employee of Bean Funeral Home is authorized to orally bind Bean Funeral Home.

If Bean Funeral Home is unwilling to extend credit, I/We will owe immediate payment in full. If Bean Funeral Home declines to extend credit or I/We refuse to agree to the payment terms that Bean Funeral Home requires as a condition of rendering service and goods, then: 1) I/We agree to immediately pay for all goods and services rendered; and 2) I/We are authorizing Bean Funeral Home to undertake disposition of the decedent's remains by any lawful means and to deliver or withhold in their sole discretion such goods and services as are identified in the Funeral Goods and Services Contract.

By signing this agreement, we are agreeing to be bound by the terms. We understand that unless an authorized representative of Bean Funeral Home signs below or signs a separate document specifying credit terms, that Bean Funeral Home is not agreeing to extend credit. I/We also understand that we are granting Bean Funeral Home permission to obtain credit reports, and take any other steps necessary or reasonably convenient to the evaluation of my/our credit worthiness. My/Our Social Security Number is/are \_\_\_\_\_  
 My/Our Banking Affiliation is/are \_\_\_\_\_

AGREEMENT

It is understood that the total charges shown above may be estimated and reflect only that agreed upon at the time of this arrangement. Any additional items of service and or merchandise ordered or required after the time of this arrangement shall be considered part of this agreement and the cost will be reflected on the final statement which we will provide to you.

SUMMARY OF CHARGES

Services \_\_\_\_\_ \$  
 Merchandise \_\_\_\_\_ \$  
 Special Charges \_\_\_\_\_ \$  
 Cash Advances \_\_\_\_\_ \$  
 Alternative Selection \_\_\_\_\_ \$  
 Additional Charges (Alternative Selection) \_\_\_\_\_ \$

TOTAL OF ALL SELECTIONS \_\_\_\_\_ \$

OTHER ITEMS THAT MUST BE PAID BY PURCHASER PRIOR TO SERVICE DATE:

\$ \_\_\_\_\_ Cemetery \_\_\_\_\_  
 \$ \_\_\_\_\_ Clergy \_\_\_\_\_  
 \$ \_\_\_\_\_ Organist \_\_\_\_\_  
 \$ \_\_\_\_\_ Sexton \_\_\_\_\_  
 \$ \_\_\_\_\_ Shipping \_\_\_\_\_  
 \$ \_\_\_\_\_ Other \_\_\_\_\_

Signature of Purchaser \_\_\_\_\_

Date of Arrangement \_\_\_\_\_ Relationship to Decedent \_\_\_\_\_

Signature of Co-Purchaser(s) \_\_\_\_\_

Signature of Co-Purchaser(s) \_\_\_\_\_

Accepted By: \_\_\_\_\_  
 Funeral Director \_\_\_\_\_ Date \_\_\_\_\_

STATEMENT TO: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

5

**ALTERNATIVE SELECTION - OFFERING A**  
 (Offered with casket as selected) Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, use of facilities and staff for viewing and funeral ceremony or service in other facility, funeral coach (local), limousine (local), flower/blegry car (local), committal or other disposition service, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING B** (Offered with casket as selected)  
 Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, staff and use of funeral home facilities for up to one two (2) hour viewing and following ceremony between the hours of 6:00 PM and 9:00 PM, funeral coach (local), limousine (local), flower/blegry car (local), committal or other disposition service excluding any additional visitation or gathering at funeral home, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING C**  
 Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, staff and use of facilities for viewing and funeral ceremony, limousine (local), flower/blegry car (local), committal or other disposition service, crematorial casket (cannot be transported for off-site service), use of staff and private crematory for cremation, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING D**  
 Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, embalming, other preparation of remains, staff and use of facilities for viewing and funeral ceremony, limousine (local), flower/blegry car (local), crematorial casket (cannot be transported for off-site service), use of staff and private crematory for cremation, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), Options 1803 State Gray Scattering Urn.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING E**  
 Direct Cremation Package (Includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification, staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of crematorial casket for identification, staff and use of funeral home facilities for memorial service, staff and use of facilities for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), committal or other disposition service, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is deductible.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING F**  
 Direct Cremation Package (Includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification, staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of crematorial casket for identification, staff and use of funeral home facilities for memorial service, staff and use of facilities for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), acknowledgement cards (25), guest register, memorial folders or prayer cards (50), Options 1803 State Gray Scattering Urn.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is deductible.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING G**  
 Direct Cremation Package (Includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification, staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of crematorial casket for identification, staff for memorial service, staff for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), committal or other disposition service, acknowledgement cards (25), guest register, memorial folders or prayer cards (50), temporary grave marker.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is deductible.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**OFFERING H**  
 Direct Cremation Package (Includes the following: Basic services of funeral director and staff and overhead, transfer of remains to funeral home within 20-mile radius, preparation of remains for identification, staff and use of facilities for identification of remains prior to cremation; staff and use of private crematory for cremation, up to three days use of refrigeration facilities), use of crematorial casket for identification, staff for memorial service, staff for visitation up to two (2) hours prior to memorial service, limousine (local), flower/service vehicle (local), acknowledgement cards (25), guest register, memorial folders or prayer cards (50), Options 1803 State Gray Scattering Urn.....\$

Additional charges when above offering is selected:  
 \$130 Necessary care following autopsy procedure.  
 (This procedure is optional & fee is deductible.)  
 Mileage beyond 20-mile radius of the funeral home as listed in itemized charges.

**DISCLOSURES**

**NOTICE TO BUYER**

1. Do not sign this Security Agreement before you read it or if it contains any blank space.
2. You are entitled to a completely filled-in copy of this Security Agreement.
3. Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge.

**NO WARRANTIES**

THERE ARE NO WARRANTIES WITH RESPECT TO THE GOODS TO BE DELIVERED HEREUNDER, WRITTEN OR ORAL, EXPRESSED OR IMPLIED BY FACT, BY OPERATION OF LAW OR OTHERWISE, INCLUDING THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND OF MERCHANTABILITY, OTHER THAN THE EXPRESS WARRANTIES, IF ANY, EXTENDED BY THE MANUFACTURERS OF SUCH GOODS. SELLER SHALL HAVE NO OBLIGATION OR LIABILITY TO ANY PERSON, WHETHER HEREUNDER OR OTHERWISE, IN CONNECTION WITH OR RESULTING FROM THE FURNISHING, SALE OR USE OF ANY OF THE GOODS TO BE SUPPLIED BY SELLER HEREUNDER.

IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INDIRECT, COLLATERAL OR CONSEQUENTIAL DAMAGES HEREUNDER IN CONNECTION WITH OR ARISING OUT OF THE EXISTENCE, FURNISHING, FUNCTIONING OR USE OF ANY OF THE GOODS SOLD HEREUNDER. SELLER'S LIABILITY ON ANY CLAIM, INCLUDING, BUT NOT LIMITED TO, CLAIMS ARISING OUT OF OR BASED UPON NEGLIGENCE, BREACH OF CONTRACT OR WARRANTY, PRODUCT LIABILITY OR OTHERWISE SHALL, IN NO CASE, EXCEED THE PRICE PAID HEREUNDER FOR THE PARTICULAR GOOD INVOLVED IN THE CLAIM.

**ATTORNEY IN FACT AND TRUST FUNDS**

Buyer appoints Seller as his agent and attorney in fact for the purpose of creating an IRREVOCABLE trust with part of the funds to be paid hereunder as provided in the General Provisions hereof and for taking all proper, convenient, necessary or expedient actions incidental thereto. This IRREVOCABLE trust shall be for the benefit of the Buyer and Beneficiary, as their interests may appear, and shall be created pursuant to an IRREVOCABLE Trust Agreement with a Pennsylvania Banking Institution. Buyer empowers and directs Seller to deal with and handle this IRREVOCABLE trust, and to change trustees, as permitted by such IRREVOCABLE Trust Agreement with Bank (the "Trust Agreement"), a fully executed copy of which shall be available to Buyer at Seller's principal place of business during regular business hours, subject to Bank's acceptance thereof. Seller shall have the right to withdraw principal and income from this IRREVOCABLE trust as provided in such IRREVOCABLE Trust Agreement. Further, the Buyer empowers and directs Trustee (as hereinafter defined) to invest in a life insurance or annuity policy or policies, the owner and Beneficiary of which shall be Trustee. This power of attorney is coupled with an interest and is IRREVOCABLE. This power of attorney shall not be affected by Buyer's subsequent death, disability or incapacity.

Signature(s) of all Buyer(s) \_\_\_\_\_

**GENERAL PROVISIONS**

**1. CONSIDERATION:** In consideration for Seller binding itself to provide the services and merchandise set forth herein without regard to the actual costs and prices thereof prevailing at the time of performance hereunder, Seller shall be entitled to receive the TOTAL OF PAYMENTS, including the amounts deposited in escrow or trust pursuant hereto and all net income earned thereon.

**2. CANCELLATION OR TERMINATION:** Except for Buyer's 3-day right of rescission set forth above, Buyer may not cancel this Security Agreement.

**3. SELLER'S SUBSTITUTION OF MERCHANDISE:** Buyer understands that the exact merchandise specified herein may not be available to Seller at the time of Beneficiary's death, and agrees that in such event (but only in such event), Seller may furnish merchandise that is available to it at such time which is substantially similar in quality of material and workmanship to that which is described herein.

**4. SECURITY INTEREST:** Buyer grants Seller a security interest in the escrow or trust amount described in Paragraph 5 to secure Buyer's obligations under this Security Agreement.

**5. TRUST:** Seller shall, as Buyer's agent and attorney in fact, at the end of each calendar month, deposit such portion of the TOTAL OF PAYMENTS in escrow or trust as may be required by law. Each such escrow or trust account shall be maintained with a Pennsylvania Banking Institution ("Bank"). Bank shall be the trustee of all funds deposited in escrow or trust. All funds held in escrow or trust shall be held for the benefit of Buyer and Beneficiary as their interests may appear. Deposits made in trust shall be made pursuant to an IRREVOCABLE Trust Agreement with Bank (the "Trust Agreement"), a fully executed copy of which shall be available to Buyer at Seller's principal place of business during regular business hours, subject to Bank's acceptance thereof. THE TRUST AGREEMENT GIVES CERTAIN RIGHTS, SUBJECT TO THE CONDITIONS SET FORTH THEREIN, TO BUYER, AND BUYER SHOULD CAREFULLY REVIEW THE TRUST AGREEMENT BEFORE EXECUTING THIS SECURITY AGREEMENT.

**6. TAXES:** It is the responsibility of the Trustee to ascertain the federal and state income tax consequences of income earned by the escrow or trust accounts established pursuant to this Security Agreement and report the same accordingly as from time to time required by the various governmental laws, rules and regulations.

**7. CERTIFICATE OF OWNERSHIP:** When the TOTAL OF PAYMENTS is paid in full, Seller shall deliver to Buyer a Certificate of Ownership evidencing Buyer's right to receive the services and/or merchandise covered hereby. Upon surrender of the Certificate of Ownership, Seller agrees to furnish such services and/or merchandise in connection with the funeral of Beneficiary.

**8. DEFAULT:**

- (a) The following are Events of Default under this Security Agreement.
  - (1) Buyer's failure to make any payment promptly on or before the day it is due;
  - (2) Buyer's failure to perform any other of Buyer's promises in this Security Agreement;
  - (3) Buyer providing Seller with false information or signatures at any time in connection with execution of this Security Agreement;
- (b) Upon or after the occurrence of an Event of Default under Paragraph 8(a)(1) or (2), Seller will give Buyer timely notice by certified mail ("Default Notice") to Buyer's last known address as shown on Seller's records of the Event of Default and Buyer's limited right to cure the Event of Default. The Default Notice will provide the time, amount and performance necessary to cure the Event of Default. Buyer's right to cure the Event of Default shall expire at 5:00p.m. EST on the fifteenth (15) day after the Buyer's receipt of Seller's Default Notice. If Buyer does not cure the Event of Default as provided in the Default Notice within the fifteen (15) day period, Seller's rights include without limitation:
  - (1) The right to declare all sums payable under the Security Agreement to be immediately due and payable; and
  - (2) The right to require Buyer to pay Seller's actual, necessary and reasonable costs of collection, including Seller's court costs and reasonable attorney's fees.
  - (3) The right to declare and all price guarantees null and void and to charge the current prevailing prices effective at the time of performance.
- (c) Upon the occurrence of an Event of Default under Paragraph 8(a)(3), Buyer shall have no right to receive notice of the Event of Default or cure the Event of Default and Seller's rights shall include, without limitation, the rights specified in Paragraphs 8(b)(1) and 8(b)(2).

**9. DEATH OF BENEFICIARY:** In the event of the death of the Beneficiary prior to the payment in full of the TOTAL OF PAYMENTS herein, the unpaid balance of the Cash Sale Price shall become DUE AND PAYABLE within thirty (30) days of the date of death. If such payments are not paid in full within (30) days of the date of death of Beneficiary, a service charge of 1.2% per month amounting to 14.4% a year is applied to the unpaid balance, beginning thirty (30) days from the date of death.

**10. DISBURSEMENT OF FUNDS:** Bank shall disburse the funds held in trust only in accordance with, and subject to the terms and conditions of the Trust Agreement. Buyer should refer to the Trust Agreement for an explanation of, among other things, his right and the procedures which must be followed to dispute Seller's request for payment thereunder.

**11. NONPERFORMANCE:** If Seller, or its successor or assignee, fails to perform its obligations hereunder for any reason including, but not limited to, the bankruptcy, dissolution or winding up of the affairs of Seller, the cessation of business of the Seller, the impossibility of performance by Seller for any reason whatsoever, neglect, willful misconduct or conflict with other funeral services to be performed by the Seller, Buyer or his personal representative may request disbursement of all the funds held in trust in accordance with the Trust Agreement. All such funds shall be disbursed in the following order or priority: (i) to the funeral provider who has actually delivered such services and/or merchandise to the extent of the cash price thereof at the then prevailing rates unless payment has already been made therefor; (ii) to the person who actually paid for the services and/or merchandise delivered by such other funeral provider to the extent of such payment, if any; and (iii) to the Buyer or his personal representative.

**12. CHANGE OF ADDRESS:** Buyer shall promptly notify Seller of any change of his address or of the address of Beneficiary.

**13. INTEGRATION:** This Security Agreement and the Irrevocable Trust Agreement contain the entire agreement and understanding between Buyer and Seller with respect to the subject matter hereof, and supersede any and all communications, representations, undertakings and other agreements, whether oral or written, between them. No further communications, representation, understanding or agreement varying or extending the provisions hereof or thereof shall be binding upon Buyer or Seller unless in writing and signed by both parties hereto.

**14. CEMETERIES:** Unless otherwise provided in the section pertaining to Cash Advances and Accommodation Items above, Buyer understands that nothing contained in this Security Agreement shall apply to services for the care, opening, closing, or purchase of cemetery lots, mausoleum space, columbarium space or other places of sepulchre, perpetually or for any lesser period of time.

**15. APPLICABLE LAW:** This Security Agreement shall be governed by the substantive laws, and not the law of conflict, of the Commonwealth of Pennsylvania.

**16. NOTICES:** Any notice permitted or required to be given hereunder shall be in writing and shall be sent by certified or registered mail, postage prepaid, and directed to Beneficiary, Buyer, Seller or Bank, as the case may be, at their respective addresses set forth herein.

**17. ASSIGNMENT:** If a funeral provider or another party other than Seller agrees to perform Seller's obligations hereunder, as Seller's assignee, such funeral provider or other party shall be entitled to exercise all of the right granted to Seller hereunder and the irrevocable Trust Agreement, subject to the conditions set forth herein and therein, including without limitation, the rights provided in Paragraphs 7 and 11 hereof. Buyer agrees that Seller may not assign its rights, duties and obligations under the Security Agreement without written notice to the Buyer's last known address. Buyer and Seller hereby agree that Buyer cannot assign his rights, duties or obligations under this Security Agreement.

**18. NON-INCORPORATION:** This Security Agreement shall not incorporate the terms and provisions of any contract only for funeral merchandise entered into between Buyer and third party.

**19. INVESTMENTS/LIFE INSURANCE:** Buyer understands, acknowledges and agrees by execution of this Agreement that:

- (a) A life insurance or an annuity policy or policies may be purchased by Seller or the Trustee, as Buyer's agent and attorney-in-fact, insuring the life of Buyer (or the Beneficiary if the other than Buyer) ("Life Insurance") for which a commission may be paid to a duly licensed agent;
- (b) Buyer authorizes the Seller and the Trustee, as the case may be, to make an application for such policy or policies on behalf of the Buyer, the owner and the Beneficiary of which shall be the Trustee; and
- (c) Buyer hereby authorizes the Seller to specify the type of investments to be purchased and maintained by the Trust, and indemnifies and agrees to hold the Seller harmless therefrom, except for actions due to the gross negligence or willful misconduct of the Seller.

**NOTICE TO ASSIGNEES OF SELLER**

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR (BUYER) COULD ASSERT AGAINST THE SELLER OF THE GOODS OR THE SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR (BUYER) SHALL NOT EXCEED AMOUNT PAID BY THE DEBTOR (BUYER) HEREUNDER.

IN WITNESS WHEREOF, the Disclosure and General Provisions on the reverse side hereof are made in part of Security Agreement. The Funeral Director and the Purchaser have executed this Agreement, intending to be legally bound, the day and year first above written.

Name of Seller: \_\_\_\_\_ Signature of Buyer: \_\_\_\_\_  
 By: (Authorized Representative): \_\_\_\_\_ Social Security No.: \_\_\_\_\_  
 Title: \_\_\_\_\_ Signature of Buyer, if more than one: \_\_\_\_\_  
 Funeral Director No.: \_\_\_\_\_ Social Security No.: \_\_\_\_\_  
 Date: \_\_\_\_\_ Date: \_\_\_\_\_

(3)

# SecurChoice™

## PART I

### Pre-Need and Individual Trust Agreement ("The Agreement")

This Agreement is made this 4 / 2 / 99 by and between  
DATE

Funeral Home Bean Funeral Home Inc.  
NAME  
Address 129 E. Lancaster Ave., Shillington, PA 19607  
BUSINESS ADDRESS

and the Purchaser Ernest E. Price 12/11/1915 196-05-5839 (M) (F)  
NAME D/OB SOCIAL SECURITY #  
(hereinafter "You"). 20 S. Summit Ave., Shillington, PA 19607  
ADDRESS

for the Benefit of Audrey L. Price 12/15/1923 413-68-7044 (M) (F)  
(if Beneficiary is NAME D/OB SOCIAL SECURITY #  
different from 20 S. Summit Ave., Shillington, PA 19607  
the Purchaser) ADDRESS

<b>ANNUAL PERCENTAGE RATE</b> The cost of Your credit as a yearly rate. <b>0.00%</b>	<b>FINANCE CHARGE</b> The dollar amount the credit will cost You. <b>\$0.00</b>	<b>Amount Financed</b> The amount of credit provided to You or on Your behalf. <b>\$ 0</b>	<b>Total of Payments</b> The amount You will have paid after You have made all payments as scheduled. <b>\$ 0</b>	<b>Total Sale Price</b> The total cost of Your purchase on credit, including any payment of \$ <u>6500.00</u> <b>\$ 6500.00</b>
--	---	--	---	---

If not paid in full, Your Payment Schedule will be:

No. of payments	Amount of Payments	When Payments Are Due
<u>Paid in full.</u>		<u>Monthly beginning</u> MO. DAY YEAR

See reverse side for any additional information about nonpayment and default.

Itemization of Amount Financed	
Cash Price	\$ <u>6500.00</u>
Total Downpayment	\$ <u>6500.00</u>
Unpaid Balance of Cash Price & Amount Financed	\$ <u>0</u>

You hereby agree to buy and the Funeral Home hereby agrees to sell the funeral goods ("Merchandise") and funeral services ("Services") which are described in itemized list attached as Exhibit A for a Total Sale Price of \$ 6500.00

Arrangement Fee: \$ 0. This fee is separate and distinct from the Total Sale Price and will be deposited in the Trust.

After payment of the Total Sale Price and all other payments required to be made, the Funeral Home will render, upon the death of the Beneficiary, all the Merchandise and Services described on attached Exhibit A. This Agreement is subject to the terms and conditions shown above and on the reverse side of this page, which You have read and accepted.

You hereby elect that this Agreement shall be:

Irrevocable upon payment in full of the Total Sale Price  Revocable by You at Your option at all times

You and the Funeral Home agree that the prices shown on Exhibit A are:

Guaranteed by the Funeral Home upon timely payment of the Total Sale Price  Not guaranteed by the Funeral Home

**EXCLUSION OF WARRANTIES: THE FUNERAL HOME IS NOT PROVIDING TO YOU ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE FOR THE MERCHANDISE. The only warranties You are receiving for the Merchandise are the express written warranties, if any, which are provided by the manufacturers of the Merchandise sold to You under this Agreement. Only the manufacturer shall have any liability to You under such warranties.**

You and the Funeral Home have signed this Agreement on the day and year written above and intend to be legally bound. By signing this Agreement, the Funeral Home, as agent for the Purchaser, hereby agrees to establish an individual trust with the Trustee under the Master Pre-Need Trust Agreement (the "Master Trust") between the Funeral Home and the Trustee (the "Trust").

Bean Funeral Home Inc. Ernest E. Price Ernest E. Price  
FUNERAL HOME NAME PURCHASER

by [Signature] 012412-1  
LICENSED FUNERAL DIRECTOR LICENSE NO.

**SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE**

You acknowledge receipt of a completed copy hereof.

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the day of this transaction. See the attached Notice of Cancellation form for an explanation of this right.

## PART II

### FOR OFFICE USE ONLY

The Trustee hereby accepts the Trust herein created for the Beneficiary under the Master Pre-Need Trust Agreement with the Funeral Home.

By: \_\_\_\_\_  
BANK AUTHORIZED PERSON DATE

White Copy — PFDA Yellow Copy — Funeral Home Pink Copy — Purchaser

(PFT Form 501-97-11)

P.3  
T30 4/18/99

8

In addition to the terms and conditions on the other side of this Agreement, You and the Funeral Home also agree to the following:

1. **Creation of Trust.** You authorize and direct the Funeral Home, as your Agent, to establish an individual trust (the "Trust") with a bank as trustee (the "Trustee") on your behalf. The Funeral Home will transfer all payments You make under this Agreement into the Trust. The Trust will be administered and the money in the Trust invested under a master pre-need trust agreement (the "Master Trust"). If the Funeral Home so directs the Trustee, such investments may include investment in annuity contracts issued by insurance companies. Under the Master Trust the Trustee, at the direction of the Funeral Home, invests the funds of a number of separate Pre-Need Funeral Trusts which have been established through the Funeral Home. The Funeral Home will provide You with a copy of Trustee's acceptance of the Trust and the Master Trust if You ask for one.

2. **Transfer of Payments.** The Funeral Home will transfer the total amount of each payment received to the Trustee within ten (10) calendar days after You pay the Funeral Home. After the money is deposited in the Trust, it is invested under the terms of the Master Trust and this Agreement. The terms of the Master Trust apply to this Agreement and the money You pay to the Funeral Home pursuant to this Agreement.

3. **Default.** If You fail to make any installment payment required under this Agreement within ten (10) calendar days after it is due, then this Agreement may be canceled at the Funeral Home's option. If the Funeral Home cancels this Agreement, then the Funeral Home will instruct the Trustee to refund to You all installment payments You have paid. However, all other amounts in the Trust, including any net income earned by the Trust, will be paid to the Funeral Home and NOT to You.

4. **Termination.** The Trust created pursuant to this Agreement can also be terminated by either You or the Funeral Home at any time prior to the Beneficiary's death, if any of the following conditions are met:

- (1) You checked the "Revocable" box on the front of this Agreement and;
- (2) You or the Beneficiary move and reside outside of the Commonwealth of Pennsylvania;

To terminate this Agreement and the Trust created pursuant to it, you must give the Funeral Home written notice of termination and the Funeral Home must give written acknowledgement of Your notice.

If You terminate this Agreement, the Funeral Home will instruct the Trustee to refund to You all the money you have paid under this Agreement. However, all other amounts in the Trust, including income earned by the Trust, will be paid to the Funeral Home and NOT to You.

If the Funeral Home terminates this Agreement, the Funeral Home will instruct the Trustee to pay to You all amounts in the Trust, including all net income earned by the Trust.

Except for Your three (3) day right to rescind this Agreement and except as otherwise provided above, You cannot terminate this Agreement or the Trust created pursuant to it.

This Agreement and Trust created pursuant to it cannot be terminated at any time after the Beneficiary has died.

5. **Price Protection Opinion.** If you selected the "Guaranteed" option on the front of this Agreement, then the Funeral Home must provide the Services and Merchandise set forth on Exhibit A, but only if all the payments to be received from You and other sources listed in this agreement are received by the Funeral Home. If all of those amounts are not received by the Funeral Home, then You must pay the difference between all amounts listed on the front of this agreement and the amounts actually received by the Funeral Home. You must pay the Total Sale Price on or before the date the Services are rendered and Merchandise is provided. The Funeral Home will receive all amounts in the Trust whether or not such amounts are more or less than the prevailing charges for the Services and Merchandise.

If the Total Sale Price has not been paid or You select the "Not Guaranteed" option on the front of this Agreement, then the Funeral Home will provide the Services and Merchandise listed on Exhibit A at the prices prevailing when the Services and Merchandise are provided. You will receive credit against the prevailing prices for all payments You have made under this Agreement, for all net income earned by the Trust and all other amounts received by the Funeral Home on your behalf. The Funeral Home does not have to perform the Services or deliver the Merchandise unless there are sufficient funds available to pay for such Services and Merchandise at the time they are to be provided.

6. **Services Not Covered.** This Agreement is not for the purchase or care of a cemetery lot, mausoleum space, columbarium space or other places of burial.

The total of all estimated out-of-pocket costs which the Funeral Home expects to pay to third parties at the time of the Beneficiary's funeral for those portions of the Services are listed on Exhibit A.

In addition to the Purchaser's payment of the Total Sales Price, the Beneficiary's estate or survivors will be responsible, under the circumstances described below, for paying the following amounts after the Beneficiary's funeral: (a) the additional fee, if any, that the Funeral Home customarily charges at the time of the Beneficiary's death for providing services on a Saturday, Sunday or a legal holiday if the Beneficiary's funeral is held on one of those days; and (b) the actual cost of third party services that exceeds the estimated costs of those Services listed on Exhibit "A" if the Total Sales Price is not guaranteed.

7. **Death Outside of Service Area.** You authorize the Funeral Home to make transportation arrangements to the Funeral Home if the Beneficiary dies outside the Service Area. The actual cost of transportation and any other reasonable amounts paid by the Funeral Home in connection with such arrangements will be paid by the Beneficiary's estate or survivors.

8. **Rights Reserved.** If the Funeral Home is prevented from or delayed in providing the Services because of circumstances beyond its control, such as a labor dispute, strike, government action, epidemic, fire, or other disaster or the unavailability of Merchandise, it may make a reasonable substitution of comparable Services and Merchandise and will not be responsible for any inconvenience, delay, loss, or damage to You, the Beneficiary's family, or their legal representatives caused by such substitution.

9. **Change of Beneficiary.** The Beneficiary of this Agreement and Trust created pursuant to it is the person for whom the funeral Services and Merchandise will be provided upon his or her death. You are the Beneficiary unless You designated someone else as the "Beneficiary" on the front of this Agreement. If You checked the "Revocable" box on the front of this Agreement, then You may change the Beneficiary of this Agreement and Trust at any time by providing written notice to the Funeral Director and the Trustee unless the Trust's assets are invested in an Annuity.

10. **Change of Trustee.** The Funeral Home and, under certain circumstances, the Pennsylvania Funeral Directors Association, may change the Trustee without Your consent. In the event of such change, the Funeral Director will notify You of the name and address of the new Trustee.

11. **Appointment of Agent.** You appoint the Funeral Home as Your agent and give the Funeral Home Your power of attorney to do the following things on behalf of You or the Beneficiary:

- (a) Execute and establish the Trust under the Master Trust with the Trustee;
- (b) Change the Trustee as permitted under the Master Trust or this Agreement;
- (c) Amend the Master Trust as permitted under the Master Trust Agreement or this Agreement;
- (d) Make certifications to the Trustee for the withdrawal of funds as permitted under the Master Trust; and
- (e) Take any other action that may be necessary or appropriate to carry out this Agreement or the Master Trust.

This appointment and power of attorney authorizes the Funeral Home to take the above actions on behalf of You or the Beneficiary, and without Your prior approval.

12. **Substitution of Merchandise.** If the Merchandise is not readily available at the time of death of the Beneficiary, the Funeral Home may substitute other merchandise that is of substantially similar or better quality. The Funeral Home will determine whether the substitute merchandise is of substantially similar or better quality.

13. **Taxes.** Under current Internal Revenue Service rulings, you may be subject to federal and state income taxes on any income earned by the Trust during the life of the Beneficiary. No distributions will be made from the Trust to enable you to pay such taxes. You hereby authorize the Trustee to pay any other taxes that may be imposed on the Trust or its assets. You agree that neither the Trustee nor the Funeral Home shall be liable for any payment of taxes by the Trust.

14. **Change of Address.** You agree to promptly notify the Funeral Home and the Trustee of any change of Your address or of the Beneficiary's address.

15. **Protection of Trustee.** You agree for Yourself and the Beneficiary that no claim of any kind shall be made against the Trustee for anything the Trustee does in reliance on any written instruction that appears to be binding on the Trustee including the Trustee's compliance with the Funeral Home's or Investment Manager's investment directions. This does not apply if the Trustee acts in a grossly negligent manner or intentionally does something the Trustee knows to be unauthorized.

#### 16. Miscellaneous.

(a) This Agreement and Trust is made in the Commonwealth of Pennsylvania. It is intended to comply with the Pennsylvania Funeral Director Law (Act of January 14, 1952, P.L. 1989, as amended) and the rules and regulations issued under that Law and shall be interpreted in accordance with such Laws. Any questions about the terms of this Agreement will be interpreted so as to comply with Pennsylvania Law. Without limiting the generality of the foregoing, the interest or earnings on all payments received and invested by the Trustee shall be retained in the Trust with the principal amount and shall be held, accounted for and transferred in the same manner as the principal amount.

(b) All notices that You and the Funeral Home send to each other must be in writing. Any notices must be delivered in person or mailed by first class mail. Notices to the Trustee must be given in a similar manner at the Trustee's address which has been given to You with this Agreement.

(c) This Agreement may not be assigned or transferred by You unless the Funeral Home gives its prior written consent. The Funeral Home can assign this Agreement without Your consent.

(d) This Agreement and the documents referenced in this Agreement contain the entire contract between You and the Funeral Home. This Agreement binds You and Your heirs and personal representatives and the Beneficiary. It also binds the Funeral Home, its successors and anyone to whom the Funeral Home assigns this Agreement.

BEAN FUNERAL HOME, INC.
North 1616 S. Franklin St.
Horseshoe Bend, Reading, PA 19604
(610) 378-0988
Robert E. Bean, Supvr.

Exhibit A
BEAN FUNERAL HOME, INC.
129 East Lancaster Avenue
Shillington, PA 19607
(610) 378-1120
Kevin M. Bean, Supvr.

KEVIN M. BEAN FUNERAL HOME, INC.
425 Penn Avenue
Shillington, PA 19606
(610) 378-1120
Taranee J. Shannon, Supvr.

STATEMENT OF FUNERAL GOODS AND SERVICES SELECTED

FUNERAL SERVICES FOR: Audrey L. Price
Date of Death:
Date of Service:
Funeral Services Charges are only for those items that you selected or that are required. If we are required by law or by a cemetery or crematory to use any items, we will explain the reasons in writing below. The goods and services shown are those we provide for our clients. You may choose only those items you desire.

ALTERNATIVE SELECTION - OFFERINGS A
Basic services of funeral director and staff, transfer of remains to funeral home within 20 mile radius, embalming, other preparation of body, use of facilities and staff for viewing and funeral, ceremony or service in our facility, funeral coach (coach), family sedan (coach), flower/casket car (coach), committal or other disposition service, below-groundment casket, temporary grave marker, memorial folders or prayer cards (50), temporary grave marker, \$ 3940

CONTINUE THE General Price List for a detailed description of the following items:
BASIC SERVICES OF FUNERAL DIRECTOR & STAFF \$
TRANSFER OF REMAINS TO FUNERAL HOME \$
Apparatus to a 20 mile radius from the funeral home.
Add \$1.50 per mile after the first 40 miles.

EMBALMING \$
If you selected a funeral that may require embalming, such as a funeral with viewing, you may have to pay for embalming. You do not have to pay for embalming if you do not approve if you selected arrangements such as direct cremation or immediate burial. If we charged for embalming, we will explain why below.
EMBALMING IS REQUIRED IF YOU:
Selected a service with a viewing
Arranged for shipment by common carrier
Selected arrangements that require us to hold the remains for more than 24 hours provided no refrigeration is available or a hermetically sealed container is not used and provided that embalming does not conflict with religious beliefs or medical examination.

ORAL PERMISSION TO EMBALM in above named decedent
I Was Granted I Was Refused
By:
Relationship:
Date:
Time: AM PM In Person By Phone

OTHER PREPARATION OF REMAINS \$
NECESSARY PREPARATION FOLLOWING AUTOPSY PROCEDURE \$
STAFF AND USE OF FACILITIES FOR FUNERAL SERVICE, MEMORIAL SERVICE OR SERVICE AT A LOCATION OTHER THAN FUNERAL HOME REQUIRING TRANSPORT \$
This includes visitation or viewing one hour prior to service.
Add \$128.00 for each additional hour.
STAFF AND USE OF FACILITIES FOR VISITATION OR VIEWING OTHER THAN ONE HOUR PRIOR TO FUNERAL OR MEMORIAL SERVICE \$
STAFF FOR GRAVESIDE SERVICE & ACCESSORIES AS NEEDED \$
STAFF FOR CHURCH MEMORIAL SERVICE AND ACCESSORIES AS NEEDED \$
USE OF PREPARATION ROOM FOR RELIGIOUS OBSERVATION \$
Motor equipment rates listed below apply to a 20 mile radius from the funeral home.
Add \$1.50 per mile after the first 40 miles for service vehicles. Add \$1.50 per mile after the first 40 miles for the funeral coach and/or hearse.
Funeral Coach \$
Urn/coffin \$
Family Sedan \$
Flower/Casket Car \$
Service Vehicle \$

ADDITIONAL MILEAGE
Transportation beyond 20 mile local radius
per mile ( )
per mile ( )

MISCELLANEOUS SUPPLIES AND SERVICES AVAILABLE
Guest Register \$
Memorial Folders or Prayer Cards (100 \$5.00/100) \$
Assorted flowers or cards available in lots of 10 at \$15.00/lot \$
Acknowledgement Cards (20 per box) \$
Temporary Grave Marker \$
Casket Cover \$
Urn/coffin \$
Palbearers \$
Monument/Bronze Memorial \$
Clothing \$
Hug Card \$
Other \$
ALTERNATIVE CONTAINER SELECTED \$
CREMATION URN SELECTED \$
CASKET SELECTED \$ 1585
OUTER BURIAL CONTAINER SELECTED \$ 1040

In most areas of the country, state or local law does not require that you buy a container to surround the casket in the grave. However, many cemeteries require that you have such a container or that the grave will not sink in. Either a burial vault or a grave liner will satisfy these requirements.

REQUIREMENT OF CEMETERY: The funeral director assumes no liability for graveside coverage of sinking if no other burial container is used.
An outer burial container IS REQUIRED IS NOT REQUIRED
By: Mc. Home Cemetery
(Cemetery Name)

AUTHORIZATION: I or We authorize and ratify prior consent to the funeral director to take possession of the body, give care to and carry out the arrangements hereto specified and agreed to. I or We represent ourselves as the possessor having the responsibility to arrange for the final disposition of the above named decedent, and do hereby grant authority to the funeral director to supply the services and/or merchandise as listed above as well as any additional services and/or merchandise ordered or required after the time of this arrangement, or I or We guarantee payment of the cost of the services and/or merchandise ordered and provided pursuant to the above TERMS OF PAYMENT.

(I/WE, THE BUYER(S), INTENDING TO BE LEGALLY BOUND, HEREBY AGREE THAT IN CONSIDERATION OF THE GOODS AND/OR SERVICES TO BE DELIVERED, THAT BUYER(S) INDIVIDUALLY AND JOINTLY IS (ARE) HEREBY OBLIGATED TO PAY ALL AMOUNTS OWING AND SHOULD BUYER(S) DEFAULT IN THE AGREEMENT WITH SELLER, IN ACCORDANCE WITH THE TERMS OF THE CONTRACT BETWEEN BUYER(S) AND SELLER, BUYER(S) HEREBY AGREES TO PAY ALL COLLECTION COSTS, REASONABLE ATTORNEY FEES AND COURT COSTS UPON COMMENCEMENT OR INITIATION OF ANY COLLECTION EFFORT OR LEGAL PROCEEDINGS. THIS LIABILITY HEREBY ASSUMED IS IN ADDITION TO THE LIABILITY IMPOSED BY LAW UPON THE ESTATE AND OTHERS AND SHALL NOT CONSTITUTE A RELEASE THEREOF.

WARRANTY DISCLAIMER: The only warranty on the merchandise sold in conjunction with this agreement is the express written warranty, if any, provided by the manufacturer of such merchandise. The funeral director makes no warranty, express or implied, with respect to funeral merchandise.

FINAL ACCEPTANCE: I or We accept and approve the above selections and terms, and acknowledge that the General Price List, Casket Price List and Outer Burial Container Price list were made available prior to selection of services and merchandise listed above. By signing this Statement of Funeral Goods and Services Selected, I or We acknowledge having received a signed copy thereof.

Signature of Purchaser: Ernest R. Price
Date of Arrangement: 4/2/99
Relationship to Decedent: Spouse
Signature of Funeral Director:
Date: 4-2-1999

CASH ADVANCES AND ACCOMMODATIONS TERMS \$ 740
For your convenience we will order and handle payment of the following items. We charge you for our services in obtaining these items. Any deviation of any item by the supplier of these services shall be the sole responsibility of the supplier. The funeral director/funeral home is relieved of any liability therefore by acting as your agent. Certain charges may be estimated.
Certified copies of death certificate (10) \$ 20
Local newspapers \$ 50
Out-of-town newspapers \$ 75
Cemetery equipment \$ 140
Crematory \$
Flowers ordered \$
Engraving alone \$
Ornament \$
Other \$ 420
Cemetery grave opening/closing

SPECIAL CHARGES
Forwarding Remains to:
Funeral Home/Mortuary \$
Receiving Remains from:
Funeral Home/Mortuary \$
Direct Cremation \$
Direct Burial or Anatomical Gift \$

TERMS OF PAYMENT
You may elect \$\_\_\_\_\_ if paid in full by date of notice by cash or check.
METHOD OF PAYMENT SELECTED
Cash Check Visa MasterCard
Insurance Assignment
Security Pacific Financial Services
PAYMENT MAY BE EXPECTED BY (Date)
This is a cash transaction and the balance of payment is due in full in 30 days from the date of service and in all events becomes past due and delinquent after the 30 day due date. A penalty of 1.49% per annum (1.25% per month) will be charged on the unpaid balance for each month or fraction thereof commencing on the 1st day after the above service date until the balance is paid if the balance has not been paid within 30 days.

AGREEMENT
It is understood that the total charges shown above may be estimated and reflect only that agreed upon at the time of this arrangement. Any additional items of services and/or merchandise ordered or required after the time of the arrangement shall be considered part of this agreement and the cost will be reflected on the final statement which we will provide to you no later than 5 days from the date of service.

SUMMARY OF CHARGES
Services \$ 2745
Merchandise \$
Special Charges \$ 740
Cash Advances \$ 3940
Alternative Selection \$
Additional Charges (Alternative Selection) \$
TOTAL OF ALL SELECTIONS \$ 7425
Discount \$ -925
OTHER ITEMS THAT MUST BE PAID BY PURCHASER PRIOR TO SERVICE DATE \$ 6500
Paid in full.

Please make checks payable to:
Cemetery:
Clergy:
Organist:
Sexton:
Shipper:
Other:

STATEMENT TO: Mr. Ernest R. Price
20 S. Summit Ave.
Shillington, PA 19607

Phone:
Yellow Copy - Purchaser

12/23/2002 MON 18:34 [TX/RX NO 6211]

10



**SecurChoice™**

7441 Allentown Blvd. • Harrisburg, PA 17112

April 9, 1999

Ms. Audrey L. Price  
c/o Ernest E. Price  
20 S. Summit Avenue  
Shillington PA 19607

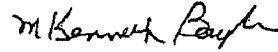
Re: SecurChoice - Pre-Need and  
Individual Trust Agreement

Dear Ms. Price:

PNC Bank, N.A. has received and accepted the Pre-Need and Individual Trust Agreement for Audrey L. Price, Account 25858. This Irrevocable Trust, funded with \$6,500.00, is a participant in the Master Pre-Need Trust of Bean Funeral Home Inc..

If you have any questions, please consult with your funeral director.

Very truly yours,



M. Kenneth Baylor  
SecurChoice  
Trust Administrator

Enclosure

cc: Mr. Kevin M. Bean  
Bean Funeral Home Inc.  
129 East Lancaster Avenue  
Shillington PA 19607

PRE-NEED TRUST OFFICE:  
1-800-692-6068 • (717) 545-7215 • FAX (717) 545-7360

Website: [www.pfda.org](http://www.pfda.org)

PRE-NEED INSURANCE OFFICE:  
1-800-627-7526 • (717) 540-1303 • FAX (717) 540-1496

12/23/2002 MON 18:23 [TX/RX NO 62101]

12

**SECURCHOICE**  
NON NEGOTIABLE

40642

UniChoice Cooperative, Inc.  
7441 Allentown Blvd.  
Harrisburg PA 17112

From the Prepaid Funeral Trust for the benefit of Audrey L. Price


Account: 25858

January 2, 2003

\$ \*\*\*\*3,763.51

Bean Funeral Home Inc.  
129 East Lancaster Avenue  
Shillington PA 19607

40642



7441 ALLENTOWN BLVD HARRISBURG PA 17112

PNC BANK, N.A.  
NORTHWEST PA 010  
60-73-433

THREE THOUSAND SEVEN HUNDRED SIXTY THREE AND 51/100 \*\*\*\*\*

	DATE	AMOUNT
<p>PAY TO THE ORDER OF</p> <p>Bean Funeral Home Inc. 129 East Lancaster Avenue Shillington PA 19607</p>	<p>January 2, 2003</p>	<p>\$ ****3,763.51</p>

0810196-03

CASH WITHIN 60 DAYS  
AUTHORIZED SIGNATURE

*Susan Bertold*

Security Features included. Details on back.

⑈040642⑈ ⑆043300738⑆ 6430458529⑈

# Unichoice

A member-owned cooperative  
"Participation pays"

7  
July 15, 2002

Dear SecurChoice Pre-need Trust Users;

I am writing to inform you of some program changes that will become effective upon your receipt of the new trust packets, which you should receive in a few days.

Changes have been made to our trust documents and the new documents/forms are approved by the State Board of Funeral Directors. These changes were made to come into compliance with recent rulings by the State Board of Funeral Directors and to provide clarity in some parts of previous documents.

You are receiving a new Master Trust Agreement that needs to be signed and returned to us in the postage paid envelope enclosed and we will forward it to PNC Bank for signature by a Trust Officer. We will then return the 2<sup>nd</sup> copy and attachments to you for your files. Primary changes in the Master Trust Agreement can be seen in the attached "Proposed Changes to the Master Trust Agreement" and are in paragraphs 6 and 9. All Pre-need and Individual Trust Agreements submitted by your funeral home from this date forward will come under the terms of this new Master Trust Agreement.

A copy of a letter from Thomas A. Blackburn, Counsel, State Board of Funeral Directors is enclosed. This letter is to be kept on file in your funeral home as proof that the trust documents we are providing and you are using have been approved by the appropriate authority. This letter also states that you must submit Exhibit A, a Statement of Funeral Goods and Services with each pre-need contract. The FTC Statement of Funeral Goods and Services form will be provided in every packet and is approved by the State Board of Funeral Directors. If you use your own, make sure it is approved by the State Board of Funeral Directors.

A new Pre-need and Individual Trust Agreement form is enclosed. Changes to Part I, the front page, includes enlargement of the box titled "Itemization of Amount Financed." You will also notice in the lower left portion of the front page where you choose to Guarantee or Not Guarantee future prices, that you can now Guarantee or Not Guarantee the funeral home's Services and Merchandise and Cash Advances separately. Changes to Part II, the Investment Direction part of the Pre-need and Individual Trust Agreement, includes new mutual fund investment options and the two annuity options at the bottom of the page. Another copy of the investment options, investment risk and a short description will be included in the quarterly report you receive this week. The first annuity option listed on the new form is the one offered by Funeral Directors Life Insurance Company. You will also receive detailed information about this new annuity option in your quarterly report this week. The 2<sup>nd</sup> annuity is the one that has been offered for years through Microdata. Changes have also been made to Part III, Terms and Conditions of the Pre-need and Individual Trust Agreement. The major change is that the purchaser of a pre-need trust contract can cancel the agreement for any reason and receive all of their money back including interest less fees. The changes can be seen in the enclosed materials called "Proposed Changes to Part III, The Terms and Conditions of the Pre-need and Individual Trust Agreement."

You will receive a supply of new SecurChoice Trust Packets within the next few days. Again, the new packets will include the new Pre-need and Individual Trust Agreement forms and Exhibit A, a Statement of Funeral Goods and Services form. Please throw away all of your old trust packets! Yes, throw them out! We don't want to get the forms mixed up.

If you have any questions regarding any of the changes, please give us a call at the office. There will be no noticeable change in the appearance of the forms. The only new procedure is the required use of a Statement of Funeral Goods and Services, which was directed by the State Board of Funeral Directors.

Thank you for your business and your continued support of both PFDA and Unichoice.

Sincerely,

Ted Nielsen, Exec. V.P. & COO  
Unichoice Cooperative, Inc.

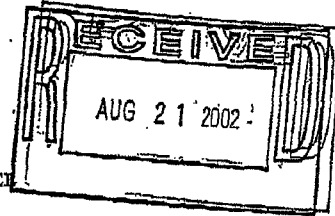
www.unichoiccoop.com  
7441 Allentown Blvd. ♦ Harrisburg, PA 17112  
TOLL FREE 877.468.4824 PHONE ♦ 717.545.7335 PHONE ♦ 717.545.7360 FAX

12/23/2002 MON 19:04 [TX/RX NO 6213]

P-7  
13 Do 4/8



COMMONWEALTH OF PENNSYLVANIA  
GOVERNOR'S OFFICE OF GENERAL COUNSEL  
DEPARTMENT OF STATE  
LEGAL OFFICE  
116 PINE STREET, P.O. BOX 2649  
HARRISBURG, PA 17105-2649



Thomas A. Blackburn, Assistant Counsel  
Counsel Division

Telephone: (717) 783-7200  
FAX: (717) 787-0281  
E-Mail: tblackburn@state.pa.us  
Department's Website: www.dos.state.pa.us

August 16, 2002

Kathleen K. Ryan, Esquire  
Pennsylvania Funeral Directors Assoc.  
7441 Allentown Boulevard  
Harrisburg, PA 17112-9982

Dear Ms. Ryan:

I have received your recent request for approval of the revised form master pre-need trust agreement and pre-need and individual trust agreement that your association will provide to members who participate in the SecurChoice program.

As a general rule, the Board does not review forms for any entity other than a licensed funeral establishment. However, because of the large number of licensees who participate in this program and who will use these forms, I am reviewing these forms for their benefit. Any member who participates in this program and who uses these forms must receive from you a copy of this letter and must maintain that letter in the member's files as if I had reviewed and approved the forms specifically for that member. In addition, the only changes that may be made to these forms, in order to continue applicability of this review, are the insertion of the name and address of the funeral establishment and the name, if applicable, of the supervisor.

I assume that each member who participates will attach as Exhibit A to the pre-need and individual trust agreement a completed statement of funeral goods and services that the Board has separately approved. Additionally, I assume that each member who participates in this program will include the name of the supervisor, if applicable, with the name of the funeral establishment. Upon my review, on these assumptions, it appears that the submitted pre-need and individual trust agreement is in compliance with the Funeral Director Law<sup>1</sup> and regulations promulgated there under. As such, the Board approves this revised form for use by the various members who participate in this

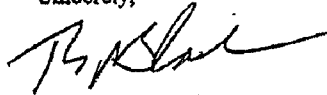
<sup>1</sup> Act of January 14, 1952 (P.L. 1951-1898, No. 522), as amended; 63 P.S. § 479.1 et seq.

Ms. Ryan  
August 16, 2002  
Page 2

program. However, this review does not extend to any other body of law, such as contracts, or to requirements of other agencies, such as the Federal Trade Commission.

I have not reviewed the master pre-need trust agreement. In contrast to the Board regulations at 49 Pa. Code § 13.204 (regarding written agreement) and 49 Pa. Code § 13.224(f) (regarding funding and reporting of prepaid burial contracts) that authorize the Board to review a contract between a funeral establishment and a customer, no regulation provides for review of an agreement between the trustee and the funeral establishment.

Sincerely,



Thomas A. Blackburn, Counsel  
State Board of Funeral Directors

cc: Michelle T. DeMerice, Administrator  
State Board of Funeral Directors

13



August 16, 2002

Dear Funeral Director:

For your files, enclosed is the signed "Funeral Home Copy" of the SecurChoice Master Pre-need Trust Agreement.

If you have any questions or would like to order SecurChoice-Trust forms or SecurChoice - Insurance Trust forms, please feel free to contact our office at (1-800-692-6068).

Sincerely,

A handwritten signature in cursive script that reads "Ruth A. Carrera".

Ruth A. Carrera  
SecurChoice - Trust Administrator

Enclosure

**SecurChoice***a prearranged funeral program*

August 26, 2002

Dear SecurChoice Trust User:

The State Board of Funeral Directors has recently approved SecurChoice's new master pre-need trust agreement and the individual trust agreement that PFDA will provide to members who participate in the SecurChoice Program. Enclosed please find a copy of the letter of approval. As indicated by Board Counsel, each of you **"must maintain that letter in [your] files as if [he] had reviewed and approved the forms specifically for that member."**

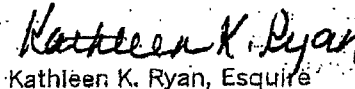
Further, you may **not** make any changes to these forms except to insert the name and address of your funeral establishment and the name of the supervisor, if applicable.

If you are not using the Statement of Funeral Goods and Services provided by Unichoice, you must have your Statement of Funeral Goods and Services approved by the State Board **independently** of the trust documents prior to use. If you have not had your Statement of Funeral Goods and Services approved within the past 2 years, it would be advisable to have it done now. If you need to have your document approved, send it to Thomas Blackburn, Esquire, State Board of Funeral Directors, 116 Pine Street, Harrisburg, PA., 17105.

Finally, it is important you understand that the approval is only for SecurChoice's trust documents with the caveats listed above. To use them with any other trust program or unapproved forms is illegal and could result in legal action.

If you have any questions, please do not hesitate to call.

Very truly yours,



Kathleen K. Ryan, Esquire

Enclosure

7441 Allentown Blvd. ♦ Harrisburg, PA 17112  
PRE-NEED TRUST OFFICE: TOLL FREE 877.468.4824 PHONE ♦ 717.545.7360 FAX  
PRE-NEED INSURANCE OFFICE: TOLL FREE 800.627.7526 PHONE ♦ 717.540.1303 PHONE ♦ 717.540.1496 FAX  
[www.unichoicecoop.com](http://www.unichoicecoop.com) WEBSITE

12/23/2002 MON 18:54 [TX/RX NO 62121]

# SecurChoice™

(a pre-arranged funeral program owned and endorsed  
by the Pennsylvania Funeral Directors Association)

**PART I**

### Pre-Need and Individual Trust Agreement ("The Agreement")

This Agreement is made this \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ by and between  
DATE

Funeral Home \_\_\_\_\_ NAME  
Address \_\_\_\_\_ BUSINESS ADDRESS

and the Purchaser \_\_\_\_\_ (M) (F)  
(hereinafter "You") NAME D/O/B SOCIAL SECURITY #  
ADDRESS

for the Benefit of \_\_\_\_\_ (M) (F)  
(if Beneficiary's NAME D/O/B SOCIAL SECURITY #  
is different from ADDRESS  
the Purchaser)

<b>ANNUAL PERCENTAGE RATE</b> <small>The cost of Your Credit as a yearly rate.</small> <p style="text-align: center;">0.00%</p>	<b>FINANCE CHARGE</b> <small>The dollar amount the credit will cost You.</small> <p style="text-align: center;">0.00%</p>	<b>Amount Financed</b> <small>The amount of credit provided to You or on Your behalf.</small> <p style="text-align: center;">\$ _____</p>	<b>Total of Payments</b> <small>The amount You will have paid after You have made All payments as scheduled.</small> <p style="text-align: center;">\$ _____</p>	<b>Total Sale Price</b> <small>The total cost of Your purchase on Credit, including Your down-Payment of \$ _____</small> <p style="text-align: center;">\$ _____</p>														
If not paid in full, Your Payment Schedule will be: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 2px;">No. of payments</td> <td style="width: 20%; padding: 2px;">Amount of payments</td> <td style="width: 60%; padding: 2px;">When Payments Are Due</td> </tr> <tr> <td style="padding: 2px;">\$ _____</td> <td style="padding: 2px;">\$ _____</td> <td style="padding: 2px;">Monthly beginning _____ <small>Mo. City Year</small></td> </tr> </table>			No. of payments	Amount of payments	When Payments Are Due	\$ _____	\$ _____	Monthly beginning _____ <small>Mo. City Year</small>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">Itemization of Amount Financed</th> </tr> <tr> <td style="padding: 2px;">Cash Price</td> <td style="padding: 2px;">\$ _____</td> </tr> <tr> <td style="padding: 2px;">Total Downpayment</td> <td style="padding: 2px;">- \$ _____</td> </tr> <tr> <td style="padding: 2px;">Unpaid Balance of Cash Price &amp; Amount Financed</td> <td style="padding: 2px;">= \$ _____</td> </tr> </table>		Itemization of Amount Financed		Cash Price	\$ _____	Total Downpayment	- \$ _____	Unpaid Balance of Cash Price & Amount Financed	= \$ _____
No. of payments	Amount of payments	When Payments Are Due																
\$ _____	\$ _____	Monthly beginning _____ <small>Mo. City Year</small>																
Itemization of Amount Financed																		
Cash Price	\$ _____																	
Total Downpayment	- \$ _____																	
Unpaid Balance of Cash Price & Amount Financed	= \$ _____																	
See reverse side for any additional information about Nonpayment and default.																		

You hereby agree to buy and Funeral Home hereby agrees to sell the funeral goods ("Merchandise"), funeral services ("Services") and cash advance items for 3rd party charges ("Cash Advances") which are described in Itemized list attached as Exhibit A for a Total Sale Price of \$ \_\_\_\_\_ (see paragraph 5 on the reverse side for price details).

After payment of the Total Sale Price and all other payments required to be made, the Funeral Home will render, upon the death of the Beneficiary, all the Merchandise, Services and Cash Advances described on attached Exhibit A. This Agreement is subject to the terms and conditions shown above and on the reverse side of this page, which you have read and accepted.

You hereby elect that this Agreement shall be:  
 \_\_\_\_\_ Irrevocable upon payment in full of the Total Sale Price      \_\_\_\_\_ Revocable by You at Your option at all times

You and the Funeral Home agree that Services and Merchandise shown on Exhibit A are:  
 \_\_\_\_\_ Guaranteed by the Funeral Home upon timely payment of the Total Sale Price      \_\_\_\_\_ Not Guaranteed by the Funeral Home

You and the Funeral Home agree that Cash Advances shown on Exhibit A are:  
 \_\_\_\_\_ Guaranteed by the Funeral Home upon timely payment of the Total Sale Price      \_\_\_\_\_ Not Guaranteed by the Funeral Home

**EXCLUSION WARRANTIES: THE FUNERAL HOME IS NOT PROVIDING TO YOU ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE FOR THE MERCHANDISE.** The only warranties You are receiving for the Merchandise are the express written warranties, if any, which are provided by the manufacturers of the Merchandise sold to You under this Agreement. Only the manufacturer shall have any liability to You under such warranties.

You and the Funeral Home have signed this Agreement on the day and year written above and intend to be legally bound. By signing this Agreement, the Funeral Home, as agent for the Purchaser, hereby agrees to establish an Individual trust with the Trustee under the Master Pre-Need Trust Agreement (the "Master Trust") between the Funeral Home and the Trustee (the "Trust").

\_\_\_\_\_  
Signature of Licensed Funeral Director      Signature of Purchaser

License Number of Funeral Director \_\_\_\_\_

**SUBJECT TO TERMS AND CONDITIONS ON REVERSE SIDE:** You acknowledge receipt of a completed copy hereof. You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the day of this transaction. See the attached Notice of Cancellation form for an explanation of this right.

**PART II**

FOR OFFICE USE ONLY		
The Trustee hereby accepts the Trust herein created for the Beneficiary under the Master Pre-Need Trust Agreement with the Funeral Home.		
By: _____	DATE _____	
BANK	AUTHORIZED PERSON	DATE
White Copy - PFDA    Yellow Copy - Funeral Home    Pink Copy - Purchaser		PFT 601-01-05



NOTE: If no option is selected, funds will be invested in the short term fund.

SecurChoice™ (a pre-arranged funeral program owned and endorsed by the Pennsylvania Funeral Directors Association)

PART II

Pre-Need and Individual Trust Agreement ("The Agreement")

This Agreement is made this \_\_\_\_\_ by and between \_\_\_\_\_ DATE

Funeral Home \_\_\_\_\_ NAME

Address \_\_\_\_\_ BUSINESS ADDRESS

and the Purchaser (hereinafter "You") \_\_\_\_\_ NAME D/O/B SOCIAL SECURITY # (M) (F) ADDRESS

for the Benefit of (if Beneficiary's is different from the Purchaser) \_\_\_\_\_ NAME D/O/B SOCIAL SECURITY # (M) (F) ADDRESS

Investment Direction Form

SHORT TERM FUND & MUTUAL FUND OPTIONS

Indicate below (X) your Investment Direction for the funds deposited to the above-captioned SecurChoice™ Pre-Need and Individual Trust Agreement held by PNC Bank, National Association (PNC Bank) under Agreement with the Pennsylvania Funeral Directors Association. Funds may be placed in one investment or split among two or three options and one of the options must be the Short Term Fund, even if the percentage is zero. Indicate below the percentage you would like invested in each of the options; the percentages must total 100%. (Does not include annuity).

- Short Term Fund - PNC Bank, trustee & investment manager
BlackRock INTERMEDIATE GOVERNMENT BOND PORTFOLIO - PNC Bank, trustee & investment manager
Fidelity's INVESTMENT GRADE BOND FUND\* - PNC Bank, trustee; Fidelity Investments, investment manager
Vanguard's LIFESTRATEGY INCOME FUND\* - PNC Bank, trustee; The Vanguard Group, investment manager
Vanguard's LIFESTRATEGY CONSERVATIVE GROWTH FUND\* - PNC Bank, trustee; The Vanguard Group, investment manager
Fidelity's ASSET MANAGER FUND\* - PNC Bank, trustee; Fidelity Investments, investment manager
BlackRock SELECT EQUITY FUND - PNC Bank, trustee & investment manager
Vanguard's 500 INDEX FUND\* - PNC Bank, trustee; The Vanguard Group, investment manager
Fidelity's MAGELLAN FUND\* - PNC Bank, trustee; Fidelity Investments, investment manager

(\* I understand these "funds" or portfolios in these funds are not managed by PNC Bank and I and/or my successors hereby hold harmless and indemnify PNC Bank of any and all liability and responsibility due to investment in these "funds" or portfolios in these funds. I understand that the investment style of these "funds" or portfolios in these funds may cause fluctuation of market value including the potential of significant realized or unrealized losses. I understand and am willing to accept the higher degree of risk inherent by investing in these "funds" or portfolios in these funds.)

I understand that securities available through PNC Bank are not backed by or guaranteed by PNC Bank, National Association or its affiliates and are not bank deposits, nor are they insured by, issued by, guaranteed by or obligations of the FDIC or Federal Reserve Board. Such securities involve investment risks, including possible loss of value. For more complete information about any mutual fund selected, including charges and expenses, refer to the prospectus. I acknowledge (i) that I understand the information set forth herein and (ii) receipt and review of the prospectus for any mutual fund selected.

I understand that this selection will remain in effect until changed by me by submitting a revised investment Direction Form (properly executed) to PNC Bank, National Association, trustee.

ANNUITY OPTIONS

The Funeral Home hereby directs the investment of all funds deposited to the above-captioned SecurChoice™ Pre-Need and Individual Trust Agreement and held in trust by PNC Bank, National Association, trustee, under the Master Trust with the Funeral Home, in an annuity contract issued by Funeral Directors Life Insurance Company.

The Funeral Home hereby directs the investment of all funds deposited to the above-captioned SecurChoice™ Pre-Need and Individual Trust Agreement and held in trust by Mellon Bank, National Association, trustee, under the Master Trust with the Funeral Home, in an annuity contract issued by Transamerica Life Insurance Company.

The Funeral Home hereby agrees that no claim or demand of any kind or nature whatsoever shall be made upon or asserted against the Trustee as a result of any direction with respect to such annuity given by the Funeral Home of P.F.D.A. and should any such demand or claim be made, the Funeral Home shall defend, indemnify, and hold Trustee harmless.

I understand that this selection will remain in effect until the death of the annuitant. A change of investment before the death of the annuitant will most likely result in a penalty assessed by the insurance company for early withdrawal.

FUNERAL DIRECTOR'S SIGNATURE

PRINTED NAME & TITLE

White Copy - PFDA Yellow Copy - Funeral Home

PFT 501-01-05

**PART III****OTHER TERMS AND CONDITIONS OF THE  
PRE-NEED AND INDIVIDUAL TRUST AGREEMENT**

In addition to the terms and conditions of the other side of this Agreement, You and the Funeral Home also agree to the following:

1. **Creation of Trust.** You authorize and direct the Funeral Home, as Your Agent, to establish an individual trust (the "Trust") with a bank as trustee (the "Trustee") on Your behalf. The Funeral Home will transfer all cash payments You make and life insurance policies You assign under this Agreement into the Trust. The Trust will be administered and the money in the Trust invested under a master pre-need agreement (the "Master Trust"). If the Funeral Home so directs the Trustee, such investments may include investment in annuity contracts issued by insurance companies. Under the Master Trust the Trustee, at the direction of the Funeral Home, invests the funds of a number of separate Pre-Need Funeral Trusts which have been established through the Funeral Home. The Funeral Home will provide You with a copy of Trustee's acceptance of the Trust and the Master Trust if You ask for one. Any dividends paid on any life insurance policies assigned to the Trust will be used to acquire additional insurance under the policy if the policy so provides.

2. **Transfer of Payments.** The Funeral Home will transfer the total amount of each payment received to the Trustee within ten (10) calendar days after You pay the Funeral Home. After the money is deposited in the Trust, it is invested under the terms of the Master Trust and this Agreement. The terms of the Master Trust apply to this Agreement and the money You pay to the Funeral Home pursuant to this Agreement.

3. **Default.** If You fail to make any installment payment required under this Agreement within ninety (90) days after it is due, then this Agreement may be cancelled at the Funeral Home's option. If the Funeral Home exercises this Agreement, then the Funeral Home will instruct the Trustee to refund to You the current market value of all the payments You have paid, together with income earned less fees and recharges any insurance policies in the Trust to You.

4. **Termination.** The Trust created pursuant to this Agreement can only be terminated by either You or the Funeral Home at any time prior to the Beneficiary's death.

To terminate this Agreement and the Trust created pursuant to it, You must give the Funeral Home written notice of termination and the Funeral Home must give written acknowledgment of Your notice.

If You terminate the Agreement, the Funeral Home will instruct the Trustee to refund to You the current market value of all the money You have paid under this Agreement, together with income earned less fees and recharges any insurance policies in the Trust to You. If Your monies were placed in an annuity contract You may incur penalties for early withdrawal.

If the Funeral Home terminates this Agreement, the Funeral Home will instruct the Trustee to refund to You the current market value of all the money You have paid under this Agreement, together with income earned less fees and recharges any insurance policies in the Trust to You. If Your monies were placed in an annuity contract You may incur penalties for early withdrawal.

This Agreement and Trust created pursuant to it cannot be terminated at any time after the Beneficiary has died.

**Important Notice:** If you are pre-planning in conjunction with the spend down process in order to qualify for Medicaid or other government benefits, you should be aware that cancellation of this contract may jeopardize your eligibility and/or result in the government's entitlement to a refund.

5. **Price Protection Option.** If You selected the "Guaranteed" option on the front of this Agreement, then the Funeral Home must provide the Services and Merchandise or the Cash Advances set forth on the Statement of Funeral Goods and Services Form (FD-301A), but only if all the payments to be received from You and other sources listed in this Agreement are received by the Funeral Home. If all of those amounts are not received by the Funeral Home, then You must pay the difference between all amounts listed on the front of this Agreement and the amounts actually received by the Funeral Home. You must pay the Total Sale Price on or before the date the Services are rendered. Merchandise is provided and arrangements are made for the Cash Advances items. The Funeral Home will receive all amounts in full whether or not such amounts are more or less than the prevailing charges for the Services and Merchandise or the Cash Advances.

If the Total Sale Price has not been paid or You selected the "Not Guaranteed" option on the front of this Agreement, then the Funeral Home will provide the Services and Merchandise or the Cash Advances listed on Exhibit A at the prices prevailing when the Services and Merchandise or the Cash Advances are provided. You will receive credit against the prevailing prices for all payments You have made under this Agreement, for all net income earned by the Trust, the death benefit and any other amounts paid under any insurance policy assigned to the Trust, and all other amounts received by the Funeral Home on Your behalf. The Funeral Home does not have to perform the Services or deliver the Merchandise or make arrangements for the Cash Advances items unless there are sufficient funds available to pay for such Services and Merchandise or the Cash Advances at the time they are to be provided.

6. **Services Not Covered.** This Agreement is not for the purchase or care of a casket or lot, monument space, columbarium space or other places of burial. In addition to the Purchaser's payment of the Total Sales Price, the Beneficiary's estate or survivors will be responsible, under the circumstances described below, for paying the additional fee, if any, that the Funeral Home customarily charges at the time of the Beneficiary's death for providing services on a Saturday, Sunday or a legal holiday if the Beneficiary's funeral is held on one of those days.

7. **Death Outside of Service Area.** You authorize the Funeral Home to make transportation arrangements to the Funeral Home if the Beneficiary dies outside the Service Area. The actual cost of transportation and any other reasonable amounts paid by the Funeral Home in connection with such arrangements will be paid by the Beneficiary's estate or survivors.

8. **Rights Reserved.** If the Funeral Home is prevented from or delayed in providing the Services because of circumstances beyond its control, such as a labor dispute, strike, government action, epidemic, fire, or other disaster or the unavailability of Merchandise, it may make a reasonable substitution of comparable Services and Merchandise and will not be responsible for any inconvenience, delay, loss or damage to You, the Beneficiary's family, or their legal representatives caused by such substitution.

9. **Change of Beneficiary.** The Beneficiary of this Agreement and Trust created pursuant to it is the person for whom the Funeral Services and Merchandise will be provided upon his or her death. You are the beneficiary unless You designated

someone else as the "Beneficiary" on the front of this Agreement. If You checked the "Reversible" box on the front of this Agreement, then You may change the Beneficiary of this Agreement and Trust at any time by providing written notice to the Funeral Home and the Trustee unless the Trust's assets are invested in an annuity contract or unless the Trust is funded with a life insurance policy on the life of the original Beneficiary.

10. **Change of Trustee.** The Funeral Home and, under certain circumstances, the Pennsylvania Funeral Directors Association (PFDA), may change the Trustee, in the event of such change, the Funeral Home will notify You of the name and address of the new Trustee.

11. **Appointment of Agent.** You appoint the Funeral Home as Your agent to do the following things on behalf of You or the Beneficiary:

- (a) Execute and establish the Trust under the Master Trust with the Trustee;
  - (b) Change the Trustee as permitted under the Master Trust or this Agreement;
  - (c) Amend the Master Trust as permitted under the Master Trust Agreement or this Agreement;
  - (d) Make certifications to the Trustee for the withdrawal of funds as permitted under the Master Trust; and
  - (e) Take all actions necessary to obtain the death benefits under any insurance policy assigned to this Trust, apply policy dividends to the death benefit under the life insurance policy, and otherwise take such actions as it deems necessary regarding any such insurance policies.
- (f) Take any other action that may be necessary or appropriate to carry out this Agreement or the Master Trust.

12. **Substitution of Merchandise.** If the Merchandise is not readily available at the time of death of the Beneficiary, the Funeral Home may substitute other merchandise that is of substantially similar or better quality. The Funeral Home will determine whether the substitute merchandise is of substantially similar or better quality.

13. **Taxes.** Under the current Internal Revenue Service rulings, You may be subject to federal and state income taxes on any income earned by the Trust during the life of the Beneficiary. No distributions will be made from the Trust to enable You to pay such taxes.

You hereby authorize the Trustee to pay any taxes that may be imposed on the Trust or its assets. You agree that neither the Trustee or the Funeral Home shall be liable for any payment of taxes by the Trust.

14. **Change of Address.** You agree to promptly notify the Funeral Home and Trustee of any change of Your address or the Beneficiary's address.

15. **Protection of Trustee.** You agree for Yourself and the Beneficiary that no claim of any kind shall be made against the Trustee for anything the Trustee does in reliance on any written instruction that appears to be binding on the Trustee including the Trustee's compliance with the Funeral Home's or investment Manager's investment directions. You agree for Yourself and the Beneficiary that the Trustee will not be liable to anyone for any action taken or not taken under this Agreement unless the Trustee acts in a grossly negligent manner or intentionally does something the Trustee knows to be unauthorized.

16. **Provision Regarding Life Insurance Policies**

(a) Under no circumstances will the Funeral Home or Trustee be responsible to pay any premiums on any life insurance policies assigned to the Trust. It is intended that this Trust be funded only with fully "paid-up" life insurance on the life of the Beneficiary.

(b) The Trustee shall own all incidents of ownership, rights, powers, interest and benefits of any kind on account of any insurance policies assigned to the Trust.

(c) Upon the death of the Beneficiary or the earlier maturity of any insurance contracts payable to the Trustee, the Trustee shall collect the proceeds and the benefits thereof. The Trustee shall furnish the necessary proofs of death to the insurance companies. The Trustee may, but shall have no duty to, take any and all steps which it deems necessary or appropriate for the collection of such proceeds and benefits or to keep the contracts in effect during the lifetime of the Beneficiary, including the institution of proceedings in law or in equity, and it shall be entitled to indemnify itself out of any property held in trust for all expenses incurred by it in connection therewith. The Trustee is further authorized to compromise and settle any and all claims arising out of the insurance contracts or any of them on such terms and conditions as it deems advisable, and the decision of the Trustee shall be binding on all interested parties. The Trustee shall be authorized to give the respective insurance companies all of the necessary and proper releases and acquittances in full discharge of all of their liabilities under such policies. No insurance company that has issued or shall issue a contract of insurance subject to this Agreement shall have any obligation to inquire into the terms of this Agreement or see to the application of the proceeds or benefits of such contract. The receipt of the Trustee to any such insurance company shall effectively release the insurance company from any liability as a result of such contract and shall be binding upon all parties.

17. **Miscellaneous.**

(a) This Agreement and Trust is made in the Commonwealth of Pennsylvania. It is intended to comply with the Pennsylvania Funeral Director Law (Act of January 14, 1952, P.L. 1893, as amended) and the rules and regulations issued under that Law and shall be interpreted in accordance with such Law. Any questions about the terms of this Agreement will be interpreted so as to comply with Pennsylvania Law. Without limiting the generality of the foregoing, the interest or earnings on all payments received and invested by the Trustee shall be retained in the Trust with the principal amount and shall be held, accounted for and transferred in the same manner as the Trustee's address which has been given to You with this Agreement.

(b) All notices that You and the Funeral Home send to each other must be in writing. Any notices must be delivered in person or mailed by first class mail. Notices to the Trustee must be given in a similar manner at the Trustee's address which has been given to You with this Agreement.

(c) Transfer. This Agreement may be assigned or transferred to another funeral home at any time by You. The Funeral Home can assign the Agreement only with Your consent. You may need to enter into a new agreement with the funeral home receiving the transfer.

(d) This Agreement and the documents referenced in this Agreement contain the entire contract between You and the Funeral Home. This Agreement binds You and Your heirs and personal representatives and the Beneficiary. It also binds the Funeral Home, its successors and anyone to whom the Funeral Home assigns this Agreement.

White Copy - SecurChoice Yellow Copy - Funeral Home Pink Copy - Purchaser

PFT 503 02/05

12/23/2002 MON 18:54 [TX/RX NO 6212]

20

FROM : BEAN FUNERAL HOME

FAX NO. : 6107753022

Apr. 06 2003 03:52PM P2

04/06/03 09:48 FAX 717 304 6630  
Merchandise Trust

PRE-NEED GROUP

Page 1 of 1



## The Pennsylvania Funeral Merchandise Trust

**A Preneed Merchandise Trust...That Gives You Money Now!!**

Today's preneed market is more challenging than ever. Everyone selling merchandise needs financial resources **UPFRONT**, in order to compete.

That's why PFDA created the Pennsylvania Funeral Merchandise Trust. After careful legal research, a method has been established that allows a separate merchandising corporation to put 70 percent of the retail price of the merchandise in trust under the terms of the Pennsylvania Future Interment Act - and makes 30 percent available to **MEET THE COMPETITION** with other merchandising companies.

The Pennsylvania Merchandise Trust is designed to be used by **ANY SIZE** operation.

It doesn't require an insurance license.

It Does create new opportunities for funeral service.

It Does create cash flow to advance preneed sales.

Don't cut back on the preneed operations that are the future of your business.

Protect the margins on merchandise that make up the largest part of a funeral transaction.

If you would like more information on the Pennsylvania Funeral Trust, or the Pennsylvania Merchandise Trust, contact: M. Kenneth Baylor at 1-800-692-6068.

- ▶ **Members Area**
- ▶ **Return to Home Page**



<http://pfda.org/members/march.htm>

21

3/23/99

8/

**PENNSYLVANIA FUNERAL DIRECTORS ASSOCIATION**

**MODEL INCORPORATION KIT**

**FOR**

**PENNSYLVANIA MERCHANDISE CORPORATIONS**

October, 1996

22



---

---

The Pennsylvania Funeral Directors Association Model Incorporation Kit for Pennsylvania Merchandise corporations is intended to illustrate to members of the Association some of the current forms of the basic documentation necessary to establish a Pennsylvania Merchandise corporation. Incorporating, like embalming, is not a "do it yourself" thing. Careful consideration must be given to a number of legal and tax issues, which only attorneys and accountants are competent to handle. It is therefore, necessary for members to consult with their attorneys and accountants in the incorporation of their merchandise business.

---

---

23