

BEFORE THE ARIZONA CORPORATION COMMISSION
DOCKETED

MAR 13 2001

WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

DOCKETED BY *sd*

In the matter of
funeral.com, Inc.
4495 Lake Ave. So.
White Bear Lake, MN. 55110

Respondent.

DOCKET NO. S-03440A-01-0000

DECISION NO. 63449

ORDER TO CEASE AND DESIST AND
ORDER FOR ADMINISTRATIVE
PENALTIES, AND CONSENT TO
SAME BY: RESPONDENT
FUNERAL.COM, INC.

RESPONDENT FUNERAL.COM, INC.["RESPONDENT"], elects to permanently waive its right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801, *et seq.* ("Securities Act") with respect to this Order To Cease And Desist and Order for Administrative Penalties, and Consent to Same by Respondent funeral.com, Inc. ("Order"). RESPONDENT admits the jurisdiction of the Arizona Corporation Commission ("Commission"); admits the Findings of Fact and Conclusions of Law contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. In or about July, 2000, RESPONDENT mailed, through the United States mail, Private Placement Memoranda offering a potential investment in funeral.com, Inc. to at least sixteen funeral directors and funeral homes located in the State of Arizona. Based upon information made available to the Commission, no Arizona resident actually invested in the securities described in the said Private Placement Memoranda.

2. RESPONDENT had no pre-existing business or personal relationship with the individuals or entities to whom the private placement memoranda were mailed.

3. As a result, RESPONDENT made a public offering of its securities within the State of Arizona.

4. The securities in question were not registered in the State of Arizona at the time of the said offering.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. RESPONDENT offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. RESPONDENT violated A.R.S. § 44-1841 by offering or selling securities that were neither registered, nor exempt from registration.

4. RESPONDENT'S conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

5. RESPONDENT'S conduct is grounds for penalties under A.R.S. § 44-2036.

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III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and the RESPONDENT's consent to the entry of this Order, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

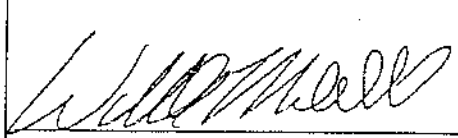
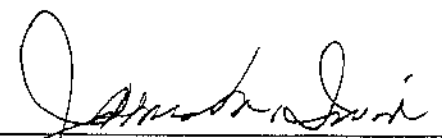

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENT, its agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED that in the event that the Commission in the future becomes aware of investors in funeral.com, inc., pursuant to A.R.S. § 44-2032, RESPONDENT shall, jointly and severally, pay restitution to those investors as will be shown on the records of the Commission, plus interest at the rate of 10% per annum from the date of each investment until paid in full. Payment is to be made by cashier's check or money order payable to the "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the Arizona Attorney General. The Arizona Attorney General shall disburse the funds on a pro rata basis to investors. Any funds that the Attorney General is unable to disburse shall revert to the state of Arizona.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that RESPONDENT shall pay an administrative penalty in the amount of Twenty-Five Hundred Dollars (\$2,500.00), payable to the State of Arizona. Payment shall be made in full by cashier's check or money order on the date of this Order. If RESPONDENT does not comply with this order for administrative penalties, any outstanding balance may be deemed in default and shall be immediately due and payable.]

IT IS FURTHER ORDERED that this Order shall become effective immediately.

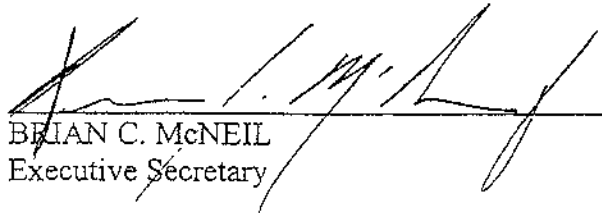
BY ORDER OF THE ARIZONA CORPORATION COMMISSION

		
CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation

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Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 13th day of March, 2001.


BRIAN C. McNEIL
Executive Secretary

DISSENT

This document is available in alternative formats by contacting Shelly M. Hood, ADA Coordinator, voice phone number 602-542-3931, E-mail shood@cc.state.az.us

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2 1. RESPONDENT FUNERAL.COM, INC., a Minnesota corporation, admits the
3 jurisdiction of the Commission over the subject matter of this proceeding. RESPONDENT
4 FUNERAL.COM, INC. acknowledges that it has been fully advised of its right to a hearing to
5 present evidence and call witnesses and RESPONDENT FUNERAL.COM, INC. knowingly and
6 voluntarily waives any and all rights to a hearing before the Commission and all other rights
7 otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
8 Administrative Code. RESPONDENT FUNERAL.COM, INC. acknowledges that this Order To
9 Cease And Desist and Order for Administrative Penalties, and Consent to Same by Respondent
10 funeral.com, Inc. ("Order") constitutes a valid final order of the Commission.

11 2. RESPONDENT FUNERAL.COM, INC. knowingly and voluntarily waives any
12 right it may have under Article 12 of the Securities Act to judicial review by any court by way of
13 suit, appeal, or extraordinary relief resulting from the entry of this Order

14 3. RESPONDENT FUNERAL.COM, INC. acknowledges and agrees that this Order is
15 entered into freely and voluntarily and that no promise was made or coercion used to induce such
16 entry.

17 4. RESPONDENT FUNERAL.COM, INC. acknowledges that it has been represented
18 by counsel in this matter, has reviewed this Order with its attorney and understands all terms it
19 contains.

20 5. RESPONDENT FUNERAL.COM, INC. admits the Findings of Fact and
21 Conclusions of Law contained in this Order.

22 6. By consenting to the entry of this Order, RESPONDENT FUNERAL.COM, INC.
23 agrees not to take any action or to make, or permit to be made, any public statement denying,
24 directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the
25 impression that this Order is without factual basis. RESPONDENT FUNERAL.COM, INC. will
26 undertake steps necessary to assure that all of its agents and employees understand and comply

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1 with this agreement.

2 7. While this Order settles this administrative matter between RESPONDENT
3 FUNERAL.COM, INC. and the Commission, RESPONDENT FUNERAL.COM, INC.
4 understands that this Order does not preclude the Commission from instituting other administrative
5 proceedings based on violations that are not addressed by this Order.

6 8. RESPONDENT FUNERAL.COM, INC. understands that this Order does not
7 preclude the Commission from referring this matter to any governmental agency for
8 administrative, civil, or criminal proceedings that may be related to the matters addressed by this
9 Order.

10 9. RESPONDENT FUNERAL.COM, INC. understands that this Order does not
11 preclude any other agency or officer of this state or its subdivisions from instituting administrative,
12 civil or criminal proceedings that may be related to matters addressed by this Order.

13 10. RESPONDENT FUNERAL.COM, INC. agrees that until administrative penalties
14 are paid in full, RESPONDENT FUNERAL.COM, INC. will notify the Director of the Securities
15 Division within 30 days of any change in home address or any change in RESPONDENT
16 FUNERAL.COM, INC.'s ability to pay amounts due under this Order.

17 11. RESPONDENT FUNERAL.COM, INC. understands that default will render it
18 liable to the Commission for costs of collection and interest at the maximum legal rate.

19 12. RESPONDENT FUNERAL.COM, INC. consents to the entry of this Order and
20 agrees to be fully bound by its terms and conditions. If RESPONDENT FUNERAL.COM, INC.
21 breaches any provision to which it has consented, the Commission may vacate this Order and
22 restore this case to its active docket.

23 FUNERAL.COM, INC., a Minnesota corporation,

24
25 By Christopher C. Brown Pres

26 Christopher C. Brown
Its President and Chief Executive Officer

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SUBSCRIBED TO AND SWORN BEFORE me this 31 day of January,

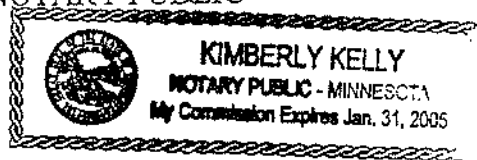
2004.

Kimberly Ann Kelly

NOTARY PUBLIC

My Commission Expires:

January 31, 2005



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