Missouri Attorney General Jay Nixon

Attorney General's News Release

June 18, 2008

Nixon sues to stop pre-need funeral contract seller connected to NPS from improperly co-mingling funds, retaining too much money; asks court to revoke license

St. Louis, Mo. - Attorney General Jay Nixon today filed a lawsuit against Forever Network Inc., d/b/a Mason Securities Association, a Missouri-registered seller of **pre-need funeral plans** that is affiliated with the financially troubled National Prearranged Services (NPS). The Attorney General's Office is investigating NPS, which is currently in receivership. **On June 13, the Office asked the Missouri Department of Insurance, Financial Institutions and Professional Registration for authorization to bring legal action against any insurance companies or banking institutions involved with NPS**.

The lawsuit filed in St. Louis County Circuit Court charges the Creve Coeur-based Mason Securities Association with violating Missouri laws concerning pre-need plans by:

- Improperly co-mingling its funds for pre-need contracts with funds belonging to other entities, including NPS;
- Retaining more than 20 percent of the total amount paid by contract purchasers;
- Failing to provide the Missouri Board of Embalmers and Funeral Directors with written notice of the current pre-need providers that have authorized Mason to obligate them to provide funeral services; and
- Failing to properly sign pre-need contracts.

Nixon said Mason Securities Association and several other affiliated defendants named in the lawsuit also violated Missouri consumer protection laws by failing to notify plan purchasers that their contract payments often were being used to purchase term life insurance policies that had no cash value, and that those policies were bought from a life insurance company, Lincoln Memorial, that is owned by the same entity that owns NPS and the defendant businesses.

The other defendants - Forever Network Inc., Mount Washington Forever LLC, MWC Properties Inc., and Forever Oak Hill Inc. - are registered pre-need providers and served as agents of Mason Security Association in selling pre-need funeral plans in Missouri. Those defendants operate licensed funeral establishments in Missouri, including Forever Oak Hill Funeral Home, Forever Bellerive Funeral Chapel, and Mount Washington Forever Funeral Chapel.

Nixon is asking the court to revoke Mason's registration as a pre-need seller and to enjoin the other entities from selling **pre-need funeral plans**. Nixon also is asking that the court freeze the defendants' assets until proper ownership of those assets is determined. In addition, the lawsuit seeks an order to prevent the owners or directors of the defendants from obtaining another registration from the Board of Embalmers and Funeral Directors to sell pre-need plans, and to prevent them from selling pre-need plans anywhere.

"The Board will continue to work with the Attorney General to protect Missouri consumers and funeral homes to see that they receive the services they've paid for," the State Board of Embalmers and Funeral Directors said today in a statement.

Inquiries from consumers should be directed to **consumer@ago.mo.gov** or **1-800-392-8222** (from within Missouri) or 573-751-3321 (outside Missouri).

All media inquiries should be directed to Press Secretary John Fougere.

E-mail Phone: 573-751-8844 Fax: 573-751-5818