

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. PN-19-0076

WESTRUM FUNERAL SERVICES, INC.,
dba DUNES MEMORIAL CHAPEL,

Respondent.

ORDER TO CEASE AND DESIST,
FINAL ORDER ASSIGNING
PROBATION TERMS OF CERTIFIED
PROVIDER REGISTRATION,
ASSESSING A CIVIL PENALTY,
AND CONSENT TO ENTRY OF
ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting through the Division of Financial Regulation (“the Division”) determined that WESTRUM FUNERAL SERVICES, INC. dba DUNES MEMORIAL SERVICES (“Westrum”) engaged in activities that constitute violations of Chapter 97 of the Oregon Revised Statutes (“ORS”) and Oregon Administrative Rules (“OAR”) 441-930-0267(1) (collectively, “the Oregon Prearrangement Law”).

The Director makes the following Findings of Fact, Conclusions of Law, and Orders.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Westrum’s principal place of business is 225 North Birch St, Coquille, OR 97423.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





- 1 2. Westrum has been registered as a certified provider for preneed sales by the
- 2 Division since September 16, 2005 (certified provider number CP-0138).
- 3 3. On or about March 29, 2019, the Division received a complaint on behalf of
- 4 L.C. from his attorney.
- 5 4. L.C. signed a Prearranged Guaranteed Sales Contract (“the Contract”) with
- 6 Westrum on May 3, 2016. A prearrangement sale contract is a sale of funeral or
- 7 cemetery merchandise or services to be used at a future date based on the death of the
- 8 beneficiary of the contract.
- 9 5. L.C. paid monthly payments of \$20.00 to Westrum from May, 2016-
- 10 September, 2017 (\$320.00 total).
- 11 6. L.C. was the purchaser and the beneficiary of the Contract.
- 12 7. L.C. signed the acknowledgement of public assistance, but stated that
- 13 Westrum did not explain the language to him and that he was unaware he was signing an
- 14 irrevocable contract. L.C. cannot read and can only write his name.
- 15 8. Westrum returned all money to L.C. and cooperated in making him whole
- 16 following his complaint.
- 17 9. During the investigation, a list of all prearrangement sales contracts sold by
- 18 Westrum between January 2017 and May 2019 was obtained.
- 19 10. Out of 32 contracts entered into by Westrum during that period, 30 were
- 20 irrevocable.
- 21 11. Westrum provided no documentation to prove that the beneficiaries were on
- 22 public assistance.
- 23 //
- 24 //
- 25 //
- 26 //

1 CONCLUSIONS OF LAW

2 The Director CONCLUDES that:

3 12. Under ORS 97.948(2)(f), whenever the Director has reason to believe that any
4 person has been engaged or is engaging or is about to engage in any violation of the
5 Oregon Prearrangement Law, the Director may issue an order to discontinue or desist
6 from such violation or threatened violation.

7 13. Under ORS 97.939(4)(a), in the case of a prearrangement sales contract, if at
8 the time of entering into the contract, the beneficiary of the contract is a recipient of
9 public assistance or medical assistance, or reasonably anticipates becoming a recipient of
10 public assistance or medical assistance, the contract may provide that the contract is
11 irrevocable.

12 14. Under OAR 441-930-0267(1), certified providers must receive proof from the
13 purchaser or beneficiary that the beneficiary of the trust is (a) currently receiving public
14 assistance; or (b) has filed the necessary papers and started the formal process to receive
15 benefits. Westrum violated OAR 441-930-0267(1) by failing to obtain sufficient proof
16 from the purchasers or beneficiaries that they were currently on public assistance or filed
17 the necessary papers to start the formal process of receiving benefits.

18 15. Under ORS 97.948(1)(a), the Director may discipline a certified provider who
19 has been found to be in violation of ORS 97.923 to 97.949.

20 16. Under ORS 97.948(2)(d), the Director may place limitations on the certificate
21 or registration of a certified provider.

22 17. Under ORS 97.948(2)(g), the Director may take any other disciplinary action
23 that the Director finds proper, including assessment of the costs of the investigation and
24 disciplinary proceedings and assessment of a civil penalty not to exceed \$10,000 *per*
25 *violation*.

26

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1 ORDERS

2 Now therefore, the Director issues the following Orders:

3
4 18. As authorized by ORS 97.948(2)(f), the Director ORDERS Respondent to
5 CEASE AND DESIST from violating OAR 441-930-0267(1).

6 19. Based upon the foregoing and in accordance with ORS 97.948(2)(d), the
7 Director hereby Orders that Westrum's certified provider registration contain the
8 following probationary terms for the next two years:

9 A. Westrum will file a quarterly report beginning December 31, 2019 of all
10 prearrangement sales contracts sold within the quarter.

11 B. Quarterly report must include a copy of every irrevocable contract signed with
12 proof as required under OAR 441-930-0267(1). Confirmation from the Oregon
13 Department of Human Services, including Senior Services that the beneficiary is on
14 public assistance, medical assistance or has filed the necessary paperwork, shall be
15 sufficient proof for Westrum to provide an irrevocable trust.

16 C. The quarterly report is due 15 days after the end of the quarter.

17 D. Quarterly reports are to be filed through the final quarter of 2021 with the last
18 report being due 15 days from December 31, 2021.

19 E. Quarterly reports are to be emailed to DFR.ReportEnforcement@oregon.gov.

20 20. Based upon the foregoing and in accordance with ORS 97.948(2)(g), the
21 Director ORDERS a CIVIL PENALTY of \$15,000. The CIVIL PENALTY is due and
22 payable to the Department of Consumer & Business Services at the time this order is
23 returned to the Division.

24 21. The Director agrees to SUSPEND the collection of \$12,775 of the \$15,000
25 CIVIL PENALTY assessed herein upon the condition that Westrum commits no new
26 violations of OAR 441-930-0267 or the Oregon Prearrangement Law or any

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1 administrative rules adopted thereunder, and complies with the conditions of probation
2 set out in this order.

3 22. If Westrum complies with all of the terms and conditions set out in this Order
4 and commits no violations of OAR 441-930-0267 or the Oregon Prearrangement Law
5 during the two year period from the date of issuance of this Order, the Director hereby
6 agrees to WAIVE the \$12,775 suspended CIVIL PENALTY.

7 23. The Director reserves the right to immediately assess and collect the \$12,775
8 suspended CIVIL PENALTY upon a determination that Westrum has violated any term
9 of this Order.

10 24. The remaining portion of the CIVIL PENALTY assessed against Westrum in
11 the amount of \$2,225 is due and payable to the Department of Consumer and Business
12 Services at the time this Order is returned to the Division.

13 25. Any purchasers or beneficiaries that have purchased a prearrangement sales
14 contract prior to August 2019 from Westrum that wishes to cancel their contract, even if
15 irrevocable, have the ability to do so at anytime without penalty from the trustee or from
16 Westrum. If the trustee charges a fee or penalty, Westrum is responsible for making the
17 consumer whole. Failure to do so is a violation of this order.

18
19 SO ORDERED this 28th day of October, 2019 in Salem,
20 Oregon.

21 CAMERON C. SMITH, Director
22 Department of Consumer and Business Services

23 /s/ Dorothy Bean
24 Dorothy Bean, Chief of Enforcement
25 Division of Financial Regulation

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1 ENTITY CONSENT TO ENTRY OF ORDER

2 I, Jay J. Westrum, am an officer of WESTRUM FUNERAL
3 SERVICES, INC. dba DUNES MEMORIAL CHAPEL (“Westrum”), and I am
4 authorized to act on its behalf. I have read the foregoing Order and I know and fully
5 understand the contents hereof. The factual allegations stated herein are true and
6 correct. I have been advised of the right to a hearing and of the right to be represented by
7 counsel in this matter. Westrum voluntarily consents to the entry of this Order without
8 any force or duress, expressly waiving any right to a hearing in this matter, as well as
9 any rights to administrative or judicial review of this order. Westrum understands that
10 the Director reserves the right to take further action against it to enforce this order or to
11 take appropriate action upon discovery that Westrum has committed other violations of
12 the Oregon Insurance Code. Westrum, along with its officers, directors, employees, or
13 agents, will fully comply with the terms and conditions stated herein.

14 Westrum understands that this Order is a public document.

15 Signature: /s/ Jay J. Westrum

16 Position Held: Owner

17 State of Oregon

18 County of Coos

19
20 There appeared before me on this 10 day of October, 2019,

21 Jay J. Westrum who was first duly sworn on oath, and stated that
22 he/she was and is an officer of WESTRUM FUNERAL SERVICES, INC. dba DUNES
23 MEMORIAL CHAPEL and that he/she is authorized and empowered to sign this Consent
24 to Entry of Order on behalf of WESTRUM FUNERAL SERVICES, INC dba DUNES
25 MEMORIAL CHAPEL and to bind WESTRUM FUNERAL SERVICES, INC dba
26 DUNES MEMORIAL CHAPEL to the terms hereof.

/s/ Jacqueline Rae Birdwell

Notary Public

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