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## Department completes Twin Oaks investigation

*Former owners must pay \$540,000*

(Salem) — The Oregon Department of Consumer and Business Services, Division of Finance and Corporate Securities today announced it issued two enforcement orders after its investigation into Twin Oaks Cemetery in Albany. The department ordered the former owners of the cemetery, Chantell and Andres Hernandez, to pay \$540,000, in order to recoup the money that was collected as part of preneed contracts but not administered properly. DCBS also limited the preneed sales activities of the current operator of the cemetery, Mike Terwilliger.

The investigation arose after a foreclosure judgment against the property and complaints from consumers that the cemetery was not providing services they had paid for in advance. Consumers frequently prepay for funeral services and merchandise as part of “preneed” or “prearrangement” contracts. Providers of preneed contracts must be certified by the department. They are required to deposit funds from the preneed sales into trust accounts to ensure the money is available when the consumer needs it.

In its investigation, the department found that the Hernandezes, who owned and operated Twin Oaks Cemetery from 1990 to 2005, entered into preneed contracts without obtaining certification from the department and failed to deposit the funds from the contracts into a trust account. The Hernandezes sold Twin Oaks to Terwilliger and William Clark Sr. in 2005. From November 2005 to the present, at least 42 individuals have been buried at Twin Oaks without the grave markers they had purchased through a preneed contract. In 2008, a foreclosure judgment was entered against Twin Oaks, because Terwilliger and Clark did not make required payments on their loan.

As a result of the investigation, the department issued two enforcement orders:

- The department ordered the Hernandezes to cease and desist from further violations of Oregon’s prearrangement law, and to pay \$540,000 and the costs of the department’s examination, \$4,500. The payments shall be made monthly and will be deposited into the Funeral and Cemetery Consumer Protection Fund, which exists to provide restitution for consumers.
- In the second order, the department limited Terwilliger’s certificate of registration as a certified preneed provider. Terwilliger can no longer sell prearrangement grave markers, and he must make sure that all prearrangement sales are made directly to a trust company.

To read the orders, click here:

[http://www.cbs.state.or.us/dfcs/securities/enf/orders/pn\\_enforcement\\_orders\\_index.html](http://www.cbs.state.or.us/dfcs/securities/enf/orders/pn_enforcement_orders_index.html).

Consumers who have been unable to obtain services or merchandise they previously paid for should contact DFCS Examiner Mary McCarron at 503-947-7499 or toll free at 1-866-814-9710. They may be eligible for restitution from the consumer protection fund.

“When consumers cannot get the cemetery services and products for their loved ones that were already paid for, it makes an already difficult time even more trying,” said David Tatman, administrator of the Division of

Finance and Corporate Securities. “That’s why it is so important for providers of preneed products and services to follow the law and ensure there is money available when it’s needed.”

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The Division of Finance and Corporate Securities, part of the Department of Consumer and Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit [www.dfcs.oregon.gov](http://www.dfcs.oregon.gov).

The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit [www.dcbs.oregon.gov](http://www.dcbs.oregon.gov).