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'Suspect' practices found in prepaid burial probe

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The heat just keeps getting hotter for National Prearranged Services, the once high-flying, Clayton-based prepaid funeral company seized by regulators in April amidst questions about \$1 billion in contracts for 150,000 consumers.

Today the Missouri Attorney General's Office said its investigation "has revealed suspect business practices by companies working with NPS, including bank and life insurance companies ..."

The attorney general's office says it would like to formally join the hunt -- along with regulators in at least 10 states -- in going after NPS and its affiliated companies.

But first the attorney general needs the permission of the state insurance department. The attorney general is prevented by law from going after insurance companies and banks unless granted authority by other regulators.

The claim of "suspect business practices" was made in a letter sent today to the state Department of Insurance, Financial Institutions and Professional Registration.

A spokeswoman with the insurance department declined comment because they have not yet received the letter.

This is the latest in a series of legal problems for NPS and its sister companies Lincoln Memorial and Memorial Life. They already face a federal civil suit by another company claiming NPS and others duped it out of \$15 million.

Last month, Texas regulators installed an independent manager to sort through the companies' finances and determine if enough money exists to make good on the outstanding prepaid funeral contracts. If not, an insurance guarantee fund could be tapped and the companies liquidated.

NPS is one part of a once-sprawling funeral industry empire owned by the Cassitys of St. Louis.

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