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Rix ordered to stop selling some prepaid funeral plans

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The state Department of Banking has ordered Rix Funeral Home to stop selling trust-funded prepaid funeral benefits because the Lubbock mortuary has repeatedly failed to correct violations of state financial laws and has failed to renew required permits with the state. The order was issued Sept. 10 and announced Thursday.

A Rix official said the order had not been received and had no comment.

Russell Reese, the banking department's director of special audits, said, however that the order should not have come as a surprise to the funeral home because of the findings from the banking department's on-site audits of the company's books.

"This was not news to them," Reese said, adding the department's on-site examinations had found poor financial recordkeeping related to trust-funded pre-need contracts and that some funds had not been properly deposited with a financial institution.

Reese explained that an on-site examination ends with an exit meeting in which the auditor discusses findings with the funeral home's management. In addition, the funeral home receives a questionnaire asking for a written response within 30 days to issues raised in the examiner's report.

Rix can still sell insurance-funded contracts if it is an agent representing an insurance company that issues those policies.

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