



July 9, 2010

All Participating Funeral Establishments

RE: Reporting Requirement Referenced in the Cemetery and Funeral Bureau's (Bureau) Letter dated July 1, 2010

To All Participating Funeral Establishments:

In the Bureau's letter dated July 1, 2010, the Bureau requested that each participating funeral establishment (FE) explain how each corrective action identified in its audit report will be implemented. Due to requests received for additional time to respond and for further information regarding how participating funeral establishments should report corrective action implementation, the Bureau is granting an extension of time to respond until the close of business on August 11, 2010.

How to Respond

A Corrective Action is the action the FE will take to correct the non-compliance issue identified in the audit report. The audit report lists at the end of each Finding the "Corrective Actions Required" to bring the issue into compliance going forward. The audit report is on the CD provided with the July 1, 2010 letter. Your establishment must address each one of these corrective action requirements and identify what steps your FE has taken to correct the identified compliance issue. For example, for audit finding Nos. 9 and 10, explain what your FE will do to ensure that complete financial records related to preneed contracts and arrangements are maintained in California as required by Title 16 CCR section 1267. Additionally, a time frame should be given as to when the action will be completed.

The Bureau expects all of its Corrective Actions to be implemented. The Bureau expects to receive a report from you, the licensees, explaining how you have implemented these corrective actions identified in the audit report by close of business on **August 11, 2010**.

Sincerely,

A handwritten signature in blue ink, appearing to read "Phillip Harris".

Phillip Harris
Supervising Auditor

cc: Bernie LeSage, Esq.
Buchalter Nemer
1000 Wilshire Blvd #1500
Los Angeles, CA 90017

Corrective Actions Requested (Extension)

Page 2 of 2

July 9, 2010

Grace J. Bergen, Esq.
Knox Lemmon Anapolsky Schrimp, LLP
300 Capitol Mall, Suite 1125
Sacramento, CA 95814

Comerica Bank
MC 4195
250 Lytton Avenue
Palo Alto, CA 94301
Attn: Robert H. Gajewski, Sr. Vice President

Funeral Directors Service Corporation
PO Box 113
Patterson, CA 95363
Attn: Mark Kuhn, President