

The meeting was called to order at 1:35 p.m. in Room 213.

Senator Wilson in the Chair.

PRESENT: Chairman Wilson  
Vice Chairman Blakemore  
Senator Don Ashworth  
Senator McCorkle  
Senator Close  
Senator Young  
Senator Hernstadt

ALSO PRESENT: See attached list.

SB 4 Prohibits bail bondsmen from making campaign contributions for or against election of candidates for certain public offices.

Senator Hernstadt stated that he had introduced a similar bill 2 years ago. It was unanimously passed in the Senate and died in the Assembly. Since then there has been a case involving Municipal Judge "Moon" Mullins who was convicted of accepting money from bail bondsmen, not just for campaign purposes. Senator Hernstadt presented a letter of support from Daniel E. Ahlstrom, Justice of the Peace, Clark County, Las Vegas, Nevada. (See Exhibit "A"). Senator Hernstadt also presented a legal opinion from Legislative Counsel Frank Daykin. (See Exhibit "B"). Senator Hernstadt stated that 2 years ago the Committee questioned whether it is constitutional to prohibit campaign contributions by anyone to anyone. Frank Daykin, in his letter, states that SB 4 is constitutional. Senator Hernstadt stated that bail bondsmen's livelihood depends on convicted or indicted people appearing for their trial. If these people do not appear, it is the bail bondsman's obligation to produce them. If their bails are exonerated, they do not lose money if the person is not returned to stand trial. Tax dollars are used to return these people for trial. This bill would protect the bail bondsmen from strongarming from judges as well.

Senator Close questioned whether another law would prevent the abuse of campaign contributions. The question was one of enforcement. Was the intent only of \$500 or greater contributions to be eliminated?

Senator Hernstadt stated that all contributions would be eliminated.

Senator Close recommended that line 3 be ammended to "agent of any of them".

Senator Don Ashworth asked what the bill related specifically.

Senator Hernstadt explained the bill primarily deals with bail bondsmen contributing to justices of the peace, municipal judges and prosecutors.

Senator Ashworth stated that he feels that the \$500 disclosure statute is adequate.

Cal Dunlap, District Attorney of Washoe County, testified that he supports the bill. Mr. Dunlap stated that there is quite a problem created when people do not appear for trial. A great deal of discretion must be exercised by prosecutors and judges. They are sometimes approached by bail bondsmen to allow a partial forfeiture if they, the bail bondsmen, expend money to locate and return a no show defendant. Mr. Dunlap made the point that even the appearance of impropriety must be avoided.

Senator Young asked if there are known abuses here in the northern part of the state.

Mr. Dunlap stated that during a recent campaign a lawyer representing a bail bondsman jokingly remarked that he wouldn't be getting contributions if he maintained a certain position.

Senator Young stated that there are many ways of getting around the issue. This bill would not stop bribing.

Senator Blakemore wondered how forfeiture is handled in other states.

Discussion continued further with Senator Ashworth stating that bail bondsmen can force criminals to appear whereas the law has to spend money on extradition.

Senator Blakemore stated that the bail bondsman guarantees that the defendant will appear, that he's received a 10% fee for that guarantee. Therefore he objects to negotiation for forfeiture.

It was decided to continue the hearing after Stan Seaton, Deputy District Attorney from Clark County arrived.

SB 11 Amends provisions for obligations and assessments of Nevada Life and Health Insurance Guaranty Association.

Ben Dasher, Chairman of the Nevada Life and Health Association testified that he is in support of this bill. He stated that the first assessment based on the expenses of his Association was previously done on the basis of the percentage of the premium value that member companies did in Nevada. Because a company did a small amount of business, the Association was receiving smaller amounts than the cost of the assessment. The purpose of the Association is to pay claims against a company that has become insolvent, or people who suffer hardships. The Association determines the amount of total claims that the impaired company owes to policyholders. Then the Association assesses all the

(Committee Minutes)

companies which are licensed in Nevada to do that type of business, based on a percentage of the premium.

Chairman Wilson called attention to the language of the bill. Section 1, line 2 reads: 686C.210 Subject to the provisions of NRS 686C.160, the liability of the association for contractual obligations of impaired insurers is limited as follows: 1. The liability with respect to accident and health insurance is limited to actual claims of policyholders for disability resulting from accident or sickness. Chairman Wilson asked why this part of the amendment was necessary, is it addressed to actual claims, what added protection is it trying to provide?

There was discussion about what the amendment would do. The amendment would provide that the Association would no longer be responsible for returning premiums to policyholders.

Jim Wadhams, Director of the Department of Commerce, explained that the amendment would limit the obligation of the Guarantee Association to losses sustained by policyholders in an insolvent company.

Chairman Wilson asked if the Association stands behind impaired carriers' obligation to perform on the policy in the first place, is there justification for the return of the premium because the company is impaired. The policy will still be performed in this case by the Association. The Association only pays for obligations matured at the time of the insolvency.

Mr. Wadhams stated that the policyholder would still have a claim in the insolvency as a general creditor.

There was discussion on the dollar amount the state has lost because of insolvency.

Mr. Wadhams stated that companies who write this type of policy are assessed for a sufficient amount for major claims in the insolvency. In exchange, the statute allows them to deduct 20 percent for a 5-year period against their premium tax obligation. This causes an indirect drain on the general fund in the sense that it is money not paid into the fund that otherwise would be paid.

Senator Hernstadt asked if the state has lost money in the last few years?

Mr. Dasher stated that there was a case for \$10,000 and another for about \$50,000. Then there was one that could build up to \$600,000 or \$700,000 over a period of 20 years.

Senator Hernstadt questioned what the advantage is if the individual companies handle this, since they are able to deduct the 20 percent for 5 years, rather than having it come out of the general fund.

Mr. Wadhams explained that this is the business of these companies and they are capable of assessing these claims on the same basis as if they had written them. If the state were to do the assessing, someone would have to be appointed to do it. At present there happens to be just one company in Nevada that does this. There is a claims committee that reviews all claims to see if they are valid. An advantage is that the deduction against the premium tax is spread out over a 5 year period and doesn't begin until the liquidation of the basic company is completed.

Mr. Wadhams stated that Section 2 proposes to make a flat assessment no greater than \$25 per year. This would cover the administrative cost.

Mr. Dasher explained that Class "A" covers assessment for general expenses, Class "B" covers life insolvency and Class "C" covers health.

Milo Turzich, who represents the American Council of Life Insurance, presented a proposed amendment. See Exhibit "C". It amends Subsection 1 of Section 1, line 6, deleting the word "policyholders" and inserting the word "insureds". It also amends Subsection 2 of Section 1, lines 13-15, by deleting the following language: "The association is not liable with respect to any portion of a covered policy to the extent that the death benefit coverage on any one life exceeds an aggregate of \$200,00 " and adding Subsection 3 to Section 1 to read as follows: "The aggregate liability of the association under Subsections 1 and 2 shall not exceed \$100,000 in cash values, or \$300,000 for all benefits, including cash values, with respect to any one life."

Chairman Wilson verified with Mr. Wadhams that the Department of Commerce endorses the amendment.

Senator Hernstadt asked Mr. Turzich to explain "cash value".

Mr. Turzich replied that cash values go up very slowly unless the contracts are very large. If there were no limit and the cash value exceeds \$100,000, the company would have to pay.

Mr. Dasher stated that the claim has the ability to proceed against the remaining assets of the insolvent company. A limit was placed on the Association to eliminate the degree of hardship.

Senator Hernstadt inquired if this is consistent with Washington, California and Utah.

Mr. Wadhams replied in California they do not. Those that have, have adhered to these limitations.

Mr. Wadhams stated that the provision would be to allow policy-holders policies of \$100,000 value to get \$100,000 from the Guarantee Association. Excesses beyond that would be a claim as a general creditor of the bankrupt company.

Chairman Wilson closed the public hearing on SB 11.

At this time Charles Zobell, who represents the city of Las Vegas, and who also represents Municipal Judge Seymore Brown of Las Vegas, stated that they support SB 4.

Chairman Wilson stated that SB 4 would be held for further testimony.

SB 21

Requires written cost estimate at the time of funeral arrangements.

Senator Hernstadt suggested that he would explain the need for the bill. He said that funerals are often the third largest purchase in one's lifetime. Usually these arrangements are made at a very emotional time. Itemization would be a great advantage for everyone involved. (See Exhibit "D"). The Las Vegas Review-Journal proposes new regulations to inform the consumer.

There was discussion about the choices of packages that the consumer could choose from; also, if the funeral directors would pad the package because of the 5 percent provision.

Senator Ashworth stated that he does not see any need for legislation and that he's not aware of any abuse up to the present time.

Senator Hernstadt presented a letter from the Western Nevada Funeral Society. (See Exhibit "E").

John McSweeney, of the Aging Services, supports SB 21. He stated that from the consumer's standpoint it is better to pay now rather than later when the rates may be higher. The funeral director has the advantage of having the money in his pocket.

Mr. Wadhams wished to clarify that this legislation does not intend to suggest, if the bill doesn't pass, that funeral contracts, regulated under Chapter 689, could raise their prices as much as 5 percent. The price is fixed at the time of execution.

Chairman Wilson closed the public hearing on SB 21.

SB 28 An act relating to banks; removing the requirement that state banks close on weekends; and providing other matters properly relating thereto.

Senator Hernstadt, the introducer, stated that this bill is similar to one introduced last session. If businesses are opened 7 days a week, so should banks. This should apply to all banks. There are only 2 areas in all of Nevada's laws that there are mandatory closures. Barbershops must close on Sundays and State banks on weekends. There are presently two banks which open on Saturdays: First Western and Frontier. Savings and Loan Associations have chosen not to open. He pointed out that Nevada is basically a 24-hour state.

Senator Close asked about other states.

Senator Hernstadt stated that in Oregon and California the posting is done on the following Monday.

There was discussion as to whether weekends would count as a banking date with the Uniform Commercial Code.

George Vargas of the Nevada Banker's Association stated that he is opposed to the bill. Mr. Vargas introduced Jordan Crouch, Executive Vice President of the Nevada Bankers Association and Terry Cecchi, President of the Northern Nevada Chapter of the American Institute of Banking.

Mr. Crouch stated that years ago he was involved in this kind of legislation. It was triggered by employee unrest. When he was with the First National Bank of Nevada, they tried opening on Saturdays and found most of the business involved people wanting to cash checks. This bill would cause unrest and labor problems. It would be very costly and this cost would be passed on to the public. It is costly to open. There would be payroll adjustments and much larger energy bills. The 24 hour teller has not caught on. It is in the best interest of everyone to leave the law the way it is. Banks can do the same amount of work in 5 days as spreading it out over 6 days.

Senator Hernstadt asked Mr. Crouch why 24 hour machines should be allowed in the interest of being consistent.

Mr. Crouch stated that the machines are not for corporations, only for individuals. Machines do not require personnel.

Senator Hernstadt stated that since savings and loan associations have been allowed to issue checking accounts they have an edge over banks.

Mr. Crouch stated that most savings and loan associations don't want to handle checking.

Mr. Cecchi stated that if SB 28 passed, the burden would be on employees and not the officers who would not be working on weekends. There would also be greater expense for the families.

Mr. Crouch pointed out that savings and loan associations are involved with investments whereas banks have money on hand.

Senator Hernstadt asked Mr. Wadhams to determine which savings and loans in Nevada are opened on Saturdays. Mr. Wadhams will check back with the Committee.

Chairman Wilson closed the public hearing on SB 28.

Stan Seton, Deputy District Attorney from Clark County asked to testify on SB 4. He stated that bail bondsmen, prosecutors, and judges are in very close relationship with the income making abilities of the bail bondsmen. Judges can require the forfeiture of exoneration of the bonds. In the case of Judge Mullins bail bondsmen testified that they had given money to Judge Mullins in return for dismissal of several cases. This bill is not "anti" bail bondsmen. It protects both sides. It spells out to the public that there is no room for indiscretion on either side.

Chairman Wilson closed the public hearing on SB 4.

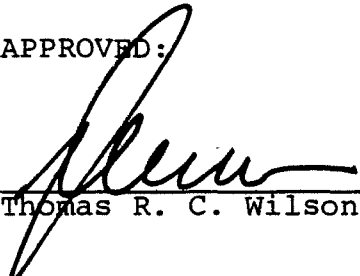
BDR 51-342 Creates a metric system advisory council.

The Committee decided to introduce BDR 51-342 at the next meeting. There being no further business, the meeting was adjourned at 3:30 p.m.

RESPECTFULLY SUBMITTED,

  
Betty L. Kalicki, Secretary

APPROVED:

  
Thomas R. C. Wilson, Chairman

SENATE Commerce and Labor COMMITTEE

GUEST LIST

DATE: January 24, 1979

NAME	AGENCY OR ORGANIZATION
Eva Edmunds	Nevada Insurance Division
Jim McSwain	Dept. Human Res. / Dir for Aging Services
J.F. [unclear]	Ins. Division
Bon Dasher	Nev. L. & Health Ass'n
Jim [unclear]	Commerce Department
[unclear]	[unclear]
Charles Zebell	City of Las Vegas
Edward [unclear]	Security National Bank
J.C. MILLER	NEVADA BELL
STAN [unclear]	NEVADA BELL
Miles Tenzich	American Council of Life Insurance
Gary Duple	KTUN
Ruth [unclear]	KTUN
[unclear]	[unclear]
Jordan J. [unclear]	NEV. BANKERS ASSN
Gary J. [unclear]	" " "
Larry [unclear]	LUMPD.



\*  
COUNTY OF CLARK  
OFFICE OF THE JUSTICE OF THE PEACE  
302 E. Carson #410  
Las Vegas, Nevada 89101

Exhibit "A"

Justice of the Peace  
DANIEL E. AHLSTROM

Telephone  
386-4011  
Ext. 121 - 124

January 17, 1979

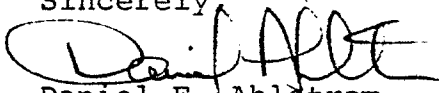
Senator William Hernstadt  
Nevada State Legislature  
Carson City, Nevada 89701

Dear Senator Hernstadt:

Please register my unqualified support for Senate Bill 4. You are to be commended for this legislation. I have always maintained bail bondsmen should be restricted in their activities, particularly as it relates to politics. It is of utmost importance that they not have the slightest influence on those individuals who make judgments which effect them.

My sincere wishes that this bill passes in the 1979 Legislative Session. Good luck!

Sincerely,

  
Daniel E. Ahlstrom  
Justice of the Peace

DEA:jl

Bill - Best of Luck on SB 3 Also -  
Dan

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627

DONALD R. MELLO, *Assemblyman, Chairman*  
Arthur J. Palmer, *Director, Secretary*

INTERIM FINANCE COMMITTEE (702) 885-5640

FLOYD R. LAMB, *Senator, Chairman*  
Ronald W. Sparks, *Senate Fiscal Analyst*  
William A. Bible, *Assembly Fiscal Analyst*

ARTHUR J. PALMER, *Director*  
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627  
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620  
ANDREW P. GROSE, *Research Director* (702) 885-5637

January 23, 1979

*Exhibit "B"*

Senator William H. Hernstadt  
Legislative Building  
Carson City, Nevada 89710

Dear Senator Hernstadt:

You have requested an opinion upon the constitutionality of Senate Bill No. 4. This bill would prohibit persons engaged in the business of furnishing bail bonds from contributing to support or oppose a candidate for:

- (1) Justice of the supreme court;
- (2) District judge;
- (3) Justice of the peace;
- (4) Municipal or police judge;
- (5) Attorney general;
- (6) District attorney; or
- (7) City attorney.

This situation has changed little since the consideration of the similar S.B. 465 in the last session. The argument which would presumably be urged against the bill is that it would interfere with the bail bondsman's right of political expression or association. See Buckley v. Valeo, 96 S.Ct. 612 (1976).

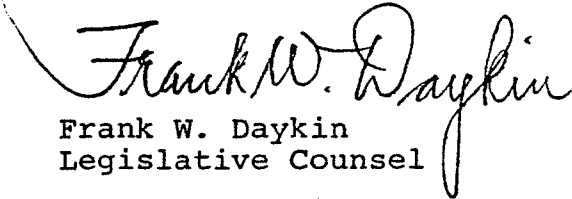
As to the offices numbered (1) to (4), inclusive, the question may be moot. Canon 6 of the Nevada Code of Judicial Conduct restrains any judge from accepting a "gift, bequest, favor or loan from \* \* \* a person whose interests have come or are likely to come before him." Bail bonds are approved, and their forfeiture in appropriate cases is declared, by judges. It is difficult to believe that the supreme court would hold it unconstitutional for the legislature to forbid a donor to give what the court has forbidden the donee to receive.

Senator William H. Hernstadt  
January 23, 1979  
Page 2

As to the offices numbered (5), (6) and (7), the case is less clear but similar reasoning should apply. A bail bondsman deals primarily with persons accused of crime; the named officers prosecute, or perhaps dismiss charges against, those same persons. It is unnecessary to labor the point that a bail bondsman who was, or was believed to be, able to influence the prosecution would not lack customers. The Supreme Court of the United States has generally permitted even what it deems fundamental freedoms to be narrowly curtailed to serve a compelling state interest. There is probably no state interest more compelling than the administration of criminal justice without taint (or appearance) of corruption.

In the Buckley case, the limitations upon campaign contributions, some of which were sustained and some rejected, all applied equally to all potential contributors. This statute applies only to a narrow class of potential contributors, and to them only as to those offices with respect to which their exercise of a right to contribute could reasonably be expected to affect adversely the administration of criminal justice. This seems to distinguish Buckley, and to leave S.B. 4 presumably constitutional.

Very truly yours,

  
Frank W. Daykin  
Legislative Counsel

FWD:iw

PROPOSED AMENDMENT TO S.B.11

Submitted by Milos Terzich on behalf of American Council of Life Insurance.

Amend Subsection 1 of Section 1, line 6, by deleting the word "policyholders" and inserting the word "insureds".

Amend Subsection 2 of Section 1, lines 13-15, by deleting the following language:

"The association is not liable with respect to any portion of a covered policy to the extent that the death benefit coverage on any one life exceeds an aggregate of \$200,000."

and adding Subsection 3 to Section 1 to read as follows:

- 3. "The <sup>Under subsections 1 and 2</sup> aggregate liability of the association shall not exceed \$100,000 in cash values, or \$300,000 for all benefits, including cash values, with respect to any one life."

# Las Vegas REVIEW-JOURNAL

Sunday, October 1, 1978

## Is reason clouded by grief?

# Death surrounded by complex choices

**EDITOR'S NOTE:** The industry of processing the dead has always been shrouded in mystery. In this two-part series, the Review-Journal examines the local funeral trade and explains a business that on a national scale has been accused of unethical and illegal business practices.

By Tricia White  
R-J Staff Writer

Death calls somber attention to the empty chair at the dinner table, to the spot in the rug worn by the light-hearted step of a loved one, to silent hallways still echoing with a familiar voice.

Rarely does death call attention to the dilemma a survivor faces when arranging a funeral — often the third largest purchase of a lifetime, according to Federal Trade Commission (FTC) estimates.

Grief can blind even the most cautious consumer.

Handicapped by emotional stress and time barriers under which funeral arrangements are usually made, a survivor must enter the alien world of the mortuary.

The somber, dark curtains and shadowy hallways are gone from the Las Vegas valley's four mortuaries and replaced by softly subdued colors and furnishings.

A 'coffin' is no longer a coffin but a casket.

A 'cemetery' has become a 'memorial park' and a mortuary often forgoes its descriptive title for the more palatable term, 'chapel.'

Each grief-stricken Las Vegas sorrowed by the fateful loss of a friend or relative must quickly become familiar with the choices offered within the local funeral industry.

An increasing number of local residents are making those choices on how their passing will be honored and body eventually disposed of before their own death.

Local funeral directors estimate more than 5 percent of Clark County's population have arranged and purchased "pre-need" plans.

But the vast majority of the valley's healthy, busy, self-satisfied residents rarely consider the inevitability or cost of death.

The historical custom of keeping the body of a dead loved one closest to family members through pre-operations and viewing or "waking" at home disappeared in the United States as social and medical dictates demanded removal of the body to a mortuary where the death rite now usually commences.

The residents of the Las Vegas valley and surrounding vicinity are offered four choices of mortuary, two major establishments: Bunker Mortuaries and Memorial Parks which include mortuary and chapels, the approximately 20-acre Eden Vale, all on Las Vegas Boulevard, and the 12-acre Memory Gardens north on Sunopah Highway; with the somewhat larger Palm Mortuaries and Memorial Parks including mortuary, chapels and approximately 12-acre cemetery on North Main Street, a to-

tal 180-acre partially developed in the Paradise Valley area, plus another 4 1/2-acre Henderson facility.

Bunker facilities were purchased two years ago by the San Diego-based International Funeral Services, Inc. which includes 140 mortuaries and memorial parks throughout the United States and Canada. Local facilities are managed by funeral director David Bunker.

Spalding Mortuary owner Joseph Spalding, of Los Angeles, who owns and operates two additional mortuaries in Southern California, explained his mortuary facility on Foremaster Lane "caters to or goes after the minority business. But we've been making our own inroads with non-minority families."

The Spalding facility provides only the funeral service itself but may make burial or body disposition arrangements with the City of Las Vegas-owned Woodlawn Cemetery or either Palm or Bunker cemetery facilities.

The newest mortuary, Paradise Valley Chapel, began operations last January in conjunction with Paradise Memorial Gardens cemetery.

Its mortuary and chapel facilities on Eastern Avenue in Paradise Valley, are adjacent to the approximately 20-acre cemetery.

Asked why the number of mortuaries in the area has not increased along with rapid local population growth, one funeral director explained, "The reason is because they have what they need here."

Another industry official claimed a high rate of "minimum ships" or transportation of a body to another state for funeral services — coupled with a "relatively low death rate" — reduces local industry revenues.

Clark County health district officials, however, report the local death rate is "high" due to a large local senior citizen population.

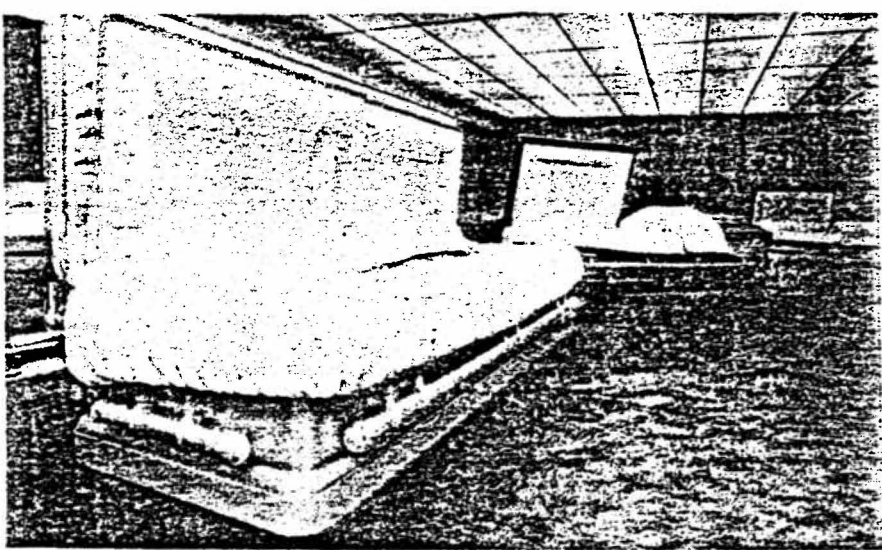
Although statistics are not kept on the number of dead bodies shipped out of state, Wanda Turpin, Clark County assistant deputy registrar, estimated the shipping rate was also "high" due to the large local tourist population.

A funeral industry employee who feared dismissal and asked not to be identified, said Las Vegas funeral directors lost no revenues through out-of-town shipping since rates charged by local mortuaries were "notoriously high" compared to other funeral markets across the nation.

He added he knew of at least three major West Coast mortuaries who had attempted to break into the Las Vegas market but were "given the run-around" by local zoning and licensing officials.

Both funeral directors David Bunker of Bunker Mortuary and Bill Matzen of Palm Mortuary said "minimum shipping rates" were set at \$495 and both Paradise Valley funeral director B.J. Craft and Spalding Mortuary funeral director Rufus Gibson reported \$460 minimum rates.

A "minimum ship" typically includes only a pressed wood shipping



**INEVITABLE CHOICE** — The costliest piece of merchandise associated with the modern American funeral can be found in the casket selection room of one of the Las Vegas valley's four mortuaries. Silk-lined hardwood, glistening bronze, or cloth-covered pressed wood are among the choices

facing survivors. Handicapped by time and emotional stress, family or friends arranging funeral services often make what federal authorities estimate can be the third largest purchase of a lifetime.

R-J photo by Randy Tunnell

casket and initial body preparations. Airline or ground transportation fees are added to the minimum rate.

Both Delta and Western Airlines cargo officials reported rates are based on dead body weights. Destinations as far away as Portland, Ore., were reported "well under \$100" for a typical shipment.

Mercury Transportation Services, comprised of a fleet of three unrefrigerated hearses, is used by all four local mortuaries for transportation of an embalmed body to surrounding states.

R.B. Robertson, owner of Mercury Transportation, refused to release shipping rates charged to local mortuaries which are passed along to consumers.

"You tell him where you want to go and he tells you how much it costs," explained Spalding official Gibson.

Whether an out-of-town or local funeral is to be arranged, survivors must work with local government officials who work closely with funeral industry representatives.

If death visits an individual not under a doctor's care for more than 10 days, not hospitalized for more than 24 hours, or a resident of a nursing home, the death becomes the responsibility of Clark County Coroner Dick Mayne.

An estimated 50 percent of the total 2,727 deaths in Clark County last year become "coroner cases" with all but 161 involved in some degree of coroner investigation.

Mayne may dispatch one of three county removal vehicles to the scene of death.

But the coroner said the vast majority of cases are instead transported to his office by vehicles provided by any one of the four local mortuaries since his fleet is "limited."

"We do not believe in competing with private enterprise," he noted.

Transportation of the body by a mortuary is described as a "first call" within the industry and also represents the first funeral service bill.

If next of kin can be contacted by coroner staff, the survivors may select a mortuary of their choice to make the first call.

If no next of kin is available, or survivors express no mortuary preference, the "mortuary-of-the-month" is contacted to transport the body.

The mortuary-of-the-month denotes one of the four local mortuaries currently designated on the coroner's "rotation schedule" set by county ordinance.

Should survivors later decide they do not wish to use the mortuary on monthly call, they may request the body be transported to another mortuary.

Mayne's office pays a standard \$12 fee to the mortuaries for each case on which they make a "first call" but do not retain the body for funeral services.

The local mortuaries, however, have their own, informal industry scale under which at least \$25 is transferred from the first call mortuary to a second mortuary selected to provide funeral services.

Funeral directors explained most

transfers are made after the first call mortuary has already completed "initial preparations" or embalming.

The first call mortuary's payment for a non-retained case already embalmed is increased to at least \$100.

Embalming is the process in which natural fluids are drained from the body through the circulatory system and replaced by chemicals designed to maintain the body for two to three days of viewing.

Funeral directors at each local mortuary denied first call fees paid between mortuaries to supplement the \$12 county allowance increases the funeral bill for customers switching mortuaries.

In addition to "sharing" the number of cases undecided in choice of a mortuary, the four competing mortuaries through the mortuary-of-the-month rotation schedule also share indigent cases which numbered 72 last year.

When an impoverished person dies, the mortuary-of-the-month is assigned responsibility for disposition of the body.

Representatives of all four mortuaries reported a graveside service and ground burial in a casket is provided for each indigent unless next of kin requests cremation.

A total \$450 is paid out of the county social service budget for each indigent funeral service and burial.

Continued on Page 4B

Exhibit "D"

*Las Vegas*  
**REVIEW-JOURNAL**

Monday, October 2, 1978

Las Vegas Review-Journal—1B

# \$3.5 million spent on funerals in county

**EDITOR'S NOTE:** In this final part of a two-part series on the local funeral industry, the Review-Journal continues its close examination of a trade traditionally shrouded in mystery and recently involved in controversy.

By Tricia White  
 R-J Staff Writer

Clark County residents spent more on funerals last year than Las Vegas tourists spent on bingo.

The price of a funeral in the Las Vegas area is neither polite party conversation nor of great consumer interest.

Yet an estimated \$3.5 million was spent last year by local citizens for funeral services — a figure which far outweighs bingo and five other categories of gaming revenues computed by the Nevada Gaming Control Board.

The industry comparisons are used to illustrate both the growth and profitability of the local funeral services industry.

The average price of a funeral in Las Vegas is reported by funeral industry representatives to be an estimated \$1,300.

Federal authorities estimate the national average cost per funeral at \$2,000 and predict funeral costs will increase by 8.5 percent annually.

Many of the 2,727 persons who died in Clark County last year were tourists or newcomers to the area who wished their funeral and burial in hometowns outside Las Vegas.

But no matter where funeral rites were performed, local funeral industry revenues were drawn from nearly every death which occurred.

The participation of one of the valley's four mortuaries is required under state law in events following any death which occurs within the 8,000 square miles of Clark County and certain outlying areas since only funeral directors or their representatives may be issued a burial/transit permit by health authorities.

The permit is required by law for final disposition of any human remains.

The evolution of the modern American funeral began in early pioneer death customs which centered around the home where the body was cleaned and laid out while a local cabinet-maker or family member prepared a coffin.

As urbanization spread, the tasks associated with death were assigned to tradesmen as undertakers and embalmers developed and marketed their skills.

The "standard adult funeral" in Las Vegas and across the country now includes transportation of the body, embalming and other preparations of the remains, use of the funeral home, hearse, and other miscellaneous items such as prayer cards, guest registers and the required government docu-

	Palm Mortuaries and Memorial Parks	Bunker Mortuaries and Memorial Parks	Spaulding Mortuary	Paradise Valley Chapel	Paradise Memorial Gardens	Woodlawn Cemetery
Cost of lowest complete funeral service (including preparation-burial services)	\$1,081	\$1,034	\$93			
Average complete funeral service	\$2,148**	\$1,727	\$584**			
Lowest cremation service	\$458	\$384	\$131			
Lowest cremation after services	\$415	\$483	\$22			
Lowest immediate burial	\$458	\$384				
Lowest ground burial of casket	\$822	\$428		(Referred to)	\$550	\$463
Lowest ground burial of casket	\$472	\$468		(Referred to)	\$550	\$450
Lowest cremation burial of casket	\$1,035	\$1,082			\$1,684	
Lowest cremation burial of casket	\$1,170	\$1,267		(with transportation)	\$1,684	
Average cremation burial of casket	\$774	\$734		by a hearse	\$155 plus	
Lowest cremation burial of casket	\$558	\$518		(disclosure)	\$155 plus	
Lowest cremation burial of casket	\$774	\$734			\$221 plus and	\$130 plus and
Lowest cremation burial of casket	\$415	\$414			\$261 plus and	\$130 plus and
Lowest cremation burial of casket	\$131	\$72			\$72	
Lowest cremation burial of casket	(not available)	\$78			\$238.58	
Lowest cremation burial of casket	\$112	\$112**			\$127	
Lowest cremation burial of casket	(not available)					

## Funeral chart explanation.

Representatives of all four local funeral homes and the government-owned Woodlawn Cemetery were recently asked to participate in a comprehensive price information survey distributed by the Review-Journal.

All but one survey recipient returned completed forms on which a total 27 multi-faceted questions were asked concerning the cost and type of services available.

The survey was based upon the "standard adult funeral" recognized by both industry officials and government authorities.

Survey results were computed to reflect all fees related to a particular service.

For example, the casket ground burial prices reflect the reported cost of a burial plot, opening and closing fees, and grave liner fees. (The grave liner fee for Palm cemeteries was not reported.) The mausoleum entombment prices include the cost of a standard crypt, entombment and inscription fees.

Las Vegas funeral industry representatives emphasized their responses were often "approximations."

Although none of the mortuaries surveyed reported their customer billing was completely itemized, mortuary officials described billing practices as "fairly complete," or "functional."

### AVERAGE FUNERAL HOME PRICES IN THE LAS VEGAS VALLEY

	PALM MORTUARIES	BUNKER MORTUARIES	SPAULDING MORTUARY	PARADISE VALLEY CHAPEL
LOWEST PRICED STANDARD ADULT FUNERAL, (excluding independent and private cemetery burials)	\$1,081	\$1,034	\$93	
FUNERAL HOME SERVICES WHICH MAY BE DECLINED:				
Coffining	\$150	\$135	(Any service may be declined but all are included in standard services with no price reductions provided)	(Referred to release price information unless accompanied by a legal disclaimer)
Use of viewing room	\$25	\$25		
Use of chapel facilities	\$100	\$125		
Dressing, cosmetics, restoration, cardings for the deceased	\$50	\$50		
Funeral directors	\$50			
Use of limousine		\$35		
Limousine for professionals		\$35		
Use of flower car		\$20		
LOWEST PRICE OF IMMEDIATE CREMATION WITHOUT ANY TYPE OF FUNERAL OR MEMORIAL SERVICE	\$458	\$384	\$131	
LOWEST PRICE OF CREMATION AFTER VIEWING OF THE DECEASED	\$515	\$483	\$22	
LOWEST PRICE OF IMMEDIATE BURIAL:	\$458	\$384	\$72	
	(also provide immediate \$225 burial for indigents paid out of Clark County social services budget)		(exact amount provided by govt. burial fund)	

### AVERAGE CEMETERY PRICES IN THE LAS VEGAS VALLEY

	PALM VALLEY NEW MEMORIAL PARK	BUNKER MEMORIAL GARDENS AND ECHO TALE	PARADISE MEMORIAL GARDENS	WOODLAWN CEMETERY	PARADISE VALLEY CHAPEL
GROUND BURIAL OF A CASSETT	\$422	\$400	\$50	\$50	
AVERAGE PRICE OF GRAVE MARKER	(not available)	\$220	\$238.58	(does not supply grave markers)	
SINGLE SPACE IN MAUSOLEUM	\$1,170	\$1,267	\$1,684	(no mausoleum available)	
SINGLE SPACE IN COLONNADUM (above-ground vault for casket placement after cremation)	\$50	\$519	\$155 plus cremation and costs	(no columbarium available)	(Referred to release price information unless accompanied by a legal disclaimer)
GROUND BURIAL OF CREMATED REMAINS	\$419	\$310	\$72 plus cremation and costs	\$130	
GRAVE MARKER FOR CREMATED REMAINS	\$102	(included in and costs)	\$127	(does not supply grave markers for ground and burial)	

# Death creates confusion

Cont. from Page 1B

The four mortuaries are divided on the type of burial provided indigents but one official reported indigents are buried in a "three-tier grave" or stacked three high in the ground to conserve burial space for paying customers.

Clark County Administrator Joel Rosenthal reported he, too, works in close conjunction with the local mortuaries since the majority of estates handled by his office are indigent cases.

Rosenthal, who administers the estates of residents who die without leaving a will or survivors, noted, "My job is to get together with the mortuary and give the person a funeral commensurate with their lifestyle."

"If there's some money in the estate, the mortuary is a priority claim, but it doesn't happen that often," the public administrator explained, referring to a 1931 state law which gave funeral homes first claim on an estate for money owed for funeral services.

The mortuaries are also responsible for gathering death certificate information necessary before a required burial/transit permit will be issued by the health district.

Copies of the burial/transit permit which accompanies the body until final disposition, are kept on file with the health district to assist location efforts of friends or family who may later inquire about the decedent.

The federal, state and local laws, combined with health regulations which affect the funeral industry, have been the continuing subject of controversy in the Nevada Legislature, the FTC's Bureau of Consumer Protection, and the Nevada Department of Human Resources' vital statistics division.

Federal authorities for the past seven years have conducted lengthy investigations and public hearings throughout the United States on funeral industry practices which draw an estimated \$6.4 billion in annual revenues from an average \$2,000 charged for funeral and burial services after each death in the United States.

Less than four months ago, the FTC published a 528-page report proposing a lengthy set of new federal regulations "designed to provide the consumer with substantially more information on prices and choices, eliminate the devices used to obtain unfair leverage over the consumer, abolish the outright frauds and deceptions that have been structured into the industry, and free up the market so that the dealings between funeral director and customer will be more fair...."

Among other proposed regulations, the FTC rules would make it a federal crime for any member of the funeral service industry to make statements "which are false, misleading or unsubstantiated regarding the legal necessity for embalming...."

Federal authorities explained embalming is typically the first step which "locks" a consumer into dealing with a particular funeral home.

"We have a state law that requires embalming after 18 hours, you know. But it is also required for communicable diseases and airlines require embalming before shipment," said David Bunker of Bunker Mortuary.

"As a matter of practice, if we are not told in advance not to, we go ahead and embalm because in our state, health rules state an individual must be either buried, or cremated within 18 hours or embalmed," said Bill Matzen of Palm Mortuary.

"We have that 18-hour limit before we can embalm but even that's too long," said Rufus Gibson of Spalding Mortuary.

"The embalmer must wait 18 hours after death unless he has family permission," said B.J. Craft of Paradise Valley Chapel.

The new state health regulation passed in March does not require embalming, according to Jack Hoymeyer of the state vital statistics department and co-author of the regulation.

"To specifically say it required embalming would be a misrepresentation of the law," he explained.

The regulation reads, in part, "the facility (mortuary) shall, in the interests of public health, take such steps as may be reasonably necessary to preserve the dead body."

Health officials said mortuaries may use "any acceptable method of storage" such as placing the body in cold storage, in a sealed casket or container, cremate with permission, or embalm.

Funeral directors later explained local cold storage facilities are limited and embalming is "routine."

FTC authorities allege the practice of embalming has been foisted upon the public by a money-hungry U.S. funeral industry.

"Embalming is vital be-

cause the funeral industry makes its money from the sale of ornate caskets with silk linings, satin pillows, and Beautyrest mattresses; burial clothes and shoes; and a variety of other goods...

"Embalming is also important to a funeral director because starting the process locks the consumer into dealing with the particular funeral home. It is difficult enough for a consumer to order the body transported to another place because he is not satisfied with the terms offered by the first funeral home; it is almost impossible if the first home has actually started work on the remains," reads one FTC report.

Representatives from all Las Vegas funeral homes insist customers are free to select any mortuary either immediately after death or even after a body has been transported to the mortuary-of-the-month.

All local mortuaries have experienced situations in which a body was accepted under the rotation schedule and later moved to another mortuary except Palm Mortuary which has retained all cases received in 1978, according to coroner files.

"The hardest, most challenging thing is working with the survivors," said David Bunker. "They don't have to know the laws or legislation. We really don't care what outsiders say. We're in the business of working with the public who dictates to us how they want to be served."

Religious leaders in Las Vegas support many of the procedures currently practiced in local funeral homes but note embalming, viewing of the body, and the traditionally costly trappings of the American funeral are often founded in religious custom rather than doctrine.

In Monday's R-J, look for part two and a detailed analysis of the price of a local funeral, along with descriptions of the religious and social aspects of death in Las Vegas.

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**Library Note:**

During the examination of this set of minutes, Exhibit E was found to be missing. It also appears to have been missing at the time this set of minutes was hand numbered, as the numbering does not have a gap where this exhibit should be. The exhibit is also missing from the microfiche.

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July 2010