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8 **BEFORE THE**
DEPARTMENT OF CONSUMER AFFAIRS
FOR THE CEMETERY AND FUNERAL BUREAU
9 **STATE OF CALIFORNIA**

10
11 In the Matter of the Accusation Against:

Case No. A1 2013 95

12 **SIERRA VALLEY MORTUARY;**
Brian Coates – Manager and Partner
13 **Charles Coates – Owner and Partner**
Peggy S. Coates – Partner
14 **Rodney A. Knight – Partner**
Mary F. Knight – Partner
15 **Leslie S. Coates - Partner**
5108 Lake Isabella Blvd
16 **Lake Isabella, CA 93240**

A C C U S A T I O N

17 **Funeral Establishment License No. FD 2004**

18 **BRIAN COATES**
5000 Shadow Branch St.
19 **Bakersfield, CA 93313**

20 **Funeral Director License No. FDR 3283**

21 Respondents.

22 Complainant alleges:

23 **PARTIES**

24 1. Lisa M. Moore (“Complainant”) brings this Accusation solely in her official capacity
25 as the Bureau Chief of the Cemetery and Funeral Bureau, Department of Consumer Affairs.¹

26 ¹ Effective January 1, 1996, the Department of Consumer Affairs succeeded to, and was
27 vested with, all the duties, powers, purpose, responsibilities and jurisdiction of the Cemetery Board
28 and the Board of Funeral Directors and Embalmers, and consolidated the functions into the
Cemetery and Funeral Programs. Effective January 1, 2001, the regulatory agency is designated as
(continued...)

D.C. INVESTIGATION

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2 12. On or about March 14, 2013, the Bureau received a complaint from the Kern County
3 Coroner's Officer ("Coroner's Office") alleging that Respondent Sierra Valley asked the Coroner's
4 Office to sign a pre-need contract² on behalf of D.C., a decedent. Respondent Sierra Valley stated
5 to the Coroner's Office that D.C. had entered into a contract for pre-need funeral services but
6 passed away prior to signing the contract. The Coroner's Office became suspicious because the
7 contract was dated in 2008 and D.C. did not pass away until 2013. D.C., thus, had ample time to
8 sign the contract.

9 13. On or about March 29, 2013, investigators for the Bureau reviewed two pre-need
10 contracts between D.C. and Respondent Sierra Valley. The purchased services included placing an
11 obituary, dressing and cosmetizing, purchase of an "upgrade casket," and a "family request" for
12 embalming. The total amount of the two contracts was \$11,500.00.

13 14. In March of 2013 Respondent Sierra Valley paid Greenlawn Memorial Park ("GMP")
14 \$3,887.76 for D.C.'s burial vault, internment fee, as well as the California regulatory fee and sales
15 tax.

16 11. On or about July 25, 2013, D.C.'s body was disinterred. D.C. was found in her
17 hospital gown with a towel covering her face. A licensed embalmer was on hand, who confirmed
18 that D.C. had not been embalmed and no cosmetology had been performed. Photographs were
19 taken and D.C. was returned to her grave.

20 11. On or about September 10, 2013, during an interview with Respondent Sierra Valley,
21 Bureau investigators learned that B.C. purchased the pre-need contracts on behalf of D.C., using
22 D.C.'s funds, but without legal authority to purchase funeral services. B.C. is the niece of Charles
23 Coates, who is the owner and a partner of Respondent Sierra Valley.

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28 ² Pre-need contracts refer to funeral services purchased prior to the decedent's passing so
that funeral services are already covered and paid for when the decedent passes.

1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Fraud and/or Misrepresentation)**

3 15. Respondent Sierra Valley and Respondent Coates (referred to collectively as
4 "Respondents") are subject to disciplinary action under section 7692 in that Respondents
5 committed acts constituting fraud and/or misrepresentation by entering into a contract for D.C.'s
6 burial and related services, charging D.C. for the burial and related services, and then failing to
7 perform the majority of the services. The circumstances are as follows:

8 a. Respondent Sierra Valley and Respondent Coates did not place an obituary, did not
9 embalm D.C., did not perform cosmetology services for D.C., and did not perform dressing
10 services for D.C., after Respondents had already accepted payment for those services.

11 b. Respondent Sierra Valley and Respondent Coates committed further acts constituting
12 fraud or misrepresentation when B.C., the niece of Charles Coates, purchased the preneed services
13 using \$11,500.00 of the decedent's funds but without having legal authority to make the purchase.

14 **SECOND CAUSE FOR DISCIPLINE**

15 **(Gross Negligence, Gross Incompetence, and/or Unprofessional Conduct)**

16 16. Respondent Sierra Valley and Respondent Coates are subject to disciplinary action
17 under section 7707 in that Respondents committed acts constituting gross negligence, gross
18 incompetence, and/or unprofessional conduct in connection with their handling of funeral services
19 for D.C. The circumstances are as follows:

20 a. Respondent Sierra Valley and Respondent Coates failed to dress D.C. Respondents
21 simply left D.C.'s body in her hospital gown. Respondents further failed to perform cosmetology
22 services, failed to place an obituary, and failed to embalm D.C.

23 b. Respondents committed further acts constituting gross negligence, gross
24 incompetence, and/or unprofessional conduct when Respondents allowed B.C., the niece of
25 Charles Coates, to purchase D.C.'s preneed services using \$11,500.00 of D.C.'s funds when B.C.
26 did not have legal authority to make the purchase.

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1 **THIRD CAUSE FOR DISCIPLINE**

2 **(Failure to Supervise)**

3 17. Respondent Coates is subject to disciplinary action under section 7703 and California
4 Code of Regulations, title 16, section 1204, in that Respondent Coates failed to ensure that
5 Respondent Sierra Valley was in full compliance with the Funeral Directors and Embalmers Law,
6 when Respondent Sierra Valley was not, for the reasons identified in paragraphs 15 and 16.
7 Paragraphs 15 and 16, inclusive, are hereby incorporated by reference as though set forth fully.

8 **P.W. INVESTIGATION**

9 18. On or about September 10, 2013, the Kern County Sheriff's Office served a search
10 warrant on Respondent Sierra as part of the D.C. investigation. During the service of the search
11 warrant the records for P.W. were seized because both Charles Coates and his niece B.C. were
12 listed on the preneed contract for P.W.

13 19. The preneed contract for P.W called for a full burial at Union Cemetery and the
14 contract amount was for \$9,000.00.

15 20. The death certificate filed with the county of Kern for P.W. indicates that P.W. had
16 not been buried. Instead, P.W. had been cremated and her remains returned to family members.

17 21. On or about September 10, 2013, a Bureau investigator called Union Cemetery who
18 confirmed that P.W. had not been buried at Union Cemetery.

19 22. On or about December 17, 2013, a further review of P.W.'s file revealed that the
20 cremated remains of P.W. were sent to her daughter J.A. while Homesteaders Life Insurance paid
21 Respondent Sierra \$9,226.13 for P.W.'s full burial.

22 23. On or about February 19, 2014, the Bureau investigator spoke to N.B., also the
23 daughter of P.W., who stated she had never been informed of a pre-need contract or funeral
24 services for her mother. N.B. stated that "Chuck" had offered cremation services for her mother
25 at minimal cost and Chuck had said the "State" would help cover the costs of the cremation.

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1 **FOURTH CAUSE FOR DISCIPLINE**

2 **(Fraud and/or Misrepresentation)**

3 24. Respondent Sierra Valley and Respondent Coates are subject to disciplinary action
4 under section 7692 in that Respondents committed acts constituting fraud and/or
5 misrepresentation by entering into a contract for P.W.'s burial, charging P.W.'s insurance for the
6 burial, and then never performing the paid for funeral arrangements. The circumstances are as
7 follows:

8 a. Respondents entered into a contract for a "full burial" for P.W. and charged
9 Homesteaders Life Insurance \$9,226.13 for the full burial services. Respondents' then informed
10 P.W.'s family that the "State" would pay for P.W.'s cremation. Respondents were paid in full for
11 the burial services, no burial services were performed and P.W. was subsequently cremated.

12 **FIFTH CAUSE FOR DISCIPLINE**

13 **(Gross Negligence, Gross Incompetence, and/or Unprofessional Conduct)**

14 25. Respondent Sierra Valley and Respondent Coates are subject to disciplinary action
15 under section 7707 in that Respondents committed acts constituting gross negligence, gross
16 incompetence, and/or unprofessional conduct in connection with their handling of funeral services
17 for D.C. The circumstances are as follows:

18 a. Respondents failure to perform the "full burial" services they contracted for, and
19 charged Homesteaders Life Insurance for, amounts to incompetence, gross negligence and/or
20 unprofessional conduct. The conduct is further described in paragraph 24, subparagraph (a),
21 which is hereby incorporated by reference as though set forth fully.

22 **SIXTH CAUSE FOR DISCIPLINE**

23 **(Failure to Supervise)**

24 26. Respondent Coates is subject to disciplinary action under section 7703 and California
25 Code of Regulations, title 16, section 1204, in that Respondent Coates failed to ensure that
26 Respondent Sierra Valley was in full compliance with the Funeral Directors and Embalmers Law,
27 when Respondent Sierra Valley was not, for the reasons identified in paragraphs 24 and 25.
28 Paragraphs 24 and 25, inclusive, are hereby incorporated by reference as though set forth fully.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of Consumer Affairs issue a decision:

1. Revoking or suspending Funeral Establishment License Number FD 2004, issued to Sierra Valley Mortuary with Brian Coates as the manager and partner and Charles Coates, Peggy S. Coates, Rodney A. Knight, Mary F. Knight and Leslie S. Coates as partners;

2. Revoking or suspending Funeral Director License Number FDR 3283 issued to Brian Coates;

3. Ordering Sierra Valley Mortuary to pay the Cemetery and Funeral Bureau the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3;

4. Ordering Brian Coates to pay the Cemetery and Funeral Bureau the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3; and,

5. Taking such other and further action as deemed necessary and proper.

DATED: March 18, 2014

Lisa M. Moore

LISA M. MOORE
Bureau Chief
Cemetery and Funeral Bureau
Department of Consumer Affairs
State of California
Complainant

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