



1. Respondent Service Corporation International ("SCI") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Texas, with its corporate head office and principal place of business located at 1929 Allen Parkway, Houston, Texas 77109.
2. The Commission has jurisdiction of the subject matter of this proceeding and of

1. the date the Respondent and Palmco close the Acquisition pursuant to the Acquisition Agreement; or
  2. the date on which Respondent, directly or indirectly, acquires a controlling interest in Palm.
- I. "Cemetery Services" means all activities relating to the promotion, marketing, sale and provision of property, goods and services, to provide for the final disposition of human remains in a cemetery, whether by burial or interment in a mausoleum or crypt, or disposition in a niche.
- J. "Confidential Business Information" means information not in the public domain related to the Divestiture Business, except for information that was or becomes generally available to the public other than as a result of a disclosure by Respondent, or was available, or becomes available, to Respondent on a non-confidential basis, but only if, to the knowledge of Respondent, the source of such information is not in breach of a contractual, legal, fiduciary or other obligation to maintain the confidentiality of the information.
- K. "Davis Pre-need Contracts" means any type of contract or other agreement entered into by a person with Davis Funeral Home Memorial Park, 6200 South Eastern Avenue, Las Vegas, Nevada 89119, or the Davis Family Home, 2127 West Charleston Boulevard, Las Vegas, Nevada 89102, for the purchase of Funeral Services or Cemetery Services at a future time, regardless of whether such agreement is revocable or how payment for such services is arranged.
- L. "Direct Cost" means a cost not to exceed the cost of labor, material, travel and other expenditures to the extent the costs are directly incurred to provide the relevant assistance or service. "Direct Cost" to the Acquirer for its use of any of Respondent's employees' labor shall not exceed the average hourly wage rate for such employee.
- M. "Divestiture Agreement" means an agreement or agreements divesting the Divestiture Assets to an Acquirer, and in a manner that has been approved by the Commission.
- N. "Divestiture Assets" means all of Respondent's rights, title, and interests in all property and assets, tangible or intangible, of every kind and description, wherever located, and any improvements or additions thereto, used in the operation of the Divestiture Business, including but not limited to:
1. All real property interests (including fee simple interests and real property leasehold interests), including all easements, appurtenances, licenses, and permits,

together with all buildings and other structures, facilities, and improvements located thereon, owned, ~~leased~~ or otherwise held;

2. All Tangible Personal Property used ~~in~~ the Divestiture Business, including without limitation, Tangible Personal Property removed (and not replaced) from the Divestiture Business at any time ~~after~~ August 5, 2009, if such Property is necessary to operate the Davis Divestiture Business as a going concern, unless such Property was removed in the ordinary ~~course~~ of business and has a cost of less than \$1,000;
3. The trade name "Davis Funeral Home and Memorial Park" and all commercial names, trade names, "doing business

11. All insurance benefits, rights, and proceeds, including those arising from any Davis Pre-need Contracts; and
12. All rights relating to pre-need deposits (including bank, trust, or other accounts relating to or arising from any Davis Pre-need Contracts and endowment or perpetual care funds), claims for refunds, and rights to offset in respect thereof.

provided, however, that the Divestiture Assets need not include:

- i) assets located at facilities or offices not included in the Divestiture Business and whose use is not exclusively or primarily related to the operation of the Divestiture Businesses;
- ii) motor vehicles used by the relevant Divestiture Businesses if the Acquirer does not need them and the Commission approves the divestiture without such vehicles;
- iii) rights in any lease of Tangible Personal Property that pertain to generally available property relating to office furniture, office equipment, or computers;
- iv) rights in, and records and documents (or portions thereof) exclusively concerning, any national license, national supply or service agreement, national proprietary or licensed advertising program, or national proprietary product associated with SCI's Dignity Memorial program;
- v) rights to records and documents (or portions thereof) exclusively concerning, commercial names, trade names, "doing business as" (d/b/a) names, registered and unregistered trademarks, service marks and applications using the words "Alderwoods," "Service Corporation International," "SCI," "Dignity" (including "Dignidad," "Dignite," and other translations of Dignity into languages other than English), or "Dignity Memorial"; or
- vi) any other assets, rights, or agreements not needed by the Acquirer if the Commission approves a Divestiture Agreement that does not divest, grant or transfer such assets, rights, or agreements.

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II.

IT IS FURTHER ORDERED that:

- A. Respondent shall divest the Divestiture Assets and convey the Divestiture Business License at no minimum price, absolutely and in good faith, as on-going businesses, no later than ninety (90) days from the Acquisition Date, to an Acquirer



- a) to comply the requirements of this Order or the Order to Maintain Assets;
- b) to comply with Respondent's obligations to the Acquirer under the Divestiture Agreement(s);
- c) to comply with applicable law; or
- d) to enforce the terms of any Divestiture Agreement or defend against any dispute or legal proceeding,

provided that Confidential Business Information may be disclosed to Third Parties only as necessary for the purposes provided by this Paragraph pursuant to an appropriate confidentiality order, agreement or arrangement with the Acquirer (but Respondent shall not be deemed to have waived this requirement if the Acquirer withholds such agreement unreasonably); and Respondent shall use its best efforts to obtain a protective order to protect the confidentiality of such Confidential Business Information during any adjudication;

provided, further, that Respondent may continue to use Confidential Business Information included in the Divestiture Business License(s) to the extent such information was previously used by Respondent in connection with assets other than those being transferred to Acquirer pursuant to this Order and/or the Divestiture Agreement.

- G. On or before the Divestiture Closing Date, Respondent shall provide written notification of the restrictions on the use of the Confidential Business Information contained in the Order to all employees who were involved in the Divestiture Business.
- H. Within ten (10) days of a request by the Commission or by an Acquirer or proposed Acquirer (as applicable), Respondent shall provide the Acquirer or proposed Acquirer (as applicable) with the

6. any other material terms and conditions of employment in regard to such employee that are not otherwise generally available to similarly situated employees; and
  7. at the option of the proposed Acquirer or Acquirer (as applicable) copies of all employee benefit plans and summary plan descriptions (if any) applicable to the relevant employees.
- I. Respondent shall not interfere with the employment by Acquirer of any Divestiture Business Employee; shall not offer any incentive to such employees to decline employment with the Acquirer or to accept other employment with the Respondent; and shall eliminate any contractual impediments that may deter such employee from accepting employment with the Acquirer including, but not limited to, removing any non-compete or confidentiality provisions of employment or other contracts that would affect the ability of such employee to be employed by the Acquirer, and paying, or transferring to the account of the employee, all current and accrued bonuses, pensions and other current and accrued benefits.
  - J. For a period of two (2) years after the Divestiture Date, Respondent shall not, directly or indirectly, solicit, induce or attempt to solicit or induce any Divestiture Business Employee(s) who have accepted offers of employment with the Acquirer, or who are employed by the Acquirer, to terminate the employment relationship with the Acquirer; provided, however, a violation of this provision will not occur if: (1) the person's employment has been terminated by the Acquirer, (2) Respondent advertises for employees in newspapers, trade publications, or other media not targeted specifically at the employees, or (3) Respondent hires employees who apply for employment with Respondent, so long as such employees were not solicited by Respondent in violation of this paragraph.
  - K. At the request of the Acquirer, Respondent shall use its best efforts to assist the Acquirer in the fulfillment of any Pre-need Contract relating to the sale of a Dignity Memorial Funeral Plan entered into by Respondent prior to the date of divestiture of the applicable funeral home or cemetery; provided, however, that this Paragraph requires Respondent to assist only with such good and services that the Acquirer cannot reasonably provide on its own.

to the Divestiture Date. Respondent sh

IV.

IT IS FURTHER ORDERED that:

- A. At any time after Respondent signs the Consent Agreement in this matter, the Commission may appoint a monitor ("Interim Monitor") to assure that Respondent expeditiously complies with all of its obligations and performs all of its responsibilities as required by this Order.
- B. The Commission shall select the Interim Monitor, subject to the consent of Respondent, which consent shall not be unreasonably withheld. If Respondent has not opposed, in writing, including the reasons for opposing, the selection of a proposed Interim Monitor within ten (10) days after notice by the staff of the Commission to Respondent of the identity of the proposed Interim Monitor, Respondent shall be deemed to have consented to the selection of the Interim Monitor.
- C. Not later than ten (10) days after the appointment of an Interim Monitor, Respondent shall execute an agreement that, subject to the prior approval of the Commission, confers on the Interim Monitor all the rights and powers necessary to permit the Interim Monitor to monitor Respondent's compliance with the relevant requirements of this Order in a manner consistent with the purposes of the Order.
- D. Respondent shall facilitate the ability of the Interim Monitor(s) to comply with the duties and obligations set forth in this Order, and shall take no action that interferes with or hinders the Interim Monitor's authority, rights, responsibilities as set forth herein or in any agreement between the Interim Monitor(s) and Respondent.
- E. The Interim Monitor's duties and responsibilities shall include the following:
  1. the Interim Monitor shall act in a fiduciary capacity for the benefit of the Commission;
  2. the Interim Monitor shall have the power and authority to monitor Respondent compliance with this Order and shall exercise such power and authority and carry out his or her duties and responsibilities in a manner consistent with the purposes of this Order and in consultation with the Commission;
  3. the Interim Monitor may, in his or her sole discretion, consult with third parties in the exercise of his or her duties under this Order, under any agreement between the Interim Monitor and Respondent; and







accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as necessary to carry out the Divestiture Trustee's duties and responsibilities. The Divestiture Trustee shall account for all monies derived from the divestiture and expenses incurred. After approval by the Commission of the account of the Divestiture Trustee, including fees for the Divestiture Trustee's services, all remaining monies shall be paid at the direction of Respondent, and the Divestiture Trustee's power shall be terminated. The compensation of the Divestiture Trustee shall be based at least in significant part on a commission arrangement contingent on the divestiture of all of the relevant assets required to be divested by this Order.

6. Respondent shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence, willful or wanton acts, or bad faith by the Divestiture Trustee.
  7. The Divestiture Trustee shall have no obligation or authority to operate or maintain the relevant assets required to be divested by this Order, provided, however, that the Divestiture Trustee appointed pursuant to this Paragraph may be the same Person appointed as Interim Monitor pursuant to the relevant provisions of this Order and the Order to Maintain Assets in this matter.
  8. The Divestiture Trustee shall report in writing to Respondent and to the Commission every thirty (30) days concerning the Divestiture Trustee's efforts to accomplish the divestiture.
  9. Respondent may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys and other representatives and assistants to sign a customary confidentiality agreement; provided, however, such agreement shall not restrict the Divestiture Trustee from providing any information to the Commission.
- E. If the Commission determines that a Divestiture Trustee has ceased to act or failed to act diligently, the Commission may appoint a substitute Divestiture Trustee in the same manner as provided in this Paragraph.
- F. The Commission or, in the case of a court-appointed Divestiture Trustee, the court, may on its own initiative or at the request of the Divestiture Trustee issue such additional



orders or directions as may be necessary or appropriate to accomplish the divestiture required by this Order.

VI.

IT IS FURTHER ORDERED that:

- A. Within five (5) days of the Acquisition, Respondent shall submit to the Commission a letter certifying the date on which the Acquisition occurred.
- B. Respondent shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with this Order:
  1. Within thirty (30) days after this Order becomes final, and every thirty (30) days thereafter until Respondent has fully transferred the Divested Assets and Divestiture Licenses as required by this Order and
  2. Every sixty (60) days thereafter until the termination of the period during which Respondent is required to provide Transitional Services under the Order and, if applicable, the Divestiture Agreement.
- C. Respondent shall submit a copy of its report concerning compliance with this Order to the Interim Monitor (if one has been appointed). Respondent shall include in its report, among other things that are required from time to time, a full description of its efforts to comply with the Order, including the status of the divestiture and transfer of the Divestiture Assets and Divestiture Licenses; a description of all Transitional Services provided to Acquirer; a description of all substantive contacts with Acquirer, the Interim Monitor (if one has been appointed) and any other Persons related to compliance with the terms of this Order and/or the Divestiture Agreement(s), and any correspondence with proposed Acquirer, Acquirer, Interim Monitor or other Third Party related to such contacts that is dated after the Divestiture Closing Date; and any other actions taken by Respondent relating to compliance with the terms of this Order and/or the Divestiture Agreements. The final compliance report required by this Paragraph V shall include a statement that the divestiture has been accomplished in the manner approved by the Commission and shall include the date the divestiture was accomplished.
- D. One (1) year after this Order becomes final, and annually for the next nine (9) years, on the anniversary of the date the Order becomes final, and at other times as the Commission

may require, Respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it has complied and is complying with the Order.

#### VII.

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least thirty (30) days prior:

- A. any proposed dissolution of Respondent;
- B. any proposed acquisition, merger or consolidation of Respondent; or
- C. any other change in Respondent, including without limitation, assignment and the creation or dissolution of subsidiaries, if such change may affect compliance obligations arising out of this Order.

#### VIII.

IT IS FURTHER ORDERED that, for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon five (5) days notice to Respondent, made to principal office, Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during business office hours of Respondent and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession or under the control of Respondent related to compliance with this Order, which copying services shall be provided by Respondent at the request of the authorized representative(s) of the Commission and at the expense of Respondent; and
- B. To interview officers, directors, or employees of Respondent, who may have counsel present, regarding such matters.

IX.

IT IS FURTHER ORDERED that this Order shall terminate on January 6, 2020.

By the Commission.

Donald S. Clark  
Secretary

SEAL  
ISSUED: January 6, 2010