

## **Consumer Group Opposes Merger of Funeral Chain Giants**

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South Burlington, VT.—Funeral Consumers Alliance, the only national nonprofit protecting the rights of funeral consumers, urges the Federal Trade Commission to deny the merger of funeral giants Service Corporation International (SCI) and Stewart Enterprises (STEI). If they combine, SCI will amass more than 2,000 funeral homes and cemeteries from coast to coast, and will be vastly larger than any other funeral home

and cemetery chain.

Unlike many other retail chains, bigger isn't better when it comes to funerals. Unlike Wal-Mart or Costco, SCI's savings from economies of scale don't get passed on to the customer family. They go to the company's true customer, the shareholder.

"It's alarming to think that a company with a long track record of abusing consumers at the worst times of their lives might get even bigger," said Josh Slocum, FCA's executive director. "For at least 15 years grieving families around the country have complained to us about the practices at SCI funeral homes and cemeteries. From lying about options in order to boost the funeral bill, to digging up graves to re-sell them to another

unsuspecting family, to denying the legal rights of LGBT people to make funeral arrangements for their

partners. You name it, we've heard it."

“SCI has devoured the other funeral home chains over the past several years and now is the king of the hill in most major metropolitan markets. And the results have not been good for consumers. These mergers have led to higher prices and deteriorating service,” Slocum said.

Most people don’t even know they’re doing business with a multinational Wall Street chain when they call their local funeral home. “Smith and Sons Funeral Home” may not have anything to do with the Smith family at all. Only SCI’s consumer-friendly brand-name, Dignity Memorial, gives a clue to the ownership. Price surveys by

Funeral Consumers Alliance groups have long documented how Dignity-owned businesses are among the most

expensive in any region you look.

“Dignity Memorial” is no stranger to scandal:

- SCI’s Menorah Gardens Cemetery, a prominent Jewish burial ground in Florida, was hit by a class action suit for grave desecration. The case was settled for \$100 million.
- SCI’s Eden Memorial Park in California is embroiled in a similar class action case that remains ongoing.

[“ The evidence indicates there has been a pervasive practice of grave disturbances and desecrations at      &nbsp; Eden Memorial Park Cemetery spanning an approximate 30 year time period. A number of      &nbsp; groundskeepers and supervisors have admitted under oath they routinely damaged and broke burial      &nbsp; vaults containing human remains,” according the lead law firm.](#)

Funeral Consumers Alliance has collected hundreds of complaints from families around the country. These families report SCI funeral homes and cemeteries have violated federal regulations protecting grieving consumers from funeral fraud, that strangers are found buried in graves families bought decades before, and that aggressive salespeople (SCI calls them “family service counselors”) have

lied about non-existent government regulations so consumers would be forced to buy expensive burial services they didn’t want.

**Funeral Consumers Alliance reminds the Federal Trade Commission that funeral purchases are unlike any other in their potential to harm the customer.** Families buying funeral and cemetery services are incredibly vulnerable

and have been subject to deceitful and egregious conduct. Indeed, the FTC's own ["Funeral Rule,"](#) enacted in

1984, was a response to the overwhelming record of routine deception and consumer abuse across the funeral industry.

"This is not a run of the mill merger; this isn't about whether a \$20 retail product will cost consumers \$5 more," Slocum said. "We're talking real money here. Funeral consumers often make great economic sacrifices to bury their loved ones. The average full-service funeral runs in excess of \$7,000 and often for much more at SCI's

Dignity locations. Especially when it has faced less competition, SCI has increased prices and we can expect

more of the same if this merger occurs. Given the lack of knowledge about funeral options and the stress of

grief, we can't just say a 'rational consumer' will vote with their dollars and choose another funeral home.

That's not how the unique funeral transaction works, and that reality is why the FTC specifically regulates funeral homes."

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