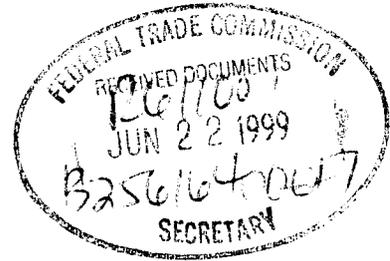


# Evans Casket Store

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June 15 1999

Federal Trade Commission  
Room H-159  
600 Pennsylvania Ave, NW,  
Washington, DC 20580

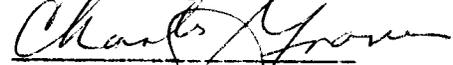


Dear Commissioners;

We, at Evans Casket Store, welcome the Agency: Federal Trade Commission and its rulings.

There are six Casket Stores in the state of New Jersey...being so few in numbers, we are being hampered by the big funeral industry. Because of the Commission's rule of practice, the consumer has the right to purchase their burial necessities from individual firms at an affordable price....actually, for over a hundred years, the consumer had to pay whatever the funeral provider asked for...there were no other options., Therefore, I'm certain the consumer welcome the ruling.

Very Truly Yours

  
Charles Graves

# A lively rivalry brewing

## Entrepreneurs entering market largely cornered by funeral homes

By Christopher M. Loder

STAR-LEDGER STAFF

It's not the type of errand you find yourself doing on a Saturday morning.

Go to the hardware store.

Take the kids to the YMCA.

Shop for a casket.

But if Charles Graves — who acknowledges his name has an eerie fit to the business — and others have their way, purchasing a casket from a mom and pop store will be as easy as buying a new stereo.

Upset over what they see as exorbitant prices funeral homes charge for caskets, Graves and partner Deborah Evans opened Evans Casket Store in Linden, one of several direct retail casket stores cropping up in New Jersey.

**"These stores are going to become like the corner candy store."**

— CHARLES GRAVES, casket store owner

There are now six in the Garden State — all promising to sell consumers a cheaper casket than the neighborhood funeral parlor.

"These stores are going to become like the corner candy store," Graves said.

"A funeral arrangement is very expensive. It shouldn't be, but it is.

"Don't spend money trying to clear your conscience about giving a loved one the best funeral," he said. "Do something for the living and help that loved one's family."

A recent change in federal regulations governing funerals has enabled Graves and other casket store owners to set up shop.

In 1994, the Federal Trade Commission changed its Funeral Rule to prohibit funeral homes from charging a fee or refusing to handle a casket that a consumer bought elsewhere. The change has ended the 103-year monopoly that funeral providers have had over burial necessities, Graves said.

In New Jersey today, there's Evans in Linden; Royale Caskets of New Jersey and Competitive Caskets, both in Clifton; the Casket Store in Green Brook; Consumer Casket USA in Woodbridge and the Casket Center of New Jersey in Haddon Heights.

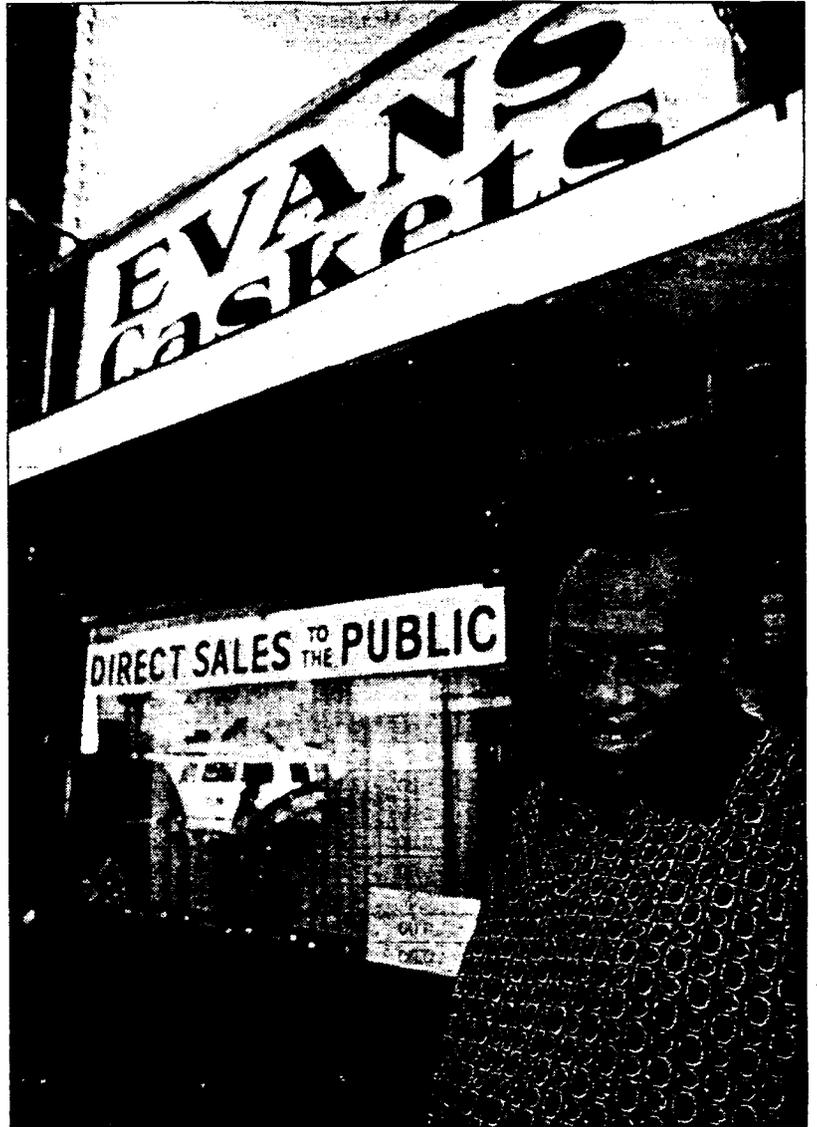


PHOTO BY JIM WRIGHT

One industry analyst applauds the casket store entrepreneurs.

"I think it's great that they exist so that consumers will have a choice," said Lisa Carlson, executive director of the Funeral and Memorial Societies of America in Vermont. "I think it's great that they're trying."

But Carlson, who is known as the Ralph Nader of the funeral business, said these entrepreneurs face an uphill battle. The funeral industry, she said, will make it "very difficult" for

Charles Graves is one of a half-dozen entrepreneurs in New Jersey taking advantage of a change in federal regulations that makes it easier for retailers to sell caskets direct to the public.

PLEASE SEE CASKETS, PAGE 58

# Caskets

CONTINUED FROM PAGE 55

## New rules set up a lively rivalry

consumers who buy their casket elsewhere.

"What would you do if you're a funeral home owner and a casket store opens? You drop your casket price and jack up (your) service prices," Carlson said. "And when these caskets bought from stores end up at the funeral home, sometimes a stray scratch may appear or a smudge of dirt or torn lining that wasn't there when it was shipped.

"Ultimately, it's going to take an assertive consumer to stay in charge of the funeral transaction."

At Consumer Casket USA on Main Street in Woodbridge, partners Paul Permison and John Mandel were the first ones in the state to open a casket store. They first opened their business in 1996.

"The consumer applauds what we are doing," Permison said. "The first words out of their mouths are, 'Thank God you have finally done something about this.'"

Permison noted that funeral homes buy a casket at wholesale and "jack it up 300, 400 or 500 percent or higher. We sell a solid hardwood casket for \$1,700, and we've seen that in the funeral homes for \$3,700 or \$3,800," he said.

For many funeral homes, the threat from casket stores is real. But one leading funeral parlor official said the competition is healthy.

"We certainly welcome it," said George Kelder, assistant executive director of the Manasquan-based New Jersey State Funeral Directors Association.

"When you're dealing with a funeral director, you are dealing with someone who is both licensed and regulated by the state Division of Consumer Affairs," Kelder said. "When you're dealing with a retail operation, it's an entrepreneur.

"The casket, unfortunately, has become synonymous with the total funeral and that's not what it is. It's just a piece of the whole arrangement."

Carlson notes that there are still some funeral home owners who understand that the focus of their business is service, not merchandise, and will not be intimidated or offended by

according to Kelder.

But Graves says he can charge anywhere from \$400 to \$1,500 for his caskets, which are made by Casket Royale of Hampton Falls, N.H.

"I'm not making a huge amount of money because we're trying to service the community and build a reputation," he said.

An official with SCI Management Corp., which manages 30 funeral homes in New Jersey, said casket stores are "welcome to sell just as we are."

"Competition is competition," said Robert Barbieri, area vice president of SCI, but "we just feel that we provide a better service, a full service to families, not just one product.

"We're open 24 hours a day, 365 days a year," he said. "It's not a 9-to-5 storefront that we operate."

Among the funeral homes SCI manages are McCracken Funeral Home in Union Township, Quinn-Hopping Funeral Home in Livingston, and Bernheim-Apter-Goldsticker in Maplewood.

When asked if funeral homes hike their prices on caskets, Barbieri said: "We provide a fair price for a fair product."

In years past, consumers would have been frowned upon for bringing their own caskets to a funeral home. While it never was prohibited, "third-party caskets," as they are called in the industry, were considered an affront.

That has changed with the FTC's new rule, but consumers are still finding a cold reception from some funeral homes.

"They say such things as, 'You should be careful because the handles might fall off,'" Permison said. "Of course, we buy the same caskets as funeral homes do."

Another key issue among funeral homes is pre-paid funeral arrangements, where families buy caskets before someone has died. Under New Jersey law, a pre-paid casket must be delivered immediately to the family or the money intended for the purchase must be put in trust in its entirety.

"The money is always revocable by the consumer, and it's both principal and interest," Kelder said. "That makes pre-need not as lucrative to a casket store. If the family changes their mind, then the store has to refund them 100 percent plus interest."

Since it opened in October, Evans Casket has sold eight caskets, and Graves has expanded to selling memorials, such as headstones, cremation urns and pet caskets. Graves is