

Los Angeles Times

CIRCULATION:
1,021,121 DAILY/ 1,391,076 SUNDAY

SATURDAY, SEPTEMBER 21, 1996
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Rose Hills Memorial Park to Be Sold for \$250 Million

■ **Acquisitions: Proceeds would be used to create a charitable foundation.**

By NANCY RIVERA BROOKS
TIMES STAFF WRITER

Rose Hills Memorial Park, the largest cemetery in North America, said Friday that it will be sold for \$250 million and the money would be used to create a charitable foundation that would rank among the largest in Southern California.

The 81-year old Whittier cemetery, known for its gauzy television advertisements and its 7,000-plus rose-bushes, is being sold to a partnership of the Loewen Group, the nation's second-largest funeral and cemetery services company, and the Blackstone Group investment bank of New York.

In addition to the assets of the nonprofit Rose Hills Memorial Park Assn., which owns the 2,600-acre cemetery, the partnership would acquire Rose Hills Co., a separate company that manages the cemetery and owns the mortuary on cemetery grounds.

Loewen Group of Vancouver, Canada, is the target of a takeover bid by rival funeral home operator Service Corp., International, which also had made an offer for Rose Hills.

The deal would give Southern California residents "two for the price of one," said John C. Argue, chairman of Rose Hills Memorial Park Assn., the nonprofit firm that owns the cemetery. "Now we'll have a very nice cemetery out there and we'll have a new foundation with \$250 million to give away."

The new Rose Hills Foundation would have total assets of about \$250 million, including cash from the sale, securities and some real estate. The foundation would retain about half of the current cemetery's 2,600 acres that are not approved for burials.

The foundation next year would begin distributing \$12 million to \$13 million annually to Southern

California institutions and communities to promote "the betterment of life."

The foundation would rank about 15th among California's 3,500 charitable foundations, and about eighth in Southern California.

"What captivated us was that . . . we could ensure that Rose Hills would continue and we would have all this money to give away," said Argue, founder of the Los Angeles law firm of Argue, Pearson, Harbison & Myers. "My guess is we will be inundated" with grant proposals.

Lloyd Greif, whose Los Angeles investment banking firm represented Rose Hills, said the new foundation would be significant because Southern California has lost several corporate givers in recent years through bank and other mergers.

"This is good news," Greif said. "Usually [in an acquisition] someone takes the money and runs. Here someone is taking the money and leaving it."

Argue said the trustees had received several unsolicited offers for the cemetery and decided that the time was right to sell.

Given recent horror stories about operations at lesser cemeteries locally, Argue said the trustees were concerned that the new owners be capable of maintaining the current level of service. A \$55-million endowment fund, one of the largest in the industry, would stay with the cemetery.

"Rose Hills, with its distinguished history and prominent market position, is an important alliance for the future and one we're all very proud of," said Ray Loewen, chairman and chief executive officer of the Loewen Group.

Rose Hills Co. President Dennis C. Poulsen said that senior management would remain with the company and no changes are expected in the operation's 460-employee work force. All of the memorial park's well-known features would be transferred intact, he said.

"The rose garden stays. We made sure of that," Poulsen said.

Rose Hills is also known for its five-acre Japanese garden, complete with koi-stocked lake and 12th century stone lantern, and its landmark mausoleum. The cemetery is also building a chapel by award-winning architect E. Fay Jones and a towering Buddhist columbarium.

Rose Hills is unusual in the cemetery industry for its aggressive marketing programs, including television advertising. The cemetery sponsors a "Mommy & Me" art contest for elementary schoolchildren, which this year drew 72,000 entries and channeled \$15,000 to local schools.

Rose Hills also throws a celebration every December to light the tallest tree in the San Gabriel Valley, right by the cemetery's main entrance.

Rose Hills, which inter about 10,000 people a year, is not the final home of too many national celebrities, but is chosen most frequently by those from nearby communities. The company did handle the funerals of former President Richard Nixon and former First Lady Patricia Nixon, but they are buried at the Nixon Library. Recent residents include Oscar-winning actor Haing S. Ngor and gangsta rap star Eric "Eazy-E" Wright.

The transaction is expected to close in December.