

IN THE CHANCERY COURT OF DAVIDSON COUNTY, TENNESSEE
20TH JUDICIAL DISTRICT
AT NASHVILLE

FILED
2019 FEB 28 AM 10:28
CLERK MASTER
DAVIDSON CO. CHANCERY CT.
D.C. & M.

STATE OF TENNESSEE,)
ex rel. JULIE MIX MCPEAK, solely in her)
official capacity as Commissioner of)
Commerce & Insurance,)
)
Plaintiff,)
)
v.)
)
GALILEE MEMORIAL GARDENS,)
JM&M SERVICES, INC.,)
LAMBERT MEMORIAL CO., aka)
LAMBERT MEMORIALS, INC.)
LAMBERT & SONS, INC.)
JEMAR LAMBERT, MARJE LAMBERT,)
and MARY H. LAMBERT, and ALL)
PERSONS ACTING IN CONCERT)
WITH THEM,)
)
Defendants.)

No. 14-102-(II)III

RECEIVER'S SUMMARY OF CORPORATE ENTITIES' STATUS FOR DISSOLUTION IN
THE CEMETERY RECEIVERSHIP

Julie Mix McPeak, Commissioner of the Department of Commerce & Insurance, in her official capacity as Receiver of Galilee Memorial Gardens (and JM&M Services, Inc., Lambert Memorial Co., Lambert Memorials, Inc., and Lambert & Sons, Inc., the related entities through which it conducts its business), with her appointed Special Deputy Receiver, Receivership Management, Inc., through counsel hereby files this summary of information concerning the corporate entity or entities to be dissolved or deemed terminated that were owners or operators of the Galilee Memorial Gardens cemetery. This is being filed to aid discussion of the Motion to Set Hearing Date on Matters for Resolution being heard March 1, 2019 at 9:00 a.m.

I. Prior Findings of This Receivership Court about the Business Names and Entities:

Without a registered operator of the cemetery, the entities to be wound down through this receivership have included multiple names. Prior orders did address the nature and relation of the business and individual Defendants to each other and the cemetery. The Order Appointing Receiver on February 21, 2014 in this case made the following findings, paragraphs 5-9 at the beginning, with groundwork of this Court determining who owns the cemetery land and what names are involved in that.

5. Defendant Galilee Memorial Gardens (Galilee) is a cemetery that is located at 8283 Ellis Road, Memphis, TN, 38133, in Bartlett, TN. It was established and opened in 1960. Until December 31, 2010, Galilee operated under a valid certificate of registration issued by the Commissioner's predecessors.

6. Defendant JM&M Services, Inc. (JM&M) is a Tennessee corporation that does business under the name of "Galilee Memorial Gardens" and is identified on applications for certification of registration as the owner of Galilee. Its principal office is located at 8283 Ellis Road, Memphis, TN, 38133. Jemar Lambert is its registered agent for service of process.

7. Defendant Jemar Lambert is an adult resident of Shelby County Tennessee, and the president and chairman of the board of JM&M and owns 33% of its stock. Defendant Marje Lambert is an adult resident of Shelby County, Tennessee, a member of the board of directors of JM&M and owns 33% of its stock. Defendant Mary H. Lambert is an adult resident of Shelby County, Tennessee, a member of the board of directors of JM&M and owns the remainder of its stock. The business address listed on applications with the Commissioner for Jemar Lambert, Marje Lambert and Mary H. Lambert is 8283 Ellis Road, Memphis, TN, 38133.

8. Defendants named as "Lambert Memorial Co.," "Lambert Memorials Inc." and "Lambert & Sons, Inc." are all business names that have appeared on one or more bank accounts that have been used by Jemar Lambert in connection with the operation of Galilee. Defendants assert that the Court has not yet determined the extent to which a monument and merchandise business that may have been conducted under these names is separate from the Cemetery operation, and this inquiry is to be made expeditiously by the Commissioner as Receiver.

9. Galilee has been owned and operated by one or more members of the Lambert family since February 1993. Jesse Lambert, through Lambert Memorials, Inc., purchased the cemetery from the estate of Ellis Road Gardens, Inc. When

Jesse Lambert died on May 15, 2010, ownership of Galilee passed to his family members, Defendants Jemar, Marje and Mary H. Lambert. The certificate of registration that was issued for the operation of Galilee expired on December 31, 2010.

The Order of Receivership directed the Receiver to promptly figure out if the monument and merchandise business was separate from the cemetery operation (para. 8, above), and it has since been determined that these were not separable through the motion that disposed of remaining stone and property on the cemetery premises. This Court has previously entered its order based on the following information in that unopposed motion (Motion to Dispose of Stone Markers and Equipment on the Cemetery Premises, and to Approve Receiver's Procedure to Address Other Remaining Carved Markers, pp. 4-5) filed March 21, 2018:

As outlined in the initial Petition in this matter, the dealings of those entities (the memorial business and the cemetery business) were intertwined so that no reasonable distinction can be made between the assets of one and the other. This is supported by the fact that the granite and truck, as described below, were located at the cemetery, although the Lamberts have previously averred that they had a separate location where they operated their stone cutting business. It is further supported by the record in this matter, which shows that the Lamberts used numerous businesses, entities, and names interchangeably for the purposes of operating the Cemetery:

1. Lambert & Sons, Inc. – Paragraph 10 of the Affidavit of Robert Gribble, filed on January 24, 2014 as Exhibit 1 in support of the Petition in this matter, (“Gribble Affidavit”) states the wire transfer from Regions Bank to the Commercial Bank & Trust Company for the improvement care trust fund, came from an account held in the name of “Lambert & Sons, Inc.” This is supported by Exhibit 11 thereto, showing Lambert & Sons, Inc., and an address at the same 8283 Ellis Rd., checking account, as of 10/24/2013. Further, there is no information supporting that this is a valid Tennessee entity and, as such, based on the foregoing it appears to be an assumed name of the Lamberts in operating the Cemetery. JM&M Services, Inc. was the name that Lambert & Son, Inc. was amended to at the Secretary of State's office on 12/13/2010.

2. Lambert Memorials, Inc. –All the receipts attached to the Affidavit of Roy Bozeman, filed as Exhibit 2 in support of the Petition in this matter, are issued by “Lambert Memorials Inc.” PO Box 140363, Memphis, Tennessee 38114 (901) 372-8357 to the various funeral homes. This demonstrates that the Lamberts used this

entity extensively in their operation of the Cemetery. There is no entity of this name registered currently or in the past under this name. While there was a previous entity registered as Lambert Memorial Gardens, Incorporated, that entity was administratively dissolved in 2001 and was first registered in 1993 and Jesse Lambert, the prior owner of the Cemetery who passed away in 2010, still appears as the Registered Agent. As such, it does not appear to be a valid corporation for the operation of any business.

3. JM&M Services, Inc. – This was a corporation which appears to have been created in order for the Lamberts to apply for a registration to operate the Cemetery prior to the beginning of this Receivership. This entity was applying to register as of August 28, 2013, as demonstrated by Exhibit 6 to the Gribble Affidavit. In its January 16, 2013, application for registration, as shown by Exhibit 4 to the Gribble Affidavit, the Lamberts themselves indicated that it was formerly “Lambert & Son, Inc.”

4. JM&M Inc. was a fictitious non-entity that made application to operate the cemetery on or about August 31, 2011, as demonstrated by the Gribble Affidavit. The Lamberts made application in this name to register the Cemetery.

5. Lambert Memorial Co. is not a valid Tennessee entity and no bank accounts were located in its name when Special Deputy Receiver Kustoff performed a search for accounts held by the Cemetery or its operators. As such, to the extent it may have been used in the past, it appears to solely be as a d/b/a of the Lamberts or one of the above entities.

Given this information, it is clear that the Lamberts used a mixture of corporations and d/b/a's, all of which are identified as part of the receivership entities, without regard to any actual entity or division between the Cemetery and any other “monument business.” Instead, all of these entities were alter-egos of the Lamberts and, as such, it is just that this property, being kept on the Cemetery ground for apparent use at the Cemetery, should be treated as Cemetery property.”

These premises led to the Order of this Court entered April 6, 2018 finding that: “The Cemetery entities included within the receivership all represented facets of the Cemetery’s financial business such that the physical materials on the premises of the Cemetery should be disposed of by the Receiver for the Cemetery.” (Order on Receiver’s Motion to Dispose of Stone Markers, Para. A, page 2.)

II. Summary of Status at the Tennessee Secretary of State's Office (SOS).

1. Counsel for the receiver has obtained certificates of records from the SOS that are available to demonstrate corporate status to the Court. From them it appears there is just one corporation formed after the death of Jesse Lambert that is definitely being dissolved due to this receivership wind-down proceeding - **JM&M Services, Inc. f/k/a Lambert & Son, Inc.** - and it ought to be expressly terminated under this Court's permanent order:

JM&M Services, Inc. f/k/a Lambert & Son, Inc.

Control #634691

Address: 8283 Ellis Rd, Memphis

Registered Agent: Jemar Lambert

SOS initially filed 7-1-2010, with name **Lambert & Son, Inc.**

Changed Name 12-13-2010 to **JM&M Services, Inc.**

Administratively Dissolved, failure to file annual report 8-9-2014

Dissolved/Revocation – Revenue 1-20-2015

2. The Secretary of State's Office reflects that there were two earlier dissolved corporations with similar names to Lambert & Son, Inc. that were formed under the late Jesse Lambert, being administratively dissolved well before or no later than his Chapter 13 case in 2006¹:

Lambert and Son, Incorporated

Control # 270985

Address: 3069 Park Ave., Memphis

Registered Agent: Jesse Lambert

SOS initially filed 10-5-1993

Inactive – 4-2-1996 (administratively dissolved)

Lambert & Son, Inc. of Memphis

Control # 395938

Address: 8283 Ellis Rd., Memphis

SOS initially filed 9-20-2000

Inactive – 6-21-2002 (Administratively dissolved)

¹ In Jesse Lambert's bankruptcy, Chapter 13, Case No. 06-21285, United States Bankruptcy Court, Western District of Tennessee, the Debtor, Jesse Lambert, stipulated with the Department of Commerce and Insurance that he was "the President and owner of Lambert & Sons, Inc., a/k/a Lambert Memorials, Inc., d/b/a/ Galilee Memorial Gardens (the "Cemetery"), a cemetery in Memphis, Shelby County, Tennessee." (Consent Order Resolving Tennessee Department of Commerce and Insurance Amended Objection to Confirmation, filed 8/14/2006, doc. 62). (Document can be provided).

3. Another dissolved corporation formed by Jesse Lambert in 1993, and that was a name under which he registered the cemetery with the Department, was:

Lambert Memorial Gardens, Inc.
Control #263346
Address: 3069 Park Ave., Memphis
Registered Agent: Jesse Lambert
SOS initially filed 3-5-1993
Inactive – 12-21-2001 Administratively dissolved

4. Accordingly, the three corporations previously inactivated at the SOS, should be described in the order as already dissolved:

Lambert Memorial Gardens, Inc.
Lambert and Son, Incorporated
Lambert & Son, Inc. of Memphis

5. There are other business names that appeared on Galilee Memorial Gardens transactions and accounts for which the Secretary of State has no business entities. SOS has issued, or is in the process of issuing “Certificates of Non-Existence” for:

Lambert Memorials Company
Lambert Memorial Company
Lambert Memorials, Inc.
JM&M, Inc. (awaiting certificate)

The Court should dispose of these names expressly, as it appears these are business or unofficial assumed names in which the Galilee Memorial Gardens cemetery business was carried on by Defendants, and should order their business terminated as part of the dissolution and windup of JM&M Services, Inc. f/k/a Lambert & Son, Inc. (SOS corporation #634691).

6. Counsel for the receiver has verified that certain other corporations at SOS with similar names to those used by Defendants to operate Galilee Memorial Gardens were formed by

unrelated persons in different locations and are not pertinent to the cemetery or this receivership. [An unrelated Alabama corporation, Lambert, Inc., with the assumed name of “Lambert & Sons, Inc.” that it used until 2015, was found at the Tennessee Secretary of State’s office SOS control #354842. Also, a terminated Tennessee corporation #222181, “Lambert, Inc.” located in another town, was formed by unrelated persons.]

In sum, the Receiver believes having proofs of the foregoing summary information at the hearing to be set, should establish the record of corporations so that dissolution can be formally ordered, and notice of that fact provided.

III. Additional Property Description Items

Proof will need to be made on the other topics at the hearing to be set by the court, such as the deeds reflecting the recorded chain of ownership of the cemetery parcel. The real property constituting the cemetery burial ground of Galilee Memorial Gardens Cemetery is reflected in the two (2) parcels taken together that are recorded in the Shelby County Register’s Office in Memphis, Tennessee:

The Original Cemetery Parcel: being **8.95 acres** conveyed to Ellis Road Gardens, Inc. in the Final Decree of the Chancery Court of Shelby County, Tennessee, styled Richard Block, et al. v. Sam Okeon, et al, No 679593 R.D., of record in Book 5879, Page 3, in the Shelby County Register’s Office in Memphis, Tennessee, conveyed later by Asset Purchase Agreement dated January 29, 1993 between Jeanne B. Bryant, Receiver in that capacity appointed by the Shelby County Chancery Court, of Ellis Road Gardens, Inc., owner of Galilee Memorial Gardens Cemetery and the buyer, Lambert Memorials, Inc., Recorded 1/22/2003, Instrument #03015493 in the Shelby County Register’s Office; and

The Expansion Parcel: being **3.597 acres** conveyed by Special Warranty Deed dated May 13, 2015, by Robert F. Fogelman and Martha H. Fogelman, Trustees of the N.I.M. Charitable Remainder Unitrust Agreement of Robert F. and Martha H. Fogelman under Trust Agreement dated September 14, 1996, to Julie Mix McPeak, Commissioner of Commerce & Insurance in her capacity as receiver for Galilee Memorial Gardens Cemetery in Cause No. 14-102-II(III) of the Chancery Court of Davidson County, Tennessee 20th

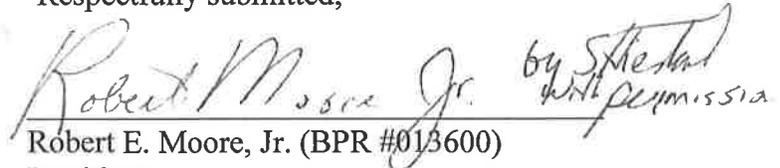
Judicial District at Nashville, Part II (now III), of record in Instrument #15051288 in the Shelby County Register's Office.

The Assessor of Property for Shelby County already reflects the cemetery parcel at the property address of the cemetery, 8283 Ellis Road, Bartlett, as containing the full **12.5470** acres, known as Parcel ID B01 58 001 32C. The property is exempt. The Owner name shown by the Assessor is *Ellis Road Gardens Inc.*, with no address (just general delivery in Memphis).

The Receiver seeks a Court order suitable for filing with the Register of Deeds to declare the Original Cemetery Parcel and the Expansion Parcel at the Register of Deeds (as defined), as reflected by Assessor's Parcel ID B01 58 001 32C, are held by "Julie Mix McPeak, Commissioner of Commerce & Insurance in her capacity as receiver for Galilee Memorial Gardens Cemetery" with the goal that both parcels of the real property of the cemetery that is Galilee Memorial Gardens be capable of transfer by the Receiver cleanly to any new holder or caretaker entity. Further, the hearing is an opportunity to obtain judicial declaration that any interest the Defendants may have in the real property is quitclaimed to the Receiver.

The deed history is also pertinent to the wind up of the business names and dissolution, as the name Lambert Memorials, Inc. was used in 1993 to purchase the cemetery.

Respectfully submitted,


Robert E. Moore, Jr. (BPR #013600)

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cemetery

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing has been mailed First Class Postage prepaid to the following interested parties and attorneys requesting notice and transmitted via email this 28th day of February 2019:

Jemar Lambert
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Memphis, TN 38111

Marje Lambert
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Courtesy Copy to:

Emily Walker, CTFA, VP & Trust Officer

Commercial Bank & Trust Company
Trust Division
P.O. Box 1090
Paris, TN 38242
Via email to Ewalker@cbtnet.com
Trustee of Trusts for Galilee Memorial Gardens

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