

IN THE CHANCERY COURT OF DAVIDSON COUNTY, TENNESSEE  
 20<sup>TH</sup> JUDICIAL DISTRICT  
 AT NASHVILLE  
 PART II

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

CLERK OF COURT  
 DAVIDSON COUNTY CHANCERY CT  
 2017 JUN 14 PM 2:38  
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 D.C.&M

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TENTH INTERIM REPORT OF THE SPECIAL DEPUTY RECEIVER  
 FOR GALILEE MEMORIAL GARDENS

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Pursuant to the Order Appointing Commissioner as Receiver for Galilee Memorial Gardens Cemetery and Granting Temporary Injunction (the "Order") entered by this Court on February 21, 2014, Julie Mix McPeak, Commissioner of the Department of Commerce & Insurance, as Receiver for Galilee Memorial Gardens (the "Cemetery"), through her appointed Special Deputy Receiver, Receivership Management, Inc., hereby files this Tenth Interim Report regarding the status of the receivership, including describing progress made since the Order Following Status Conference on Receivership entered on August 30, 2016.

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### **Progress Made Since the Order Following Status Conference on Receivership**

1. As this Court is aware, on November 23, 2016, former-Special Deputy Receiver David Kustoff filed a Notice of Withdrawal in this matter following his election to the United States House of Representatives. Special Deputy Receiver Receivership Management, Inc., who had been previously appointed by the Receiver to perform certain duties in this Receivership prior to Mr. Kustoff's withdrawal, assumed the full duties of the Special Deputy Receiver in this matter.
2. On May 3, 2017, the parties appeared before this Court at a Status Conference and made a report regarding the current status of the Receivership. The Court directed the Receiver to begin regular reporting on a six month schedule.
3. On May 9, 2017, the Special Deputy Receiver filed a Motion for the Placement of the Marker of Shannon Boyland. This Motion was granted by order dated June 5, 2017 permitting the Special Deputy Receiver to immediately schedule the setting with Mr. Boyland, who will make the arrangements for the marker setting.
4. On May 17, 2017, the Special Deputy Receiver filed a Motion For the approval of Marker Placement Procedure, requesting that the Court approve a procedure whereby markers can be placed in the cemetery. The procedures proposed by the Motion were approved by the Order Approving Procedures for Setting Markers at Galilee Memorial Gardens dated June 5, 2017, and thus the following procedures are authorized:
  - a. The Special Deputy Receiver may approve placement of a marker, without seeking further leave of the Court, on a plot where the records of the Cemetery indicate that a person is interred. It is understood that multiple people may be shown by the records as buried in a single spot, and, as such, if a marker has already been placed on the

plot, then the Special Deputy Receiver may approve placement of a second or subsequent marker on that plot, as well.

- b. The Special Deputy Receiver may approve placement of a marker, without seeking further leave of the Court, on a plot where the records, in corroboration with additional information received from family, loved ones, or such other people as may be relied upon, indicate that a person is interred. This may result in the identification of a plot not indicated in the records of the Cemetery depending on the weight of the evidence provided, in the discretion of the Special Deputy Receiver. If a marker has already been placed on the plot, then the Special Deputy Receiver may approve placement of a second or subsequent marker on that plot, as well.
- c. The Special Deputy Receiver may designate an area of the Cemetery not previously used for burials as a memorial section and may approve placement of a marker, without seeking further leave of the Court, on a plot assigned by the Special Deputy Receiver in such section.
- d. If the Special Deputy Receiver cannot determine the placement of a marker as provided above, or cannot reach an agreement regarding the position of the marker with the person making the request for the placement of the marker, then such person making a request shall come before this Court and this Court shall determine how, if at all, such marker shall be placed.
- e. The Special Deputy Receiver shall keep track of the placement of all markers placed pursuant to the Order and report such placements to this Court in the status reports required by this Court every six months.

5. The Special Deputy Receiver engaged Greenscape, Inc., to perform cleanup at the Cemetery, including removing debris and barbed wire. Greenscape completed this work in April 2017.
6. The Special Deputy Receiver also engaged Greenscape, Inc., to perform mowing and trimming at the Cemetery throughout the growing season. The first mowing was performed on or about April 19, 2017, and subsequent mowings will occur at approximately two week intervals.
7. Finally, the Special Deputy Receiver has engaged Greenscape, Inc., to use fill dirt and sod to remediate the ground conditions to an acceptable extent in the Cemetery. Upon completion of this project, the Special Deputy Receiver intends to make a recommendation to this Court as to whether the Cemetery can be opened to the public in some capacity, including exploring what insurance would be necessary and the cost of such insurance. Greenscape has advised that future erosion is likely at the Cemetery as a result of the underlying conditions and, as such, future remediation may be necessary to address worsening conditions in the future. Stabilization work is expected to commence during the last two weeks of June. Total costs for this Receivership received total at or around \$484,504.48, with \$21,450 having been paid through the Improvement Care Trust Account. As of March 31, 2017, the Cemetery Consumer Protection Account had a total balance of \$537,369.52.
8. The annual report received from the Trustee for the Galilee Improvement Care Fund principle showed a balance of \$428,055.82, with a net capital gain of \$237.73 to the fund over calendar year 2016, with net income additions of \$11,101.48, bringing the balance

of income to \$68,165.99. The merchandise and services trust has a current value of \$2,950.80, including investment earnings of \$14.51 over calendar year 2016.

9. The address used for service of Defendants, received from now-withdrawn counsel for Defendants, is 3174 Ruby Cove, Memphis, TN 38111, pending any notice to be filed by July 2, 2017 as to whether they may be retaining counsel.
10. The Special Deputy Receiver is still working to determine the status of records formerly held by the Shelby County District Attorney's Office.
11. Three (3) vehicles left on the cemetery premises have been determined not to be property of the cemetery. The Special Deputy Receiver has traced the owners of the vehicles and has notified them by certified mail to contact its office. It is anticipated that these vehicles will be returned to their owners during the last two weeks in June.

### **Recommendations**

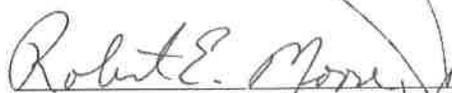
1. Prior to the next report, the Receiver intends to report to this court the available options for the care, ownership, and maintenance of the Cemetery following this Receivership, as well as the disposition of the property left at the Cemetery, including the vehicles and carved and uncarved markers.
2. As has been previously reported, the Receiver has completed her work in establishing an accurate grid of all burial sites in the Cemetery and ~~that~~ there are no further reasonable efforts which can be taken to determine the identification of persons buried at the Cemetery. Following the completion of the stabilization of the Cemetery, the Receiver expects to report to this Court regarding the feasibility of allowing persons to enter the Cemetery on a regular basis, including the increased insurance expense associated therewith.

3. That, as previously reported, the Cemetery is without substantial assets, the improvement care trust account not being an asset of the Cemetery pursuant to Tenn. Code Ann. § 46-1-204(g), and continuing operation of the Cemetery in receivership is unlikely to result in substantially improved information regarding the status of the Cemetery nor is it likely to further remediate the Cemetery.

### **Conclusion**

The Receiver believes that it has accomplished the tasks within its ability as set out for it by the Court at the outset of this matter, including determining the financial status of the Cemetery, mapping the Cemetery, and making a determination regarding the placement and identity of persons buried at the Cemetery. As such, the Special Deputy Receiver expects to continue winding down this Receivership and will file such motions, reports and requests with this Court as are necessary to bring the Receivership to a timely conclusion

Respectfully submitted,



Robert E. Moore, Jr. (BPR #013600)  
Chief Operations Officer  
Receivership Management, Inc.  
Special Deputy Receiver  
Galilee Memorial Gardens  
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Nashville, TN 37217  
(615) 370-0051 (phone)  
(615) 373-4336 (fax)

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Tenth Interim Report of the Special Deputy Receiver has been mailed First Class Postage prepaid to the following interested parties and attorneys requesting notice and transmitted via email this 14<sup>th</sup> day of June, 2017:

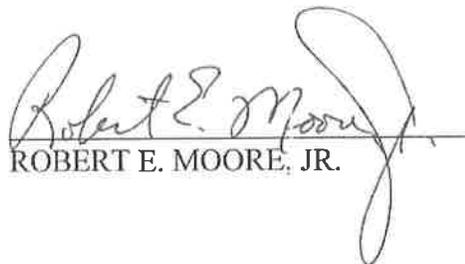
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ROBERT E. MOORE, JR.