

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

FILED
 2018 JUN -6 PM 2: 50

CLERK & MASTER
 DAVIDSON COUNTY CHANCERY COURT

J.C. & M.

STATE OF TENNESSEE,)
ex rel. JULIE MIX MCPEAK, solely in her)
 official capacity as Commissioner of)
 Commerce & Insurance,)

Plaintiff,)

v.)

No. 14-102-II

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.)

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

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 Twelfth Interim Report regarding the status of the receivership, including describing progress made since the Eleventh Report filed December 18, 2017.

Progress Made Since the Eleventh Report

1. The Special Deputy Receiver has authorized GreenScape, Inc., to mow, remove trash, manually trim around buildings and other obstacles, and mechanically edge all walks at the Cemetery for a cost of \$1,500 per trip. Additionally, edging may be done around headstones at a cost of \$1,400 per trip. Mowing is to be done every fourteen (14) days and edging done four (4) times during the growing season.
2. Commercial insurance was renewed on the property with Boyle Insurance effective May 6, 2018, with a premium of \$2,308.59. This is a General Liability policy that would cover persons visiting the Cemetery but does not cover conducting cemetery business, such as the digging of graves. However, given the extensive work still being performed at the Cemetery, including the presence of cranes to clear trees and the installation of fencing, opening the Cemetery on a limited basis will need to be further reviewed once this work is complete.
3. The auction company that had initially agreed to perform the auction of the property for sale authorized by this Court appears to have withdrawn. The Special Deputy Receiver is in the process of attempting to come to terms with the second-lowest bidder for those services.
4. Press releases were made regarding the previously-cut headstones available to be claimed at the Cemetery following this Court's April 6, 2018, Order on that matter. Confusion caused by media coverage resulted in a large increase in call volume regarding persons buried at the Cemetery, including a number of people coming to the Cemetery grounds resulting in tree clearing having to be halted for the day; however, the process generated only six (6) claims regarding the stones in question resulting from fifty-three (53) claim

forms being provided. Based on information received, the disproportionate number of forms appears to have stemmed from people believing that they needed to claim stones already placed in the Cemetery, not just those on the list provided to the Court and included with the press releases. The Special Deputy Receiver is attempting to identify a means to have the remaining stones (many of which are believed to be potentially miscut) removed as soon as possible.

5. The following additional work has been authorized and is in process:
 - a. Clearing trees along the borders of the Cemetery.
 - b. Placing an 860 linear foot, 6' tall ornamental fence along the north side of the property along Ellis Road and installing a 2,300' chain link fence along the east, south, and west property lines. The existing gates will be left. Surveying is necessary to complete this work and is underway.
 - c. Removing the shed at the back of the property.
 - d. Installation of "Advion" fire ant bait to remediate the reported fire ant infestation at the Cemetery.
6. The Improvement Care Fund through December 31, 2017, was reported to have a total balance of \$428,055.82 based on cost. The Merchandise and Services Account had an ending balance of \$2,974.40.
7. As of May 30, 2018, costs for this receivership have been approximately \$625,975.39, with \$21,450 having been paid through the Improvement Care Trust Account. All other costs for this receivership have been paid by the Cemetery Consumer Protection Account, which had a balance on or about June 1, 2018, of \$389,093.

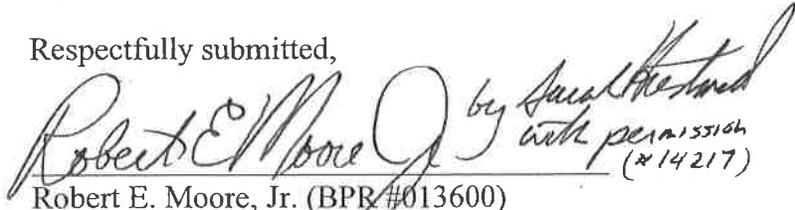
8. Also in this six-month period, in January, 2018, Mr. Moore, representative of the Special Deputy Receiver for the Cemetery, was deposed together with substantial records of the receivership in Memphis, by parties to the class action lawsuit that continues to be pending in Chancery Court, as permitted by this Court's prior orders.

Priorities Going Forward

1. The currently-authorized work to complete a survey, clear trees, have a fence installed, remove the shed from the back of the property, and install fire ant bait, will be completed as expeditiously as possible. Pictures of the work will be filed as a supplement when available.
2. A new auction company will be identified and authorized to sell the property authorized for auction by this Court's April 2018 Order and an auction date will be set.
3. The Special Deputy Receiver will continue to explore options for the removal of the unclaimed stones that were part of the claims process to be removed from the Cemetery grounds as authorized by this Court's April 2018 Order.
4. The Receiver anticipates that a recommendation will be made regarding the termination of this receivership, as the Cemetery lacks funds or assets to provide to any claimants, (the improvement care trust account not being an asset of the Cemetery pursuant to Tenn. Code Ann. § 46-1-204(g)). Further, continued maintenance of the receivership of the Cemetery is unlikely to furnish any improved information regarding the status of the Cemetery or its burial sites, and unlikely to further remediate the Cemetery.
5. The Special Deputy Receiver, Office of the Attorney General and Reporter, and Tennessee Department of Commerce and Insurance would be amenable to a status

conference to provide information and an overview to the Court, if it would be helpful to the Court.

Respectfully submitted,



Robert E. Moore, Jr. (BPR #013600)
Chief Operations Officer
Receivership Management, Inc.
Special Deputy Receiver
Galilee Memorial Gardens
1101 Kermit Drive, Suite 735
Nashville, TN 37217
(615) 370-0051 (phone)
(615) 373-4336 (fax)

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Twelfth 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 6th day of June, 2018:

Jemar Lambert
3174 Ruby Cove
Memphis, TN 38111

Marje Lambert
3174 Ruby Cove
Memphis, TN 38111

Mary H. Lambert
3174 Ruby Cove
Memphis, TN 38111

Sarah Ann Hiestand (14217)
Senior Counsel, Financial Division
Tennessee Attorney General's Office
P.O. Box 20207
Nashville, TN 37202
(615) 741-6035; fax (615) 532-8223

Jef Feibelman

Burch, Porter, and Johnson
130 North Court Avenue
Memphis, TN 38103(901) 524-5109; fax 901-524-5024

Kathryn E. Barnett, Esq.
Morgan & Morgan-Nashville, PLLC
810 Broadway, Suite 105
Nashville, TN 37203

Howard B. Manis, Esq.
The Cochran Firm
One Commerce Square, Ste 1700
Memphis, TN 38103

John R. Branson, Esq.
Baker Donelson
165 Madison Ave, Suite 2000
Memphis, TN 38103

Brent M. Hays, Esq.
MerrittWebb
315 Centerview Drive, Suite 263,
Brentwood, TN 37027



~~ROBERT E. MOORE, JR.~~
Sarah A. Hiestand