

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

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. )

NF  
No. 14-102-II(III)

CLERK & MASTER  
DAVIDSON CO. CHANCERY CT  
D.C.&M.

2019 MAR 18 AM 10:04

FILED

---

ORDER WITH NOTICE TO DEFENDANTS SETTING HEARING FOR 3/25/2019 9:00 a.m.  
ON RECEIVER'S REQUESTS  
TO DISSOLVE CORPORATION AND ALL BUSINESS ENTITIES IN RECEIVERSHIP; TO  
GRANT EXCLUSIVE TITLE TO THE RECEIVER OF THE ORIGINAL CEMETERY  
PARCEL; TO PERMANENTLY ENJOIN DEFENDANTS FROM THE GALILEE  
CEMETERY BUSINESS; TO DETERMINE OR BAR CLAIM OF DEFENDANTS

---

1. On March 1, 2019, this Court heard the motion filed February 15, 2019 by 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), through her appointed Special Deputy Receiver, Receivership Management, Inc., to

set a hearing to determine certain matters concerning the corporate entity or entities, land holdings and matters that could be resolved solely between the Commissioner, as Petitioner and Receiver, and the Defendants.

2. After notice of the motion to set was given, no Defendants filed any response or opposed the setting of these matters, nor did any Defendants appear for the hearing. The Court heard from Counsel for the Commissioner, Sarah A. Hiestand and C. Scott Jackson of the Tennessee Attorney General's Office, Robert E. Moore, Jr., representative of the Special Deputy Receiver, Receivership Management, Inc., and counsel to plaintiff class members in the *Wofford* – Shelby County litigation, Howard B. Manis of The Cochran Firm, and considered the record, including the Receiver's Summary of Corporate Entities' Status, filed February 28, 2019.

3. In the Motion to Set, the Receiver articulated the following issues for which the hearing would offer proof:

A. **Dissolution of the Corporation:** Whether JM&M Services, Inc., the Tennessee corporation, should be ordered dissolved and its charter terminated, and notice of that fact and attendant consequences provided to the public. Out of all the names that Galilee's business appeared to be using in some capacity or contexts when the receivership was filed, only JM&M Services, Inc., f/k/a Lambert & Son, Inc., was formed as a corporation by the Individual Defendants Jemar, Marje and Mary Lambert, since the death of Jesse Lambert for their specific stated purpose to own and operate the cemetery, and only that corporation was active at the Secretary of State's Office at the time this case began.

B. **Dissolution of the Other Business Entities:** Similarly, whether Lambert Memorial Company, or Lambert Memorials, Inc. or Lambert & Sons, Inc. are separate corporations that need to be dissolved, or whether in whatever form these businesses may exist, they should just be declared concluded, and any notice of that fact provided to the public.

C. **Permanent Injunction Against Doing Business of Galilee Memorial Gardens:** Concurrent with dissolution of all their businesses associated with Galilee Memorial Gardens, whether the individual Lambert Defendants, should be barred permanently from operation or doing business of the cemetery Galilee Memorial Gardens. This would convert the still relevant provisions of the temporary injunction entered in connection with the Order of Receivership on Feb. 21, 2014, into a permanent order.

D. Deed of Original Cemetery Land to be Granted to Receiver: Whether, in contemplation of any future transfer of the whole cemetery ground by the Receiver under Court order to future caretaker owners, the Court should now declare the original 8.95 acre cemetery parcel that had been owned by one or more of Defendants, to be judicially deeded or quitclaimed by the Defendants, through judicial order, exclusively to Julie Mix McPeak, Commissioner of Commerce & Insurance in her capacity as receiver for Galilee Memorial Gardens Cemetery in this case, so that the Order may be recorded with the Shelby County Register of Deeds. This conveyance is intended to match the capacity in which the Commissioner holds the expansion parcel for the cemetery which in 2015 was conveyed by the adjoining landowners. These deeds will be shown to the Court, and any other materials thought relevant to the current chain of title for the cemetery property to allow for a proper description in the order.

At the March 1, 2019 discussion, the Court noted expressly that any such conveyance of the parcel as a whole is limited to divesting these Defendants from the ownership of the cemetery parcel, and reserves all matters relating to the rights of persons who are interred in the cemetery, or holding rights to burial in the cemetery, these matters to be determined at the separate, later hearing to be held by the Court.

E. No Monetary Claim of Defendants on Receivership: Whether in connection with these types of relief, the individual Lambert Defendants should be determined to be left with no possible monetary claim against the businesses being dissolved in receivership, as it is clear they would have no distribution rights whatsoever out of the receivership superior to the priorities expressed by the Cemetery Act in favor of restoring deficient trusts of the cemetery, and attempting to satisfy outstanding business obligations of the cemetery business. As by every measure this receivership has no distributable assets, the former owners of the cemetery business, (even without regard to any claims against them), simply will never have a claim to be paid out of this estate.

4. The Court FINDS that the purpose of this requested Receiver's hearing is chiefly directed to the rights or claims of the Lambert-associated Defendants (all Defendants named besides "Galilee Memorial Gardens"). The name Galilee Memorial Gardens belongs to the cemetery ground at 8283 Ellis Road, Bartlett, Tennessee, and was used by those conducting its business whether under the Lambert family or their predecessors, and the Court agrees this motion will assist wind-down of the receivership. The topics and relief requested by the Receiver in

paragraph 3, above, are important steps required to end this receivership case because Defendants' remaining property rights in the cemetery land and assets of its former business need to be determined and finally resolved. Certain orders on the topics of the Motion to Set requested by the Receiver entered *before* other plans for the cemetery's future are determined, such as those concerning customers' burial rights, should yield benefits of flexibility or simplification if the rights of named Defendants can be determined first. The Lambert Defendants hereby will be given a final opportunity to identify whether they oppose entry of these potential orders.

Accordingly, this Court ORDERS:

A. **NOTICE OF HEARING:** An evidentiary hearing is set for **Monday, March 25, 2019 at 9:00 a.m. in Part III of the Davidson County Chancery Court, 4<sup>th</sup> floor, Metro Courthouse, Nashville, Tennessee**, to be conducted in the following manner:

**On or before March 15, 2019**, the Commissioner, as Petitioner/Receiver, shall file and serve on Defendants the witness lists, exhibit lists, and any summary statement of the law to be applied to the proceeding in support of the requested relief.

**On or before March 20, 2019**, the Defendants shall file their witness lists, exhibit lists, and any other written material in response to the topics or relief to be considered. This is also the date by which Defendants shall file notice if the relief is opposed and of any intent to participate in the March 25<sup>th</sup> hearing.

B. At the hearing, the Receiver should present proof on the following TOPICS to determine each of the Receiver's issues A. through E. listed in paragraph 3, above:

TOPIC #1 – IDENTIFICATION OF THE BUSINESS ENTITIES IN RECEIVERSHIP TO BE DISSOLVED. The cemetery land and all business entities then “doing business as” and

constituting Galilee Memorial Gardens were placed in this receivership in February 2014. The Court will take evidence of the status of the corporations, and rule on the universe of entities and related names involved in the business of Galilee Memorial Gardens that are included in this receivership of the cemetery under Tenn. Code Ann. § 46-1-312. Thereby, the Court intends to define the entities (and assumed names) that the court must dissolve, or dispose of, or otherwise deal with expressly to conclude this receivership. The Court will determine the corporate status and business operations use, such as through named accounts, by Defendants of all business names, including at least the following list of named entities, which are summarized by the Receiver in Part II of the Receiver's Summary of Corporate Entities' Status for Dissolution in the Cemetery Receivership, filed February 28, 2019 ("Receiver's Summary", a copy of which will be served with this order):

JM&M Services, Inc., formerly known as Lambert & Son, Inc., a Tennessee corporation,

JM&M, Inc. (not incorporated)

Lambert Memorial Gardens, Inc., a Tennessee corporation (incorporated under Jesse Lambert, who died in May 2010)

Lambert Memorials, Inc. (not incorporated)

Lambert & Sons, Inc. (no Tennessee corporation incorporated by Galilee Defendants)

Lambert Memorial Company or Lambert Memorials Company (not incorporated)

Lambert and Son, Incorporated (incorporated under Jesse Lambert)

Lambert & Son, Inc. of Memphis (incorporated under Jesse Lambert)

Lambert, Inc. (no Tennessee corporation incorporated by Galilee Defendants)

The Defendants are also referred to Part I of the Receiver's Summary for the information of Prior Findings of this Receivership Court, forming background to the type of information the Court may consider in this topic.

TOPIC #2 - FINANCIAL STATUS OF CEMETERY AND INCLUSION OF CEMETERY'S MONUMENT BUSINESS - The Court will take proof on the lack of material assets or accounts found with remaining money relating to the businesses conducted at the cemetery premises, as reported previously by the Receiver. The remaining personal property in the form of stone monument business inventory, vehicles and equipment at the cemetery has previously been ordered sold and disposed of, and because the stone business finances were intertwined with those of the cemetery, the proceeds were to be applied to the costs of the receivership. *See* Receiver's Motion to Dispose of Stone Markers and Equipment on the Cemetery Premises, filed 3-21-2018, and Order thereon, filed 4-6-2018. The Court will take proof of the disposition made of the property on the premises, as to what was sold or otherwise returned in kind to claimants by the Receiver. The Court proposes to approve that net proceeds have been lawfully applied to the receivership of the Cemetery and are not to be returned to the corporations or Defendants. The Receiver shall submit proof regarding the existence or lack of distributable funds.

TOPIC #3 - THE DEEDS TO THE CEMETERY PARCELS – The Court will take proof of the deeds and recorded chain of ownership of the original cemetery parcel. The Court will then determine whether there is a proper legal basis to place title in the Receiver to match the title of the expansion parcel, as those parcels are listed in the Summary, effectively quitclaiming any of the Defendants' remaining real property ownership interests to the Receiver. 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 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 at the conclusion of the receivership. Any such conveyance of the parcel as a whole is limited to potentially divesting these Defendants from the ownership of the cemetery parcel, and the Court reserves for the later hearing and will hold unaffected, all matters relating to the rights of persons who are interred in the cemetery, or holding rights to burial in the cemetery.

TOPIC #4. THE BASIS FOR THE PERMANENT INJUNCTION AGAINST DEFENDANTS' OPERATING OR INTERFERING WITH GALILEE MEMORIAL GARDENS CEMETERY – The Court will consider entering a permanent order of injunction under Tenn. Code

Ann. § 46-1-301 against violations of the Cemetery Act and as appropriate to concluding this receivership under Tenn. Code Ann. § 46-1-312, barring Defendants from operation of Galilee Memorial Gardens, and reflecting, at least the Defendants' lack of registration authority or approval from the Department of Commerce and Insurance to operate and conduct business at Galilee Memorial Gardens. The injunction request may take cognizance of other conditions the Receiver found at the cemetery to justify barring Defendants' involvement with the cemetery business.

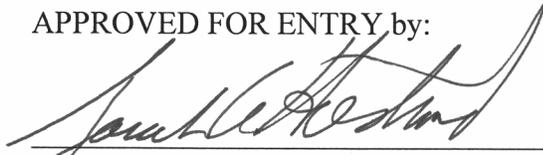
TOPIC #5. THE DETERMINATION OR BAR OF ANY CLAIMS OF DEFENDANTS – In light of the proof taken and rulings that may be authorized concerning all the other relief sought by the Receiver, the Court shall hear whether thereafter the Defendants assert or have any remaining claim on the receivership estate, and if they have a claim, whether that claim has any chance of receiving distribution from the receivership estate. The Receiver contends any claim by Defendants lacks merit or any monetary value, because the Cemetery lacks distributable assets, the claim is moot, and because the Cemetery has unfulfilled obligations to interests that would be given higher priority under Tenn. Code Ann. Title 46 (the Cemetery Act) to the statutory trusts and to customers' unfulfilled burial claims.

The Court will hear proof having a bearing on the above topics at the hearing on March 25, 2019.

It is so ORDERED.

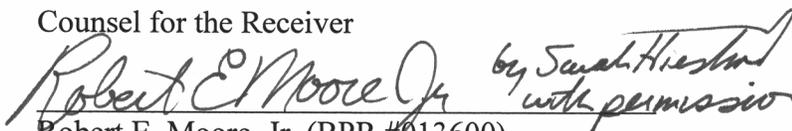
  
\_\_\_\_\_  
HON. ELLEN HOBBS LYLE  
CHANCELLOR, PART III

APPROVED FOR ENTRY by:



Sarah Ann Hiestand (BPR #014217)  
Senior Assistant Attorney General, Financial Division  
C. Scott Jackson, (BPR #011005)  
Deputy Attorney General, Financial Division  
Tennessee Attorney General's Office  
P.O. Box 20207  
Nashville, TN 37202  
(615) 741-6035; 615-532-8223 facsimile  
e-mail: Sarah.Hiestand@ag.tn.gov

Counsel for the Receiver



Robert E. Moore, Jr. (BPR #013600)  
President, Receivership Management, Inc.  
Special Deputy Receiver  
Galilee Memorial Gardens  
**510 Hospital Drive, Suite 490**  
**Madison, TN 37115 - [new address]**  
(615) 370-0051 (phone)  
(615) 373-4336 (fax)

Jef Feibelman (BPR # 7677)  
Burch, Porter, and Johnson  
130 North Court Avenue  
Memphis, TN 38103  
(901) 524-5109; 901-524-5024 facsimile  
e-mail: jfeibelman@BPJLAW.com  
Special Counsel to the Receiver

### CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Proposed Order Setting Hearing Date on Matters for Resolution – to Dissolve Corporation and all Business Entities in Receivership, to Grant Exclusive Title to the Receiver etc. (with a copy of the previously filed and served Receiver's Summary of Corporate Entities' Status) has been mailed First Class Postage prepaid to the following interested parties and attorneys requesting notice and transmitted via email this 7<sup>th</sup> day of March, 2019:

Jemar Lambert - (To Lamberts – via Priority Mail or expedited service)  
3174 Ruby Cove  
Memphis, TN 38111

Marje Lambert  
3174 Ruby Cove  
Memphis, TN 38111

Mary H. Lambert  
3174 Ruby Cove  
Memphis, TN 38111

Individual Defendants in Receivership case, pro se

---

Handel R. Durham, Jr.  
Jonathan Mosley  
22 North Front Street, Ste. 760  
Memphis, TN 38103  
ph: 901.543.0866 fax: 901.543.0865  
Via email to [hdurham@durhamslaw.com](mailto:hdurham@durhamslaw.com); [jonathan.mosley@jtmosleylaw.com](mailto:jonathan.mosley@jtmosleylaw.com)

Coleman Garrett  
295 Washington Av, Suite 2  
Memphis, TN 38103  
Via email to [cwgarrett@bellsouth.net](mailto:cwgarrett@bellsouth.net)

Counsel for Lamberts in Shelby County cases

---

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](mailto:EWalker@cbtnet.com)  
Trustee of Trusts for Galilee Memorial Gardens

Kathryn E. Barnett  
MORGAN & MORGAN-NASHVILLE, PLLC  
810 Broadway Suite 105  
Nashville, TN 37203  
Phone: (615) 490-0943  
Via email to [kbarnett@forthepeople.com](mailto:kbarnett@forthepeople.com)

Howard B. Manis  
THE COCHRAN FIRM  
One Commerce Square  
40 South Main Ste. 1700  
Memphis, TN 38103  
Phone: (901) 523-1222  
Via email to [hmanis@cochranfirmidsouth.com](mailto:hmanis@cochranfirmidsouth.com)

Class Counsel (Plaintiffs *Wofford* case-Shelby County)

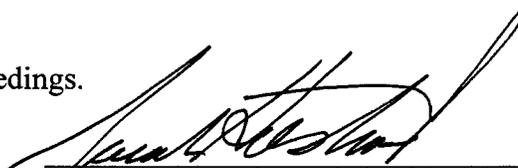
John R. Branson  
Jacob A. Dickerson  
Baker, Donelson, Bearman, Caldwell & Berkowitz  
First Tennessee Building  
165 Madison Avenue, Suite 2000  
Memphis, TN 38103  
(901) 526-2000  
Via email to [jbranson@bakerdonelson.com](mailto:jbranson@bakerdonelson.com)

Defense Liaison for Funeral Homes in Shelby County Class cases

---

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

Person requesting notice of proceedings.



SARAH ANN HIESTAND