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IN THE CHANCERY COURT OF DAVIDSON COUNTY, TENNESSEE
20TH 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

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

COMES NOW, David Kustoff, as Special Deputy Receiver for Galilee Memorial Gardens (here and after "Galilee") and states as follows:

This Report responds to this Court's Order of February 21, 2014 ("Order Appointing Commissioner as Receiver for Galilee Memorial Gardens Cemetery and Granting Temporary Injunction") providing, in part:

3. At or about four (4) months after entry of this Order, the Receiver shall file a report to the Court on the plan and efforts taken to identify decedents buried in, and establish the accurate grid of, all burial sites in the Cemetery ...

Since the Court's Order, the Cemetery has been under investigation as the site of alleged criminal activity. The Shelby County District Attorney and related investigative authorities have prohibited access to the site by the general public. While the Deputy Receiver has been in almost daily contact with the District Attorney's Office to coordinate their activities to the fullest extent possible, the needs of the District Attorney's investigation are paramount at this time. Any independent activity by the Deputy Receiver which disturbed the crime scene would be detrimental to the investigation being conducted by the District Attorney's Office. The District Attorney's Office has obvious limitations as to what it can say about its investigation and how it will proceed at the site. The Deputy Receiver has respected those limitations in the regular communications with the District Attorney's Office.

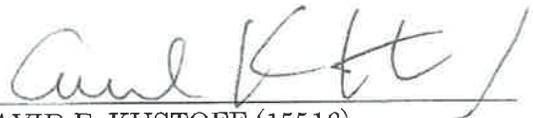
The Court's Order also provides that the Receiver and Deputy Receiver "shall secure from any financial institution where the Cemetery maintains property or accounts of said Cemetery, including but not limited to bank accounts, all financial information required by the Receiver and said financial institutions shall provide this information to the Receiver."

The Receiver and Deputy Receiver report that subpoenas have been issued to fifteen (15) financial institutions, requiring them to provide financial information

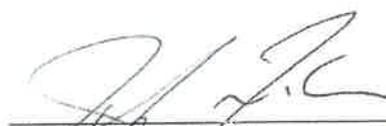
concerning Cemetery business entities or the individuals operating these entities. Numerous financial records have been produced in response to these subpoenas and these records are being analyzed. To date, it appears that any assets of the Cemetery will be nominal at best.

The Receiver and Deputy Receiver would note that to-date none of the activities in administering the Receivership have involved the expenditure or commitment of Receivership assets. The Commissioner has been required to access the cemetery consumer protection account established under Tenn. Code Ann. § 46-1-105 due to the unavailability of Cemetery funds at this time.

Respectfully submitted,



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*Special Counsel to Julie McPeak, the
Commissioner of Commerce and Insurance
in her capacity as receiver for Memorial
Gardens Cemetery*

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Second 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 25th day of June, 2014:

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