

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

FILED  
 2016 MAR 21 AM 11:44  
 CLERK OF CHANCERY COURT  
 DAVIDSON COUNTY, TENNESSEE  
 J.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

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EIGHTH 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, David Kustoff, hereby files this Eighth Interim Report regarding the status of the receivership, including describing progress made since the Seventh Interim Report.

## **Process Regarding Grave Spaces**

1. In the Seventh Interim Report, the Receiver indicated that it was planned to file a process with this Court prior to this report to address the remaining grave space claims. Given the timeline of the ground-penetrating radar, described further below, filing this process with the Court prior to this report became infeasible. The number and location of available grave spaces in the Cemetery is integral to the Receiver's ability to determine what process should be proposed to this Court and, as such, the Receiver will make such recommendation following a complete review of the ground-penetrating radar study.

## **Progress Made Since the Seventh Interim Report**

2. On or about February 9, 2016, Special Deputy Receiver David Kustoff responded to a letter from Commercial Bank and Trust Co. requesting an update regarding the number of plots sold in the Cemetery. Commercial Bank was notified that no plots have been sold since the start of the Receivership and, as such, no deposits have been made to the trust.
3. Further, on or about February 23, 2016 Special Deputy Receiver Kustoff received a notice of Initial Determination from the Tennessee State Board of Equalization regarding his request, filed on or about May 19, 2015, to deem the Cemetery property as exempt from taxation. The Board of Equalization approved this request and indicated that no further action

was necessary unless there was a change in “ownership, use, name and organizational structure...”

4. Special Deputy Receiver Receivership Management, Inc., (“RMI”), on or about January 16, 2016, contracted with a firm to perform a complete ground-penetrating radar scan of the Cemetery with an estimated cost of \$8,600 as described in the prior report.
5. The process of the ground-penetrating radar has been ongoing since that time. While the original estimate was that the study would take ten (10) working days to complete, the study was not actually completed until on or about March 15, 2016, due to scheduling and inclement weather. In addition, the scanning in Hope and Paradise were increased in difficulty because of soil type.
6. In addition to the study itself, Robert E. Moore, Jr., on behalf of RMI must perform an annotation of each scanned garden. This annotation process requires Mr. Moore to cross-reference the information gathered during the ground-penetrating radar study with other, previously obtained information, including the probing previously performed by RMI. As the scanning process is completed, the annotation process is underway and, as such, the results of this process are not available at this time.
7. Total costs for this Receivership received through March 16, 2016 total at or around \$414,148.70. As previously reported, of that amount, \$21,450.00 was paid for improvement care from the proceeds of the Improvement

Care Trust Account, with the remaining amounts paid from the Cemetery Consumer Protection Account. As of January 31, 2016, the Cemetery Consumer Protection Account had a total balance of \$541,769.23. Invoices in an amount of approximately \$19,474.65 have been received since that date regarding the Cemetery and there are expected to be additional invoices to be received for services during that time period, as well.

### **Claims Process**

8. As of March 16, 2016 RMI has received 288 responses to its request for claims for pre-need burial rights in spaces at the Cemetery. These responses claimed a total of 573 grave spaces. As previously reported, in early January, RMI issued 218 requests for additional information. Responses to these requests are still under review.

### **Conclusion**

At this time, performing the additional tasks of the Cemetery is contingent on the completion of the annotation of the records of the Cemetery taking into account both the ground-penetrating radar study and the previously-performed probing study. As described in this report, the process of performing the ground-penetrating radar is now complete and the annotation process is still ongoing. Upon completion of this annotation process, the Receiver expects to be able to make recommendations regarding the resolution of grave space claims at the Cemetery.

Given the tasks being performed, the Receiver would propose a date of June 17, 2016 for the next report.

Respectfully submitted,



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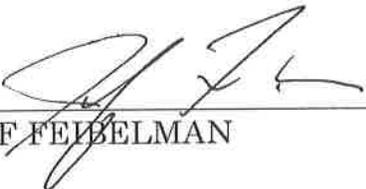
CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Eighth 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 18<sup>th</sup> day of March, 2016:

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