

COPY

IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY PART III
AT NASHVILLE

2015 FEB 18 PM 1:52

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CLERK AND MASTER
DAVIDSON CO. CHANCERY CT.

DC&M

STATE OF TENNESSEE, *ex rel.*,)
JULIE MIX MCPPEAK, Solely in her)
official capacity as Commissioner of)
Commerce and Insurance,)
)
Petitioner,)
)
VS.)
)
VICKIE L. RINGLEY, individually)
and d/b/a/ Hawkins County Memorial Gardens,)
)
Defendant.)

Case No. 14-1642-III

RECEIVER'S SECOND REPORT FOR JANUARY 2015

Pursuant to the Order entered December 2, 2014, Julie Mix McPeak, Commissioner of the Department of Commerce & Insurance, Receiver for Hawkins County Memorial Gardens, (hereafter referred to as HCMG) through her appointed Special Deputy Receiver, Receivership Management Inc., causes to be filed this monthly report and states to the Court as follows:

1. On February 3, 2015, Defendant Vickie Ringley was arrested on two counts of theft over \$60,000, two counts of money laundering, one count of forgery and seven counts of failure to follow cemetery regulations. Court records list 370 victims linked to the two theft charges. Defendant Ringley remains incarcerated on a \$200,000 bond. The Receiver and Special Deputy Receiver continue to cooperate with the District Attorney for the Third Judicial District.

2. The Special Deputy Receiver has compiled records to develop an address database and a master plat ownership database. The former is still being completed as many of the addresses pre-date 911 addresses. The latter will be discussed below.

3. Based on the scanned cemetery records held by the District Attorney for the Third Judicial District, 128 grave spaces have 2 or more listed owners. Based on these same records,

4,132 grave platted grave spaces are vacant and unsold. This does not include the 72 spaces in the uncompleted mausoleum. There are 3,863 platted grave spaces that are either occupied or sold. In addition, there are 43 un-platted grave spaces that were sold; four of these are supposedly occupied. This analysis would indicate a total of 7,995 total grave spaces platted. An on-site review will be necessary to confirm platted vacant grave spaces and to determine the location of four interments that are buried in spaces not platted on the cemetery map.

4. Analysis of the funds that should have been held in a pre-need services and merchandise trust account began during the month of January. As a starting point, it appears that \$41,348.79 should have been held in a pre-need services and merchandise account as of February 6, 1992 based on a report filed on April 13, 1992 with the Department of Commerce and Insurance by Bill Kinser and Defendant Vickie Ringley (under her maiden name Vickie Street). The Special Deputy's review of pre-need purchase records, which will establish amounts that should have been trusted, along with reported procurements and placements, which will establish withdrawals from the trust, is expected to provide as close an estimate of what the current missing trust fund balance should be.

5. A John Deere Lawn Tractor has been located at a nearby storage facility that may belong to the cemetery based on purchase and payment records. Investigation of its ownership is ongoing. The 1996 Ford F350 is being removed from the premises and stored at another site for safekeeping pending further action by the Receiver. We are still attempting to locate the 2000 Honda Accord.

6. The status of the Parkwood Mobile Home remains the same as reported earlier. Notice to Mr. James Mike Whittaker will be sent indicating that if he fails to remove the mobile home by the end of March, 2015, the Special Deputy Receiver and the Receiver may seek to treat the home as abandoned property left on the premises of the cemetery and recover it for the benefit of the receivership estate.

7. Weather- and neglect-related driveway damage was reported to the Special Deputy Receiver. After receiving three bids, a contractor was selected and gravel and grading work was completed on February 9, 2015. As the cemetery has no operational funds, the cost of

the repairs is being paid for from the funds allocated to the Special Deputy Receiver's expenses. A garbage service for the cemetery has also been negotiated.

8. Fifteen bronze grave markers that had been stored in the cemetery office remain in the custody of the District Attorney's Office. The Special Deputy Receiver has acquired a listing of these markers from the District Attorney. The Special Deputy Receiver is establishing a procedure to notify rightful owners so they may pick them up or have them placed by a local funeral home or local service provider.

9. As stated in the December 2014 Report, Mr. Moore met with representatives of three of the five local funeral homes operating in the Rogersville, Tennessee area. In these meetings, Mr. Moore laid out a procedure whereby current burial right owners may utilize their grave spaces. Mr. Moore followed these discussions with issuing a letter outlining the procedures and certain rules relating to opening and closing graves. All 5 funeral homes have been contacted by Mr. Moore and are cooperating. Since taking possession, 6 burials have occurred and the procedure has worked well. An interment log is being maintained by the Special Deputy Receiver. Mr. Moore intends to maintain open lines of communication with all funeral homes in the area.

10. A claim on the theft coverage has been filed with Auto Owners Insurance. They are continuing to investigate this claim and have issued a reservation of rights letter.

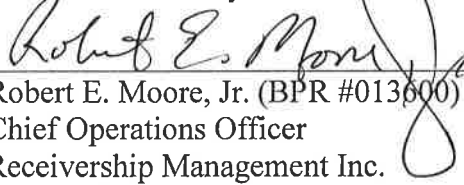
11. The Special Deputy Receiver is currently developing reliable records and expects to be finished sometime during February. Once that is achieved, notices regarding the current operational status of the cemetery will be sent to all burial right holders. Burial right holders with disputed grave spaces will also be notified at or about this time. To resolve disputes, the Special Deputy Receiver will apply the same standards utilized in other property disputes so as to determine priority. Those parties whose claims for spaces are defeated will be offered spaces in confirmed unsold areas of HCMG. Disputes that cannot be resolved by the Special Deputy Receiver and/or the Receiver will be submitted to the Court for review.

12. A community meeting will be organized and held to give affected consumers an opportunity to meet and discuss their situations with the Special Deputy Receiver and other

interested officials. It is hoped through this process disputed grave spaces can be resolved and an inventory of unsold spaces confirmed. Should a sufficient number of vacant spaces exist, it is possible that the cemetery might be sold in order to resolve any identified shortfalls in the pre-need services and merchandise trust.

13. Service of the previous report of the Receiver was accomplished on Defendant Ringley by Federal Express three day express saver to 537 Carters Valley Loop Road, Rogersville, Tennessee 37857. As Defendant Ringley is currently held at the Hawkins County Jail, service of this document will be directed there.

Submitted for Entry:



Robert E. Moore, Jr. (BPR #013600)
Chief Operations Officer
Receivership Management Inc.
Special Deputy Receiver
Hawkins County Memorial
Gardens
783 Old Hickory Blvd., Suite 255
Brentwood, TN 37027
(615) 370-0051 (phone)
(615) 373-4336 (fax)

Certificate of Service

I certify that a true and correct copy of the foregoing report was served by first-class U.S.

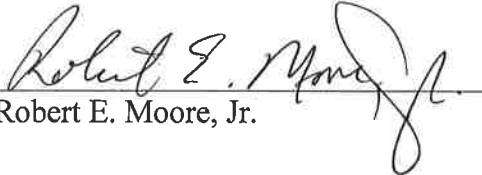
Mail, postage prepaid, upon:

Vickie Ringley
c/o Hawkins County Jail
117 Justice Center Drive
Rogersville, TN 37857

Herbert W. Slattery, III
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Tennessee Department of Commerce & Insurance
500 James Robertson Parkway
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This 13th day of February, 2015.


Robert E. Moore, Jr.