

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

STATE OF TENNESSEE, *ex rel.*,)
JULIE MIX MCPEAK, 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

FILED
 2015 APR 24 PM 2:16
 CLERK & MASTER
 DAVIDSON COUNTY CHANCERY COURT
 J.C. & M.

RECEIVER'S FOURTH REPORT FOR MARCH 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 \$200,000.00 bond. She has a report date of June 1, 2015 before Hawkins County Criminal Court Judge John Dugger. The Receiver and Special Deputy Receiver continue to cooperate with the District Attorney for the Third Judicial District.

2. The Special Deputy Receiver has completed the address database and continues to work on the master plat ownership database. The address database was sent to a third party vendor of the U.S. Postal Service and the database was updated. This database was used to issue 1,979 letters to consumers who the Special Deputy Receiver believes own grave spaces in

HCMG. The letter listed grave spaces recorded as owned by the consumer. Of the 1,979 consumers, 328 consumers had no listed lot information. The letter went on to state that if the indicated spaces were incorrect to please respond in writing to the Special Deputy Receiver's Office. The letter also advised of the Community Meeting date time and location. The Special Deputy Receiver's office has handled a large volume of calls since the letter was issued. As of March 31, 2015, the Special Deputy Receiver has received 139 responses to its letter. The letter provided that consumers should provide their response, including copies of any documentation regarding proof of ownership of a plot or plots, by April 15, 2015.

3. Analysis of the funds that should have been held in a pre-need services and merchandise trust account began during the month of January and continues. 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 as is possible of what the current missing trust fund balance should be. As a part of that project, the Special Deputy Receivers office is utilizing the sales files created by Mr. Kinser and Defendant Ringley. We have completed the gross sales inputs into the database and are now going through and deducting those amounts for services and merchandise documented as having been provided. As a point of information, the database shows the following:

Lot sales since 1992-gross total: \$309,920.84

Pre-need opening and closing services sales since 1992-gross total \$378,652.40

At-need opening and closing services sales since 1992-gross total \$40,125.00

Bronze and marble marker sales since 1992-gross total \$679,790.91

Crypt and Vault sales since 1992-gross total \$455,338.60

4. The Special Deputy Receiver intends to publish during the week of April 6, 2015 for bids to mow and trim the cemetery for the summer. Once the bids have been received, the Special Deputy will report the responses and the selected bidder. The Special Deputy Receiver proposes that a portion of this expense be paid from the interest earnings of the Improvement Care Trust.

5. Since taking possession, sixteen (16) burials have occurred as of March 31, 2015 and the procedure has worked well. An interment log is being maintained by the Special Deputy Receiver. Mr. Moore maintains open lines of communication with all funeral homes in the area.

6. 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.

7. On March 31, 2015 well over 500 people attended the community meeting held at the First United Methodist Church of Surgoinsville. The meeting received widespread coverage in both print and electronic media. Ms. Bryant and Mr. Moore of Receivership Management Inc., along with Tennessee Department of Commerce Assistant Commissioner for Regulatory Boards Brian McCormick, Deputy General Counsel for Regulatory Boards Michael Driver, and Director of Burial Services Robert Gribble were at the meeting. Mr. Moore led the meeting and covered the following topics:

Current operations

Mowing and Trimming

Process of determining unsold lots

Process for resolving double sold lots

Pre Need Services and Merchandise Trust Fund

Improvement Care Trust Fund

Asset Recovery activities

Potential Sale of the Cemetery

Afterwards, Mr. Moore and officials of the Department of Commerce and Insurance responded to questions from the audience for two hours. Mr. Moore met with about 100 consumers on Tuesday at the cemetery for on-site inspections and to respond to questions.

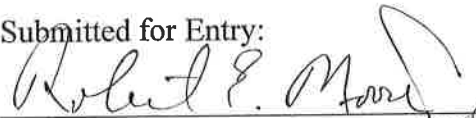
8. On Monday March 31, 2015, prior to the meeting, Mr. Moore and his assistant Jacqueline Lawson conducted on-site inspections in the Garden of Christus, the Masonic Garden, and the Garden of the Angel. The Garden of the Angel appears to originally have been planned to be a baby section; however sometime between the time originally platted and now, the Garden of the Angel appears to have been replatted and that plat hand-drawn on the original plat map. Mr. Moore has confirmed the numbering and layout at the site, which is not congruent with the hand-drawn map provided to him; however the ownership register appears to be following the on-site numbering. At the community meeting, Mr. Moore held a separate meeting with those present who hold lots or have family buried in the Garden of the Angel. Mr. Moore explained the situation and he will issue information regarding the map as revised by the on-site numbering and update the master ownership list. This revised map will be posted to the Receivership Management Inc. website. The remaining gardens appear to conform to their grid systems; families are generally buried in the plots they own, often a family believes their relations to be in spaces 1 and 2 of a section but are in spaces 3 and 4; nevertheless these spaces are owned by the family. There are situations where it appears recorded grave owners have unauthorized persons buried in their lots. In some situations this has been acknowledged by Ms. Ringley and other grave spaces utilized; in other circumstances it appears that Ms. Ringley did not tell the family and just placed the family member in a space she understood as being available. However Ms. Ringley does appear to have attempted to record where she was placing the deceased within the cemetery regardless of grave space ownership.

9. As Defendant Ringley is currently held at the Hawkins County Jail, service of this document will be directed there.

10. After the April 15, 2015, deadline has passed for grave space claims to be filed, the Special Deputy Receiver will begin the process of reconciling issues regarding grave space ownership, including attempting to find acceptable alternate spaces for those with a later claim to a double-sold plot. Upon the resolution of all outstanding claims issues, the Special Deputy

Receiver will seek approval from the Court of the resolutions and seek authority to issue new proof of ownership documents to those that participated in the claims process.

Submitted for Entry:



Robert E. Moore, Jr. (BPR #013600)

Chief Operations Officer

Receivership Management Inc.

Special Deputy Receiver

Hawkins County Memorial

Gardens

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(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.

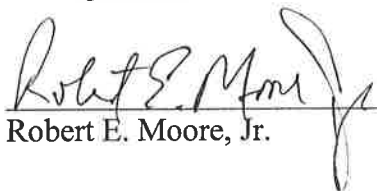
Mail, postage prepaid, upon:

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This 22nd day of April, 2015.


Robert E. Moore, Jr.