

## Receivership Management, Inc.

1101 Kermit Drive, Suite 735, Nashville, TN 37217 (615) 370-0051 Fax (615) 373-4336

November 22, 2016

Chancery Court Clerk/Master  
1 Public Square  
Suite 308  
Nashville, TN 37201

RE: Julie Mix McPeak vs. Hawkins County Memorial Gardens  
Case No. 14-1642-III

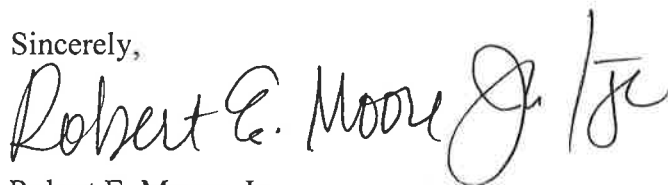
Dear Sir or Madam:

On December 8, 2014, the Commissioner appointed Receivership Management, Inc. as Special Deputy Receiver over Hawkins County Memorial Gardens.

Enclosed please find Receiver's Report for the Months of May through October 2016 for filing in your office regarding the above-referenced matter.

Should you have any questions or require further information, please contact my office at 615-370-0051.

Sincerely,



Robert E. Moore, Jr.  
Chief Operations Officer  
Receivership Management, Inc.

COPY

RECEIVED

NOV 28 2016

Dav. Co. Chancery Court

**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  
 2016 NOV 28 AM 11:18  
 CLERK & MASTER  
 DAVIDSON CO. CHANCERY CT  
 D.C.A.

**RECEIVER'S TWELFTH REPORT FOR THE MONTHS OF  
MAY 2016 THRU OCTOBER 2016**

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 report.

**STATUS OF CRIMINAL PROCEEDINGS**

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. Hawkins County Criminal Court Judge John Dugger has postponed Ms. Ringley's trial date. The Receiver and the Special Deputy Receiver continue to cooperate with the District Attorney for the Third Judicial District.

## **STATUS OF ADMINISTRATIVE PROCEEDINGS**

2. On March 18, 2016, Administrative Judge J. Richard Collier issued an Initial Order granting the Summary Judgment Motion of Petitioner Regulatory Boards Division-Burial Services Section and revoking Defendant Ringley's cemetery registration for Hawkins County Memorial Gardens. An appeal of the Initial Order was timely filed by Defendant Ringley.

## **STATUS OF THE RECEIVERSHIP**

3. The Special Deputy Receiver was, among other items, charged with accomplishing three tasks: 1) the establishment of who holds burial rights in the cemetery; 2) resolve disputed grave ownership claims; and 3) determine the amount of funds missing. All three tasks have been accomplished.

4. Task 1, the establishment of who holds burial rights in the cemetery, has been addressed by the following activities: Developing reliable records and mailing information to consumers to confirm the burial right information in the hands of the cemetery. In response we received 358 responses. Of those responses, 55 filings present issues as to ownership. These have been resolved.

5. Task 2, resolving disputed grave ownership claims, required painstaking research and review of the 55 filings and the 133 double lot owner registrations which include: 59 lots in the Christus Garden; 50 in the Garden of Devotion, 6 in the Garden of Everlasting Life; 15 in the Masonic Garden; and 3 in the Garden of the Angel. During the months of October and November, 2015 and June and July of 2016 many of these disputes were resolved by determining record keeping errors and receiving additional information. However, during the month of July, the Special Deputy Receiver met with 40 people who were displaced by a grave space owner having priority over them. These have all now been resolved with spaces reassigned in areas known not to have had sales. This activity required notification, review of information with the consumer/claimant, on-site space inspection and selection, and signature of acknowledging documents. As to the 303 grave space claims for which there are no concerns, the draft notice letter was approved by the Court on September 21, 2015 and that letter was issued during the month of October, 2015. This task has been completed.

6. Task 3, the determination of missing funds, was completed. Utilizing some of the report information held by the Department and the purchase records kept by the Defendant and predecessor operators of the cemetery scanned from the District Attorney General's office, we have established that \$612,579.73 is missing from the pre-need services and merchandise account. The total amount that should have been deposited to a pre-need service and merchandise trust since 1992 based on the cemetery records is \$571,230.94. When the amount that should have been on deposit at February 6, 1992 is added (\$41,348.79) the total that should be in a pre-need services and merchandise trust account is \$612,579.73. This task has been completed.

7. Total costs for this Receivership through July 2016 total at or around \$197,539.35.

#### **STATUS OF CEMETERY OPERATION**

8. Since the Receiver took possession, seventy-one (71) burials have occurred as of October 31, 2016. 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. General liability insurance was procured at the beginning of the receivership and has been maintained throughout. Long's Cemetery Service was retained for the approved five (5) mowings of the cemetery. As there are no funds available to the cemetery for operations, the State's cemetery services protection fund has paid for all costs relating to this project. A very small office on the premises of the cemetery has been cleaned and has been used to facilitate meetings with individual claimants.

9. Having completed the development of records and resolution of double sold grave spaces, the Special Deputy Receiver reports the following statistics regarding the cemetery:

- a. The cemetery contains a total of 7,546 grave spaces.
- b. There are a total of 3,809 useable vacant unsold grave spaces.
- c. There are 55 grave spaces occupied and not marked in the cemetery.

- d. There are 3,585 owned and/or occupied marked grave spaces in the cemetery.
- e. There are 47 grave spaces that have been reserved by a child protection option.
- f. There are 25 spaces that were not platted but sold to consumers; 13 are currently occupied.
- g. There are 25 spaces that are either not useable or were reserved for landscaping.
- h. In addition to the total number reported in subparagraph a, there are 368 grave spaces that could be reclaimed from an area that was originally platted for grave spaces where a mobile home sat and where a portable outbuilding currently sits and an additional 36 companion crypts that are located in an unfinished mausoleum.<sup>1</sup>

#### **RECOMMENDATIONS ON PLAN OF RECEIVERSHIP**

10. There is currently missing \$612,579.73 that should exist in a pre-need services and merchandise trust account. This figure is net of all delivered services and merchandise and includes \$41,348.79 that was assumed by Defendant Ringley when she came into possession of the cemetery. In other words, Defendant Ringley owes to Hawkins County Memorial Gardens \$612,579.73. In fact, just for the people who have died and been buried in the cemetery during the receivership, Defendant Ringley and Hawkins County Memorial Gardens should have delivered \$76,192.25 in pre-need services and merchandise. The \$612,579.73 in pre-need services and merchandise is an outstanding claim against both Defendant Ringley and Hawkins County Memorial Gardens.

11. The only significant assets known to the Special Deputy Receiver that either Defendant Ringley or Hawkins County Memorial Gardens have to satisfy this claim are the

---

<sup>1</sup> Companion crypts are designed for two people, but only take the space of a single crypt. The caskets are lined up "end-to-end" and a single marker is shared. Companion crypts are the mausoleum equivalent of "double depth."

unsold grave spaces within Hawkins County Memorial Gardens.<sup>2</sup> Defendant Ringley has stated she has no assets and no bank accounts. Further, no operational bank account was found at the time of the receivership order. The only account that was found was a closed personal checking account in Defendant Ringley's name.

12. To be clear, the Special Deputy has not conducted a "proof of claim" process and has not asked the Court for a bar date; however it appears to the Special Deputy there are the following classes of claimants:

- a. **Outstanding Judgment Liens.** The Special Deputy Receiver is aware there is one outstanding judgment lien filed by a consumer who failed to receive the services and merchandise contracted.
- b. **Outstanding amounts due to consumers for pre-need services and merchandise paid for but not delivered: \$76,192.25.** This amount only includes those consumers who passed away during the receivership and were due services and merchandise paid on a pre-need basis. There are most likely other consumers who passed away prior to the receivership who were due services and merchandise from the Defendant and such services and/or merchandise were not delivered.
- c. **Outstanding amounts due to the pre-need services and merchandise trust: \$612,579.73.** These are funds that should have been placed into a trust for burial services and merchandise sold on a pre-need basis. Net of the above amounts in item b would lower this amount to \$536,387.48.
- d. **Outstanding amounts due to the improvement care trust account: None.** The Special Deputy Receiver previously reported that based on the gross property sales, the improvement care trust should have a cost basis of \$61,984.17. The account's cost basis is \$62,631.93. The account's current market value is \$60,527.79. The shortfall appears to be as a result

---

<sup>2</sup> The cemetery currently owns an inoperable Ford "baby" dump truck that has been removed from the premises.

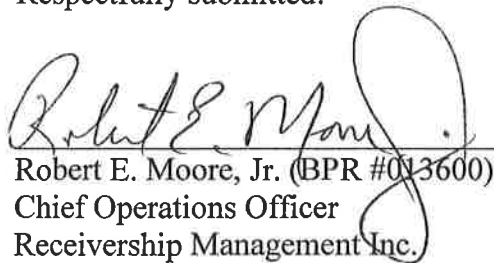
of market losses and/or previous deductions taken as approved by the Improvement Care Trustee. A copy of the most recent statement from the Improvement Care Trustee, Independence Trust Company, is attached as **Exhibit A.**

13. In light of these amounts due, the Receiver, through her Special Deputy, is recommending selling the cemetery, using the proceeds from the sale to address the outstanding amounts above, with a portion allocated to a newly established pre-need services and merchandise trust account. This new trust account would be available to the new cemetery operators only if, in the sale of the cemetery, the new owners assumed all of the outstanding pre-need services and merchandise contract obligations. To that end, the Receiver is proceeding to engage an appraiser to value the cemetery.

14. As the Special Deputy Receiver has completed its work regarding double sold grave spaces, the Special Deputy Receiver requests it be authorized to issue new deeds for the grave spaces reassigned it reassigned or to correct any ownership recording deficiencies identified by the Special Deputy Receiver.

15. Unless there is an objection, the Special Deputy will proceed to sell the Ford Truck it has removed from the premises and to sell any other property left abandoned on the premises.

Respectfully submitted:



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

Chief Operations Officer  
Receivership Management Inc.  
Special Deputy Receiver  
Hawkins County Memorial  
Gardens  
1101 Kermit Drive, Suite 735  
Nashville, TN 37217  
(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.

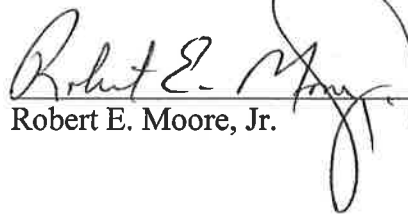
Mail, postage prepaid, upon:

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

Herbert H. Slatery III  
Attorney General and Reporter  
Timothy Simonds  
Assistant Attorney General  
Office of the Tennessee Attorney General  
Financial Division  
P.O. Box 202007  
Nashville, TN 37202

Michael D. Driver  
Deputy General Counsel, Regulatory Boards Division  
Tennessee Department of Commerce & Insurance  
500 James Robertson Parkway  
Nashville, Tennessee 37243

This 22<sup>nd</sup> day of November, 2016.

  
Robert E. Moore, Jr.



For the Account of:  
HAWKINS COUNTY PERPETUAL CARE TRUST - TN

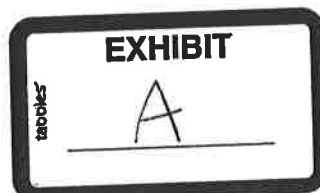
INDEPENDENCE TRUST COMPANY  
— 00 —

Account Number: 22 00 3511 0 0X  
Date: OCTOBER 31, 2016

---

ROBERT E. MOORE, JR.  
RECEIVERSHIP MANAGEMENT, INC.  
783 OLD HICKORY BLVD., SUITE 255  
BRENTWOOD TN 37027

WE APPRECIATE YOUR BUSINESS. SHOULD YOU HAVE QUESTIONS ON YOUR ACCOUNT OR THIS STATEMENT, PLEASE CALL US AT 615-591-0044. THANK YOU.



For the Account of:  
**HAWKINS COUNTY PERPETUAL CARE TRUST - TN**

**INDEPENDENCE TRUST COMPANY**

Account Number: 22 00 3511 0 0X  
 Date: OCTOBER 31, 2016

# Review of Assets

Shares or Par Value		Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
<b>CASH</b>						
	INCOME CASH		742.09	742.09		
	PRINCIPAL CASH		-742.09	-742.09		
	<b>TOTAL CASH</b>		<b>0.00</b>	<b>0.00</b>		
<b>CASH EQUIVALENTS</b>						
<b>MISC CASH EQUIV-TAXABLE</b>						
2,016.28	FEDERATED US TREASURY OBLIGATIONS	1.000	2,016.28	2,016.28	4	0.20
	<b>TOTAL CASH EQUIVALENTS</b>		<b>2,016.28</b>	<b>2,016.28</b>	<b>4</b>	<b>0.20</b>
<b>FIXED INCOME SECURITIES</b>						
<b>MUTUAL FUNDS - FIXED INCOME</b>						
<b>MATURITY (0 - 5 YRS)</b>						
845.638	RIDGEWORTH HIGH INCOME	6.390	6,300.00	5,403.63	340	6.29
321.15	FRANKLIN TEMPLETON GLOBAL BOND FUND - A	11.600	3,850.00	3,725.34	77	2.07
1,354.441	VANGUARD INTERMEDIATE TREAS ADM	11.550	15,399.99	15,643.79	263	1.68
1,154.303	VANGUARD SHORT TERM INVESTMENT GRADE-ADM	10.760	12,400.00	12,420.30	260	2.09
	<b>TOTAL MUTUAL FUNDS - FIXED INCOME</b>		<b>37,949.99</b>	<b>37,193.06</b>	<b>940</b>	<b>2.53</b>
	<b>TOTAL FIXED INCOME SECURITIES</b>		<b>37,949.99</b>	<b>37,193.06</b>	<b>940</b>	<b>2.53</b>
<b>EQUITIES</b>						
<b>MUTUAL FUNDS - EQUITIES</b>						
112.54	OAKMARK INTL FD-I	22.120	2,800.00	2,489.38	56	2.24
499.972	LAUDUS GROWTH INVEST US L/C	16.780	7,090.00	8,389.53	8	0.10
157.65	VANGUARD EQUITY INCOME ADM FUND 565	65.280	8,126.56	10,291.39	305	2.96
	<b>TOTAL MUTUAL FUNDS - EQUITIES</b>		<b>18,016.56</b>	<b>21,170.30</b>	<b>369</b>	<b>1.74</b>

For the Account of:  
HAWKINS COUNTY PERPETUAL CARE TRUST - TN

INDEPENDENCE TRUST COMPANY  


Account Number: 22 00 3511 0 0X  
Date: OCTOBER 31, 2016

## Review of Assets

Shares or Par Value	Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
TOTAL EQUITIES		18,016.56	21,170.30	369	1.74
EX-DIVIDENDS			65.50		
ACCRUED INTEREST			0.34		
GRAND TOTAL		57,982.83	60,445.48	1,313	2.17
YEAR TO DATE TOTALS					
TAX YEAR SHORT TERM GAIN			0.00		
TAX YEAR LONG TERM GAIN			12.87		

For the Account of:  
HAWKINS COUNTY PERPETUAL CARE TRUST - TN

INDEPENDENCE TRUST COMPANY  


Account Number: 22 00 3511 0 0X  
Date: From OCTOBER 1, 2016 through OCTOBER 31, 2016

## Statement of Transactions

Date		Income Cash	Principal Cash	Investment Cost Basis
<b>ORDINARY DIVIDENDS</b>				
10/04/2016	DIVIDEND ON FEDERATED US TREASURY OBLIGATIONS	.31		
10/04/2016	DIVIDEND ON VANGUARD INTERMEDIATE TREAS ADM	19.22		
10/04/2016	DIVIDEND ON VANGUARD SHORT TERM INVESTMENT GRADE-ADM	15.49		
10/04/2016	DIVIDEND ON RIDGEWORTH HIGH INCOME	28.00		
10/19/2016	DIVIDEND ON 321.15 SHARES @ 0.02 FRANKLIN TEMPLETON GLOBAL BOND FUND - A	6.42		
	<b>TOTAL ORDINARY DIVIDENDS</b>	<b>69.44</b>	<b>0.00</b>	<b>0.00</b>
<b>NET PURCHASES AND SALES OF ASSETS</b>				
10/31/2016	NET OF DEPOSITS & WITHDRAWALS FEDERATED US TREASURY OBLIGATIONS		-18.17	18.17
	<b>TOTAL PURCHASES</b>	<b>0.00</b>	<b>-18.17</b>	<b>18.17</b>
	<b>TOTAL SALES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>TOTAL NET PURCHASES AND SALES OF ASSETS</b>	<b>0.00</b>	<b>-18.17</b>	<b>18.17</b>
	<b>GAIN (LOSS) REALIZED ON SALES</b>	<b>0.00</b>		
<b>FIDUCIARY FEES</b>				
10/10/2016	FIDUCIARY FEE FOR MONTH ENDED 09/30/16	-30.36		
	<b>TOTAL FIDUCIARY FEES</b>	<b>-30.36</b>	<b>0.00</b>	<b>0.00</b>
<b>DEMAND NOTE SUBACCOUNTING FEE</b>				
10/04/2016	FUND SUBACCOUNTING FEE VANGUARD INTERMEDIATE TREAS ADM	-.20		
10/04/2016	FUND SUBACCOUNTING FEE VANGUARD SHORT TERM INVESTMENT GRADE-ADM	-.11		
10/04/2016	FUND SUBACCOUNTING FEE RIDGEWORTH HIGH INCOME	-.36		

For the Account of:  
HAWKINS COUNTY PERPETUAL CARE TRUST - TN



Account Number: 22 00 3511 0 0X  
Date: From OCTOBER 1, 2016 through OCTOBER 31, 2016

## Statement of Transactions

Date		Income Cash	Principal Cash	Investment Cost Basis
	TOTAL DEMAND NOTE SUBACCOUNTING FEE	-0.67	0.00	0.00
	INVESTMENT FEES			
10/10/2016	INVESTMENT MGMT FEE FOR MONTH ENDED 09/30/16	-20.24		
	TOTAL INVESTMENT FEES	-20.24	0.00	0.00