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11-21-16

IN THE CHANCERY COURT OF CUMBERLAND COUNTY, TENNESSEE  
THIRTEENTH JUDICIAL DISTRICT, AT CROSSVILLE

TENNESSEE REGULATORY AUTHORITY )  
 )  
Petitioner, )  
 )  
v. )  
 )  
LAUREL HILLS CONDOMINIUMS )  
PROPERTY OWNERS ASSOCIATION )  
 )  
Respondent. )  
 )  
MOY TOY, LLC, )  
 )  
Intervening Party. )

No. 2012-CH-560  
Chancellor Thurman

FILED  
Date 12-8 2016 at 10:00 AM  
Entered: 12-8-16  
SUE TOLLETT, CLERK & MASTER  
Cumberland County, Crossville, TN  
BY G

**ORDER GRANTING PETITION TO INTERVENE BY MOY TOY, LLC,  
MANDATING GLOBAL MEDIATION, AND  
AUTHORIZING LIMITED PROOF ON CONTEMPT ISSUE, AS NEEDED**

This matter came before the Honorable Chancellor Ronald L. Thurman for hearing held on November 14, 2016, in Cookeville, Putnam County, Tennessee. During the hearing, the Court considered the following motions:

- 1) Petitioner Tennessee Regulatory Authority's ("TRA") *Petition for an Order to Show Cause*, filed on May 24, 2016;
- 2) Respondent Laurel Hills Condominium Property Owners Association's ("LHCPOA") *Motion to Enforce Settlement Agreement and to Dismiss Show Cause Proceedings with Prejudice*, filed on or about August 15, 2016; and
- 3) *Petition to Intervene by Moy Toy, LLC ("Moy Toy")*, filed on or about October 28, 2016.

In addition, Receivership Management Inc., the Court-appointed Receiver for the Laurel Hills Water System in Receivership (“Receiver”), provided a status update and summary of its Ninth Report concerning the Receivership estate. As part of its update, the Receiver notified the Court that in order to carry out its Receivership Plan, the Receiver intends to condemn the necessary property rights and interests on Renegade Mountain and has given the requisite 5-day advance notice to parties with identified interests.

Without objection from the parties, the Court granted Moy Toy’s request to intervene in this cause. However, because the TRA’s *Petition for an Order to Show Cause* and LHCPOA’s *Motion to Enforce Settlement Agreement and to Dismiss Show Cause Proceedings with Prejudice* concerns only the parties to the Settlement Agreement and Release, the Court denied Moy Toy’s request to be heard on or and participate in either of these matters.

Upon hearing argument on the *Petition for an Order to Show Cause* and *Motion to Enforce Settlement Agreement and to Dismiss Show Cause Proceedings with Prejudice*, the Court granted Laurel Hills’ request to present proof on the sole and limited issue of willfulness for purposes of the TRA’s request for civil contempt in this matter. Finally, as the pending Condemnation action appears to involve many similar issues, it was the Court’s opinion that the numerous issues presented in this matter and the anticipated Condemnation action might benefit from a global mediation session.

Therefore, upon the above premises and for good cause shown, it is ORDERED, ADJUDGED, and DECREED that:

- 1) Moy Toy, LLC, shall be allowed to intervene in this lawsuit as predecessor in interest to Laurel Hills Condominiums Property Owners Association in the Laurel Hills Water System in Receivership; however, the intervention shall not include participation in the

disposition of the Petitioner's *Petition for an Order to Show Cause* and the Respondent's *Motion to Enforce Settlement Agreement and to Dismiss Show Cause Proceedings with Prejudice*.

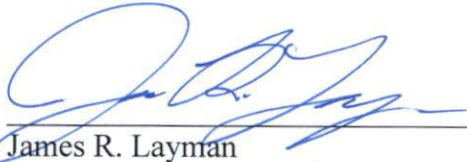
2) The Receiver, as well as the Petitioner, the Tennessee Regulatory Authority, the Respondent, Laurel Hills Condominiums Property Owners Association, and the Intervening Party, Moy Toy, LLC, shall participate in a global mediation session within forty-five (45) days from entry of this Order. The Consumer Protection and Advocate Division of the Tennessee Attorney General and Reporter's Office and Terra Mountain, LLC are also permitted to participate.

3) In the event that mediation does not resolve the issues between the parties, the Tennessee Regulatory Authority and Laurel Hills Condominiums Property Owners Association are permitted to take proof on the sole and limited issue of willfulness for purposes civil contempt in this matter and the Court will set an evidentiary hearing to address the civil contempt claim alleged by the Tennessee Regulatory Authority in its *Petition for an Order to Show Cause*.

ENTERED this the 6<sup>th</sup> day of December, 2016.

  
CHANCELLOR RONALD THURMAN

APPROVED FOR ENTRY:



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James R. Layman BPR#030662  
502 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37243  
(615) 770-6895  
*TRA Staff Attorney*



*w/ permission  
by JRL*

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*Attorneys for Consumer Advocate*  
*Present at Hearing and Concurring with proposed Order*

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James L. Gass BPR#010451  
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103 Bruce Street  
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(865) 453-2866  
*Attorney for Laurel Hills Condominiums POA*

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G. Everett Sinor, Jr. BPR#017564  
3504 Robin Road  
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(615) 969-9027  
*Attorney for Receivership Management, Inc.*

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Scott D. Hall BPR#014874  
105 Bruce Street  
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(865) 428-9900  
*Attorney for Moy Toy, LLC*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 21<sup>st</sup> day of November, 2016, an exact copy of the foregoing was served on the following parties by electronic mail and by United States Postal Service, postage prepaid, as noted below, to:


James L. Gass  
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*Attorney for Receivership Management, Inc.  
Court-Appointed Receiver for LHWS*

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Scott D. Hall  
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*Attorney for Moy Toy, LLC*

  
\_\_\_\_\_  
James Robert Layman, BPR # 30662

# **EXHIBIT A**

## Kelly Grams

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**From:** Kelly Grams  
**Sent:** Friday, November 18, 2016 1:30 PM  
**To:** 'scott@scottdhallesq.com'  
**Cc:** Everett Sinor; Robert E Moore; Matherne, Graham; James Gass; Jim R. Layman; Debbie Hill  
**Subject:** RE: Mediation of Matters RE: the Laurel Hills Water System in Receivership

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Mr. Hall,

The TRA does not agree to your draft Order.

First, it misrepresents the TRA's position on your intervention. We did not stipulate or agree to your intervention, we simply did not object. In our view, there is an important distinction.

Second, the Court denied Moy Toy's request to be heard on the TRA's Petition for Show Cause and Laurel Hills' Motion to Enforce Settlement and Dismiss the Show Cause. The fact that Moy Toy has no authority to draft an order on the Court's ruling as it pertains to those motions aside for the moment, your Order fails to mention Laurel Hills' Motion at all.

Finally, the ordering clause you have drafted on the Court's ruling concerning the Petition to Show Cause misconstrues, and takes too much liberty as to, the reasoning given by the Court for allowing Laurel Hills to take proof on the sole and limited issue of willfulness for purposes of contempt.

The TRA is drafting a competing Order and will circulate it today.

### **Kelly Cashman-Grams**

General Counsel | Tennessee Regulatory Authority  
ph 615-770-6856

**From:** scott@scottdhallesq.com [mailto:scott@scottdhallesq.com]  
**Sent:** Friday, November 18, 2016 1:11 PM  
**To:** Kelly Grams  
**Cc:** Everett Sinor; Robert E Moore; Matherne, Graham; James Gass; Jim R. Layman; Debbie Hill  
**Subject:** Mediation of Matters RE: the Laurel Hills Water System in Receivership

It appears as though December 2nd is the best target for now. I can get my client representative here December 2nd, but not on the later December dates.

Also, my draft of the Order is accurate and more complete. I ask that everyone verify approval of my draft so we may submit it for entry.

I will have my paralegal forward another copy ASAP.

Scott D. Hall  
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-----Original Message-----

From: "Kelly Grams" <[Kelly.Grams@tn.gov](mailto:Kelly.Grams@tn.gov)>  
Sent: Friday, November 18, 2016 12:04pm  
To: "Everett Sinor" <[everett.sinor@gmail.com](mailto:everett.sinor@gmail.com)>  
Cc: "Robert E Moore" <[rmoore@receivermgmt.com](mailto:rmoore@receivermgmt.com)>, "Matherne, Graham" <[gmatherne@wyattfirm.com](mailto:gmatherne@wyattfirm.com)>, "Scott D. Hall" <[scott@scottdhallesq.com](mailto:scott@scottdhallesq.com)>, "James Gass" <[jgass@ogrlawfirm.com](mailto:jgass@ogrlawfirm.com)>, "Jim R. Layman" <[Jim.R.Layman@tn.gov](mailto:Jim.R.Layman@tn.gov)>, "Vance Broemel" <[vance.broemel@ag.tn.gov](mailto:vance.broemel@ag.tn.gov)>, "yorkbilbrey@aol.com" <[yorkbilbrey@aol.com](mailto:yorkbilbrey@aol.com)>, "Melanie Davis" <[mdavis@kizer-black.com](mailto:mdavis@kizer-black.com)>  
Subject: RE: Mediation of Matters RE: the Laurel Hills Water System in Receivership

As noted in our email sent earlier today, the TRA is not available on December 1.

**Kelly Cashman-Grams**

General Counsel | Tennessee Regulatory Authority  
ph 615-770-6856

**From:** Everett Sinor [<mailto:everett.sinor@gmail.com>]  
**Sent:** Friday, November 18, 2016 11:00 AM  
**To:** Jim R. Layman  
**Cc:** Robert E Moore; Matherne, Graham; Kelly Grams; Scott D. Hall; James Gass; Vance Broemel; [yorkbilbrey@aol.com](mailto:yorkbilbrey@aol.com); Melanie Davis  
**Subject:** Re: Mediation of Matters RE: the Laurel Hills Water System in Receivership



Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing order has been served upon the parties hereto and the other persons listed below, at:

James R. Layman, Esq.  
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via email the ~~United States Mails, postage prepaid~~, this 8 day of Dec., 2016.

*Sue Gallant*  
Clerk + Master