### IN THE DISTRICT COURT OF OKLAHOMA COUNTY STATE OF OKLAHOMA

OCT **26** 2018

|   | RICK WARREN            |
|---|------------------------|
| STATE OF OKLAHOMA, ex rel.                      | ) COURT CLERK          |
| JOHN D. DOAK, Insurance Commissioner,           | )                      |
|   | )                      |
| Petitioner,                                     | )                      |
|   | ) Case No. CV-2016-175 |
| v.  | ) Judge Don Andrews    |
| NEW CROWN MANAGEMENT                            | )                      |
| CORPORATION, INC., d/b/a CROWN HILL             | j                      |
| <b>CEMETERY</b> merchandise trust and perpetual | )                      |
| care fund in the State of Oklahoma,             | )                      |
| ,   | )                      |
| Defendant.                                      | )                      |

# CLOSING REPORT AND MOTION TO DISTRIBUTE FUNDS, CLOSE ESTATE, TERMINATE INSOLVENCY PROCEEDINGS AND DISSOLVE CORPORATION AND NOTICE OF HEARING

COMES NOW John D. Doak, Insurance Commissioner, as Receiver of New Crown Management Corporation, Inc., d/b/a Crown Hill Cemetery ("New Crown") and respectfully submits the following Closing Report and Motion to Distribute Funds, Close Estate, Terminate Insolvency Proceedings, Dissolve Corporation and Discharge Receiver and moves this Court for an Order to Close Estate, Terminate Insolvency Proceedings, Dissolve Corporation and Discharge Receiver ("Order to Terminate"). In support, The Receiver shows the Court as follows:

1. John D. Doak is the duly qualified and acting Insurance Commissioner for the State of Oklahoma and as such, pursuant to 36 O.S. §§ 7101 et seq. (the "Perpetual Care Fund Act") and 36 O.S. §§ 7121 et seq. (the "Cemetery Merchandise Trust Act") is charged with the duty of regulating cemetery perpetual trust funds and cemetery merchandise trust funds respectively.

- 2. On February 18, 2016, this Court appointed John D. Doak as Receiver of New Crown and directed him to take possession of the property and records of New Crown and liquidate New Crown pursuant to the laws of the State of Oklahoma.
- 3. On December 19, 2017, the Receiver by and through his attorney appointed Donna L. Wilson as Assistant Receiver.
- 4. This Court authorized the Receiver to make claim to New Crown's surety bond with the Mid-Continent Group in the amount of \$50,000.00, #BD-1005660, in which New Crown Management Corporation, Inc., is the principal and the State of Oklahoma is the oblige. The proceeds of said bond were received by the Receiver in July, 2016.
- 5. On August 25, 2016, this Court entered an Order Transferring New Crown's Perpetual Care Fund to New Trustee, the cemetery's current owner, White Enterprises, L.L.C., in the name of the owner for the continued maintenance and care of the Crown Hill Cemetery. The Receiver effectuated such transfer on September 9, 2016.
- 6. On August 25, 2016, in a separate order, this Court approved the Receiver's Combined Application for Approval of (A) Setting Bar Date (B) Notice of Liquidation, (C) Form of Proof of Claim and Instructions, (D) Form of Unconditional Assignment and Application for Approval of Receiver's Claims Reporting and Evaluation Plan. Pursuant thereto:
  - a. The Receiver published the Notice of Liquidation, Permanent Injunction and Deadline for Filing Proof of Claim ("Notice") in the Tulsa World and the Oklahoma Eagle L.L.C. Notice of Publication filed with this Court on October 12, 2016;
  - b. The Notice was mailed to 275 potential claimants of record on September 15, 2016.

- 7. The Receiver filed Receiver's Report of Filed Claims as of October 18, 2016, advising the court that 31 proof of claims had been filed with the Receiver in an aggregate amount of \$41,818.35. Three of the 31 filed proof of claims list the amount as undetermined or no amount was stated.
- 8. The Receiver filed reports on claims evaluation on April 17, 2017 and September 12, 2017, recommending claims totaling \$30,816.27 be allowed against New Crown. This Court approved the Receiver's reports on June 15, 2017 and November 16, 2017 respectively.
- 9. Two proof of claims were received after the bar date established in the August 25, 2016 Order. On August 8, 2018, the Receiver informed the Court that the estate does not have sufficient funds to pay timely filed proof of claims and recommended that no further funds be expended valuing the untimely filed claims. The Court approved the Receiver's report on October 4, 2018.
- 10. As of September 30, 2018, New Crown had \$27,706.05 in cash and cash equivalents.

#### **Post-Closing Matters**

11. In the interest of expediting the closing of this estate and because by their very nature, some Post-Closing Matters cannot be undertaken or completed until after this Court has entered an order closing this estate and terminating these liquidation proceedings, Receiver recommends that this Court enter an order (1) closing the estate and terminating these proceedings except as specifically provided in the Court's order, (2) instructing the Assistant Receiver to undertake and perform the Post-Closing Matters listed herein, and (3) allowing for the payment of all Post-Closing expenses of the estate from the funds advanced to Oklahoma Receivership Office, Inc. ("ORO"). Receiver recommends the Assistant Receiver, with the

assistance of the ORO, be responsible for, undertake, and complete the following Post-Closing Matters:

- 12. **Post-Closing Payment of Class 1 Claims.** Certain necessary and appropriate Class 1 claims of the estate have not yet been incurred as of the filing of this motion, or have been incurred but not yet been approved by the Court (the "Supplemental Class 1 Claims"). These Supplemental Class 1 Claims include the cost of administration of the estate from April 1, 2018 through the completion of post-closing activities, and costs and fees of the tax preparer and other third party services. In addition to funds previously approved by this Court and advanced to ORO, the Receiver asks this Court to approve reasonable and proper Supplemental Class 1 Claims and approve an advance to ORO an additional \$3,000 for costs of administration. The estate assets are sufficient to pay in full the estimated Supplemental Class 1 Claims.
- of this Court's approval of this motion, the Assistant Receiver shall: distribute \$24,706.05 on a pro-rata basis of the claims approved by this Court on June 15, 2017 and November 16, 2017. All payments to claimants directed by the Order to Terminate will be subject to final disposition pursuant to the Oklahoma Uniform Unclaimed Property Act, 60 O.S. 2001 §\$651 et seq., including any amendments therefor.
- 14. **Post-Closing Storage and Destruction of Records/Documents of the Estate.**Documents in the possession of the Receiver fall into two categories. (1) Some documents will have no future value and will be unnecessary to the estate. The Receiver requests the authorization to destroy or otherwise dispose of such documents; and (2) the remaining records should be retained a minimum of six years after filing the final estate tax return. The Receiver requests authorization at the conclusion of such six-year time for ORO to destroy such documents at its discretion.

- 15. Post-Closing Preparation and Filing of Final Tax Return. The final tax return may not be filed until the estate is finally closed, the assets depleted and the proceedings terminated. The Receiver requests authorization prepare, sign, and file the final tax return with the Internal Revenue Service after assets of the estate have been dissipated.
- Corporation. The Assistant Receiver must take any and all steps necessary to accomplish the dissolution of the trust's corporate existence. In addition, there may be other matters that arise with respect to the final dissolution of the corporation or the estate. The Receiver requests authority to expend such funds as are necessary to defend or resolve any action against the estate, Receiver, Assistant Receiver, ORO and their employees, and any other person entitled to such defense, in connection with the conduct of the estate. This Court will retain exclusive jurisdiction for the purpose of hearing any such matter.
- 17. Post-Closing Report to the Court that all Post-Closing Matters have been completed. Upon completion of all Post-Closing Matters, the ORO will file a Post-Closing Report with the Court, informing the Court of the expenditures from funds and the disposition of any remaining funds.

## Motion to Bar Any Further Claims, Preserve Injunction and Provide for a Right of Indemnification Pursuant to 36 O.S. §1937

- 18. Receiver moves the Court that upon entry of the Order to Terminate, all injunctions and stays previously entered by the Court remain permanently in full force and effect, and this Court retains exclusive jurisdiction for the enforcement thereof.
- 19. Receiver moves the Court upon the entry of the Order to Terminate, that all claims of liability against New Crown, its Receiver, Assistant Receiver, or their former or present employees or counsel, are forever barred and extinguished completely, including any

liability with respect to any and all claims arising on or before the date of the Order to Terminate, whether or not such liability has been reduced to judgment, liquidated or unliquidated, contingent or non-contingent, asserted or unasserted, fixed or unfixed, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, and any such claims will be expunged and/or released by the holder thereof, and in no event will New Crown, its Receiver, Assistant Receiver, or their former or present employees or counsel have any liability for any of the claims so extinguished, or any other claim.

- 20. Receiver further moves the Court that without waiving any immunity or protection otherwise provided by law or the orders of this Court, the Receiver, Assistant Receiver, their employees and counsel and all such person's or entities' employees, will continue to be entitled to the full protection of 36 O.S. §1937.
- 21. Receiver further moves that notwithstanding any of the foregoing that may appear to the contrary, the Court will retain exclusive jurisdiction of the Receivership estate and proceedings to enforce the Order to Terminate, to enforce the permanent injunction granted by this Court, and to hear all other proceedings necessary for the winding up of New Crown's affairs and business and the termination of these proceedings, and to reappointing Receiver as otherwise provided herein.
- 22. Receiver further asks the Court for such other relief as the Court deems just and proper, to accomplish the payment of claims and the closing of this estate.

#### PRAYER FOR RELIEF

WHEREFORE, for the reasons set forth and detailed herein, Receiver asks the Court to issue an order making the following findings and determinations:

1. The New Crown Receivership Estate is ready for closure and should be closed, and these proceedings terminated except as otherwise provided in the Order to Terminate;

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- 2. The Receiver has marshalled and liquidated all the known assets of New Crown;
- 3. The Receiver has provided proper notice to all known claimants of the proceedings and the claims bar date as required;
- 4. That due process has been afforded to all claimants of record and that the administration and liquidation of this Estate was properly and satisfactorily performed in the best interest of all the Crown Hill Cemetery merchandise trust members, creditors, and claimants of record;
- 5. That the Receiver has performed all services required and that all actions, decisions, rulings or other determinations of the Receiver from the inception of this Receivership through the present date are hereby confirmed and approved as necessary, proper and just;
- 6. That the Assistant Receiver, with the assistance of the ORO, undertakes and completes the Post-Closing Matters;
- 7. That the Court approves the Supplemental Class 1 Claims for administration of the estate from April 1, 2018 through the completion of post-closing activities, costs, and fees of the tax preparer and other third-party services;
- 8. That the Court approves an advance to ORO of \$3,000 for additional costs of administration as Class 1 Claim pursuant to 36 O.S. § 1927.1;
- 9. That the Court approves the Receiver's immediate pro-rata distribution of \$24,706.05 for the claims approved by this Court on June 15, 2017 and November 16, 2017;
- 10. That all injunctions and stays previously entered by the Court remain permanently in full force and effect, and this Court retains exclusive jurisdiction for the enforcement thereof;
- 11. That all claims of liability against New Crown, its Receiver, Assistant Receiver, or their former or present employees or counsel, be forever barred and extinguished completely;

- 12. That without waiving any immunity or protection otherwise provided by law or the orders of this Court, the Receiver, Assistant Receiver, their employees and counsel and all such person's or entities' employees, will continue to be entitled to the full protection of 36 O.S. §1937; and
- 13. Such other relief as the Court deems just and proper to accomplish the payment of claims and the closing of this estate.

Respectfully submitted,

Baryon B. Brown, OBA No. 31346 Sara A. Worten, OBA No. 21532

3613 N.W. 56<sup>th</sup> Street, Suite 330 Oklahoma City, OK 73112

Telephone: (405) 947-0022 Facsimile: (405) 947-0046 barron.brown@oid.ok.gov

#### ATTORNEYS FOR RECEIVER

#### NOTICE OF HEARING

Notice is hereby given that the above application is set for hearing before the Honorable Don Andrews, District Judge, in his courtroom in the Oklahoma County Courthouse, Oklahoma City, Oklahoma on the 13 day of 2018 at 1:30 a.m. At the hearing you may have the following rights pursuant to 36 O.S. § 1938(c):

- 1. To appear in person at the hearing or to be represented by counsel;
- 2. To testify under oath, call witnesses to testify, and furnish documentary evidence, relevant to the determination of the compensation;
- 3. To cross-examine witnesses and have a reasonable opportunity to inspect all documentary evidence; and
- 4. To subpoen witnesses and compel the production of testimony and documents, relevant to the determination of the compensation.

#### **CERTIFICATE OF MAILING**

I, hereby certify that on this <u>36</u> day of <u>Octobes</u>, 2018, I caused to be mailed and or a true and correct copy and/or electronic mail with written consent of the within and foregoing instrument to:

Donna Wilson, CIR.
Oklahoma Receivership Office, Inc.
Three Corporate Plaza
3613 N.W. 56<sup>th</sup> Street, Suite 330
Oklahoma City, OK 73112

Oklahoma Insurance Department Five Corporate Plaza 3625 N.W. 56<sup>th</sup> Street, Suite 100 Oklahoma City, OK 73112

Aric White White Enterprises, LLC 17897 S. Yale Avenue, Suite 1900 Haskell, OK 74436

Darron B. Brown Sara A. Worten