

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

STATE OF TENNESSEE, ex rel.)
ROBERT E COOPER, JR., ATTORNEY)
GENERAL and REPORTER,)

Plaintiff,)

VS.)

NO. 11-1548-III)

SENIORTRUST OF FLORIDA, INC.,)

Defendant.)

CONSOLIDATED WITH

STATE OF TENNESSEE, ex rel.)
ROBERT E. COOPER, JR.,)
ATTORNEY GENERAL and)
REPORTER,)

Plaintiff,)

VS.)

NO. 12-1283-IV(III))

ELDERTRUST OF FLORIDA, INC.,)

Defendant.)

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**ORDERS ON DISTRIBUTION OF REMAINING CHARITABLE FUNDS
RECOVERED BY THE TENNESSEE ATTORNEY GENERAL**

In 2013 approximately \$40 million (the "Funds") was recovered by the Tennessee Attorney General when two nonprofit corporations were judicially dissolved. The Corporations had been chartered to assist elderly persons with hospitals, nursing homes, retirement housing and healthcare facilities. As provided in Tennessee Code Annotated section 48-64-304 this Court is tasked with distributing the Funds.

In a series of previous orders, the Court disbursed \$5 million of the Funds to the Community Foundation of Middle Tennessee for statewide distribution to address a broad range of immediate elderly needs, and that distribution has been completed.

With respect to the remaining approximately \$35 million of the Funds, the Court, after conducting a public comment period, determined that the remaining funds should be distributed in these four areas:

- affordable senior housing,
- senior dental,
- senior transportation, and
- legal services for seniors.

In addition to these areas for distribution, it was also determined that in consideration of the large amount of \$35 million to distribute, the programs which received a portion of the remaining Funds should be used for long-term, lasting, sustainable programs, to foster and grow continuing assistance in the four designated areas, but which would also foster collaboration and strengthening of the connective tissue and network of charitable foundations and charitable organizations in the State for the future, and would raise awareness of the needs of seniors.

To accomplish this distribution, the Court appointed a Consortium of well known foundations and organizations in the State of Tennessee to assist in developing a methodology to distribute the remaining Funds. The purpose of the Consortium was to provide multiple viewpoints working collaboratively, and collective expertise, commitment, knowledge, administrative skills, resources, and geographical diversity. The following

organizations agreed to serve on the Consortium and volunteer their time and resources. The Consortium members are

- United Way of Greater Knoxville,
- the Memorial Foundation,
- The HCA Foundation,
- The West End Home Foundation, and
- the Assisi Foundation of Memphis.

The Tennessee Commission on Aging and Disability (“TCAD”) under the direction of Executive Director Jim Shulman was also appointed by the Court to provide administrative support to the Consortium and to assist in monitoring the use of the remaining Funds upon distribution.

In previous orders, the Court determined that the methodology to be developed by the Consortium to assist the Court in distributing the remaining Funds should include transparency, maximization of local and statewide participation, and no administrative fees. The Consortium and TCAD have done this.

The Consortium and TCAD established effective outreach to notify organizations of the distribution of the Funds and how to apply. The Consortium and TCAD prepared and processed comprehensive electronic applications for organizations to complete to seek distribution of the remaining Funds. The Consortium and TCAD then collected, provided, and extensively organized and reviewed the applications for the Court and made distribution recommendations. The efforts and work of the Consortium and the work of TCAD has been tremendous and effective.

Using the extensive work and efforts of the Consortium and TCAD, the Court has studied the applications submitted for distribution of the remaining Funds; has considered the areas of impact and goals for the remaining Funds; and has evaluated the applications for programs which will have long-term effects and will foster and strengthen charitable efforts, programs and benefits into the future.

Exercising its discretion as the ultimate decision maker with respect to distribution of the Funds,¹ the Court makes the following contingent distributions of the remaining Funds. With respect to each Grantee listed below, the Court has reduced the amount requested by the Grantee. Accordingly, as ordered below, the distributions listed below are contingent upon the Grantees submitting revised budget work plans to fit the amount of funding the Court proposes to distribute to each Grantee to meet all the proposed goals and outcomes of their applications. The revised budget work plans shall be submitted to the Consortium for its review. The Consortium shall then file a report with the Court to confirm that the revised budgeting has been accomplished. Thereafter, the Court shall finalize the distributions and shall set out the process for TCAD, with the assistance of the Consortium, to monitor the use of the Funds, and the process for the Receiver to release the Funds as invoices are provided from the Grantees for the programs.

¹*State ex rel. Slatery v. SeniorTrust of Florida, Inc.*, No. M2014-02288-COA-R3-CV, 2015 WL 9437305, at *1 (Tenn. Ct. App. Dec. 22, 2015).

It is therefore ORDERED that, contingent upon approval of the Grantee's revised budget work plans, the charitable funds recovered in this case shall be distributed to the following organizations and entities for the following programs.

Lead Organization or Entity	Summary of Program
<p>Habitat for Humanity of Greater Memphis</p>	<p><u>Habitat for Humanity TN Aging in Place Program</u>—HFHGM will partner with Habitat for Humanity of TN (HFHTN) and TN Habitat Affiliates (Affiliates) to implement a statewide Aging in Place (AIP) program that will provide home accessibility modifications and repairs for 1,463 TN homeowners aged 60 and above who have household incomes at or below 60% AMI. HFHGM will also partner with Green & Healthy Homes Initiative (GHHI) and Methodist Healthcare Foundation (MHF) on a sustainability pilot. Seventy-five of the 1,463 clients will be included in the pilot. In addition to receiving home accessibility modifications/repairs, clients will benefit from home healthcare/occupation therapy/educational services. The program will be modeled after the highly successful Johns Hopkins Community Aging in Place—Advancing Better Living for Elders (CAPABLE) program. Healthcare utilization data, pre- and post-project Activities of Daily Life (ADL) assessments, and client surveys will be used to measure healthcare savings and quality of life. GHHI will produce an economic analysis report and help HFHGM, HFHTN and MHF determine the feasibility of launching a Pay for Success transaction or other innovative financing tools to help fund future AIP projects.</p>
<p>Westminster Home Connection</p>	<p><u>Westminster Home Connection Program</u> (“Westminster”)—This program will make 315 homes safe and functional for seniors in East, Middle and West Tennessee. Westminster has been providing critical home repairs, mobility modifications and sort-pack-move services (organize and declutter) for seniors since the devastating floods in 2010. Through this grant, Westminster will positively impact 345-380 seniors’ ability to age in place. The exact number of seniors depends on the number of seniors living in each home. Scott Morgan Community Development Corp (SMCDC) and Reelfoot Rural Ministry</p>

Lead Organization or Entity	Summary of Program
	<p>of the Memphis Annual Conference of the United Methodist Church (Reelfoot) are the partners in East and West Tennessee.</p> <p>The program's anticipated cost per home is \$3,486, with all purchases to be under \$10,000.</p> <p>For example, if more seniors need repairs, and fewer need to move, more home repairs and fewer sort-pack-moves will be made. The project budget assumes 245 homes will need repairs and mobility modifications, and 70 homes will need sort-pack-move services. To make critical home repairs and mobility modifications to 245 homes, about 1,000 different repairs must be completed. Westminster has extensive success balancing client needs with available resources.</p> <p>To date, Westminster has completed critical home repairs, mobility modifications, and sort-pack-move services in over 1,000 senior households. Westminster's capacity to serve seniors increases each year, and in 2017 it will complete more than 210 homes in nine counties in Tennessee.</p>
Tennessee Alliance for Legal Services	<p><u>Tennessee Consortium for Senior Legal Services</u>—This first-of-its-kind network, known as the Tennessee Senior Legal Services Consortium (Consortium), will partner with other organizations that serve the elderly to strengthen and expand services to reach even the most rural and underserved areas of the state. The result will be a long-term solution to a pressing and growing problem; namely, how to sustain and improve the quality of life of elderly in Tennessee. The Consortium will achieve this goal by helping seniors address legal core issues such as accessing benefits and healthcare; obtaining and maintaining safe and secure housing; avoiding or escaping abuse and exploitation; and engaging in important estate planning activities such as creating wills, advance directives, and powers of attorney. The Consortium and its partners will work together to ensure that Tennessee's senior citizens can live their lives safely, securely, and with dignity.</p>

Lead Organization or Entity	Summary of Program
Nashville Public Television Inc.	<p><u>NPT Reports: Aging Matters: Senior Legal Issues</u>—NPT will partner with the Tennessee Bar Association and Tennessee Justice Center to implement a multi-platform education and community engagement project as part of their ongoing Aging Matters series, on legal issues related to seniors and their families. The project will consist of a 30-minute documentary on estate planning, guardianship, conservatorship, power of attorney and advance directives; a 30 minute follow-up program, six short features (spots) on senior legal issues, a project website, three Facebook Live events, statewide community engagement, distribution of DVDs with project content. Broadcast elements will air on a statewide basis through Tennessee’s network of public television stations based in Memphis, Martin, Chattanooga, Nashville, Cookeville and Knoxville.</p> <p><u>NPT Reports: Aging Matters: Senior Dental</u>—NPT will partner with Interfaith Dental Clinic to implement a multi-platform education and community engagement project as part of their ongoing Aging Matters series, on seniors dental issues. The project will consist of a 30-minute documentary on senior dental issues, a 30 minute follow-up program, six short features (spots) on senior dental health, a project website, three Facebook Live events, statewide community engagement, distribution of DVDs with project content. Broadcast elements will air on a statewide basis through Tennessee’s network of public television stations based in Memphis, Martin, Chattanooga, Nashville, Cookeville and Knoxville.</p>
Interfaith Dental Clinic of Nashville	<p><u>Smile On</u>—SMILE ON will improve the overall health and quality of life of low-income seniors age 60+ residing in Tennessee through access to oral health education and clinical treatment. Stated simply, SMILE ON will evaluate, educate, and navigate seniors into dental homes and then transport, treat, and repeat. The robust network for the program consists of the Tennessee Charitable Care Network (TCCN) and Tennessee Primary Care Association (TPCA) dental clinics (a combined 42 sites covering 52 of 95 TN counties), their individual volunteer dental provider networks, two Meharry mobile units, and two Friends in Need mobile units.</p>

Lead Organization or Entity	Summary of Program
Southwest Tennessee Development District	<u>Senior Volunteer Transportation Network</u> —To expand the existing statewide network of Senior Volunteer Transportation programs that provide door-to-door transportation services to seniors age 60+, SWTDD will partner with Area Agencies on Aging and Disability to create new programs in their respective regions and provide financial and technical support to existing senior volunteer transportation programs to facilitate service expansion. A statewide coalition will be formed for collaboration and economies of scale regarding marketing/communications, volunteer training curriculums, and software.

It is additionally ORDERED that for the programs identified above, the following distributions of the remaining Funds shall be made contingent on submission of revised budget work plans ordered below.

Lead Organization or Entity	Program	Distribution to be Awarded	Advance Funds
Habitat for Humanity of Greater Memphis	Habitat for Humanity Tennessee-Aging in Place Program	\$13,000,000.00	NONE
Westminster Home Connection	Westminster Home Connection	\$1,000,000.00	\$360,000.00
Tennessee Alliance for Legal Services	Tennessee Consortium for Senior Legal Services	\$5,500,000.00	\$455,305.00
Nashville Public Television Inc.	NPT Reports: Aging Matters: Senior Legal Issues	\$100,000.00	\$50,000.00
	NPT Reports: Aging Matters: Senior Dental	\$100,000.00	\$50,000.00
Interfaith Dental Clinic of Nashville	Smile On	\$12,500,000.00	\$897,897.00

Lead Organization or Entity	Program	Distribution to be Awarded	Advance Funds
Southwest Tennessee Development District	Senior Volunteer Transportation Network	\$3,600,000.00	\$1,000,000.00

		Distributions	Advance Funds
TOTAL		\$35,800,000.00	\$2,813,202.00

It is further ORDERED that by December 15, 2017, the Consortium shall have obtained revised budget work plans from the above Grantees and shall file those with the Court along with the Consortium's review and report on whether the proposed goals and outcomes can be accomplished with the revised budgets.

It is ORDERED that on Friday, December 22, 2017, at 10:00 a.m., the Court shall conduct a status conference with Executive Director Jim Shulman and Attorney Laura Brown of the Tennessee Commission on Aging and Disability, and Attorney for the Receiver, Tera Rica Murdock, to set the hearing to award the distributions, and to plan the subsequent monitoring and reporting process.


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