

Secretary of State

Secretary Rokita Applauds Grand Jury Indictments in Cemetery Fraud Case

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Three additional co-conspirators charged in complex, multi-state scheme

(Indianapolis) July 15 — Indiana Secretary of State Todd Rokita says grand jury indictments announced today in an ongoing Marion County cemetery fraud case illustrate the complexity and wide reaching nature of the white-collar scheme investigated by his Prosecution Assistance Unit (PAU) in cooperation with local prosecutors.

The case, involving Memory Gardens Management Corporation (MGMC) and first made public earlier in 2008, involves a meticulous scheme by New Jersey resident Robert Nelms to misuse the company's perpetual care fund — a state-mandated fund designed to ensure the permanent maintenance of cemeteries. Nelms, the owner and president of MGMC, faces charges of use fraudulent securities instruments similar to corporate bonds to transfer \$27 million dollars of cash and assets from MGMC's perpetual care fund.

Today, three additional indictments are being made public against three co-conspirators involved in the case:

- Mark Singer, a Philadelphia area financial agent
- David Becher, a trust officer from Noblesville, Indiana; and
- Sherri Katz-Crank, a Michigan attorney.

All three are charged with five counts of Class C felony theft related to the unauthorized use of MGMA's perpetual care trust and other funds.

"These multi-count indictments against these three individuals demonstrate the seriousness of the accusations and are the result of our joint investigation — which included over a thousand hours from the Prosecution Assistance Unit — to hone in on these complex and expansive activities," said Indiana Secretary of State Todd Rokita. "Crime can be violent, or can be executed using white-collar weapons like a pen, a briefcase, or in this case, a cemetery plot. Our office will continue to work effectively with other parts of government, like Carl's office, to ensure we get results in cases like this that threaten to rob Hoosiers of a life's worth of work."

The specific MGMC properties and funeral homes include:

- Forest Lawn Memory Gardens, Inc. and Forest Lawn Memorial Chapel, Inc., Greenwood
- Covington Memorial Gardens, Inc. and Covington Memorial Funeral Home, Inc., Fort Wayne
- Chapel Hill Associates, Inc. and Chapel Hill Funeral Home, Inc., Osceola
- Lincoln Memory Gardens, Inc., Boone County
- Gardens of Memory, Muncie
- Gill Funeral Home, Inc., Washington

Any consumers with questions about the properties listed can call: (317) 923-5474 ext. 180. The properties are currently being overseen by Franklin attorney Lynnette Gray, who was appointed by a Johnson County Judge to oversee the operations of the business at Secretary Rokita's request.

This is the second time in as many days the work of the Secretary of State's™ Prosecution Assistance Unit has led to noteworthy results. Yesterday, an unlicensed mortgage broker was given an eleven year sentence for mortgage fraud in Hancock County. The case was also a joint investigation involving the PAU.

About the Prosecution Assistance Unit

In 2004, Indiana Secretary of State Todd Rokita created the Prosecution Assistance Unit within the Securities Division of the Secretary of State's™ Office. Its purpose is to assist police and prosecutors in investigating and prosecuting criminal violations of the Indiana Securities Act and the Indiana Loan Brokers Act. The investigators and attorneys in the unit collectively have over 72 years of experience in investigating and prosecuting criminals. Since its inception, the Unit has helped to convict 38 criminals in state and federal courts across Indiana. In addition, courts have ordered defendants to pay over \$29 million in restitution to crime victims. The Unit operates under the direction and supervision of the Securities Commissioner and the Senior Investigator.

The charges described are merely an accusation. The defendant is presumed innocent until and unless proven guilty.

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