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CLERK OF THE SHAWNEE COUNTY DISTRICT COURT
CASE NUMBER: 2019-CV-000233



Shawnee County District Court Court:

Case Number: 2019-CV-000233

Case Title: State of Kansas ex rel Derek Schmidt Atty General

vs. Shawn Parcells, et al.

Order Appointing Kansas Department of Health and Type:

Environment Receiver

SO ORDERED.

/s/ Honorable Mary E Christopher, District Judge

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IN THE THIRD JUDICIAL DISTRICT COURT OF SHAWNEE COUNTY, KANSAS Division 8

| STATE OF KANSAS, ex rel. |) |
|--|------------------------|
| DEREK SCHMIDT, Attorney General, |) |
| DI * 4:66 |) |
| Plaintiff, |) |
| v. |) |
| SHAWN PARCELLS, an individual; |) |
| d/b/a PARCELLS REGIONAL FORENSIC SERVICES; |) Case No. 2019-CV-233 |
| d/b/a KANSAS FORENSIC EXPERTS; |) |
| d/b/a KANSAS FORENSICS; |) |
| d/b/a KANSAS FORENSICS AND TISSUE |) |
| RECOVERY SERVICES; et al, |) |
| Defendants. |) |
| |) |
| (Pursuant to K.S.A. Chapter 60) | |

ORDER APPOINTING KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT RECEIVER PURSUANT TO K.S.A. 50-637

NOW, on this date there comes before the Court Plaintiff's Motion for Receiver pursuant to the Kansas Consumer Protection Act ("KCPA") K.S.A. 50-637. Plaintiff, State of Kansas, *ex rel*. Derek Schmidt, Kansas Attorney General, appear by and through counsel Deputy Attorney General Kathryn Carter and Assistant Attorney General Melanie Jack. Defendants appear by Eric Kjorlie. The Motion for Receiver is unopposed.

Whereupon the Court considers Plaintiff's Motion and Memorandum, exhibits, and arguments of counsel received on November 15, 2019, and the Court finds as follows:

1. The above-captioned matter was commenced by the State of Kansas, *ex rel*. Derek Schmidt, Kansas Attorney General, against Defendants Shawn Parcells, *et al*.

- 2. Plaintiff filed its Petition and Motion for Temporary Restraining Order with Memorandum in support on March 22, 2019.
- 3. The Court granted the Temporary Restraining Order as requested by Plaintiff on April 19, 2019, including the requirement Defendants complete an inventory of biological samples in its possession and control.
- 4. Defendants have failed to provide a complete inventory of known biological samples in Defendants' possession and control.
- 5. On October 25, 2019, Plaintiff filed its Motion for Appointment of a Receiver with Memorandum in support.
 - 6. Defendants have not responded to the Motion for Appointment of a Receiver.
 - 7. Defendant Parcells is an individual with a residential address in Kansas.
- 8. Parcells Forensic Pathology Group, LLC, was registered with the Kansas Secretary of State on June 15, 2010, but was forfeited on July 15, 2014.
- 9. ParCo Parcells and Company, LLC, was registered with the Kansas Secretary of State on September 30, 2013, but was forfeited on July 15, 2015.
- 10. Defendant National Autopsy and Tissue Recovery Services, Inc., is a Kansas corporation incorporated on May 11, 2016. Its primary business address is 827 S. Topeka Blvd, Topeka, KS, 66612.
- 11. At all times relevant, and in the ordinary course of business, Defendants acted as a "supplier" as defined by K.S.A. §50-624(1).
- 12. At all times relevant, and in the ordinary course of business, Defendants engaged in "consumer transactions" as defined by K.S.A. §50-624(c).

13. The KCPA authorizes the Attorney General to seek appointment of a receiver:

...whenever it shall appear that the supplier threatens or is about to remove, conceal or dispose of property to the damage of consumers to whom restoration would be made... or whenever it shall appear that the property was derived or is commingled with other property derived from transactions involving violations of this act, the court shall assess the expenses of a master or receiver against the supplier.

K.S.A. 50-632(c)(4).

14. The authority of the Receiver includes:

...sue for, collect, receive and take into the receiver's possession all the property, chattels, ...books, records, documents, papers, choses in action, bills, notes, and property of every description including property which has been commingled, if it cannot be identified in kind because of such commingling, and to sell, convey and assign the same and hold and dispose of the thereof under the direction of the court. K.S.A. 50-637(a).

- 15. This Court has authority pursuant to K.S.A. 50-632(c)(4) and 50-637 to appoint Secretary Lee A. Norman, M.D., Kansas Department of Health and Environment ("KDHE") and his designees, as Receiver as requested by the Attorney General.
- 16. The Receiver and his designees are not a party to this action and have no ownership interest in the biological samples that are the subject of this Receivership.
- 17. Plaintiff has satisfied its burden of proof for appointment of a Receiver, K.S.A. 50-632(a)(2).
- 18. In light of the foregoing, and the risk that Defendants may further harm persons for refusal to account for the biological samples in its possession and control, appointment of a Receiver is appropriate.
- 19. Appointment of a Receiver is necessary to document the contents of the morgue to allow for release or destruction of biological samples.

20. Good cause exists, pursuant to K.S.A. 60-2617, and Supreme Court Rule 23, to seal reports filed by the Receiver that contain personally identifiable information, including name of decedent, date of death and next of kin. Identifiable private harm exists regarding the disclosure of sensitive information related to the death, autopsy, and removal and retention of biological samples. Consumers and next of kin may request return of biological samples and are entitled to maintain privacy. The interest in protecting private harm outweighs the public interest to access the public record and proceedings.

IT IS ORDERED, ADJUDGED AND DECREED that:

- A. Secretary Lee A. Norman, M.D., Kansas Department of Health and Environment, is appointed as Receiver in the captioned matter pursuant to K.S.A. 50-632(c)(4) and 50-637, to serve without bond;
- B. The Receiver and/or his designees and Office of the Attorney General, and such other assistance as they may require, are granted authority to enter onto the premises located at 516 SW 3rd Ave, Topeka, KS, 66604;
- C. The Receiver and/or his designees and Office of the Attorney General shall conduct a complete inventory of the biological samples on the premises;
- D. The Receiver and/or his designees shall collect, receive and take into possession records, documents and papers necessary to identify and inventory the biological samples, including records, documents and papers that have been commingled and cannot be distinguished;
- E. The Receiver and/or his designees shall take into his custody, control and possession all inventoried biological samples and store such samples under the supervision and

- control, and subject to relevant and applicable statutes, rules and regulations, of Kansas Department of Health and Environment;
- F. The Receiver and the Office of the Attorney General shall prioritize consumer requests for release of biological samples due to statutes of limitations in civil litigation. The Receiver and Office of the Attorney General will expedite the release of identified samples as directed by the consumer or family member. Time is of the essence.
- G. Defendants' role in the Receivership is to cooperate with the Receiver and Office of the Attorney General. Defendants shall not be present when the inventory is conducted.
- H. Under K.S.A. 22a-233, coroner ordered autopsy samples require the pathologist performing the autopsy to remove and retain specimens for a period of three years.
 The Receiver is directed to preserve these specimens for at least three years from the date of the autopsy.
- The Receiver and Office of the Attorney General shall provide Court and Counsel a confidential copy of the completed inventory and consumer spreadsheet, filed under seal.
- J. The Receiver and/or his designees, are specifically authorized and ordered to seize and take into its possession two freezers containing Defendants' biological samples and all shelving currently utilized for biological sample storage at the morgue and necessary for storage by the Receiver;

- K. The Receiver and/or his designees are authorized, upon receipt of satisfactory and sufficient proof of identification and authority, to release biological samples, if requested, to known next of kin. Competing claims for biological samples will be resolved by hearing, if necessary, and court order;
- L. The Receiver and/or his designees are authorized to receive biological samples of
 Defendants obtained by agents of Defendants not housed/located at the morgue.
 These biological samples shall be inventoried and subject to the orders stated herein.
- M. The Receiver and/or his designees shall dispose of unclaimed or unidentified biological samples when the samples are no longer necessary, subject to relevant and applicable statutes, rules, regulations and upon order of the Court;
- N. The Office of the Attorney General is ordered to assist the Receiver and facilitate the Receiver's duties as necessary and appropriate;
- O. The Receiver and/or his designees, shall make an initial report to the Court and Counsel of the inventory and subsequent reports at least every six (6) months thereafter;
- P. Receiver reports containing personally identifiable information, including name of decedent, date of death and next of kin shall be filed with the Court under seal pursuant to Supreme Court Rule 23 and K.S.A 60-2617;
- Q. The Receiver and/or his designees, shall document Receiver expenses incurred to execute duties under the receivership and submit that record of expenses to the Court. Such expenses shall be assessed as costs in this action, K.S.A. 50-632(c)(4); and

- R. Defendants are prohibited from entry onto 516 SW 3rd Ave, Topeka, KS, 66604, until the inventory is complete, unless escorted by the Office of the Attorney General or Receiver.
- S. Such other orders as the Court deems just and appropriate.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court retains jurisdiction over this matter.

IT IS SO ORDERED.

THIS ORDER IF EFFECTIVE AS OF THE DATE AND TIME OF ITS ELECTRONIC FILING.

HONORABLE MARY CHRISTOPHER DISTRICT COURT JUDGE