

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE
MEMPHIS DIVISION**

LOVE IN ACTION INTERNATIONAL,)
INC.,)

Plaintiff,)

v.)

Case No. 2:05-cv-02724-BBD-dkv

PHIL BREDESEN, in his official capacity)
as Governor of the State of Tennessee;)

VIRGINIA TROTTER BETTS, in her)
official capacity as Commissioner of the)
Tennessee Department of Mental Health)
and Developmental Disabilities;)

ARTHUR HYDE, in his official capacity as)
Director of the Office of Licensure for the)
Tennessee Department of Mental Health)
and Developmental Disabilities, and in his)

individual capacity; PHIL BROWN, in his)
official capacity as West Tennessee)
Licensure Coordinator for the Tennessee)
Department of Mental Health and)
Developmental Disabilities, and in his)
individual capacity,)

Defendants.)

AGREED ORDER OF DISMISSAL

The parties, having reached the Settlement Agreement attached hereto as Exhibit A, agree that this action shall be dismissed, with prejudice.

WHEREFORE, by agreement of the parties, as evidenced by the signatures of their counsel below, IT IS HEREBY ORDERED that this action is dismissed with prejudice.

ENTERED this 27th day of October, 2006.

s/Bernice B. Donald
BERNICE BOUIE DONALD
UNITED STATES DISTRICT JUDGE

AGREED AND APPROVED FOR ENTRY:

s/ Pamela A. Hayden-Wood
PAMELA A. HAYDEN-WOOD
Senior Counsel
BPR No. 13820
s/ William Helou
WILLIAM HELOU
Assistant Attorney General
BPR No. 22839
Office of the Attorney General
General Civil Division
P.O. Box 20207
Nashville, TN 37202
(615) 741-7908
Pamela.Hayden-Wood@state.tn.us

/s/ Nathan W. Kellum
NATHAN W. KELLUM
TN BAR #13482; MS BAR #8813
ALLIANCE DEFENSE FUND
P.O. Box 11159
Memphis, TN 38111
(901) 323-6672
nkellum@telladf.org

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Licensure Coordinator for the Tennessee)
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Developmental Disabilities, and in his)
individual capacity,)

Defendants.)

SETTLEMENT AGREEMENT

It being the intent of the parties to fully settle all claims arising between them in connection with the above captioned lawsuit, the following agreement is entered into by and between the parties:

1. The parties agree that licensure requirements set out in T.C.A. §§ 33-2-401 *et seq.* (Supp. 2005) cannot properly be applied to Love In Action International, Inc. (“LIA”), particularly the overnight ministerial assistance and spiritual guidance provided by LIA to individuals with “mental illness,” as defined by Tennessee statute.

2. On this basis, Defendants named herein and any of their agents, representatives or employees agree to refrain from applying the licensure requirements set out in T.C.A. §§ 33-2-401 *et seq.* (Supp. 2005) to LIA, particularly the overnight ministerial assistance and spiritual guidance provided by LIA to individuals with “mental illness,” as defined by Tennessee statute.

3. In conjunction with this agreement, LIA will make certain that none of its employees administer medication to or regulate medication for any participant in any of its residential programs. LIA will only keep participants’ medication in a centrally-located accessible area for the purposes of safety and theft prevention. As a matter of policy, any time that participants desire access to the medication to dispense themselves, they would be permitted immediate and unrestricted access.

4. Defendants shall pay attorneys fees and expenses in the sum of \$65,944.61.


5. The Court shall retain jurisdiction over this Settlement Agreement for the purposes of enforcement.

6. Each party acknowledges that this agreement constitutes a mutual release of all potential claims against the other party arising out of this lawsuit.

7. Parties acknowledge that no promise, inducement, or agreement not contained herein has been made, and that this agreement contains the entire terms of the agreement between the parties, which terms are contractual and not a mere recital. Parties acknowledge that they have carefully read this agreement, know and understand its contents, and sign as their own free act and deed.

8. Plaintiff agrees to enter into an Agreed Order of Dismissal, with prejudice, pursuant to this Settlement Agreement, which will be attached to the Agreed Order as Exhibit "A." This case will be dismissed and the Settlement Agreement will become effective upon entry of the Agreed Order of Dismissal.

FOR PLAINTIFF:

John Smid
Reverend John Smid
Executive Director
Love In Action International


10/25/2006
Date

Sworn to and subscribed before me on this the 25th day of October, 2006.

Michael Kane
NOTARY PUBLIC

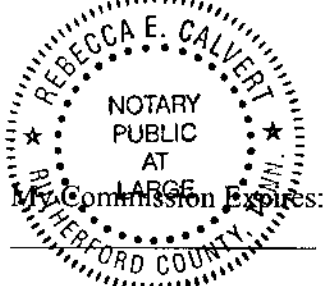
My Commission Expires:
8/22/2010

FOR DEFENDANTS:

Virginia Trotter Betts
Virginia Trotter Betts
Commissioner
Department of Mental Health and
Developmental Disabilities

10/18/06
Date

Sworn to and subscribed before me on this the 18th day of October, 2006.


My Commission Expires:

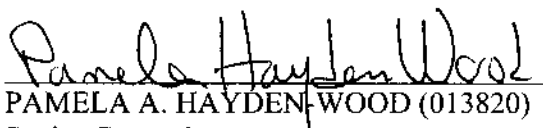
Rebecca E Calvert
NOTARY PUBLIC

My Commission Expires
Feb 18, 2006

APPROVED:



NATHAN W. KELLUM
TN BAR #13482; MS BAR #8813
ALLIANCE DEFENSE FUND
Post Office Box 11159
Memphis, TN 38111
T: 901-323-6672
ATTORNEY FOR PLAINTIFF



PAMELA A. HAYDEN WOOD (013820)
Senior Counsel
OFFICE OF THE ATTORNEY GENERAL
P.O. Box 20207
Nashville, TN 37202
T: 615-741-7908
ATTORNEY FOR DEFENDANTS