

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	CIVIL ACTION FILE
)	NO. 1:13-CV-01817-MHC
v.)	
)	
DETROIT MEMORIAL PARTNERS, LLC)	
and MARK MORROW,)	
)	
Defendants.)	

**RECEIVER’S QUARTERLY STATUS REPORT
FOR THE SECOND QUARTER OF 2018**

Pursuant to the Court’s Order Appointing Receiver [Doc. 51], Jason S. Alloy, the Court-appointed Receiver for Detroit Memorial Partners, LLC (“DMP”), hereby files the Receiver’s Quarterly Status Report for the **Second Quarter of 2018** (the “Time Period”).

QUARTERLY STATUS REPORT

I. Summary of the Operations of the Receiver.

During the Time Period, the Receiver and his counsel and staff devoted attention to the following issues:

- The Receiver and his staff updated their claimant contact information and prepared interim distribution checks to claimants in the aggregate amount of \$250,000. After distributions were sent to claimants, there were a number of questions about checks, including situations in which the payees were deceased or otherwise had changed, and the Receiver's staff spent time addressing these issues.
- The Receiver prepared a response to the Petition by St. Augustine's for an Asset Offer to Purchase 28 Michigan Cemeteries. [See Docs. 223 and 224.]
- The Receiver was contacted by Mark Morrow and his wife regarding a tax issue relating to how Detroit Memorial Partners had reported income on its K-1's. The Receiver had a brief conversation with Mrs. Morrow's tax attorney and follow-up correspondence with Mr. Morrow.

II. Amount of Cash on Hand, Amount and Nature of Accrued Administrative Expenses, and Amount of Unencumbered Funds in the Estate.

As reflected in the Schedule of Receiver's Receipts and Disbursements, Second Quarter 2018 (attached hereto as Exhibit A), DMP's total cash balance at the close of the Time Period was \$295,569.92.

DMP's accrued expenses for the Time Period are \$19,744.81 in attorneys' fees and expenses from the Robbins Firm and \$468 to McLean Koehler, totaling \$20,212.81.

III. Schedule of All the Receiver's Receipts and Disbursements (Attached as Exhibit A to the Quarterly Status Report), with One Column for the Quarterly Period Covered and a Second Column for the Entire Duration of the Receivership.

See Schedule of Receiver's Receipts and Disbursements, for Second Quarter 2018 (attached hereto as Exhibit A).

IV. Description of All Known Receivership Property, Including Approximate or Actual Valuations, Anticipated or Proposed Dispositions, and Reasons for Retaining Assets Where No Disposition Is Intended.

The assets at the close of the Time Period were the cash balance of \$295,569.92, plus the value of DMP's rights under the earn-out provision in the Interest Purchase Agreement with Park Lawn.¹ Note, however, that once all of the interim distribution checks clear the Receivership account, the cash on hand will be

¹ Under the terms of the earn-out provision, DMP was entitled to receive additional cash consideration (the "earn-out") if the MMG cemeteries now owned by Park Lawn meet certain earnings benchmarks (defined in the Agreement) in the years 2016, 2017 and 2018. The cemeteries did not meet the necessary benchmarks to trigger an earn-out for either 2016 or 2017. The Receiver will learn if DMP is eligible for a 2018 earn-out when Park Lawn releases its annual financials in April 2019.

closer to \$119,000, which should be sufficient to carry the Receivership through to its conclusion.

V. Description of Liquidated and Unliquidated Claims Held by the Receivership Estate, Including the Need for Forensic and/or Investigatory Resources; Approximate Valuations of Claims; and Anticipated or Proposed Methods of Enforcing Such Claims (Including Likelihood of Success in: (i) Reducing the Claims to Judgment; and, (ii) Collecting Such Judgments).

The Receiver is not aware of any additional liquidated or unliquidated claims that have not already been pursued.

VI. List of All Known Creditors with Their Addresses and the Amounts of Their Claims.

The Receiver's most recent list of creditors and claim amounts can be found at Docket Entry 214-1, which has also been posted to the Receiver's website at www.dmpreceivership.com.

VII. Status of Creditor Claims Proceedings.

On November 10, 2016, the Court approved the Receiver's Plan of Distribution (as amended) and ordered that the Receiver distribute funds consistent with the Plan. [Doc. 185.] Those funds were distributed as directed as set forth in the Plan of Distribution. In March 2018, the Receiver requested the Court's approval to make an interim distribution of \$250,000, which was also approved.

[Doc. 214, 218.] The Receiver has issued the interim distribution checks. The Receiver expects to make a final distribution at the conclusion of the Receivership.

VIII. Receiver's Recommendations for a Continuation or Discontinuation of the Receivership and the Reasons for the Recommendations.

The Receiver recommends that the Receivership proceed through June 2019 so that the Receiver may (1) determine if DMP is eligible for an earn-out payment based on MMG's 2018 financial results, which DMP expects to have on or before March 31, 2019, and (2) distribute all remaining funds to claimants. Barring unforeseen circumstances, the Receiver expects Receivership expenses through the end of 2018 to be kept at a minimum.

Respectfully submitted this 30th day of July, 2018.

/s/ Jason S. Alloy

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*Appointed Receiver for Defendant
Detroit Memorial Partners, LLC*

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **RECEIVER'S QUARTERLY STATUS REPORT FOR THE SECOND QUARTER OF 2018** has been prepared with one of the font and point selections approved by the Court, and that it has been filed electronically with the Clerk of Court using the CM/ECF system, which will send notification of such filing to all attorneys of record. The foregoing was also personally served by email and U.S. Mail on Defendant Mark Morrow at mmorr7887@aol.com and at the following address:

Mark Morrow
Inmate No. 75250-061
FCI Ashland
State Route 716
Ashland, KY 41105

This 30th day of July, 2018.

/s/ Jason S. Alloy
Jason S. Alloy