

FILED IN CHAMBERS
U.S.D.C. Atlanta

JUN 08 2015

JAMES N. HATTEN, Clerk
By: *[Signature]* Deputy Clerk

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
DETROIT MEMORIAL PARTNERS, LLC,)
and MARK MORROW,)
)
Defendants.)

CIVIL ACTION NO.
1:13-cv-1817-WSD

**RECEIVER’S UNOPPOSED MOTION FOR APPROVAL TO NEGOTIATE
SALE OF RECEIVERSHIP PROPERTY**

Jason S. Alloy, the Court-appointed Receiver for Defendant Detroit Memorial Partners, LLC (“DMP”), hereby moves for this Court for authority to negotiate the sale of DMP’s 49% membership interest (the “49% Interest”) in Midwest Memorial Group (“MMG”). The Receiver seeks this authority to liquidate the 49% Interest so that the cash proceeds may be combined with funds currently in the Receivership Estate to settle the outstanding claims against DMP.

The Receiver has consulted with counsel for the Securities and Exchange Commission, the members of DMP, and Defendant Mark Morrow prior to filing this motion, and each affirmatively stated that they do not object to the relief requested herein.

BACKGROUND

Last fall, the Receiver solicited the submission of creditor claim forms from all known and potential creditors of DMP. The deadline for submission of forms and supporting documents was November 14, 2014. The Receiver has since conducted a thorough evaluation of the information submitted, and he is currently focused on establishing a fund from which he can settle meritorious claims.

The Receivership Estate currently consists of \$6,035,558.05 in cash on hand, plus the 49% Interest. In order to establish a settlement fund, the Receiver has determined that it is necessary to sell the 49% Interest. In August 2014, the Receiver retained American Cemetery/Mortuary Consultants, Inc. (ACMC) to assist with the marketing and sale of the 49% Interest. ACMC immediately began a nationwide effort to locate a buyer for the 49% Interest.

ACMC's efforts were successful, and the Receiver obtained multiple offers for the 49% Interest. The Receiver spent considerable time evaluating these offers and conferring with ACMC and the potential buyers. The most attractive offer, from [REDACTED]

[REDACTED] was contingent upon [REDACTED]
[REDACTED]. This contingency required further negotiations [REDACTED]

[REDACTED]

[REDACTED]

The Receiver then engaged in extensive negotiations [REDACTED]

[REDACTED] would be structured, [REDACTED]

[REDACTED]. The result of those discussions is that any

potential deal will be structured [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED], and the result of those negotiations is the non-binding Letter of Intent (“LOI”) attached hereto as

Exhibit A.

THE LETTER OF INTENT

The Receiver executed the LOI on DMP’s behalf on June 1, 2015. The LOI as presented grants [REDACTED] the exclusive right to close [REDACTED] for a period of 60 days, during which time [REDACTED] cannot negotiate with any other party. During this period, the parties shall prepare a definitive purchase agreement [REDACTED] (the “Purchase Agreement), which shall not be binding until the Court approves the sale of DMP’s share. (See LOI §4(a).)

The principal terms of the LOI are as follows:

1. The total purchase price of [REDACTED]
[REDACTED]
2. [REDACTED]
3. The closing is anticipated to take place on or about July 1, 2015.

If the deal closes as contemplated by the LOI, [REDACTED]
[REDACTED]. The Receiver believes this [REDACTED]
[REDACTED] would be an excellent result for DMP and for its creditors, and would be a significant step toward finally resolving the Receivership.

AUTHORITY REQUESTED

The Receiver seeks the general authority to negotiate a final sale of DMP's 49% Interest in MMG to [REDACTED]. The terms of the LOI shall serve as the framework for any such deal. The Receiver believes that the terms of the LOI are fair, and that the transaction contemplated would be in DMP's best interests. The Receiver notes, however, that the terms of the final deal could change, [REDACTED]
[REDACTED] The Receiver therefore seeks full authority to negotiate a final deal in good faith and

close the deal on the best possible terms for DMP, even if the final terms deviate from the LOI.

If such authority is granted to the Receiver, the Receiver will proceed with the deal to closing and, within 30 days of such closing, the Receiver will report the final terms in a public filing to the Court.

CONCLUSION

For the foregoing reasons, the Receiver respectfully requests that the Court grant him the authority, following a period of due diligence, to negotiate a final sale of the 49% Interest in good faith for the benefit of DMP.

Respectfully submitted this 5th day of June, 2015.

/s/ Jason S. Alloy _____
Jason S. Alloy
Georgia Bar No. 013188
Robbins Ross Alloy Belinfante
Littlefield LLC
999 Peachtree Street, N.E., Suite 1120
Atlanta, Georgia 30309
Telephone: 678-701-9381

*Court-Appointed Receiver for Detroit
Memorial Partners, LLC*

EXHIBIT A

May 29th 2015

[REDACTED]

Re: [REDACTED]

Dear Mr. [REDACTED]

This letter of intent sets forth the principal terms upon which [REDACTED] Detroit Memorial Partners, LLC ("DMP") will sell [REDACTED] membership interests (the "Shares") [REDACTED] to [REDACTED] or one or more entities to be formed by it ("Buyer"), (the "Transaction").

This letter of intent is a non-binding offer [REDACTED] to sell the Shares [REDACTED] to Buyer, and none of the parties hereto shall have any obligations hereunder other than the provisions of Sections 7 and 10 through 12, which shall be binding on the parties hereto. The obligations on the part of [REDACTED] hereunder remain subject to the execution and delivery of a definitive agreement (the "Purchase Agreement") and other conditions which have been outlined in Section 4 below.

1. Purchased Shares. Buyer shall purchase all of the Shares [REDACTED] free and clear of all encumbrances.

2. Consideration.
(a) Amount. The consideration for the Purchased Shares (the "Consideration") shall be [REDACTED]

This value reflects the total consideration for the Shares. [REDACTED]

[REDACTED]

[REDACTED]

The Consideration shall be adjusted as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] have projected the Closing to occur by July 1, 2015 ("Projected Closing Date"). However, the parties acknowledge that the Closing may occur after the Projected Closing Date. [REDACTED]

[REDACTED]

(b) Payment. [REDACTED]

[REDACTED]

3. Definitive Agreement.

(a) Preparation of Agreement. Upon execution and delivery of this letter of intent by the parties hereto, the parties will begin to prepare a definitive Purchase Agreement having customary provisions for a transaction of this kind and related ancillary transaction agreements, [REDACTED] Seller will prepare an initial draft of the Purchase Agreement. [REDACTED] shall complete and sign the Purchase Agreement on or before June 15, 2015. The Purchase Agreement will comply with all applicable laws and regulations.

(b) Representations and Warranties. The Purchase Agreement will contain representations, warranties and covenants [REDACTED]

[REDACTED]

(c) Deposit. Upon execution of the Purchase Agreement, [REDACTED] will deliver to [REDACTED] with Fidelity Title Insurance Company (Troy, MI) (the "Title Company") as a non-refundable deposit applicable to the Purchase Price at the Close. In the event that the transaction does not close as a result of a material breach or failure of performance [REDACTED] shall return the deposit to Buyer. If the transaction does not close for any other reason, Buyer shall retain the deposit as liquidated damages.

4. Conditions. The definitive Purchase Agreement shall specify the following conditions to the obligation of the parties to close the Transaction:

(a) Receipt of all appropriate consents and approvals, including, without limitation, approval by the Federal District Court for the Northern District of Georgia, Atlanta Division, [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

(d) [REDACTED]

(e) [REDACTED]

- (f) Absence of any pending litigation seeking to enjoin or prevent the Transaction;
- (g) Satisfactory completion of due diligence by Buyer;

Upon receipt from you of a signed copy of this letter of intent on or before May 30th 2015, you may commence your due diligence.

Buyer and its management personnel, legal counsel, auditors and financial advisors shall be provided with all documents, data and information [REDACTED] and, without limiting the generality of the foregoing, the information listed on Schedule 1 hereto.

(h) [REDACTED]

(i) [REDACTED]

(j) [REDACTED]

5. Closing. It is anticipated that the Closing will take place on or about July 15th, 2015, subject to the execution and delivery of a definitive Purchase Agreement between the parties and the fulfillment of all of the Closing conditions set forth therein.

6. [REDACTED]

7. Exclusivity. In consideration of Buyer's resource allocation required to complete the transaction, Buyer [REDACTED] shall have the exclusive right to close the transaction [REDACTED] for a period of 60 days from the date hereof (the "Exclusivity Period"). [REDACTED] the Exclusivity Period, [REDACTED]

8. Access. [REDACTED]

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

[REDACTED]

9. [REDACTED]

10. Fees. Each party shall be responsible for its own attorney and other professional fees and costs incurred with respect to the negotiation of a definitive Purchase Agreement (regardless of whether a definitive Purchase Agreement is ever executed and delivered) and a closing of same (regardless of whether a closing occurs).

11. Course of Conduct. [REDACTED]

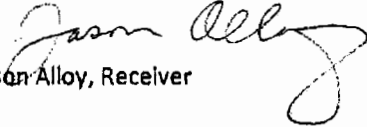
[REDACTED]

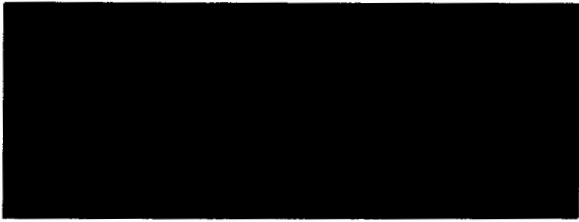
12. Miscellaneous. This Letter of Intent shall be governed by and construed in accordance with the laws of the State of Michigan, without regard to its rules regarding choice of law. Copies of original signatures sent by facsimile transmission or other media (e.g., email) are binding as evidence of such acceptance and agreement. This letter of intent may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

If the foregoing is acceptable to you, please so indicate by signing this letter of intent in the space provided below and returning such executed copy to the undersigned by 5:00 p.m. Eastern Daylight Time on May 31, 2015.

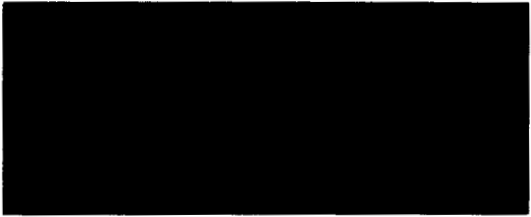
Very truly yours,

Detroit Memorial Partners, LLC

By: 
Jason Alloy, Receiver



Accepted and Agreed:



Dated: May 30th 2015

ACTIVE\17129068.2

LOCAL RULE 7.1D CERTIFICATION

I hereby certify that the foregoing **RECEIVER'S UNOPPOSED MOTION FOR APPROVAL TO NEGOTIATE SALE OF RECEIVERSHIP PROPERTY** was prepared in Times New Roman 14 point, which is one of the font and point selections approved by the Court under Local Rule 5.1B.

This 5th day of June, 2015.

/s/ Jason S. Alloy
Jason S. Alloy

CERTIFICATE OF SERVICE

I hereby certify that I have electronically filed the foregoing **RECEIVER'S UNOPPOSED MOTION FOR APPROVAL TO NEGOTIATE SALE OF RECEIVERSHIP PROPERTY** with the Clerk of Court using the CM/ECF system, which will send email 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 the following addresses.

Mark Morrow
8643 Twilight Tier
Cincinnati, Ohio 45249
mmorr7887@aol.com

This 5th day of June, 2015.

/s/ Jason S. Alloy
Jason S. Alloy