

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

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

**RECEIVER’S QUARTERLY STATUS REPORT FOR THE
FIRST QUARTER OF 2015**

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 **First Quarter of 2015**.

QUARTERLY STATUS REPORT

I. Summary of the Operations of the Receiver.

In the First Quarter the Receiver continued to focus on tasks that would most efficiently move the receivership toward its conclusion, including the following:

A. Potential Sale of DMP's 49% Interest in Midwest Memorial Group, LLC (MMG)

During the Time Period, the Receiver received and analyzed multiple offers from potential buyers of DMP's 49% interest in MMG. The Receiver spent much of his time during the Time Period in discussions with the interested parties to determine which of the offers is more advantageous to DMP, and which is more likely to close. The Receiver is optimistic that he will be able to entertain an offer for the 49% interest in the near term that is advantageous to DMP and its stakeholders.

Also, on February 27, 2015, the Receiver nominated two new board members to MMG's Board of Managers, Steve Kester and Doug Topkis, both of whom were promptly approved.

B. Participation in MMG Capital Call

The details regarding DMP's participation in the latest stage of MMG's capital call are set forth in full in the Receiver's Unopposed Motion to Authorize DMP's Participation in MMG's Capital Call, filed March 31, 2015. [Doc. 113.]

Briefly, on January 16, 2015, MMG management notified the Receiver that the third stage of MMG's capital call was needed, and that MMG's Board would be voting for an additional capital contribution from MMG's members in the amount of \$500,000. DMP's portion of the capital call would be \$245,000. After

analyzing the costs and benefits of participating in the capital call, the Receiver determined that participation would be in DMP's best interests. The Receiver filed his motion for authorization on March 31, 2015, and the motion was granted on April 1, 2015. [Docs. 113-14.] The Receiver delivered the funds to MMG on April 2, 2015.¹

C. Creditor Claims Proceedings.

See Section VI below.

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, First Quarter 2015 (attached hereto as Exhibit A), DMP's total cash on hand at the close of the quarter was \$6,280,558.05. The Receiver is unaware of any additional unencumbered funds in the estate at this time.

The Receiver's total accrued expenses for the Time Period are (1) \$47,698.44 in fees for the Receiver and the Robbins Firm, and (2) \$10,037.00 in fees for the accounting firm Habif Arogeti & Wynne. The Receiver will file an

¹ Because the delivery of funds occurred in the Second Quarter, it will be reflected in the Receiver's Second Quarter 2015 Status Report and Fee Application, and is not reflected on Exhibit A hereto.

Application for Compensation and Reimbursement of these Expenses on or before May 15, 2015 in accordance with the Order Appointing Receiver.

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 First Quarter 2015 (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.

A complete description of the assets in the Receivership Estate was provided in the Accounting filed on February 21, 2014. [Doc. 73.] Since that date the Receiver's Quarterly Reports and Fee Applications have detailed the Receiver's expenditures. To date the assets identified are solely the cash on hand totaling \$6,280,558.05, plus the value of DMP's 49% membership interest in MMG. As discussed above, the Receiver is currently attempting to liquidate the 49% interest in MMG. Once the interest in MMG is sold, the Receiver will present the Court with a plan to negotiate the payment of meritorious claims and distribute the assets of DMP.

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 has conducted a preliminary analysis of all claims that DMP may currently have against third parties, and all claims that third parties may have against DMP. Given DMP's limited resources, the Receiver only intends to pursue a claim on DMP's behalf if the potential benefits to DMP's creditors and its likelihood of success on the merits outweigh the anticipated costs of litigation. Thus far, the Receiver has not identified any potential claims for which the benefits outweigh the expected costs. However, this analysis is ongoing and the Receiver will continue to consider any claims DMP has against third parties.

Additionally, the Receiver has received inquiries from potential claimants about the related class action Curry et al. v. TD Ameritrade et al., Case No. 1:14-cv-01361-LMM, currently pending before this Court, and the Receiver's counsel has informed claimants and their advisors of where they can obtain further information about that case.

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

The Receiver has conducted a thorough evaluation of the claim forms and supporting documents submitted by DMP's potential claimants and creditors.

Once the sale of DMP's 49% interest in MMG is complete, all of DMP's assets will be in cash. At that point the Receiver will present the Court with a plan to negotiate the payment of meritorious claims and distribute the assets of DMP.

VII. Status of Creditor Claims Proceedings, After Such Proceedings Have Been Commenced.

See Section VI above.

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

The Receiver recommends that the Receivership continue so that he may proceed with his attempts to market and sell DMP's 49% interest in MMG, move forward with the claims proceedings, and prosecute any claims that DMP may have against any third parties.

Respectfully submitted this 30th day of April, 2015.

/s/ Jason S. Alloy
Jason S. Alloy
Georgia Bar No. 013188
ROBBINS ROSS ALLOY BELINFANTE
LITTLEFIELD LLC
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Suite 1120
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Telephone: (678) 701-9381

*Appointed Receiver for Defendant
Detroit Memorial Partners, LLC*

LOCAL RULE 7.1D CERTIFICATION

I hereby certify that the foregoing **RECEIVER'S QUARTERLY STATUS REPORT FOR THE FIRST QUARTER OF 2015** 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 30th day of April, 2015.

/s/ Jason S. Alloy

Jason S. Alloy

CERTIFICATE OF SERVICE

I hereby certify that on this day, I electronically filed the foregoing **RECEIVER'S QUARTERLY STATUS REPORT FOR THE FIRST QUARTER OF 2015** 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 certified U.S. Mail on Defendant Mark Morrow at the following addresses.

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

This 30th day of April 2015.

/s/ Jason S. Alloy _____
Jason S. Alloy