

**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  
SECOND 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 **Second Quarter of 2015**.

**QUARTERLY STATUS REPORT**

**I. Summary of the Operations of the Receiver.**

In the Time Period the Receiver focused on closing the sale of its largest asset, DMP’s 49% interest in Midwest Memorial Group (the “49% Interest”). The Receiver’s tasks included the following:

**A. Negotiation of Letter of Intent with Potential Buyer**

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 offers for the 49% Interest. The Receiver spent considerable time evaluating these offers and conferring with ACMC and the potential buyers. The Receiver then settled on a potential buyer and entered into a non-binding Letter of Intent ("LOI") with the potential buyer on June 1, 2015. The Receiver then obtained authority from the Court to negotiate a final sale of the 49% Interest. [Doc. 120.] The Receiver also obtained authority from the Court to retain Dykema Gossett PLLC to advise DMP on the sale.

The buyer is currently conducting due diligence, and once any issues are resolved, the deal will proceed to closing. Within 30 days of such closing, the Receiver will report the final terms in a public filing to the Court.

**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 Fourth Unopposed Motion to

Authorize Participation in Midwest Memorial Group's Capital Call, filed June 25, 2015. [Doc. 123.]

In summary, on or about June 19, 2015, MMG's Board of Managers determined that a capital call from the members would be necessary to fund current operations, make payroll, pay certain debts and fund ongoing construction of a mausoleum at one of the Michigan cemeteries. The total amount of the capital call was \$778,000, and DMP's 49% portion of that amount was \$382,000.

The Receiver moved the Court to allow DMP's participation in the capital call on June 25, 2015. [Doc. 123.] The Court granted the motion on June 29, 2015. [Doc. 124.] The Receiver delivered \$245,000 of its portion of the capital call to MMG on July 9, 2015.

**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 \$5,987,859.61.<sup>1</sup> 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 Application for Compensation and Reimbursement of these Expenses on or before August 14, 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.] The assets at the close of

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<sup>1</sup> After the close of the quarter the Receiver made the \$245,000 capital call payment to MMG, making the balance as of this writing \$5,742,859.61.

the Time Period were solely the cash on hand totaling \$5,987,859.61,<sup>2</sup> plus the value of DMP's 49% membership interest in Midwest Memorial Group, LLC.

The Receiver will present a proposal to the Court for the disposition of assets once the outstanding issues described above are resolved.

**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-

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<sup>2</sup> See Note 1, supra.

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 sent claim forms to potential claimants on August 15, 2014, with responses due by November 14, 2014. The Receiver and his counsel have evaluated the claim forms, along with the documents submitted in support of each. The Receiver expects to be ready to begin negotiating the payment of meritorious claims following the conclusion of a sale of the 49% Interest. Until that sale is completed, the Receiver does not know how large the pool of funds will be to pay claims.

**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 finalize the sale of DMP's 49% interest in MMG and begin the negotiation and payment of claims asserted against the Receivership Estate.

Respectfully submitted this 30th day of July, 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

*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 SECOND 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 July, 2015.

*/s/ Jason S. Alloy*  
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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 SECOND 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](mailto:mmorr7887@aol.com)

This 30th day of July 2015.

*/s/ Jason S. Alloy* \_\_\_\_\_  
Jason S. Alloy