

**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
THIRD 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 **Third Quarter of 2015**.

QUARTERLY STATUS REPORT

I. Summary of the Operations of the Receiver.

A. Sale of DMP’s 49% Interest in Midwest Memorial Group

In the Time Period the Receiver focused efforts on completing the sale of DMP’s 49% interest in Midwest Memorial Group (the “49% Interest”) to the interested purchaser identified in the Receiver’s Unopposed Motion for Approval

to Negotiate Sale of Receivership Property. [Doc. 119.] Unfortunately, following the due diligence period specified in the parties' June 1, 2015 letter of intent [the "LOI", Doc. 119, Ex. A], the prospective purchaser notified the Receiver that due to market conditions, it was no longer able to close on the purchase of the 49% Interest under the terms of the LOI. The Receiver and the Prospective Purchaser continue to communicate to determine if a deal is feasible. The Receiver is also evaluating the market and DMP's options regarding the further marketing of the 49% interest.

The Receiver's view is that a sale of the 49% Interest in MMG continues to be in the best interests of DMP and its creditors. At this time, however, it is uncertain if and when a sale will take place. Going forward, we may obtain information regarding the price and identities of prospective purchasers. DMP will continue to treat the information as confidential because disclosure of it would harm DMP and could potentially be harmful to prospective purchasers. Accordingly, we will not include such information in our status reports. However, if at any time the Court seeks further information we are amenable to providing it via a status conference or a filing under seal.

B. Participation in MMG Capital Call

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, Third Quarter 2015 (attached hereto as Exhibit A), DMP's total cash on hand at the close of the quarter was \$5,633,409.71. 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) \$22,587.31 in attorneys' fees and expenses incurred by the Robbins Firm, (2) \$5,763.39 in fees from McLean Koehler, and (3) \$35,639.50 in fees and expenses from the law firm Dykema Gossett. DMP's total accrued expenses for the Time Period are \$63,990.20. The Receiver will file an Application for Compensation and Reimbursement of these Expenses on or before November 16, 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 Third 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 the Time Period were solely the cash on hand totaling \$5,633,409.71, 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.

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 proceed so that he may continue to pursue the potential 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 October, 2015.

/s/ Jason S. Alloy
Jason S. Alloy
Georgia Bar No. 013188
ROBBINS ROSS ALLOY BELINFANTE
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*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 THIRD 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 October, 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 THIRD 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 October 2015.

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