

**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 FIFTH APPLICATION FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES
(FOURTH QUARTER 2014)**

Jason S. Alloy, the Receiver for Detroit Memorial Partners (“DMP”), files this Application seeking the Court’s approval to pay the Receiver’s professional service fees and expenses for the period October 1, 2014 through December 31, 2014 (the “Time Period”). In support of his Application, the Receiver shows the following information as required by the Court’s Order Appointing Receiver [Dkt. 51] (the “Receiver Order”) and the “Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission” (the “Billing Instructions”). The Receiver submitted a complete copy of this Application to the

SEC, Mark Morrow, and DMP's members for their review on January 16, 2015.

Neither the SEC nor the members raised any issues or objections to this Application.

INFORMATION ABOUT THE APPLICANT AND THE APPLICATION

Billing Instructions § C(1)(a) through (d)

1. ***Date the Receiver was Appointed:*** November 22, 2013.
2. ***Date of the Order Approving Employment of the Applicant.*** The law firm Robbins Ross Alloy Belinfante Littlefield, LLP ("Robbins Firm") was approved as counsel to Receiver on November 26, 2013, although the Robbins Firm began providing legal services to DMP on September 24, 2013. The accounting firm McLean Koehler Sparks & Hammond ("McLean Koehler") was approved on March 26, 2014.
3. ***Date Services Commenced:*** The Robbins Firm's services commenced on September 24, 2013. The Receiver first consulted with McLean Koehler on February 4, 2014.
4. ***Names and Hourly Rates of All of Applicant's Professionals and Paraprofessionals.*** See the Fee Schedule attached hereto as Exhibit "B".
5. ***Whether the Application is Interim or Final, and the Dates of Previous Orders on Interim Applications Along with Amounts Requested and the Amounts Allowed or Disallowed, All Amounts of Previous Payments, and***

Amount of Any Allowed Applications which Remain Unpaid. This is the fifth interim Application filed by the Receiver. Previous applications are as provided in the table below. All prior applications have been approved and all fees have been paid to the appropriate service providers:

Date of Application	Amt. Requested	Date Order Entered	Amt. Allowed (fees/expenses)
Feb. 14, 2014 [Doc. 68]	\$22,669.67	Mar. 2, 2014 Order [Doc. 75] June 3, 2014 Judgment [Doc. 88]	\$22,669.67 (full amount)
May 15, 2014 [Doc. 86]	\$83,006.00	June 3, 2014 Order & Judgment [Docs. 87 & 89]	\$83,006.00 (full amount)
Aug. 14, 2014 [Doc. 97]	\$58,553.17	Nov. 25, 2014 Order [Doc. 106]	\$58,553.17 (full amount)
Nov. 14, 2014 [Doc. 103]	\$66,889.83	Nov. 21, 2014 Order [Doc. 104]	\$66,889.83 (full amount)

CASE STATUS (NARRATIVE)
Billing Instructions § C(2)(a) through (e)

6. ***Amount of Cash on Hand; Amount and Nature of Accrued Expenses; Amount of Unencumbered Funds in the Estate.*** As reflected in the Standardized Fund Accounting Report attached hereto as Exhibit “A”, DMP’s total cash on hand at the close of the quarter was \$6,807,560.33.

DMP’s total accrued expenses for the Time Period are (1) \$30,792.50 in attorneys’ fees and \$878.77 in expenses incurred by the Robbins Firm, and (2) \$2,669.00 in fees incurred from McLean Koehler in assisting with preparation of DMP’s tax documents.¹

The Receiver is unaware of any additional unencumbered funds in the estate at this time.

7. ***Summary of the Administration of the Case, Including All Funds Received and Disbursed, and When the Case Is Expected to Close.*** In the Time Period the Receiver continued to focus on tasks that would most efficiently move the receivership toward its conclusion, including the following:

¹ After the approval of the Receiver’s Third and Fourth Applications for Fees and Expenses in November 2014, the Receiver’s staff paid MKSH’s outstanding bills, which inadvertently included MKSH’s Fourth Quarter fees totaling \$2,669.00. That bill and a copy of the check for payment are attached hereto as Exhibit D-2. The fees were incurred at the Receiver’s direction for analysis related to the sale of DMP’s interest of MMG, and for advice regarding a complex partnership taxation issue. The Receiver hereby requests approval of these fees incurred in the Fourth Quarter but inadvertently paid with the approved Second and Third Quarter fees.

a. Potential Sale of DMP 49% Interest in Midwest Memorial Group (MMG)

During the Time Period, the Receiver received and analyzed multiple initial proposals from potential buyers of DMP's 49% interest in MMG. The Receiver's discussions with these potential buyers are continuing. The Receiver intends to largely keep the sale process confidential to avoid compromising ongoing negotiations, but he will update the Court if and when he receives a firm offer for the 49% interest that is advantageous to DMP and its stakeholders.

b. Participation in MMG Capital Call

On Monday, October 27, 2014, MMG management notified the Receiver that a cash contribution from MMG's members was needed to fund MMG's operations, and that Westminster Memorial Group (the majority member on DMP's Board of Managers) would be voting for a new capital call from MMG's members in the amount of \$1,000,000. DMP's portion of the capital call would be \$490,000.

After analyzing the costs and benefits of participating in the capital call with the assistance of the accounting firm Habif Arogeti, the Receiver determined that participation in the capital call would be in DMP's best interests. On November 4, 2014, the Receiver filed his second Motion to Authorize DMP's Participation in MMG's Capital Call, and the Court granted the motion on January 16, 2015.

[Docs. 101, 108.] The Receiver delivered the funds to MMG on January 20, 2015.

c. Complex Pass-Through Tax Issues

During the Time Period the Receiver directed McLean Koehler to do an analysis, based on new information obtained in preparing the Receiver's Accounting,² to determine whether DMP's past tax filings may be amended to take advantage of securities trading losses that were not previously accounted for in the filings because McLean Koehler was not made aware at the time of trading activity done on DMP's account.

After conducting the preliminary review, McLean Koehler concluded that determining whether such amendments were possible would require a time-consuming forensic analysis of the available brokerage records that would cost DMP approximately \$20,000 in fees. Beyond the expense, even if such trading losses were identified, the losses in prior years would be no greater than the loss the members will eventually realize when DMP's interest in MMG is sold and DMP is wound down (hopefully in the near term) through the receivership. The only "benefit" of amending the returns now is the time value of allowing the members to claim the losses now, for prior years, instead of having to wait until DMP is wound down. The Receiver determined that this limited benefit is

² See Doc. 73.

outweighed by the cost of performing the analysis, and the Receiver will not seek to amend DMP's past tax returns at this time.

8. ***Summary of Creditor Claims Proceedings.*** The Receiver sent claim forms to potential claimants on August 15, 2014, with responses due by November 14, 2014. The Receiver made every effort to make the process as straightforward for claimants as possible, and he and his staff fielded inquiries from investors in a prompt and efficient manner in the days leading up to the submission deadline. The Receiver and his counsel are currently evaluating each claim form on an individual basis, along with the documents submitted in support of each. The Receiver will notify the Court and the claimants when that evaluation is completed and the Receiver is ready to begin negotiating the payment of meritorious claims. Much of this timing will depend upon the conclusion of a sale of DMP's 49% interest in MMG, however. Until that sale is completed, the Receiver does not know how large the pool of funds will be to pay claims.

9. ***Description of Assets in the Receivership Estate, 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.] To date the assets identified are solely the

cash on hand totaling \$6,807,560.33, 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 and the creditor claims proceeding is concluded.

10. *Descriptions Of Liquidated and Unliquidated Claims Held by the Receiver.* 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 of DMP 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.

CURRENT AND PREVIOUS BILLINGS
Billing Instructions § C(3)(a) through (c)

11. ***Total compensation and expenses requested.*** The total compensation and expenses requested at this time for the Time Period are \$31,671.27 for the Receiver and the Robbins Firm and \$2,669.00 for McLean Koehler.

12. ***Any amount(s) previously requested, and total compensation and expenses previously awarded by the Court.*** See paragraph 5 above.

13. ***Total hours billed and total amount of billing for each person who billed time during the period for which fees are requested.*** See Billing Summary for Professionals and Paraprofessionals, attached hereto as Exhibit “C”.

STANDARDIZED FUND ACCOUNTING REPORT
Billing Instructions § C(4)

14. Attached as Exhibit “A” is a Standardized Fund Accounting Report for the most recently concluded calendar quarter.

PRESENTATION OF FEES AND EXPENSES
Billing Instructions § D(1) et seq.

15. Attached as Exhibit “C” is a Billing Summary for Professionals and Paraprofessionals setting forth the billing for each such person employed by the Receiver providing services during the Time Period.

16. Attached as Exhibit “D-1” is a detailed invoice from the Robbins Firm reflecting the time entries of the Robbins Firm’s personnel during the Time Period. The time entries are categorized in chronological order in the “Activity Categories” listed in § D(5)(a) of the Billing Instructions.

17. Attached as Exhibit “D-2” is a detailed invoice from McLean Koehler reflecting the time spent in providing tax advice to DMP during the Time Period.

18. Attached as Exhibit “E” is the Receiver’s Certification as of the information contained in this application.

19. Attached as Exhibit “F” is a proposed Order Granting Receiver’s Application for Compensation and Reimbursement of Expenses.

ADDITIONAL REPRESENTATIONS BY THE RECEIVER
Receiver Order ¶ 49(B)

20. The fees and expenses requested herein were incurred in the best interests of the Receivership Estate.

21. With the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

WHEREFORE, the Receiver asks this Court to approve all of the fees and expenses described herein and attached, and to authorize the immediate payment of same to the extent the Receiver determines funds are available to do so.

Respectfully submitted this 16th day of February, 2015.

/s/ Matthew T. Parrish _____

Richard L. Robbins

Georgia Bar No. 608030

Matthew T. Parrish

Georgia Bar No. 558262

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*Attorneys for Defendant Detroit Memorial
Partners, LLC and Jason S. Alloy, Receiver*

CERTIFICATE OF SERVICE

I hereby certify that on this day, I electronically filed the foregoing **RECEIVER'S FIFTH APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES (FOURTH QUARTER OF 2014)** 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 16th day of February, 2015.

/s/ Matthew T. Parrish _____
Matthew T. Parrish