

**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 2017**

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 2017** (the “Time Period”).

**QUARTERLY STATUS REPORT**

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

During the Time Period, the Receiver and his counsel and staff devoted attention to the following issues:

- The Receiver and staff continued to execute the Receiver's Plan of Distribution [Doc. 166], including answering claimant questions, and sending the last of the distribution checks to claimants.
- The Receiver analyzed certain issues relating to DMP's entitlement to, and the amount of, future "earn-out" payments from Park Lawn in connection with the sale of DMP's 49% interest in Midwest Memorial Group (MMG).
- The Receiver worked with McLean Koehler on DMP's 2016 tax returns, which were complicated somewhat by the Receiver's distributions to the DMP member claimants.
- The Receiver served post-judgment discovery on Mark Morrow seeking information on his assets for purposes of collecting on a judgment for \$102,040.64, which was assigned to DMP by a noteholder claimant in the distribution process. [See section V, *infra.*]

Going forward, although the distribution payments to claimants have been distributed, the Receiver's work is ongoing. In particular, as discussed below in section IV, DMP has a right to receive earn-out payments from Park Lawn relating to the sale of MMG through the year 2018, and the Receiver's involvement in this case will depend on when DMP exercises all of its earn-out rights. In the

meantime, the Receiver is working with McLean Koehler on the 2016 tax return and assessing DMP's options regarding collection of the judgment discussed above.

**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 2017 (attached hereto as Exhibit A), DMP's total cash balance at the close of the Time Period was \$363,511.78.

DMP's accrued expenses for the Time Period are (1) \$14,393.56 in attorneys' fees and expenses from the Robbins Firm, and (2) \$8,424.91 in fees from McLean Koehler. DMP's total accrued expenses for the Time Period are \$22,818.47.

**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 2017 (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.**

The assets at the close of the Time Period were the cash balance of \$363,511.78 on March 31, 2017, plus the value of DMP's rights under the earn-out provision in the Interest Purchase Agreement with Park Lawn.

Under the terms of the earn-out provision, DMP is entitled to receive additional cash consideration if MMG meets certain earnings benchmarks (defined in the Agreement) in the years 2016, 2017, and 2018. Under the terms of the earn-out, DMP may elect to receive not less than 10% but up to 100% of its share of the earn-out for the 2016 calendar year. DMP may elect to receive not less than 33% but up to 100% of its share of the earn-out for the 2017 calendar year. For the 2018 year, DMP will receive the remaining percentage of its share of the earn-out.

MMG sent DMP the potential earn-out calculation for the year 2016 on March 31, 2017, and unfortunately it does not appear that MMG met the necessary benchmarks to trigger an earn-out payment for 2016.

Regarding anticipated dispositions, the Receiver has sent all distribution checks to claimants entitled to receive one, and is holding back the current cash on hand for ongoing expenses.

**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).**

As part of the Plan of Distribution, the Receiver required Donna Jo Hoffman Brownstone to assign to DMP a judgment she obtained against Mark Morrow in the amount of \$102,040.64. [See Doc. 166 at 30.] As the assignee of the judgment, the Receiver has served post-judgment discovery on Morrow to determine if there are any assets against which the Receiver might collect.

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

The Receiver submitted an updated schedule of all DMP claimants who properly submitted claims to the Receivership with his Third Amendment to Motion to Approve for Plan of Distribution. [Doc. 184 and 184-1.]

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

The Receiver filed his Motion to Approve Plan of Distribution with the Court on August 30, 2016. After two amendments and a hearing on objections to the plan on October 18, 2016, the Court ordered the Receiver to file a Third Amendment with a revised distribution chart. [Doc. 184.]

On November 10, 2016, the Court approved the Third Amendment and ordered that the Receiver distribute funds consistent with the Plan. [Doc. 185.] As of this filing, the Receiver has sent all distribution checks to claimants entitled to receive one.

**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 the Receiver may handle the filing of DMP's 2016 tax return, pursue discovery against Mr. Morrow, and make a decisions regarding whether and what percentage of the earn-out to take for the years 2017 and 2018.

Respectfully submitted this 3rd day of May, 2017.

/s/ Jason S. Alloy

Jason S. Alloy

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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 FIRST QUARTER OF 2017** 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.

May 3, 2017

*/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 2017** 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)

May 3, 2017

/s/ Jason S. Alloy  
Jason S. Alloy