

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**DETROIT MEMORIAL  
PARTNERS, LLC; MARK  
MORROW,**

**Defendants.**

**CIVIL ACTION FILE**

**NO. 1:13-CV-1817-MHC**

**ORDER**

This case comes before the Court on St. Augustine’s National Foundation, Inc. (“St. Augustine’s”)’s Petition for Asset Offer to Purchase 28 Michigan Cemeteries [Doc. 223] (“Petition”).<sup>1</sup>

**I. BACKGROUND**

On May 30, 2013, the Securities and Exchange Commission filed a Complaint alleging that Defendants Mark Morrow (“Morrow”) and Detroit Memorial Partners (“DMP”) defrauded investors out of at least \$19 million

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<sup>1</sup> This case was reassigned to the undersigned on July 3, 2018.

through note offerings that contained false or misleading information. Compl. [Doc. 1]. In 2007, Morrow incorporated DMP as a Delaware limited liability company in order to pursue the acquisition of cemeteries in Michigan. Id. ¶ 3. Morrow convinced a wealthy businessman to invest approximately \$22 million to be used towards the acquisition of the Michigan cemeteries. Statement of Undisputed Facts [Doc. 189-2] ¶ 7. DMP and an entity owned by the businessman, Westminster Memorial Group (“Westminster”), formed Midwest Memorial Group, LLC (“MMG”) to be the actual purchaser of the cemeteries; DMP owned 49% of MMG and Westminster owned 51%. Id. ¶ 8.

On November 22, 2013, the Court (1) ordered that certain assets of Defendants be frozen, and (2) appointed Jason S. Alloy as the Receiver (the “Receiver”) for the estate of DMP. [Docs. 51 & 52]. On December 24, 2015, St. Augustine’s petitioned the Court to serve as *amicus curiae* to inform the Court of its intent to bid \$26 million for the assets of MMG, which were then for sale. [Doc. 142]. On May 10, 2016, the Court denied the petition via unnumbered docket entry, stating

St. Augustines seeks leave to serve as amicus curiae regarding the sale of Detroit Memorial Partners, LLCs (DMP) 49% interest in Midwest Memorial Group, LLC (MMG). On March 8, 2016, Park Lawn Corporation purchased DMPs 49% interest in MMG. [154]. DMP thus no longer has an interest in MMG and St. Augustines Petition is DENIED AS MOOT.

On November 10, 2016, the Court authorized the Receiver to distribute receivership assets to the claimants. [Doc. 185].

## II. ANALYSIS

In its present Petition, St. Augustine's informs the Court that it wishes to purchase 28 Michigan cemeteries for \$21 Million. Pet. However, as the Court-appointed Receiver points out in its Response, DMP never directly owned any cemeteries, and it sold its 49% interest in MMG, the entity that owned the cemeteries, to Park Lawn Corporation ("Park Lawn") in March 2016. Receiver's Resp. to Pet. By St. Augustine's for Asset Offer to Purchase 28 Michigan Cemeteries [Doc. 224]. On July 16, 2018, St. Augustine's filed a Brief in Support of its position, urging the Court to rescind the sale of the 49% interest in MMG to Park Lawn and sell it to St. Augustine's instead. [Doc. 226]. As the basis of its contention that rescission is possible, St. Augustine points to the Court's November 22, 2013 Order, which gives the Receiver the power to rescind contracts. Id. However, the November 22, 2013 Order empowers the Receiver to rescind contracts DMP entered in the past, not contracts the Receiver executes during the Receivership. See November 22, 2013, Order [Doc. 51].

Accordingly, as the Receiver does not currently own the 28 Michigan Cemeteries that St. Augustine seeks to buy, and St. Augustine's has not shown that rescission of the sale contract to Park Lawn is appropriate. The Court therefore **DENIES** St. Augustine's Petition.

**IV. CONCLUSION**

For the foregoing reasons, it is hereby **ORDERED** that St. Augustine's National Foundation, Inc.'s Petition for Asset Offer to Purchase 28 Michigan Cemeteries [Doc. 223] is **DENIED**.

**IT IS SO ORDERED** this 1st day of August, 2018.



MARK H. COHEN  
United States District Judge