

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 86282 / July 2, 2019

Admin. Proc. File No. 3-18723

In the Matter of

MARK MORROW

ORDER DISCHARGING ORDER TO SHOW CAUSE, DENYING DIVISION OF
ENFORCEMENT'S MOTION TO FIND RESPONDENT IN DEFAULT AND IMPOSE
REMEDIAL SANCTIONS, AND DIRECTING PREHEARING CONFERENCE

On September 5, 2018, the Securities and Exchange Commission issued an Order Instituting Proceedings (“OIP”) pursuant to Section 15(b) of the Securities Exchange Act of 1934 against respondent Mark Morrow.¹ The OIP alleged that, in the United States District Court for the Northern District of Georgia on July 24, 2018, a final judgment was entered permanently enjoining Morrow from future violations of antifraud provisions of the federal securities laws; and that the underlying complaint in that civil action alleged that Morrow had made false statements to investors in connection with the sale of promissory notes and equity interests in Detroit Memorial Partners, LLC, misused investor funds, and sold unregistered securities.² The OIP instituted proceedings to determine whether its allegations were true and whether remedial action was appropriate in the public interest.³

On September 12, 2018, Morrow was served with the OIP pursuant to Commission Rule of Practice 141(a)(2)(i).⁴ Morrow was required to file an answer within twenty days of service of the OIP,⁵ but he failed to do so. On February 14, 2019, the Division of Enforcement filed a motion requesting that the Commission find Morrow in default and impose remedial sanctions upon him. Morrow did not file a brief in opposition to the Division’s motion, and, on April 15,

¹ *Mark Morrow*, Exchange Act Release No. 84042, 2018 WL 4216816 (Sept. 5, 2018).

² *Id.* at *1.

³ *Id.*

⁴ 17 C.F.R. § 201.141(a)(2)(i).

⁵ Rules of Practice 151(a), 160(b), 220(b), 17 C.F.R. §§ 201.151(a), 160(b), .220(b).

2019, the Commission ordered that Morrow show cause why he should not be deemed in default and the proceeding determined against him.⁶

On May 6, 2019, Morrow filed a response to the show cause order. In his response, Morrow stated that he “did not receive the OIP in time to meet [its] deadline” for filing an answer” because he is an inmate in a federal prison with an “inefficient mail system.” Morrow stated that he did not file an earlier response because he “was under a time constraint to file a . . . motion . . . in [his] criminal case,” and that in prison he has “limited library time and limited resources,” no “access to the internet,” and no “ability to look up [C]ommission rules.” In his response, Morrow also denied many of the allegations in the OIP and requested a hearing. The Division did not file a reply to Morrow’s response.

In light of Morrow’s response, the order to show cause is DISCHARGED and Morrow will not be deemed in default at this time. The Division’s motion to impose remedial sanctions upon Morrow is also denied without prejudice. We will construe Morrow’s response to the order to show cause as his answer to the OIP. Morrow and the Division are directed to conduct a prehearing conference within fourteen (14) days of service of this order.⁷ The parties may meet in person or participate by telephone or other remote means. Following the conference, the parties shall file a statement with the Office of the Secretary advising the Commission of any agreements reached at the conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer. If Morrow fails to participate in the prehearing conference as directed by this order, he may be deemed in default and the proceeding may be determined against him.⁸

Accordingly, IT IS ORDERED that the parties hold a prehearing conference and file a statement with the Office of the Secretary following that conference as directed in this order.

By the Commission.

Vanessa A. Countryman
Secretary

⁶ *Mark Morrow*, Exchange Act Release No. 85651, 2019 WL 1615066, *1 (Apr. 15, 2019).

⁷ Rule of Practice 221, 17 C.F.R. § 201.221; *see also Morrow*, 2018 WL 4216816, at *2 (providing that the parties shall conduct a prehearing conference pursuant to Rule 221 within 14 days after service of respondent’s answer).

⁸ Rules of Practice 155(a), 221(f), 17 C.F.R. §§ 201.155(a), .221(f); *see also Morrow*, 2018 WL 4216816, at *2 (“If Respondent fails to . . . appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him.”).