

**IN THE SUPERIOR COURT OF FULTON COUNTY  
STATE OF GEORGIA  
FAMILY DIVISION**

NANCY JENNINGS,	)	Civil Action No.
	)	2020CV337822
Petitioner,	)	
vs.	)	
	)	
JEFFREY GALLUPS,	)	
	)	
<u>Respondent.</u>	)	

**RECEIVER’S MOTION FOR APPROVAL OF CLAIMS PROCEDURES**

S. Gregory Hays, solely in his capacity as Receiver herein (“**Receiver**”), appointed pursuant to the Court’s *Order Compelling Compliance, Appointing Receiver, and Granting Injunctive Relief* (the “**Receivership Order**”),<sup>1</sup> entered in this civil action August 16, 2023 (the “**Appointment Date**”), moves the Court for the entry of an order establishing a deadline for creditors to submit claims to the Receiver and establishing procedures for the Receiver’s determination of allowed and disallowed claims.

**I. BACKGROUND**

1. On June 30, 2020, Dr. Nancy Jennings (“**Petitioner**”) filed this civil action against her former spouse, Dr. Jeffrey Gallups (“**Respondent**”), to enforce Respondent’s obligations under a January 2017 Final Judgment and Decree of Divorce entered in Nancy H. Gallups v. Jeffrey M. Gallups, Civil Action No. 2016CV274575, including Respondent’s obligation to pay Petitioner \$10,250,000 from the sale of Respondent’s medical practice.

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<sup>1</sup> Unless otherwise indicated, capitalized terms in this Interim Report will have the meanings attributed them in the Receivership Order and the *Receiver’s First Interim Report* filed November 1, 2023, both being incorporated herein.

2. On February 8, 2023, the Court appointed Frank B. Strickland as Special Master (“**Special Master**”) to oversee and facilitate Respondent’s marketing and sale of the medical practice. The Special Master attempted to work with Respondent toward that end for six (6) months.

3. In August 2023, the Special Master filed his *Special Master’s Report and Recommendation Respecting Status of Incremental Transfer of the Companies*, in which he detailed Respondent’s refusal to cooperate and other misconduct.

4. Due to the matters reported in the Special Master’s Report, the Court, on its own motion, entered the Receivership Order on August 16, 2023 (the “**Appointment Date**”), appointing the Receiver as receiver of (i) Respondent; (ii) the Companies (consisting of Milton Hall Surgical Associates LLC (“**MHSA**”), Alpharetta Surgery Center LLC, and ENTI Surgery Center LLC), HCENTI LLC, ENTI Anesthesia LLC, Milton Hall Management LLC, MHSA Management LLC, Milton Hall Trust, Nutmeg Management LLC, Marble Management LLC, DRG Media LLC, and all other operating entities, holding companies, debt arrangements, voting trusts, or other trusts or entities of any kind, known or unknown, directly or indirectly controlled by Respondent or Melissa Moritz (collectively, the “**Affiliated Entities**”); (iii) all of Respondent’s Assets and all assets of the Affiliated Entities, in each case consisting of assets of all class and manner and wherever situated (the “**Receivership Assets**”).

5. Since his appointment, the Receiver has operated the business of the Affiliated Entities (the “**Business**”) and has marketed the Receivership Assets to generate money for distribution to creditors. The Business and the Receiver’s work are more thoroughly discussed in the November 1, 2023, *Receiver’s First Interim Report*, March 20, 2024, *Receiver’s Second*

*Interim Report*, and September 6, 2024, *Receiver's Third Interim Report* (collectively, the “**Receiver’s Reports**”).

6. On May 31, 2024, with Court approval, the Receiver closed the sale to Northside Hospital, Inc. of substantial Receivership Assets.

7. Proceeds from the Northside Hospital transaction enabled the Receiver to address and satisfy the most pressing payment obligations.

8. The Receiver is continuing to market and liquidate the remaining Receivership Assets and anticipates liquidation efforts to conclude in late 2024 or early 2025.

## **II. PROPOSED CLAIMS PROCEDURES**

9. The Receiver desires to implement claims filing and allowance procedures to facilitate the distribution to creditors of the Receivership Assets liquidation proceeds.

10. The Receiver has identified potential claimants, including the following:

- a. Vendor Claims: The Receiver estimates there are \$2.9 million in claims from about 83 vendors and other trade creditors. The Receiver will provide notice of the approved claims procedures and deadlines to all potential vendors and trade creditors who have or upon reasonable believe after due inquiry may have a claim or claims against the Receivership Estate.
- b. Employee Claims: The Receiver is not aware of any employee claims as all former employees were paid through the payroll system as payroll liability accrued.
- c. Tax Claims: The Receiver has recently learned of a \$185,000 claim of the IRS for an issue from 2016 and 2107. The Receiver has disputed this claim with the IRS Taxpayer Advocate. The Receiver believes there may be some minor property tax

claims for closed locations and will provide notice of the approved claims procedures and deadlines to the respective taxing authorities and the IRS.

11. The Receiver proposes and requests the Court's approval of an Official Claim Form ("**Creditor Claim Form**") in the format attached to this motion as Exhibit "A."

12. Upon the Court's approval, the Receiver will distribute a Creditor Claim Form to each potential claimant and file a certificate of service with the Court identifying the date and manner of distribution and the creditors receiving notice.

13. The Creditor Claim Form will identify the date (the "**Bar Date**") by which claimants must return the completed Creditor Claim Form along with all supporting materials to the Receiver and will provide further notice that no claim received by the Receiver after the Bar Date will be allowed.

14. Following the Bar Date, the Receiver will review all timely submitted Creditor Claim Forms. If the Receiver determines that a Creditor Claim Form includes sufficient supporting materials and otherwise appears to be proper, the associated claim will be deemed allowed.

15. If the Receiver determines that a Creditor Claim Form lacks sufficient supporting materials and/or otherwise appears to be improper, the Receiver will contact the creditor submitting such Creditor Claim Form and attempt to resolve any dispute. Any claim for which all disputes are resolved will be deemed allowed.

16. The Receiver will file an omnibus claim objection or objections with the Court respecting any unresolved claim disputes and requesting a hearing and the Court's determination of which such claims should be allowed, and which should be disallowed.

17. Once all claim objections are resolved, the Receiver will file his “**Plan of Distribution**” requesting the Court’s approval of (i) the Receiver’s determination of allowed claims and (ii) the Receiver’s proposed distribution to the holders of allowed claims.

18. The Receiver proposes the Bar Date be December 16, 2024.

WHEREFORE, the Receiver respectfully requests that the Court grant this motion and the relief sought by this motion, enter an order substantially in the form attached hereto as Exhibit “B,” and grant the Receiver such additional relief as the Court deems appropriate under the circumstances.

Respectfully submitted, October 25, 2024.

TAYLOR ENGLISH DUMA LLP

By: /s/ John K. Rezac  
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*Attorneys for S. Gregory Hays, Receiver*

# EXHIBIT "A"

**IN THE SUPERIOR COURT OF FULTON COUNTY  
STATE OF GEORGIA  
FAMILY DIVISION**

NANCY JENNINGS,	)	Civil Action No.
	)	2020CV337822
Petitioner,	)	
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JEFFREY GALLUPS,	)	
	)	
Respondent.	)	

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**NOTICE OF CLAIM SUBMISSION DEADLINE AND  
CREDITOR CLAIM FORM**

On August 16, 2023, the Superior Court of Fulton County, State of Georgia (the “**Court**”) entered its *Order Compelling Compliance, Appointing Receiver, and Granting Injunctive Relief* (the “**Receivership Order**”), appointing S. Gregory Hays (“**Receiver**”) Receiver of Jeffrey Gallups (“**Respondent**”), Milton Hall Surgical Associates LLC (“**MHSA**”), Alpharetta Surgery Center LLC, ENTI Surgery Center LLC, HCENTI LLC, ENTI Anesthesia LLC, Milton Hall Management LLC, MHSA Management LLC, Milton Hall Trust, Nutmeg Management LLC, Marble Management LLC, DRG Media LLC, and all other operating entities, holding companies, debt arrangements, voting trusts, or other trusts or entities of any kind, known or unknown, directly or indirectly controlled by Respondent or Melissa Moritz (collectively, the “**Affiliated Entities**”), all of Respondent’s assets and all assets of the Affiliated Entities, in each case consisting of assets of all class and manner and wherever situated (the “**Receivership Assets**”).

**YOU MAY BE ENTITLED TO A DISTRIBUTION FROM THE RECEIVER'S LIQUIDATION OF THE RECEIVERSHIP ASSETS. YOUR RIGHTS MAY BE AFFECTED BY THIS NOTICE. YOU SHOULD CONSULT YOUR ATTORNEY REGARDING THIS NOTICE. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO ENGAGE ONE.**

**THE DEADLINE TO SUBMIT THIS COMPLETED CREDITOR CLAIM FORM TO THE RECEIVER IS DECEMBER 16, 2024 (THE "BAR DATE"). TO BE CONSIDERED FOR A POTENTIAL DISTRIBUTION, YOUR COMPLETED CREDITOR CLAIM FORM, INCLUDING ALL SUPPORTING DOCUMENTATION, MUST BE RECEIVED AT THE RECEIVER'S ADDRESS, BELOW, ON OR BEFORE THE BAR DATE. ANY CREDITOR CLAIM FORM RECEIVED AFTER THE BAR DATE WILL BE DISALLOWED AUTOMATICALLY.**

Neither your receipt of this Notice nor your submission of the completed Creditor Claim Form guarantees that you will have an allowed claim or will receive a distribution of any portion

of the Receivership Assets liquidation proceeds. All such determination of the allowance of claims and distribution on account of claims will be made by the Receiver following the Bar Date and subject to final approval by the Court.

Please complete the information below and return this completed Creditor Claim Form to the Receiver at Hays Financial Consulting, LLC, 2964 Peachtree Road NW, Ste. 555, Atlanta, GA 30305, on or before the Bar Date.

Creditor Name	
Creditor Address:	
Creditor's Designee to be contacted and to receive payments: Name: Title: Telephone number: Email address:	
Basis for Claim (e.g., services rendered, sale of goods, tax, etc.)	
Amount of Claim:	\$

**YOU MUST INCLUDE COPIES OF INVOICES, CONTRACTS, RECEIPTS, AND ALL NECESSARY SUPPORTING DOCUMENTATION.**

**IF YOUR CLAIM INCLUDES INTEREST, FEES, AND/OR CHARGES IN ADDITION TO PRINCIPAL, YOU MUST INCLUDE A BREAKDOWN SHOWING EACH ELEMENT OF YOUR CLAIM.**

The undersigned swears under penalty of perjury that the information contained in this Creditor Claim Form is true and accurate to the best of his/her knowledge upon reasonable inquiry.

Date: \_\_\_\_\_

By [name]: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_



# **EXHIBIT "B"**

**IN THE SUPERIOR COURT OF FULTON COUNTY  
STATE OF GEORGIA  
FAMILY DIVISION**

NANCY JENNINGS,	)	
	)	
Petitioner,	)	Civil Action No.
vs.	)	2020CV337822
	)	
JEFFREY GALLUPS,	)	
	)	
Respondent.	)	

**PROPOSED ORDER ON  
RECEIVER’S MOTION FOR APPROVAL OF CLAIMS PROCEDURES**

This matter is before the Court on the *Receiver’s Motion for Approval of Claims Procedures* (the “**Motion**”) filed October 25, 2024, by S. Gregory Hays, solely in his capacity as Receiver (the “**Receiver**”), appointed pursuant to the Court’s August 16, 2023, *Order Compelling Compliance, Appointing Receiver, and Granting Injunctive Relief* entered in this civil action (the “**Receivership Order**”).<sup>1</sup> The Motion seeks the Court’s entry of an order establishing a deadline for creditors to submit claims to the Receiver and establishing procedures for the Receiver’s determination of allowed and disallowed claims

The Court finds good and adequate cause to grant the Motion and the relief sought by the Motion. Accordingly, it is hereby ORDERED, as follows:

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<sup>1</sup> Unless otherwise indicated, capitalized terms in this Order will have the meanings attributed them in the Receivership Order.

- 1) The Motion is *granted*.
- 2) The *Notice of Claim Submission Deadline and Creditor Claim Form* (the “**Creditor Claim Form**”) attached hereto as Appendix 1, is hereby approved and authorized as the method by which the Receiver will provide notice of the date by which claimants must return the completed Creditor Claim Form along with all supporting materials to the Receiver (the “**Bar Date**”).
- 3) Within 5 days of the Court’s entry of this Order, the Receiver will distribute via First Class United States Mail a Creditor Claim Form to each potential claimant and file a certificate of service with the Court identifying the date and manner of distribution and the creditors receiving notice thereby.
- 4) The Bar Date shall be December 16, 2024.
- 5) No claim received by the Receiver after the Bar Date will be allowed as a claim in this civil action and no holder of such claim will receive a distribution from the Receivership Assets, the proceeds from the Receiver's liquidation of the Receivership Assets, or otherwise in this civil action.
- 6) Following the Bar Date, the Receiver will review all timely submitted Creditor Claim Forms. If the Receiver determines that a Creditor Claim Form includes sufficient supporting materials and otherwise appears to be

proper, the associated claim will be deemed allowed without the necessity of further order of this Court.

7) If the Receiver determines that a Creditor Claim Form lacks sufficient supporting materials and/or otherwise appears to be improper, the Receiver will contact the creditor submitting such Creditor Claim Form and attempt to resolve any dispute. Any claim for which all disputes are resolved will be deemed allowed.

8) The Receiver will file an omnibus claim objection or objections with the Court respecting any unresolved claim disputes and requesting a hearing and the Court's determination of which such claims should be allowed, and which should be disallowed.

9) Following the resolution of all claim objections, the Receiver will file his "**Plan of Distribution**" requesting the Court's approval of (i) the Receiver's determination of allowed claims and (ii) the Receiver's proposed distribution to the holders of allowed claims.

**SO ORDERED** this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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Kelly Lee Ellerbe, Judge  
Fulton County Superior Court  
Atlanta Judicial Circuit

**Service via eFileGA.**

Order Prepared and Presented by:

TAYLOR ENGLISH DUMA LLP



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*Attorneys for Receiver S. Gregory Hays*

## Appendix 1

**CERTIFICATE OF SERVICE**

This is to certify that I have on this day filed the foregoing document with the Court using the Court's electronic filing system, which will automatically email a copy on all registered users, and have served a copy upon the following persons by e-mail, as follows:

C. Knox Withers <Knox.Withers@agg.com>;  
Elizabeth Green Lindsey, Esq. <elindsey@harrisonllp.com>;  
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October 25, 2024.

By: /s/ John K. Rezac  
JOHN K. REZAC