

**Ryder Is Beale Street Receiver**  
**Bill Dries** Memphis Daily News  
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Attorney [John Ryder](#) has been appointed receiver for the Beale Street entertainment district.

Special Chancellor [Don Harris](#) appointed Ryder at the end of a day long hearing Wednesday on multiple motions in a lawsuit in which the city of Memphis is seeking access to records from Performa Entertainment, the manager of the district. The city is performing a forensic audit. In two other Beale Street lawsuits, Performa and the Beale Street Merchants Association claim the audit is a front to wrest control of the district from Performa.

The appointment of the receiver was moved by [John Candy](#), attorney for the [Beale Street Development Corporation](#), another party in the lawsuit and the middleman between the city of Memphis, which owns the district, and Performa, which manages the district.

Performa will continue to manage the street, but Ryder will pay the company its monthly 10.5 percent management fee as well as other percentages that are part of its contract. He will also make payroll for Performa employees working in the district. Harris specified that Performa employees in other cities or on other properties could not be paid with the rent collected from tenants. Performa will not be reimbursed for any prior expenses until they are reviewed by the court through the receiver. Any expenses effective with the court order appointing Ryder will be paid by Ryder. There will be no additional fees which is one of numerous issues in dispute in the lawsuit.

“Several months ago, I said I was dedicated to full discovery,” Harris, of Franklin, Tennessee said just before setting the terms for the receivership. Months later, not all of the documents had been turned over according to attorney for the city and the BSDC – a point Performa disputes.

“This is one of the things that concerns me most,” Harris said. “I have an obligation to protect not only the parties in the case, but the taxpayers of Memphis.”

Revenue beyond fees and expenses is supposed to go to the city through the BSDC.

Earlier in the hearing, Harris also granted a motion to bar Performa from paying its attorneys in the case with money earned through the contract it has with the BSDC to manage the district. The motion specifically bars Performa from expensing the legal fees against the gross rental income it gets from the district's tenant.

“We do not intend to hobble the defense,” said [Michael Fletcher](#), an attorney for the city. “We just do not believe we should finance the defense.”

Performa CEO John Elkington conferred with his attorney, [Richard Carter](#), after Harris set out the terms for the receivership. Elkington attempted to address the court, but was denied by Harris.

“He's had an opportunity,” Harris said. “He's drug it out.”

Later, Elkington told The Daily News he welcomed the appointment of Ryder.

“We're happy,” he said. “It will add some sanity to this situation. All we've done is made (Beale Street) a very successful place.”

Read more in Friday's edition of The Daily News.