

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	
)	Case No. 4:12-cv-00080-CEJ
BURTON DOUGLAS MORRISS, et al.,)	
)	
Defendants, and)	
)	
MORRISS HOLDINGS, LLC,)	
)	
Relief Defendant.)	
)	

**RECEIVER’S NOTICE OF NO OBJECTION AND
REQUEST FOR ENTRY OF AN ORDER ON
RECEIVER’S FOURTH INTERIM APPLICATION FOR ALLOWANCE
AND PAYMENT OF FEES AND EXPENSES INCURRED BY THE
RECEIVER, RETAINED COUNSEL AND OTHER PROFESSIONALS**

By Order entered January 17, 2012, the Court appointed Claire M. Schenk as Receiver (“Receiver”) over Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP and Gryphon Investments III, LLC (collectively, the “Receivership Entities”). On April 22, 2013, in accordance with the Order Appointing Receiver, the Receiver filed her *Fourth Interim Application for Allowance and Payment of Fees and Expenses Incurred by the Receiver, Retained Counsel and Other Professionals* (the “Fourth Application”).

In the Fourth Application, the Receiver sought an order from the Court authorizing (i) a total award of fees and costs in the amount of \$161,187.08 and (ii) the Receiver to make payment of eighty percent (80%)¹ of the total legal and professional fees and one hundred

¹ The Receiver has agreed, at the request of the Securities and Exchange Commission (“SEC”) and pursuant to discussions with the SEC, to request payment of only eighty percent (80%) of the legal and professional fees accrued through September 30, 2012, as opposed to the full amount of the invoiced fees. The Receiver seeks a

percent (100%) of the incurred costs as follows based upon the authority submitted by the Receiver in support of the Fourth Application: (a) \$122,580.20 in legal fees and \$872.57 in costs for Thompson Coburn LLP; (b) \$3,584.61 in professional fees for Segue Equity Group, LLC; (c) \$560 in professional fees for FTL Capital, LLC; and (d) \$1,526.80 in professional fees to CliftonLarsonAllen LLP. The Receiver served a copy of the Fourth Application upon all parties receiving notice in this case. Objections to the relief requested in the Application were due on or before Thursday, May 2, 2013. *See* E.D.Mo. L.R. 7-4.01(B); Fed. R. Civ. P. 6. No objections have been filed.

Additionally, on April 22, 2013, the Receiver filed redacted copies of Exhibits D-1A through D-4A² to the Fourth Application.³ The Receiver also posted a copy of the Fourth Application, along with redacted Exhibits D-1A through D-4A to the Fourth Application, on the Receiver's external website, at <http://www.thompsoncoburn.com/news-and-information/acartha-receivership-information/receiversfeeapplications.aspx>. The Receiver's posting permitted investors and other parties-in-interest access to both the Receiver's Fourth Application and the redacted bills supporting the Receiver's request for allowance and payment of fees and expenses.

Since parties in the case, investors and other parties-in-interest have had time to review the Receiver's Fourth Application and redacted Exhibits D-1A through D-4A and no objections to the relief requested in the Fourth Application have been filed, the Receiver respectfully

finding that the total requested fees and costs of \$205,690.95 are reasonable and appropriate. The remaining twenty percent (20%) of accrued legal and professional fees not authorized for payment at this time would be payable upon further application to this Court.

² Exhibits D-1A through D-4A contain individualized and detailed descriptions of the daily services rendered and hours expended by various attorneys, paralegals and professionals employed on behalf of the Receiver in this case during the Application Period.

³ Unredacted copies of Exhibits D-1A through D-4A were filed with the Court under seal.

requests that the Court grant the Fourth Application and enter the proposed Order, filed simultaneously herewith as Exhibit A to this Notice.

Respectfully Submitted,

THOMPSON COBURN LLP

Dated: May 28, 2013

By /s/ Kathleen E. Kraft
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CERTIFICATE OF SERVICE

I hereby certify that on May 28, 2013, I electronically filed the foregoing with the Clerk of the Court through the Court's CM/ECF system which will send a notice of electronic filing to the following:

Catherine L. Hanaway, Esq.
Ashcroft Hanaway LLC
222 South Central Ave., Suite 110
St. Louis, Missouri 63105
Counsel for Defendant Burton Douglas Morriss

Robert K. Levenson
Brian T. James
Securities and Exchange Commission
801 Bricknell Avenue, Suite 1800
Miami, Florida 33131
Attorneys for Plaintiff

I further certify that on May 28, 2013, I served the above document via U.S. Mail, postage prepaid upon:

Morriss Holdings, LLC
P.O. Box 50416
St. Louis, MO 63105-5416

Morriss Holdings, LLC
c/o Corporation Service Company
221 Bolivar Street
Jefferson City, MO 65101

/s/ Kathleen E. Kraft

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
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**ORDER ON RECEIVER’S FOURTH INTERIM APPLICATION FOR ALLOWANCE
AND PAYMENT OF FEES AND EXPENSES INCURRED BY THE RECEIVER,
RETAINED COUNSEL AND OTHER PROFESSIONALS**

This matter is before the Court on the *Receiver’s Fourth Interim Application for Allowance and Payment of Expenses Incurred by the Receiver, Counsel and Other Professionals* (the “Fourth Application”) filed by Claire M. Schenk, the court-appointed receiver (the “Receiver”) for Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, L.P. and Gryphon Investments III, LLC, on April 22, 2013. The Receiver submitted the Fourth Application to the SEC for review before filing it with the Court.

On September 20, 2012, the Court granted the *Receiver’s First Interim Application for Allowance and Payment of Expenses Incurred by the Receiver, Counsel and other Professionals*. The Court granted the *Receiver’s Second Interim Application for Allowance and Payment of Expenses Incurred by the Receiver, Counsel and other Professionals* (the “Second Application”) on November 28, 2012. The Court granted the *Receiver’s Third Interim Application for Allowance and Payment of Expenses Incurred by the Receiver, Counsel and Other Professionals* on February 11, 2013.

Ex. A

In the Fourth Application, the Receiver seeks a total award of \$161,187.08 for legal and professional fees and expenses incurred by service providers, consisting of: (a) \$154,097.82 in legal fees and costs for Thompson Coburn LLP, the Receiver's primary counsel; (b) \$4,480.76 in professional fees for Segue Equity Group, LLC, the Receiver's investment fund manager; (c) \$700 in professional fees for FTL Capital, LLC, the Receiver's business advisors; and (d) \$1,908.50 in professional fees and costs for CliftonLarsonAllen LLP, the Receiver's tax preparer.

The Receiver also seeks an order allowing the Receiver to pay eighty percent (80%) of the total amount of legal and professional fees and one hundred percent (100%) of incurred costs, for a total of \$129,124.18, at this time pursuant to an agreement with the SEC to hold back twenty percent (20%) of the incurred legal and professional fees. This request is made without prejudice to the Receiver's right to seek an order allowing payment of the remaining twenty percent (20%) of the legal and professional fees upon further application to this Court.

The Court has reviewed the Fourth Application and supporting documentation and concludes that the requested fees and costs of \$161,187.08 are reasonable and appropriate.

Having fully considered the Fourth Application and being duly advised as to the merits,

THE COURT DOES HEREBY ORDER THAT

1. The Receiver's Fourth Application is granted in its entirety; and
2. The Receiver is authorized to make payment of eighty percent (80%) of the total amount of legal and professional fees and one hundred percent (100%) of incurred costs out of the assets of the Receivership estate as follows:
 - (a) \$122,580.20 in legal fees and \$872.57 in costs for Thompson Coburn LLP, the Receiver's primary counsel;
 - (b) \$3,584.61 in professional fees for Segue Equity Group, LLC, the Receiver's accountants;

- (c) \$560.00 in professional fees for FTL Capital, LLC, the Receiver's business advisors; and
- (d) \$1,526.80 in professional fees to CliftonLarsonAllen LLP, the Receiver's tax preparer.

SO ORDERED this the ____ day of _____, 2013.

THE HONORABLE CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE