

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
v.)	
)	
BURTON DOUGLAS MORRISS,)	
ACARTHA GROUP, LLC,)	
MIC VII, LLC,)	Case No. 4:12-CV-00080-CEJ
ACARTHA TECHNOLOGY PARTNERS, LP, and)	
GRYPHON INVESTMENTS III, LLC,)	
)	
Defendants, and)	
)	
MORRISS HOLDINGS, LLC,)	
)	
Relief Defendant.)	
_____)	

**RECEIVER’S MOTION TO STRIKE REPLY OF HANY TEYLOUNI AND
MEMORANDUM IN SUPPORT THEREOF**

Claire M. Schenk (the “Receiver”), the Receiver for Defendants Acartha Group, LLC (“Acartha Group”), Acartha Technology Partners, LP (“ATP”), MIC VII, LLC (“MIC VII”), and Gryphon Investments III, LLC (“Gryphon Investments”) (collectively, the “Receivership Entities”), respectfully submits this *Motion to Strike Reply of Hany Teylouni* in response to the *Reply of in [sic] Support of Hany Teylouni’s Objection to Receiver’s Notice of Determination* (the “Reply”) (ECF No. 347).

The *Order on Motion to Establish Claims Bar Date, Approve Manner and Form of Notice of Claims Bar Date and Approve Process for Submitting Claims* (“Claims Bar Date Order” or “CBO”) (as amended) (ECF Nos. 234, 278) provides a two-step procedure by which claimants may object to the Receiver’s determinations regarding their claims. A claimant first must file his or her objection with the Receiver (CBO ¶ 6(m)). If the Receiver and the claimant are unable to resolve an objection served upon the Receiver, the claimant may file a written

objection to the Receiver's determination with the Court (CBO ¶ 6(o)). The Receiver is permitted to file a response to the claimant's objection (CBO ¶ 6(p)). Following the Receiver's filing of her response, the CBO provides that the "Court shall consider and rule on the Claimant's objection to the Notice of Determination" (*id.*). No other filings are permitted under the CBO.

On July 31, 2014, Hany Teylouni ("Mr. Teylouni") filed his objection to the Receiver's Notice of Determination recommending disallowance of his claim (ECF No. 337). Mr. Teylouni did not file a brief with his objection; instead, Mr. Teylouni lodged copies of the Receiver's Notice of Determination, Mr. Teylouni's correspondence to the Receiver stating the reasons for his objection to the Determination, Mr. Teylouni's proof of claim, and Mr. Teylouni's certification to the Receiver (*see id.*). On September 2, 2014, in accordance with the CBO, the Receiver filed her response in opposition to Mr. Teylouni's objection (ECF No. 344). The Receiver's response consisted of nearly 19 pages of argument in opposition to Mr. Teylouni's objection and 19 exhibits supporting the Receiver's position (*id.*). On September 5, 2014, Mr. Teylouni filed his four-page Reply to the Receiver's filing (ECF No. 347). Mr. Teylouni's Reply is not permitted under the CBO. Further, Mr. Teylouni did not seek leave of Court to file the Reply.

WHEREFORE, the Receiver respectfully requests that the Court strike Mr. Teylouni's Reply as an unauthorized filing under the CBO and consider Mr. Teylouni's objection on the authorized papers (Mr. Teylouni's initial objection filed with the Court and the Receiver's response thereto). A proposed order is attached hereto as Exhibit A.

Dated: September 9, 2014

Respectfully Submitted,

THOMPSON COBURN LLP

By /s/ Kathleen E. Kraft

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CERTIFICATE OF SERVICE

I hereby certify that on September 9, 2014, 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 all parties receiving CM/ECF service, including but not limited to the following:

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/s/ Kathleen E. Kraft

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)
Relief Defendant.)
_____)

Case No. 4:12-CV-00080-CEJ

ORDER ON RECEIVER’S MOTION TO STRIKE REPLY OF HANY TEYLOUNI

This matter is before the Court on the *Motion to Strike Reply of Hany Teylouni* (the “Motion”) 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 in this action.

Having fully considered the Motion, being duly advised as to the merits and for good cause shown,

THE COURT DOES HEREBY ORDER THAT

1. The Receiver’s Motion is granted in its entirety; and
2. The *Reply of in [sic] Support of Hany Teylouni’s Objection to Receiver’s Notice of Determination* (ECF No. 347) is deemed stricken from the record as an unauthorized filing under this Court’s *Order on Motion to Establish Claims Bar Date, Approve Manner and Form of*

Exhibit A

Notice of Claims Bar Date and Approve Process for Submitting Claims, as amended (ECF Nos. 234, 278)

SO ORDERED this the ____ day of _____, 2014.

THE HONORABLE CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE