

**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.)	

NOTICE OF FILING

PLEASE TAKE NOTICE that Claire M. Schenk, as Receiver over Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, Gryphon Investments III, LLC, and each of their subsidiaries, successors and assigns (collectively, the “Receivership Entities”), hereby files the attached Consent on behalf of the Receivership Entities in lieu of her response to the Complaint filed by Plaintiff Securities and Exchange Commission in this lawsuit.

Respectfully submitted,

THOMPSON COBURN LLP

By /s/ Stephen B. Higgins

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CERTIFICATE OF SERVICE

I hereby certify that on March 6, 2012, 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:

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/s/ Stephen B. Higgins

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI

CASE NO. 4:12-CV-80-CEJ

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
BURTON DOUGLAS MORRISS,)
ACARTHA GROUP, LLC,)
MIC VII, LLC,)
ACARTHA TECHNOLOGY PARTNERS, LP, and)
GRYPHON INVESTMENTS III, LLC,)
)
Defendants, and)
)
MORRISS HOLDINGS, LLC,)
)
Relief Defendant.)
)

**CONSENT OF DEFENDANTS ACARTHA
GROUP, LLC; MIC VII, LLC; ACARTHA TECHNOLOGY
PARTNERS, LP; AND GRYPHON INVESTMENTS III, LLC**

1. Defendants Acartha Group, LLC; MIC VII, LLC; Acartha Technology Partners, LP (“ATP”); and Gryphon Investments III, LLC acknowledge service of the complaint and admit to the jurisdiction of this Court over them and the subject matter of this action. Receiver Claire M. Schenk, Esq., is executing this Consent on behalf of Acartha Group, MIC VII, ATP, and Gryphon Investments by virtue of the Court’s January 17, 2012 Order appointing her as Receiver over these entities.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which they admit), Acartha Group, MIC VII, ATP, and Gryphon Investments consent to the entry of the Judgment of Permanent Injunction and Other Relief in the form attached (the “Judgment”) and incorporated by reference herein, which, among other things:

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- (a) permanently restrains and enjoins Acartha Group, MIC VII, ATP, and Gryphon Investments from violation of Section 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(a);
- (b) permanently restrains and enjoins Acartha Group, MIC VII, ATP, and Gryphon Investments from violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. §240.10b-5;
- (c) permanently restrains and enjoins Acartha Group and Gryphon Investments from violation of Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4), and Advisers Act Rule 206(4)-8(a)(2), 17 C.F.R. § 275.206-4(8)(a)(2); and
- (d) provides for the imposition of disgorgement, plus prejudgment interest, and a civil penalty.

3. Acartha Group, MIC VII, ATP, and Gryphon Investments agree the Court shall order disgorgement of ill-gotten gains, prejudgment interest, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e). Acartha Group, MIC VII, ATP, and Gryphon Investments further agree that the amount of the disgorgement and civil penalty shall be determined by the Court upon motion of the Commission, and that prejudgment interest shall be calculated from September 30, 2011, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). Acartha Group, MIC VII, ATP, and Gryphon

Investments further agree that in connection with the Commission's motion for disgorgement and a civil penalty, and at any hearing held on such a motion: (a) Acartha Group, MIC VII, ATP, and Gryphon Investments will be precluded from arguing that they did not violate the federal securities laws as alleged in the complaint; (b) Acartha Group, MIC VII, ATP, and Gryphon Investments may not challenge the validity of this Consent or the Judgment; (c) solely for the purposes of such motion, the allegations of the complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for a civil penalty, the parties may take discovery, including discovery from appropriate non-parties.

4. Acartha Group, MIC VII, ATP, and Gryphon Investments waive the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Acartha Group, MIC VII, ATP, and Gryphon Investments waive the right, if any, to a jury trial and to appeal from the entry of the Judgment.

6. Acartha Group, MIC VII, ATP, and Gryphon Investments enter into this Consent voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to any of them or anyone acting on their behalf to induce them to enter into this Consent.

7. Acartha Group, MIC VII, ATP, and Gryphon Investments agree that this Consent shall be incorporated into the Judgment with the same force and effect as if fully set forth therein.

8. Acartha Group, MIC VII, ATP, and Gryphon Investments will not oppose the enforcement of the Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Acartha Group, MIC VII, ATP, and Gryphon Investments waive service of the Judgment and agree that entry of the Judgment by the Court and filing with the Clerk of the Court will constitute notice to them of its terms and conditions.

10. Consistent with 17 C.F.R. §202.5(f), this Consent resolves only the claims asserted against Acartha Group, MIC VII, ATP, and Gryphon Investments in this civil proceeding. Acartha Group, MIC VII, ATP, and Gryphon Investments advise that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Acartha Group, MIC VII, ATP, and Gryphon Investments waive any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Acartha Group, MIC VII, ATP, and Gryphon Investments further acknowledge that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from

any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Acartha Group, MIC VII, ATP, and Gryphon Investments understand that they shall not be permitted to contest the factual allegations of the complaint in this action.

11. Acartha Group, MIC VII, ATP, and Gryphon Investments understand and agree to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the complaint or order for proceedings." 17 C.F.R. §202.5. In compliance with this policy, Acartha Group, MIC VII, ATP, and Gryphon Investments agree: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Acartha Group, MIC VII, ATP, and Gryphon Investments hereby withdraw any papers filed in this action to the extent that they deny any allegation in the complaint. If Acartha Group, MIC VII, ATP, and Gryphon Investments breach this agreement, the Commission may petition the Court to vacate the Judgment and restore this action to its active docket. Nothing in this paragraph affects Acartha Group's, MIC VII's, ATP's, or Gryphon Investments': (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Acartha Group, MIC VII, ATP, and Gryphon Investments hereby waive any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Acartha Group,

MIC VII, ATP, and Gryphon Investments to defend against this action. For these purposes, Acartha Group, MIC VII, ATP, and Gryphon Investments agree they are not the prevailing party in this action since the parties have reached a good faith settlement.

13. Acartha Group, MIC VII, ATP, and Gryphon Investments agree the Commission may present the Judgment to the Court for signature and entry without further notice.

14. Acartha Group, MIC VII, ATP, and Gryphon Investments agree that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Judgment.

Dated: 3-6, 2012

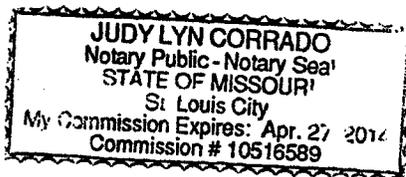
Claire M. Schenk
Claire M. Schenk, Esq., as Court-Appointed Receiver for Acartha Group, LLC; MIC VII, LLC; Acartha Technology Partners, LP; and Gryphon Investments III, LLC

STATE OF MISSOURI)
City) ss:
COUNTY OF St. Louis)

On this 6th day of March, 2012, before me personally appeared **Claire M. Schenk, Esq.**, who is personally known to me or _____ who produced a _____ driver's license bearing her name and photograph as identification, and who executed this Consent, and she acknowledged to me that she executed the same.

Judy Lyn Corrado
Notary Public

4-27-2014
Commission Expires:



Initials: _____