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, ACARTHA TECHNOLOGY PARTNERS, LP, and GRYPHON INVESTMENTS III, LLC, Defendants, and MORRISS HOLDINGS, LLC, Relief Defendant.	Case No. 4:12-CV-00080-CEJ

SECOND INTERIM STATUS REPORT OF RECEIVER

Claire M. Schenk (the "Receiver"), the Receiver for Defendants Acartha Group, LLC ("Acartha Group"), Acartha Technology Partners, LP ("ATP"), MCI VII, LLC ("MCI VII"), and Gryphon Investments III, LLC ("Gryphon Investments") (collectively, the "Receivership Entities"), submits her Second Interim Status Report relative to acts and transactions undertaken since the submission of her First Interim Status Report on January 26, 2012.

I. BACKGROUND OF THE RECEIVERSHIP

Acartha Group is a Delaware limited liability company incorporated in February 2003, with its principal place of business in Clayton, Missouri. Prior to the creation of this Receivership, it also maintained an office in East Brunswick, New Jersey. Acartha Group was established as a private equity fund management company. Acartha Group is the managing member of MIC VII and also manages Gryphon Investments.

Ex. A

MIC VII is a Delaware limited liability company incorporated in March 2005, with its principal place of business in Clayton, Missouri. MCI VII is a private equity fund formed to invest in early to mid-stage companies primarily in the financial and technology sectors.

ATP is a Delaware Limited Partnership organized in April 2008, with its principal place of business in Clayton, Missouri. ATP is a private equity fund formed for the same purpose as MIC VII.

Gryphon Investments is a Delaware limited liability company incorporated in February 2003, with its principal place of business in Clayton, Missouri. Gryphon Investments is the general partner of ATP.

On January 17, 2012, United States District Court for the Eastern District of Missouri (the "Court") appointed the Receiver as receiver for the Receivership Entities. The Receiver's authority, duties and obligations are set forth in the Order Appointing Receiver entered January 17, 2012 (Dkt. No. 16) (the "Receivership Order").

II. OPERATION OF THE RECEIVERSHIP

A. General Operations

The overall function of the Receiver as set out in the Receivership Order is to administer and manage the business affairs and assets of the Receivership Entities, act as the managing member or partner of the Receivership Entities, marshal and safeguard all of the assets of the Receivership Entities and take such actions as are necessary to protect investors. In furtherance of these objectives and following her appointment, the Receiver took the actions outlined in the First Interim Status Report and has continued her efforts as outlined below.

B. Notice of Receivership

i. *Constructive Notice*: The Receiver's website, referenced in the Receiver's widely disseminated press release, continues to be updated with new and current information, including the Receiver's status reports, select court orders, select motions and pleadings filed with the Court and information regarding other proceedings affecting or potentially affecting the Receivership estate. The Receivership website now contains (i) notices to interested parties, (ii) filed Receivership reports, (iii) select Court orders, (iv) select motions and pleadings filed with the Court, and (v) information about, and select pleadings and court orders filed in, the Chapter 7 bankruptcy proceeding of Burton Douglas Morris, which is pending in the United States Bankruptcy Court for the Eastern District of Missouri. Additionally, the Court recently granted the Receiver's amended Motion with the Court requesting that the clerk's office post (i) summary information about the Receivership and (ii) a link to the Receivership website on the District Court's website so that the website information will be available to an even larger number of interested persons. The link has been posted to the District Court website.

ii. *Actual Notice*: During this reporting period, the Receiver continued her effort to deliver actual notice to all known account and property holders, including banks and portfolio investment concerns, creditors, and to former officers, directors, employees, attorneys and accountants of the Receivership Entities and to direct a turn over of property as required under the Receivership Order. The Receiver's master contact list of interested and affected individuals is updated on an ongoing basis so that interested parties will receive actual notice of the Receivership proceedings and all material events occurring within those proceedings.

C. <u>Closure of the New Jersey Office</u>

Immediately following her appointment, the Receiver secured the Receivership Entities' New Jersey office and began reviewing and removing all pertinent business and financial records from the premises. Through her initial review of documents, the Receiver learned that Acartha Group, as tenant, leased the New Jersey office in or around May 2006 for an initial term of seven years (up to and including June 30, 2013), for a total base rental obligation of $1,064,152.80 and a current monthly rental obligation of $14,057.50 per month (with an increase to beginning in July 2012). The Receiver also was given notice from the landlord indicating that rent was in arrears during the tenure of former management in the amount of $107,075.34, as of February 1, 2012. Because of the Receiver's location in Missouri, lack of need for the New Jersey office, the lack of funds to pay for the office and the high costs of maintaining the office, the Receiver decided to close the New Jersey office. By letter dated February 14, 2012, the Receiver notified the landlord of the New Jersey office of the Receivership's termination and rejection of the New Jersey office lease.

Agents for the Receiver removed all paper and electronic records and data from the New Jersey office during the week of February 12, 2012. Agents for the Receiver also contacted multiple auctioneers located in New Jersey, New York and Philadelphia to sell the personal property located in the New Jersey office, including but not limited to office furniture, televisions, electronic and networking equipment, office supplies, and fitness equipment. The Receiver filed a motion with the Court to sell the personal property by auction on February 22, 2012 (Dkt. No. 76, 77). The Receiver provided notice of the motion to all parties receiving notice in the case, former members of management and counsel for the New Jersey office landlord. No one objected or responded to the Receiver's motion. The Court granted the Receiver's motion on March 22, 2012.

To remove the personal property from the New Jersey office as quickly as possible, the Receiver signed an agreement with Best Buy Auctioneers.com, Inc. ("BBA") on February 28, 2012. Pursuant to the agreement, the Receiver engaged BBA to remove all personal property from the New Jersey office and auction the personal property following entry of an order from the Court approving the auction and sale of the personal property. On March 2, 2012, BBA removed all saleable personal property from the New Jersey office. On March 13, 2012, pending approval of the sale of the personal property by the Court, BBA took conditional bids on the personal property at a live auction in the total amount of $11,185.00. On March 27, 2012, following the Court's approval of the sale of the personal property, the Receiver accepted the conditional bids on the personal property. The Receiver received payment of the proceeds from the sale, after deduction for the auctioneer's commission, advertising costs and storage fees, in the amount of $7,748.00 on April 9, 2012.

The Receiver cancelled the following utilities providing services to Acartha at the New Jersey office: (a) VOIP phones and internet access provided by Level3 Communications, (b) facsimile and DSL service provided by Verizon, (c) water delivery provided by Poland Spring Direct, and (d) cable service provided by DISH Network. The Receiver also contacted the insurance broker for the Receivership Entities to cancel all insurance directly related to the New Jersey office.

The Receiver estimates that the closing of the New Jersey office and cancellation of all services provided to the office will save the Receivership at least $15,000.00 per month.[1]

D. Personnel

Pursuant to paragraph 4 of the Receivership Order, the Receiver may "employ legal counsel, actuaries, accountants, clerks, consultants and assistants as the Receiver deems necessary and to fix and pay their reasonable compensation and reasonable expenses."[2] In line with this authority, and following the receipt of various proposals and discussions and interviews with various service professionals, the Receiver made arrangements with those professionals listed and described below.

i. *Attorneys*: As described in the First Interim Status Report, Steve Higgins and the firm of Thompson Coburn are serving as counsel to the Receiver. Evelyn Meltzer of Pepper Hamilton LLP provided services for a short time to secure the dismissal of the Chapter 11 Delaware proceedings as described in the first report. *See* First Interim Status Report of Receiver, Dkt. No. 51-1, at pp. 7-8. A Fee Application for the first quarter of the year 2012 will be submitted to the Court on behalf of these service professionals in accordance with SEC guidelines following the requisite period of review by the SEC.[3]

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[1] This sum does not include costs allocated to the Receivership Entities by former management for the St. Louis office located at 7820 Maryland, St. Louis, Missouri 63105 or the costs of personnel associated with the office.

[2] Paragraph 22 of the Receivership Order provides that no bond is required and that Receivership personnel are not liable for any loss or damage except for an act of gross negligence. *See* Receivership Order, Dkt. No. 16, at p. 7.

[3] Vendors assisting the Receiver on a short and small scale basis are not described in detail within this report, *e.g.*, the locksmith and security personnel utilized to assist the Receiver in securing the Receivership property as described in the First Interim Status Report. In addition to the authority granted in paragraph 4 of the Receivership Order, paragraph 5 provides that the Receiver may, "[e]ngage persons in the Receiver's discretion to assist the Receiver in carrying out the Receiver's duties and responsibilities, including, but not limited to … a private security firm." *See* Receivership Order, Dkt. No. 16, at p. 3.

ii. *Accountants*: Segue Partners ("Segue"), a local firm which provides Fund Administration and Investment Reporting services, was selected to work with the Receiver based upon the February 9, 2012 proposal attached hereto as Exhibit 1 and subject to the discounted arrangement referenced in the engagement letter attached hereto as Exhibit 2. The Receiver selected Segue because Segue agreed to provide services in a cost effective and efficient manner and because the firm offers a range of services including cash management, investor communication, forensic accounting and preliminary tax preparation work. Moreover, Michelle Murray, CPA, the Receiver's primary contact at Segue, has extensive experience in dealing with venture capital firms and funds. The description of Segue's proposed process for Expense Process Workflow is attached hereto as Exhibit 3. A separate firm will prepare the tax returns for the Receivership Entities.

iii. *Business Advisor*: FTL Capital LLC ("FTL") was selected to work with the Receiver to provide business advice on a limited and as needed basis regarding the affairs of the Receivership Entities. FTL's proposal and the Receiver's engagement letter are attached hereto as Exhibits 4 and 5, respectively. The Receiver selected FTL, a local firm, because the experience of the principals and associates of this firm appear to be best suited to the needs of the Receivership Entities. Paul Melnuk, the Receiver's primary contact at FTL, is a principal of FTL, a private equity investment and management fund. Mr. Melnuk is a seasoned executive with experience in acquiring, building and restructuring a variety of businesses, large and small.

FTL has assisted the Receiver by participating in investor calls, board meetings, evaluation of materials provided by the investment concerns and with preliminary analysis of issues pertaining to business operations and valuation. FTL will assist the Receiver in preparation of the Receiver's summary as to the assets and liabilities of the Receivership estate.

Additionally, FTL will assist the Receiver in exploring the range of options available under the circumstances and in recommending the appropriate course of action to the Receiver and the Court.

iv. *Former Personnel*: The Receiver has continued to provide notification to lawyers, accountants and other service professionals formerly engaged by the Receivership Entities to clarify that they lack any authority to act on behalf of the Receivership Entities. The Receiver also has continued to direct the turnover of Receivership property. During this reporting period, the Receivership Entities' relationship with Insperity, which formerly handled payroll, was terminated since former management is no longer in the employ of the Receiver and the services of Insperity were redundant of those being provided by Segue. Payroll funds formerly held by Insperity ($8,415.05) were returned to the Receiver's account at Parkside Financial. Insperity provided the Receiver with payment records from early January of 2006 until the termination of the relationship. The records indicate that invoices were submitted and paid in the amount of $12,593,532.88 and reflect a summary of account debits in the amount of $151,486.39. A copy of this summary is attached hereto as Exhibit 6.

E. <u>Potential Return of Funds to Investors in Acartha Special Situations Funding, LLC</u>

On April 10, 2012, the Receiver filed her *Motion for Return of Funds to Investors in Acartha Special Situations Funding, LLC* with the Court. In the motion, the Receiver requests an order directing Reliance Bank to grant the Receiver control over the demand deposit account, and all funds and assets of such account, opened in the name of Acartha Special Situations Funding, LLC ("ASSF"), and approving the Receiver's return of such funds to the investors in ASSF. Based on information obtained by the Receiver, in the month preceding the filing of the SEC Case and the Receiver's appointment, Acartha Group solicited additional funds from investors, which would be provided to a new entity, ASSF,[4] to support Acartha Group's ongoing operations. Acartha Group's former management promised these investors that it would not use the new funds unless it satisfied certain benchmarks. Acartha Group did not satisfy these benchmarks prior to the initiation of the SEC Case and this Receivership, and is now unable to satisfy the benchmarks due to these occurrences. Therefore, the Receiver requested the Court's authority and approval to return approximately $146,000.00 to the ten known investors in ASSF.

Between April 12, 2012, and April 17, 2012, counsel for the Receiver sent correspondence to each of the ten known investors in ASSF to notify them of the pending motion and request confirmation of the amount(s) of their contributions to ASSF. A summary report of investor responses will be provided to the Court.

F. The SEC Case

Proceedings continue in the SEC Case.[5] Since the Receiver's last status report, the parties have filed numerous pleadings with the Court and briefed various substantive matters. For copies of the pleadings and orders referenced below, the Receiver encourages investors and parties-in-interest to access the Receivership website.

On February 16, 2012, Defendant Morriss moved for an order confirming his entitlement to advancement of defense expenses under Acartha Group's Venture Capital Asset Protection Policy (the "Insurance Policy") purchased by Acartha Group for coverage during the period December 1, 2010 to December 1, 2012. The SEC and the Receiver, on behalf of the Receivership Entities, oppose Defendant Morriss's motion. The Receiver opposes Defendant

[4] Control over ASSF is vested in its managing member, ASSF Capital, L.L.C., which in turn is managed and controlled by Acartha Group (ASSF Capital, L.L.C.'s sole managing member).

[5] As stated in the Receiver's First Interim Status Report, the "SEC Case" refers to the civil case captioned *Securities and Exchange Commission v. Burton Douglas Morriss, et al.*, Case No. 4:12-cv-00080-CEJ.

Morriss's motion on a number of grounds, including but not limited to, the following: (i) the proceeds of the Insurance Policy represent one of the primary sources of recovery for the Receivership, such that equity requires that the proceeds be preserved for the Receivership; (ii) it is fundamentally inequitable to investors for Defendant Morriss to use the proceeds of the Insurance Policy to fund his defense, when it was Defendant Morriss's conduct that put the Receivership Entities in their current predicament; and (iii) Defendant Morriss's acknowledged lack of assets will make any reimbursement right under the Insurance Policy meaningless. The SEC also opposes Defendant Morriss's motion for the following reasons, among others: (i) the Insurance Policy contains several exclusions from coverage, two of which might ultimately deny coverage for Defendant Morriss; (ii) Defendant Morriss has not shown that modifying the asset freeze to fund his attorneys' fees is in the interest of defrauded investors; and (iii) permitting Defendant Morriss to access frozen assets to fund his defense would directly harm defrauded investors by reducing insurance proceeds available to defend the Receivership Entities against subsequent claims and reimbursing investors for their losses. As of this filing, the Court has not ruled on Defendant Morriss's motion.[6]

On February 28, 2012, Defendant Morriss and Relief Defendant Morriss Holdings, LLC each filed motions to dismiss, or alternatively motions for a more definite statement, in response to the SEC's January 17, 2012 Complaint. In their motions, Morriss and Morriss Holdings, LLC argue that the SEC's Complaint fails to state a claim upon which relief can be granted and also fails to plead fraud with sufficient particularity. As of this filing, the Court has not ruled on the motions to dismiss.

[6] On April 19, 2012, Ashcroft Hanaway LLC filed a *Motion to Withdraw* (Dkt. No. 130) as counsel for Mr. Morriss in the SEC Case and the pending criminal investigation.

On March 6, 2012, the Receiver filed her Notice of Consent of the Receivership Entities to a judgment of permanent injunction and other relief. Also on March 6, 2012, the SEC filed its request for entry of judgment against the Receivership Entities. The Court entered its *Judgment of Permanent Injunction and Other Relief as to Defendants Acartha Group, LLC; MIC VII, LLC; Acartha Technology Partners, LP; and Gryphon Investments III, LLC* (the "Judgment") on March 22, 2012.[7] The Judgment permanently restrains and enjoins the Receivership Entities from (i) violating Section 17(a) of the Securities Act of 1934, 15 U.S.C. § 77q(a), (ii) violating 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, and (iii) violating 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). The Judgment also provides for the imposition of disgorgement, plus prejudgment interest, and a civil penalty.

On April 10, 2012, the SEC filed its *Motion for Order to Show Cause Why Relief Defendant Should Not Be Held in Contempt for Failing to Provide Sworn Accounting*. In the motion, the SEC requests that the Court hold Morriss Holdings, LLC in contempt for failing to comply with the Court's January 17, 2012 Asset Freeze Order, which required Morriss Holdings, LLC to provide a sworn accounting of (1) all funds, whether in the form of compensation, commissions, loans, income, and other benefits, Morriss received from Morriss Holdings; (2) all assets, funds or other properties held by Morriss Holdings; (3) all accountings, including but not limited to bank accounts, savings accounts, securities accounts, and deposits of any kind in

[7] On April 19, 2012, Morriss Holdings, LLC moved for a new trial or to alter or amend the March 22, 2012 judgment (Dkt. No. 133).

which Morriss Holdings has either an interest or over which it has the power or right to exercise control; (4) all funds received from investors; (5) all compensation and other benefits it paid to Morriss; and (6) all assets, funds or other properties held in its name or for its indirect beneficial interest. *See* Asset Freeze Order (Dkt. No. 17). As of the filing of this report, Morriss Holdings, LLC has not responded to the SEC's motion.

G. Burton Douglas Morriss's Chapter 7 Bankruptcy

Burton Douglass Morriss is the subject of bankruptcy proceedings commenced on January 9, 2012 pending before the Bankruptcy Court for the Eastern District of Missouri (Eastern Division) (the "Bankruptcy Court") as Case No. 12-40164. Mr. Morriss voluntarily filed his case under Chapter 11 of the Bankruptcy Code. Due to multiple factors, including but not limited to Mr. Morriss's failure to file his schedules and statements,[8] obtain Bankruptcy Court approval for employment of his counsel, and upon information and belief, attempts to sell potential estate property without Bankruptcy Court approval, the United States Trustee moved the Bankruptcy Court to dismiss Mr. Morriss's Chapter 11 case or alternatively convert Mr. Morriss's case to one pending under Chapter 7 of the Bankruptcy Code. For the same reasons, the Receiver filed a motion with the Bankruptcy Court requesting the appointment of a Chapter 11 trustee over Mr. Morriss's case or alternatively, conversion of Mr. Morriss's case to one pending under Chapter 7 of the Bankruptcy Code. The SEC filed a joinder in support of the Receiver's motion. The Receiver also moved, on an emergency basis, for a Bankruptcy Rule 2004 examination of Mr. Morriss and request for production of documents to question Mr.

[8] Mr. Morriss subsequently filed a statement concerning his schedules and statements, asserting the Fifth Amendment and declining to complete any of his schedules and statements.

Morriss on, among other things, his assets, liabilities, financial condition and all other matters relevant to his bankruptcy case or which might affect the administration of his estate.

On February 13, 2012, the Bankruptcy Court converted Mr. Morriss' bankruptcy case to one pending under Chapter 7 of the Bankruptcy Code. Also on February 13, 2012, Charles W. Riske was appointed as Chapter 7 trustee for Mr. Morriss's bankruptcy estate. Mr. Riske held Mr. Morriss's 11 U.S.C. § 341 first meeting of creditors on March 28, 2012. Mr. Morriss appeared for the first meeting of creditor, but did not respond to questions. Mr. Morriss asserted his Fifth Amendment privilege against self-incrimination as the basis for not responding to questions. On March 29, 2012, the Chapter 7 trustee noticed the continued first meeting of creditors for May 15, 2012.

On March 6, 2012, the Bankruptcy Court granted the Receiver's motion for a Bankruptcy Rule 2004 examination of Mr. Morriss. The Rule 2004 examination took place at the offices of the Receiver's counsel on March 28, 2012. Mr. Morriss appeared, but did not produce any documents in response to the subpoena and did not respond to questions. Mr. Morriss asserted his Fifth Amendment privilege against self-incrimination as the basis for not responding to questions and not producing documents.

On February 21, 2012, Mr. Morriss applied for authorization to employ and retain the Ashcroft Law Firm, LLC, as debtor's counsel in his bankruptcy case. Alternatively, Mr. Morriss requested that the Bankruptcy Court determine that Mr. Morriss's retention of the Ashcroft Law Firm, LLC is beyond the scope of Mr. Morriss's bankruptcy estate. The United States Trustee and the Receiver filed objections to Mr. Morriss's application. Mr. Morriss withdrew the application on March 16, 2012.

The current deadline to file a complaint to determine the dischargeability of Mr. Morriss's debts or oppose Mr. Morriss's discharge is May 7, 2012. On March 26, 2012, Mr. Riske, the Chapter 7 trustee, moved to extend this deadline by six months, through and including November 7, 2012. The Receiver, on behalf of the Receivership Entities, also filed a motion to extend the deadline for parties in interest to object to dischargeability. The Bankruptcy Court will hear both motions on April 23, 2012.

H. Receiver's Accounting

The Receiver's Standardized Fund Accounting Report ("SFAR") for the period from January 27, 2012 to March 31, 2012 (the "SFAR Reporting Period") has been prepared in draft and will be submitted along with the Fee Application for the service professionals described above. The SFAR sets forth the funds received and disbursed from the Receivership estate during the SFAR Reporting Period and includes the amount of cash on hand, the amount of accrued administrative expenses, and the amount of unencumbered funds in the estate. The information reflected in the SFAR is based on records and information currently available to the Receiver. The Receiver and her advisors are continuing with their evaluation and analysis of the assets and liabilities of the Receivership estate.

Based upon conversations with former management and a preliminary review of investment summaries, investor letters (in the form posted on the Receiver's website) have been directed to portfolio investments, including, but not limited to: Clearbrook Global Advisors, Librato, LogicSource, Inc., Tervela, Inc. and Pollenware, Inc. The Receiver has been in communication with representatives of each of these portfolio concerns and received information pertinent to the Receivership's ownership interests in each of these concerns. Analysis of this information is ongoing and a more detailed description will be provided in keeping with the directive of the Court.[9] *See* Receivership Order, Dkt. No. 16, at p. 3. Additionally, the Receiver and her personnel have participated in investor calls, board meetings, shareholder votes, decisions pertinent to financings and capital calls and other matters relevant to the interest of the Receivership estate.

During this reporting period, the Receiver worked closely with counsel for VMWare, the acquiring company of Integrien, Inc., regarding sums held in escrow. Although significant sums were distributed prior to the Receivership, the Receiver secured the funds remaining in escrow from the sale of Integrien to VMWare. The sums were distributed into the following Receivership accounts: Acartha Technology Partners, L.P., $1,092,714; MIC VII, $361,515.48; Integrien Acquisition, LLC, $381,065.08; and Integrien Acquisition II, LLC $116,193.53.

I. Taxes

Based upon information made available to the Receiver by the Receivership Entities' former accountant, UHY Advisors (UHY"), extensions have been filed on behalf of the Receivership Entities and all known entities for which the Receiver serves as the Managing Member. The Receiver has been in close contact with counsel for UHY (Jonathan King of DLA Piper LLP) in order to investigate and determine the Receiver's obligations with regard to tax filings and related matters.

J. Claims

The Receiver continues to evaluate information pertinent to the value of claims made against and those which may be made on behalf of the Receivership estates. During this reporting period, in addition to claims received from pre-Receivership vendors, a substantial

[9] While the relevant Operating and Partnership Agreements of the Receivership Entities and entities managed by the Receivership entities outline various forms of reporting, the Receiver will provide financial reporting as directed by the Court and the SEC in lieu thereof. *See Hennessy v. FDIC*, 58 F.3d 908 (3d Cir. 1995).

claim was received from Ameet Patel, an individual formerly in the employ of the Receivership Entities. This claim was stated to be "no less than $2,665,339.91" and is attached hereto as Exhibit 7. This claim will be considered by the Receiver, along with the claims of other creditors, at the proper point in time in this proceeding.

The Receiver is also considering the litigation filed in state court, *Nixon, et al. v. Burton Douglas Morriss, et al.*, Case No. 11SL-CC04718 (Circuit Court for St. Louis County, Missouri) (the "State Court Litigation").[10] During this reporting period, the Receiver discussed these claims with counsel for the plaintiffs in a preliminary attempt to understand the matters addressed in this suit. *See* Receivership Order, Dkt. No. 16, at p. 4.

Claims have been asserted by the Receiver against the defendant, B. Douglas Morriss, and a former executive of the Receivership entities, Dixon Brown. These claims seek a recovery of the $9.1 million transferred from the Receivership entities and are attached hereto as Exhibits 8 and 9.

VIII. CONCLUSION

The Receiver will continue to update this Report on a periodic basis to summarize all relevant Receivership activities.

Dated: April 20, 2012

Respectfully submitted,

/s/ Claire M. Schenk
Claire M. Schenk, Receiver

[10] As noted in the Receiver's first report, the Receiver filed a notice of stay in the State Court Litigation on January 23, 2012.

Private Fund Services

A Proposal To:

Thompson Coburn Receiver for:
Acartha Group, LLC
MIC VII, LLC
Acartha Technology Partners, LP
Gryphon Investments III, LLC
and their entities

February 9, 2012

Ex. 1

SEGUE PARTNERS™

About Segue

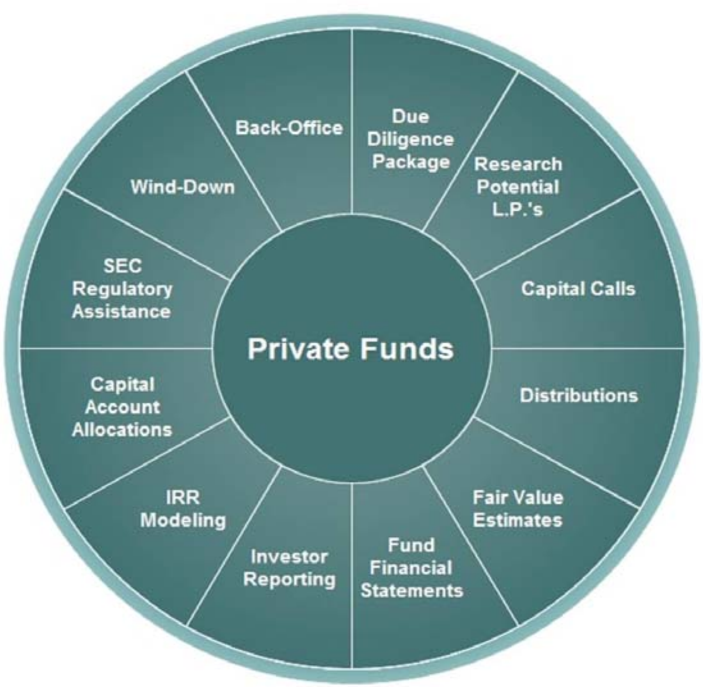
Segue Partners provides integrated financial consulting and accounting solutions for Private Funds and their Portfolio Companies. Our goal is to be your preferred outsourced partner as you segue through your life-cycle: from formation to wind-down and everything in between. We offer a wide range of services with the help of our proprietary software to deliver cost effective, efficient results to our clients.

Segue is passionately dedicated to the success of Private Funds and their portfolios. Our clients are VCs, mezzanine funds, small fund-of-funds and family offices, as well as their portfolio companies.

Segue is more than a group of accountants, we have been "in the trenches" operating our own funds, raising capital, and reporting to investors. Our advice goes beyond the IRC Code, Dodd-Frank, and GAAP.

Our proprietary cost-effective process can help you save time, save money, and accomplish your goal of outsized returns to your investors.

Private Fund Services



Executive Profile

Segue Partners is lead by our Founder and Managing Director, Michelle E. Murray, CPA. At Segue, Murray has combined her unique talents in the investment world with her passion for client service. She has formed a team of experts who know the nuances of raising money from limited partners, reporting to and maintaining relationships with investors, the demands of fair value accounting, and the challenges as a Director of portfolio companies.

Michelle has nearly 20 years of proven success in accounting and corporate finance. Since 2001, she has focused her expertise in the private equity arena. She most recently served as Director and Chief Financial Officer for Prolog Ventures, and administered three private funds and over 30 investments. Murray formerly served on the Board of Directors of Inoveon, Corp., a medical services firm focused on ophthalmology and was involved in its 2009 acquisition by ifa Systems International. In addition, she served as Director and Secretary of Symbiontics, Inc., a therapeutic drug discovery company and was instrumental in the liquidation of the company and its minority holdings in ZyStor Therapeutics, Inc., during its 2010 acquisition by BioMarin. Prior to eight years in public accounting with Clifton Gunderson LLC, and Ernst & Young, LLP where she started her career, Michelle oversaw internal and external financial reporting for one of the largest privately held companies in St. Louis, Knight Williams, Corp.

Michelle graduated with honors from Saint Louis University with a bachelor's degree in business administration with an emphasis in accounting. She is a licensed CPA in Missouri and Colorado.

Re-defining Outsourcing

With the rapid pace of innovation and regulation within the investment industry, you must have a financial partner you can trust. Clients are turning to Segue for Private Fund Services for the following reasons:

- Complexities of IRC Code, FASB and SEC require expertise.
- ILPA is focused on transparent, reliable GAAP Reporting especially limited partners that are structured as fund-of-funds.
- Fair Value measurement standards require firms to spend significant time implementing "auditable" processes for management estimates.

While management fees are on the decline, firms simply cannot build in-house expertise in a timely, cost-effective manner.

Segue saves you time and money

We provide the administrative and accounting software, so there is no upfront capital outlay. We don't even charge extra license fees for web-enabled reports. Furthermore, we don't occupy your office space. Finally, you don't have the human resource burdens because we provide the experienced, dedicated team EVERY time!

Summary of Private Fund Services

Fund Administration and Investment Reporting

Segue understands the complexity, increasing regulatory demands, and heightened awareness in the industry for more transparency and independent reporting. Our services include:

- Internal and external financial reporting to help you manage your Funds
- Prepare quarterly internal financial statements
- Provide secure web-based reports for investors
- Work with auditors and tax advisors to ensure the Limited Partners are receiving timely financial information including:
  - Net Asset Values
  - K-1's
  - Capital Account Allocations
- Prepare internal process and supporting schedules that will stand up to the scrutiny of the auditors and advisory boards.
- Properly tracking the details of the investment portfolios.

Investor Relations

While services having to do with the fundraising process are not included in this proposal, Segue includes in its services "high touch" client services that are transparent to the limited partners. We truly provide Partner level services, and we are happy to handle questions from the investors that arise on a routine basis concerning financial and tax matters of the Funds. We consider this part and parcel with administering the Fund. However, we do recommend the investors seek tax professionals and therefore we do not provide tax advice ourselves. We will even go the extra mile to speak with the limited partners', accountants, or advisors if there are questions or concerns about the reporting on your behalf; all covered in our fee.

Back-Office – Accounts Payable and Receivable

Segue is also available to provide the Funds with full-service accounting solutions, which would include accounts payable and accounts receivable. Segue provides these services within the scope of this proposal by utilizing QuickBooks Enterprise Solutions.

- Maintain general ledger for the Funds
- Maintain schedules of investments
- Prepare and review bank reconciliations and required schedules on a monthly basis.
- Provide cash analysis on as needed basis to help determine each entity's cash flow
- Maintain partner capital accounts
- Prepare internal quarterly financial statements

Proposed Fees for Services

Thompson Coburn Receiver for:

Acartha Group, LLC
MIC VII, LLC
Acartha Technology Partners, LP
Gryphon Investments III, LLC
and any additional entities

- Each professional and paraprofessional will record time in increments of tenths of an hour, and will keep contemporaneous time records on a daily basis.

- Time records will be set forth in reasonable detail with appropriate narrative description of the services rendered. Without limiting the foregoing, the description will include indications of the participants in, as well as the scope, identification and purpose of the activity that is reasonable in the circumstances.

Services provided by Segue Partners will be billed at the following hourly rates, unless otherwise agreed to in writing:

Michelle Murray, CPA:	$275
Director Level:	$200
Financial Associate:	$ 90
Bookkeeper:	$ 75

SEGUE PARTNERS™

Detail Description of Scope of Services

"Fund Administration" and "Investment Reporting" Services:

Maintain general ledger for the Fund and the GP.

Maintain schedules of investments.

Record transactions of the Fund, including but not limited to the following:

- Contributions (Capital Calls) from partners
- Distributions to partners
- Investment transactions
- Purchases and sales
- Investment income
- Interest Rate Swaps
- Interest Income
- Operating expenses
- Management fees

Prepare and review bank reconciliations and required schedules on a monthly basis.

Provide cash analysis on as needed basis to help determine each entity's cash flow.

Calculate and process capital calls and distributions.

Maintain partner capital accounts:

- Capital contributions and distributions
- Track remaining commitments
- Compute allocation of profits and losses (including carried interest)

Prepare internal Quarterly Financial Statements.

Prepare GAAP based year-end financial statements.

Coordinate and assist with the year-end audit with audit firm.

Coordinate and assist with tax advisors on filing of Form 1065 and Schedules K-1s.

Process wire transfers for the Fund's investments, expenses, and investor distributions.

Maintain applicable legal documents (both Fund and investor level) within our software system.

Produce quarterly financial statements and other Fund documentation (e.g. year-end audited financial statements, investor K-1s) via web-enabled for access by limited partners.

Distribute correspondence (i.e. capital calls, distributions, quarterly reports, annual reports, K-1s) to investors via e-mail and web- enabled reports.

Meet the Segue Team

Michelle E. Murray, CPA, Founder and Managing Director

Michelle brings over 18 years experience in finance and accounting. As Director and CFO for Prolog Ventures, LLC (a St. Louis based Venture Capital firm with $120 million under management), she oversaw audit and tax, risk management, legal agreements and investor compliance. She was responsible for investment reporting for over 30 portfolio companies and was Director for two companies during their exits. She spent the early part of her career in public accounting with Ernst & Young and later Clifton Gunderson, where she served private clients in a variety of industries. While at Clifton Gunderson, she also provided forensic accounting services and supported expert witness testimony. *See additional details on page 1*.

Michelle earned her BSBA emphasis in Accounting from Saint Louis University where she graduated with honors.

Ann Cicciarelli, Director

Ann brings more than 16 years of accounting experience along with a network of valuable industry resources to the team. From strategic development to the sale or public offering, she has worked alongside management and shareholders. Prior to joining Segue Partners, Ann served as the Director of Finance at CID Capital, a Midwest based investment firm funding private companies that raised seven equity funds, a mezzanine fund, and a buyout fund, totaling more than $500 million and made equity investments in nearly 70 companies.

Ann earned her Bachelor’s degree in Accounting from Loras College in Dubuque, Iowa.

Lisa A. Gallagher, CPA, MBA , Director

Lisa brings more than 16 years of comprehensive accounting experience to the team having managed multi-million dollar accounting, finance, and revenue operations. Prior to joining Segue Partners, Lisa served as the Vice President of Finance at Koman Properties, a St. Louis based retail real estate development firm where she managed the financial aspects for all entities including budgeting, financial structures, cash flow planning and forecasting, strategic planning, along with accounting and tax compliance. She has held similar roles with Altus Properties serving as Controller and at THF Realty as Assistant Controller where she managed the financial operations for over seven million square feet of property, with a budget of $800 million. Here, she directed the financial operations of 35 legal entities, which included maintaining accurate intercompany transactions and accounting for varied investor tiers within their legal structure.

Lisa holds an MBA in Finance from the University of Missouri–St. Louis and attended Southern Illinois University–Edwardsville, where she earned her Bachelor of Science in Accounting. Lisa is a Certified Public Account.

Amanda Reagan, Financial Associate

Amanda supports Segue Partners in a multi-disciplinary manner. Prior to Segue, Amanda completed several challenging internships including Territory Sales Manager at Altria Group Distribution Company where she analyzed, authored, and executed market analysis and strategy to increase sales while managing a territory of 35 accounts representing nearly five million in revenue. As Legislative Intern for the Arizona Governor's Office she analyzed and monitored legislation and state budgets while working with the Governor's Policy Advisors. She also completed the rigorous management trainee intern program at Enterprise Rent-A-Car with a strong focus on customer service and sales. Amanda holds a Bachelor of Science degree in Business Economics from The University of Arizona where she graduated Magna Cum Laude.

Testimonials

"As the Managing Director of RiverVest, I know that Segue Partners is there if we need assistance with financial modeling, fair value analysis, or need an extra hand with a transaction. They are always available and knowledgeable. I would recommend Segue without hesitation."

JaySchmelter,
Managing Director
RiverVest Venture Partners

"I have known Michelle Murray for ten years while she was the director and CFO of Prolog. If you are looking to establish a relationship with a financial industry consultant or service provider, I can strongly recommend Michelle and her team at Segue Partners. We consistently received prompt, reliable and quality financial information from Michelle and think of her as "best-in-class"."

Barbara Feiner,
Vice Chancellor for Finance and CFO
Washington University in St. Louis

"It's not every day that the PE industry can share a terrific resource previously enjoyed by just one competitor."

James F. O'Donnell, III,
Senior Partner
O'Donnell Capital Company, LLC

"I want to thank you personally for your assistance to our staff. I am impressed with your efficiency and how much we've benefited from your work with us in just a short time. Your business insight is candid, refreshing, and impactful. Your passion -- for not only what you do, but for what we do -- is evident in every call, meeting, and email. You are exceeding our high expectations and are effectively one of the team. That makes all the difference in achieving our objectives and results."

Arnold Donald,
President and CEO
Executive Leadership Council

"My experience with Michelle dates back nearly ten years. She is one of the most reliable, trustworthy people I have dealt with in my career. Her expertise in Private Fund accounting is apparent and she has experience making a cumbersome process run smoothly. I'm sure once you get to know her, Segue will become an indispensable partner to you."

Juli Laramie,
Controller
Carpenters' Pension Trust of Greater St. Louis

SEGUE PARTNERS™

Segue Partners
325 North Kirkwood Road
Suite 330
St. Louis, Missouri 63122
314.651.9524
800.734.8904
MichelleM@SeguePartners.com
www.SeguePartners.com

THOMPSON COBURN LLP

One US Bank Plaza
St. Louis, Missouri 63101
314-552-6000
FAX 314-552-7000
www.thompsoncoburn.com

February 14, 2012

Claire M. Schenk
314-552-6152
acartha.receivership@
thompsoncoburn.com

VIA EMAIL AND REGULAR MAIL

Michelle Murray, CPA
Managing Director
Segue Equity Group, LLC
325 North Kirkwood, Suite 330
St. Louis, MO 63122
MichelleM@SeguePartners.com

Re: *Securities and Exchange Commission v. Burton Douglas Morriss, et al.*
No. 4:12-cv-00080-CEJ

Dear Michelle:

Thank you for agreeing to provide fund management services in connection with the above-referenced matter. This letter will serve to summarize and confirm our conversations over the last few weeks regarding the assistance which you are to provide to me in my capacity as Receiver of Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, and Gryphon Investments, III, LLC, ("the Receivership entities") on behalf of and through Segue Equity Group, LLC ("Segue"). To be clear, you understand that you are working as an independent contractor in order to provide services for the benefit of the Receivership entities and that you do not have a direct or indirect contractual arrangement with Thompson Coburn LLP. You have agreed to work on the basis of a fee application to the Court subject to the availability of Receivership funds and have agreed to submit a monthly statement of your fees in accordance with the SEC billing guidelines which were previously made available to you along with a copy of the Receivership Order. We will assist you with the submission of your fees to the Court, however, all monthly statements will be initially submitted to me for my preliminary review and approval.

Your hourly fees are set forth in your proposal of February 9, 2012 except that you have agreed to discount your hourly rate by fifteen percent and that of the other members of your team by at least 10 percent. You have stated that the discount may be increased to 15 percent depending upon the level or volume of the service to be provided and the nature of the project. Additionally, you informed me that very basic services, e.g., closing out bank accounts with de minimus amounts, will be performed by an administrative assistant for an hourly rate in the range of $10 to $20 per hour. Any additional fees, e.g., travel or other expert assistance, will require prior advance approval.

Additionally, you have been provided a list of names of individuals and entities and have searched your records for previous relationships and conflicts. Based upon your review, you are not aware of any conflicts or relationships requiring disclosure or further discussion. Finally, you

Ex. 2

are aware that the work that you are performing is of a privileged and/or sensitive and confidential nature and have signed the enclosed Non Disclosure Agreement in your own right and on behalf of Segue. Portfolio concerns or others involved with the Receivership may impose additional confidentiality requirements or agreements and you have agreed to adhere to those requirements to the extent that you are reasonably able to do so.

We have discussed the specific services pertaining to fund administration which you are able to provide and which are outlined in your February 9, 2012 communication. You will be my primary contact for this engagement and have agreed to work subject to my direction so that we have very clear communications regarding the nature and scope of the services which you will provide. I have requested that you assist me with basic cash accounting functions for purposes of reporting to the Court and interested parties. Beyond that, I understand that you will assist me with accounting matters pertinent to investors, investor communications and tax preparation work (but not to include actual preparation of tax returns). You have represented that while you will provide strategic direction, basic cash and other accounting functions will be performed by the individual possessing the lowest hourly rate so long as the service can be reasonably performed by that individual.

Furthermore, we have discussed the fact that the needs of the Receivership or Segue may evolve over time and that this agreement to perform services may be terminated by either party with thirty days written notice. Please let me know if you have any questions or concerns regarding any of the points addressed in this letter. I look forward to working with you.

Very truly yours,

Thompson Coburn LLP

By
Claire M. Schenk

Enclosure

CONFIRMATION

I agree to provide services under the terms of this Engagement Letter.

Accepted: Dated: 2/15/12

Michelle E. Murray

Michelle Murray, CPA
Managing Director
Segue Equity Group, LLC

THOMPSON COBURN LLP

One US Bank Plaza
St. Louis, Missouri 63101
314-552-6000
FAX 314-552-7000
www.thompsoncoburn.com

MUTUAL NONDISCLOSURE AGREEMENT

This MUTUAL NONDISCLOSURE AGREEMENT ("Agreement") is made and entered into as of February ___, 2012 by and between Claire M. Schenk, Receiver for Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, and Gryphon Investments, III, LLC, ("the Receiver") and Michelle Murray, CPA, Managing Director, Segue Equity Group LLC. (Each of the foregoing is a "Party" herein, and collectively they constitute the "Parties" herein.)

1. Purpose. The Parties wish to explore a business opportunity of mutual interest. In connection with this opportunity, each Party may disclose to the other certain confidential, technical and/or business information, which it desires the receiving Party to treat as confidential.

2. "Confidential Information" means any information of a proprietary and/or confidential nature disclosed by either Party to the other Party, either directly or indirectly, in writing, orally, electronically or by inspection of tangible objects (including without limitation documents, prototypes, samples, plant and equipment). **Confidential Information of a disclosing Party shall include information disclosed by a disclosing Party related to or received from a third party.** Confidential Information shall not, however, include any information which, as shown by competent proof, (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing Party; (ii) becomes publicly known and made generally available after disclosure by the disclosing Party to the receiving Party through no action or inaction of the receiving Party; (iii) is already in the possession of the receiving Party at the time of disclosure by the disclosing Party as shown by the receiving Party's written records existing immediately prior to the time of disclosure; (iv) is obtained by the receiving Party from a third party that may lawfully disclose such information without breach of any obligation of confidentiality; or (v) is independently developed by the receiving Party without use of or reference to the disclosing Party's Confidential Information, as shown by the receiving Party's independent contemporaneous written records.

3. Non-use and Non-disclosure. Each Party agrees not to use any Confidential Information of the other Party for any purpose except to evaluate and engage in discussions concerning a potential business relationship between the Parties. Each Party agrees not to disclose any Confidential Information of the other Party to third parties or to such receiving Party's employees, except to those employees of the receiving Party who are required to have the information in order to evaluate or engage in discussions concerning

the contemplated business relationship. Neither Party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other Party's Confidential Information and which are provided to the Party hereunder. Notwithstanding any other provision of this agreement, a receiving Party may disclose any Confidential Information to those persons or entities as required by applicable law, provided that the receiving Party gives the disclosing Party prompt written notice of such requirement prior to such disclosure and reasonable assistance in obtaining any available exemptions or limitations on the required disclosure.

4. Maintenance of Confidentiality. Each Party shall protect and maintain the secrecy of the Confidential Information of the other Party using measures at least as protective as those it takes to protect its own most highly confidential information, but in any event using at least commercially reasonable measures. Neither Party shall make any copies of the Confidential Information of the other Party unless the same are previously approved in writing by the other Party, and any such copies shall reproduce the other Party's, or any third party's proprietary rights notices on any such approved copies, in the same manner in which such notices were set forth in or on the original.

5. No Obligation. Nothing herein shall obligate either Party to proceed with any transaction between them, and each Party reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement concerning the business opportunity.

6. No Warranty. All confidential information is provided "as is". each party makes no warranties, express, implied or otherwise, regarding its accuracy, completeness or performance, including without limitation any warranties of merchantability, fitness for a particular purpose, or non-infringement of third party rights.

7. Return of Materials. All documents and other tangible objects containing or representing Confidential Information which have been disclosed by either Party to the other Party, and all copies and summaries thereof and derivative works derived therefrom which are in the possession of the other Party, shall be and remain the property of the disclosing Party and shall be promptly returned to the disclosing Party upon the disclosing Party's written request with the exception of one copy of this Agreement that may be retained by the receiving Party to confirm compliance with the non-use and non-disclosure provisions of this Agreement.

8. No License / Trademark. Nothing in this Agreement is intended to grant any rights to either Party under any patent, mask work right or copyright of the other Party, nor shall this Agreement grant any Party any rights in or to the Confidential Information of the other Party except as expressly set forth herein. Further, except as agreed to in advance in writing, no right, express or implied, is granted to a Party by this Agreement to use in any manner any name, trade name, trademark or service mark of the other Party.

10. Term. The obligations of each receiving Party hereunder shall survive until such time as all Confidential Information of the other Party disclosed hereunder no longer falls within the definition of "Confidential Information".

11. Remedies. Each Party agrees that any violation or threatened violation of this Agreement may cause irreparable injury to the other Party, entitling the other Party to seek injunctive relief in addition to all legal remedies.

12. Miscellaneous. This Agreement shall bind and inure to the benefit of the Parties hereto and their successors and assigns. This Agreement shall be governed by the laws of the State of Missouri, without reference to conflict of laws principles. This document contains the entire agreement between the Parties with respect to the subject matter hereof, and neither Party shall have any obligation, express or implied by law, with respect to trade secret or proprietary information of the other Party except as set forth herein. Any failure to enforce any provision of this Agreement shall not constitute a waiver thereof or of any other provision. This Agreement may not be amended, nor any obligation waived, except by a writing signed by both Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective duly authorized representatives.

By:

Claire M. Schenk

Name: Claire M. Schenk

Title: Receiver

Date: 2/14/12

By:

Michelle E. Murray

Name: Michelle Murray, CPA

Title: Managing Director

Segue Equity Group LLC

Date: 2/15/12

Receivership: Acartha Group entities
Expenses Process Workflow
SEGUE PARTNERS

Claire M. Schenk

1) Deliver approved Accounts Payable invoices to SEGUE for processing. (Either scanned electronic or original)

Segue Bookkeeper (Kim)

1) Enter Accounts Payable invoices into QuickBooks.
2) Generate Accounts Payable Aging Report with scanned back-up.
3) Process (handwritten) checks for Accounts Payable.
4) Generate administrative correspondence, as needed.

Segue Diretor (Ann C.)

1) Review Accounts Payable Aging Report with scanned back-up.
2) Prepare financial statements.
3) Approving bank account reconciliations.

Claire M. Schenk

1) Review Accounts Payable Aging report and approves checks for payment via email notice to SEGUE.

Segue Finacial Associate (Amanda R.)

1) Obtain Accounts Payable invoices, files, and emails from Claire.
2) Coordinate receipt of W-9 for all vendors.
3) Maintain check register reports and forward to Claire as support for checks paid.
4) Reconcile Accounts Payable to GL monthly.
5) Obtain online bank statements and reconcile bank accounts.
6)Coordinate delivery of checks to Claire.

Segue Managing Director (Michelle M.)

1) Approve Accounts Payable Aging Report and forward to Claire.
2) Review Check Register.
3) Review Accounts Payable Aging & reconciliation of Accounts Payable to GL.
4) Approve financial statements.
5) Submit financial statements to Claire

Claire M. Schenk

1) Sign Checks
2) Mail signed checks to vendors.
3) Approve Unopened bank statements monthly.
4) Review financials and other reports as needed.
5) Discuss with Murray, as needed.

Ex. 3

ftl Capital LLC.

120 South Central Avenue, Suite 1000
St. Louis, Missouri 63105

January 30. 2012

PRIVATE & CONFIDENTIAL

Claire M. Schenk
Thompson Coburn LLP
One US Bank Plaza
St. Louis, MO 63101

Ms. Schenk:

Re: Consulting Services in the matter of Securities and Exchange Commission vs. Burton Douglas Morriss, Acartha Group, LLC, et al.

FTL Capital LLC ("FTL") is pleased to respond to your request for a proposal to provide consulting services related to the above-referenced matter.

Services

FTL will provide consulting services and assistance to the Receiver, as may be reasonably required, which will include but not limited to evaluating the assets and liabilities of the various entities involved in the above referenced matter, review of the business operations of the impacted companies and their portfolio companies, development of a preliminary business plan for the Receiver, representation of the Receiver's interests on the board of directors of any investee companies, if necessary and appropriate, and any other services requested by the Receiver.

Consulting Fee, Expense Reimbursement, and Fee Payment

As consideration for FTL's services, FTL shall receive an hourly fee as follows:

Managing Principals	$450
Vice Presidents	$350
Associates	$225
Staff	$110

FTL will also be reimbursed for all reasonable and documented out-of-pocket expenses incurred in connection with the performance of its duties under this Proposal, including but not limited to travel, telephone, and outside services. Such reimbursement will become due and payable upon the issuance of an invoice from FTL.

Term of the Agreement

This engagement shall have an initial minimum term of two (2) months, and thereafter shall be automatically extended on a month-to-month basis, with a mutual 30 day notice provision required to terminaate. Upon termination or expiration of this engagement, neither party will have any liability or continuing obligation to the other, except that FTL's reasonable out-of-pocket expenses incurred and fees earned up to the time of termination will be paid.

Ex. 4

Documentation

It is expected that the terms of this proposal will be documented in a formal services agreement and will be approved by the Court.

About FTL

FTL is a St. Louis based private equity and merchant banking operation formed in 2001 by Paul D. Melnuk and Thomas J. Hillman (the "Managing Principals"). FTL currently has control or significant influence over six businesses operating in diverse industries ranging from an early stage medical device business to technology, specialty finance and established manufacturing companies. FTL also has minority interests in three other businesses, primarily earlier stage development companies. As reflected in their resumes in the exhibit attached, the Managing Principals have distinguished careers leading, directing, acquiring and monetizing businesses of all sizes in a variety of industries, both private and publicly traded. The Managing Principals also have extensive experience acquiring and turning around businesses in distressed situations. FTL's team includes additional proven senior operating and financial executives ("Vice Presidents") of both private and public businesses and other financial and investment professional staff that are available to support the Receiver and the Court in this matter.

Additional details about FTL and our team are included in the exhibits attached hereto.

We welcome any questions you may have on FTL, this proposal, or the exhibits. Please do not hesitate to give us a call. We are available to respond to your needs immediately.

Yours truly,

Paul D. Melnuk Managing Principal	Thomas H. Hillman Managing Principal

Exhibit A

FTL Capital LLC Overview

FTL Capital LLC ("FTL") is a private equity investment and management company that invests the capital of its managing principals, Tom Hillman and Paul Melnuk. Formed in 2001, FTL Capital uses its expertise to help businesses grow profitably over the long term.

The Principals are seasoned executives with considerable experience acquiring, building and restructuring a variety of businesses, large and small. FTL also makes opportunistic minority investments in other projects in situations where we, while not having control, will be in positions of influence to direct strategic decisions.

PORTFOLIO COMPANY OVERVIEW

FTL Finance, LLC
Specialty finance business specializing in consumer financing of residential HVAC and other critical equipment to the home

Sendouts, LLC
Software as a Service (SaaS) provider of online recruiting software for third party staffing and recruiting firms

Valley Minerals, LLC
Processor of dolomitic lime for use in the steel industry

Community Housing Partners, LLC
Purchaser and reseller of state tax credits

Benada Aluminum Products, LLC
Florida-based aluminum extrusion company

EPM Mining Ventures, Inc.
Potash Mining Operation in Utah

Nawgan, Inc.
Functional Beverage that supports Brain Activity

Pulse Therapeutics, Inc.
Stroke Treatment Technology Advanced Clot-Clearing

INVESTMENT APPROACH

Strategically Opportunistic
We look to create value where others may see none including "distressed" situations, orphaned divisions of larger companies, management turnarounds and "fatigued" ownership situations. We utilize clearly defined strategic and operational business plans as management's road map.

"Active" Style
We are experienced directors, leaders, managers and operators. We only get involved in situations where our business experience adds value above and beyond the capital we bring. We hire capable, knowledgeable and experienced managers to run the day-to-day business.

Long Term
As our capital is our own, we take a long term view vs. conventional private equity investors who manage institutional capital that have pressure to report short term results and generate returns to their investors over a short period of time, often 3-5 years or less.

Risk Averse
As our capital is our own, preservation of capital is our priority followed by generating returns commensurate with the risk.

Analytical
We mitigate risk through extensive due diligence whereby we attempt to know more about the business than the sellers.

Collaborative Partnership
Although we are typically in a position of significant influence over the organization, we search for win-win solutions with all stakeholders recognizing that long term success is built upon successful relationships.

ftl Capital LLC.

Executive Summary

Confidential

January 2012

Overview

- A private equity investment and management company formed in 2001 that invests capital of Thomas J. Hillman and Paul D. Melnuk ("Principals") and uses its expertise to help businesses grow profitably over the long term
  - FTL is not the exclusive investment vehicle of the Principals and each have completed several investments outside of FTL since its formation

- The Principals are seasoned executives with considerable experience acquiring, building and restructuring a variety of businesses, large and small

- FTL also makes opportunistic minority investments in other projects in situations where we, while not having control, will be in positions of influence to direct strategic decisions

- The Principals have recently committed their attention and focus on successfully growing FTL to become a meaningful and active private equity player in the mid-west. As such, we are looking to establish relationships with people and businesses that are willing to work with us in acquiring, funding, building and monetizing investments.

Current Portfolio

- FTL currently has a controlling interest in the following companies:

ftl finance. — *Specialty Finance*

Sendouts — *Software as a Service*

Valley Minerals LLC — *Lime Processing*

Community Housing Partners LLC — *State Tax Credits*

Benada Aluminum Products LLC — *Aluminum Extrusion*

- FTL also has minority positions with significant influence in these businesses :

EPM Mining Ventures Inc. — *Potash Mining Operation Utah*

nawgan — *Functional Beverage Supports Brain Function*

Pulse Therapeutics — *Stroke Treatment Technology Advanced Clot-Clearing*

Investment Approach

Strategically Opportunistic	• We look to create value where others may see none including “distressed” situations, orphaned divisions of larger companies, management turnarounds and “fatigued” ownership situations • We utilize clearly defined strategic and operational business plans as management’s road map
“Active”Style	• We are experienced directors, leaders, managers and operators. We only get involved in situations where our business experience adds value above and beyond the capital we bring • We hire capable, knowledgeable and experienced managers to run the day-to-day business
Long Term	• As our capital is our own, we take a long term view vs. conventional private equity investors who manage institutional capital that have pressure to report short term results and generate returns to their investors over a short period of time, often 3-5 years or less
Risk Adverse	• As our capital is our own, preservation of capital is our priority followed by generating returns commensurate with the risk
Analytical	• We mitigate risk through extensive due diligence whereby we attempt to know more about the business than the sellers
Collaborative Partnership	• Although we are typically in a position of significant influence over the organization, we search for win-win solutions with all stakeholders recognizing that long term success is built upon successful relationships

Managing Principals

Thomas J. Hillman

Chief Executive Officer Roles

- Fresh Fish Co. – Wholesale fish distributor
- Founder, Partner, Director – Rainforest Aquaculture Products, Inc. – producer Tilapia fish

Director/Other

- Founder, Partner, Director of Announce Media LLC, an Internet lead generation and search engine
- Owner, Director of FTL Finance, a specialty home improvement finance company
- Co-president of America's Water Heater Rentals LLC, a US rental water heater portfolio
- Advisory Director, Southwest Bank
- Board of Advisors of Healthpoint Capital LP, a New York based private equity firm
- Director, Story Stores LLC
- Director of Appristry LLC
- Director, Hoover's Inc.– (HOOV) Nasdaq listed, publisher business content and research
- Chairman, Young President's Organization, St. Louis Chapter

Education

- Bachelor of Science, Washington University

Paul D. Melnuk

Chief Executive Officer Roles

- Chairman & CEO of Thermadyne Holdings Corporation , global manufacturing of welding products
- President & CEO, Bracknell Corporation, $1.4B revenue service company
- President & CEO, Barrick Gold Corporation, world's largest gold mining company
- President & COO, Horsham Corporation, a multi-billion investment company
- President & CEO, Clark USA, Inc. $5.0B oil refining and marketing company

Director/Other

- Petro – Canada Inc., integrated oil and gas
- Clark Brands, Inc. (Chairman), retail brand and credit card processing
- White Hen Pantry Inc., convenience store chain
- Emerald Peak Minerals, LLC., (advisory board) potash development
- Member of the World Presidents' Organization, St. Louis chapter

Education

- Member, Canadian Institute of Chartered Accountants (CPA Equivalent)
- Bachelor of Commerce, University of Manitoba

ftl Capital LLC.

Professional Team

Jacob D. Sturdy

Vice President, FTL Capital

General Manager, Community Housing Partners

Prior Experience

- Stone Carlie Corporate Finance, Managing Director
- Thompson Street Capital Partners, Sr. Vice President
- Cequel III, Vice President
- CIBC World Markets Corp., Associate

Director Positions

- Community Housing Partners, LLC
- Iron Data Solutions, LLC (former)
- Option 1 Nutrition Solutions, LLC (former)

Education

- BS, Accounting, Illinois College
- MBA, Olin School of Business, Washington University
- Certified Public Accountant

Dan J. Winograd

Vice President, FTL Capital

Controller, Valley Minerals

Prior Experience

- Finance Leader – Operations Strategy, Program Management & Operations Excellence (Climate Solutions sector), Ingersoll Rand, $14B global leader in creating and sustaining safe, and efficient environments in commercial, residential and industrial markets.
- Controller, Ingersoll Rand - Industrial Refrigeration
- Vice President, CitiMortgage, one of the nation's top residential mortgage originators and servicers
- Finance Director, DM&C, a $400M division of Emerson in the Oil & Gas measurement industry
- Manager – Internal Audit, Emerson, $23B+ conglomerate of leading technology & engineering manufacturing companies.
- Experienced Senior, Arthur Andersen, national CPA firm
- Audit Senior, RubinBrown, regional CPA firm

Education

- BS, Accounting & BS, BSAD (Management) Truman State University
- Certified Public Accountant

Professional Team

Marisa Nardoni

Operations Manager, FTL Capital

Prior Experience

- MarketSphere Consulting, Operations Manager
- Deloitte & Touche LLP, Senior Consultant

Education

- BSBA, Computer Information Systems, Spring Hill College

Kurt Wittenauer

Associate, FTL Capital

Prior Experience

- US Bancorp Community Development Corporation, Project Manager Associate

Education

- BA, English, Cornell University
- MBA, Olin School of Business, Washington University
- JD, Washington University

Exhibit B

Professional Summaries

Paul D. Melnuk
Co-Founder and Managing Principal, FTL Capital, LLC

Thomas H. Hillman
Co-Founder and Managing Principal, FTL Capital, LLC

Brad Aldrich
President and Chief Executive Officer, Valley Minerals, LLC
Advisor to FTL Capital, LLC

Steven A. Schumm
Independent Consultant
Advisor to FTL Capital, LLC

Jacob D. Sturdy
Vice President, FTL Capital LLC
President and General Manager, Community Housing Partners, LLC

PAUL D. MELNUK

2012 BIOGRAPHICAL INFORMATION

PRESENT INVOLVEMENT

Paul D. Melnuk currently serves as Managing Partner of FTL Capital, LLC, a St. Louis-based merchant banking and private equity investment company he co-founded in 2001. A successful operating executive known for his success in turnaround situations, Mr. Melnuk is adept at building/rebuilding organizations and developing and executing strategic business plans in a variety of sectors.

Mr. Melnuk is actively involved with FTL Capital's current portfolio of companies: FTL Finance, a national specialty home improvement finance company; Valley Minerals, LLC, a manufacturer of dolomitic lime; Community Housing Partners, LLC, a purchaser/reseller of tax credits to individual and corporate taxpayers; Sendouts, a company steeped in on-demand, web-based recruiting software solutions; and Benada Aluminum Products, LLC, a Florida-based aluminum extruder. FTL Capital also maintains other investments in additional companies such as Pulse Therapeutics, a biomedical company with cutting-edge procedures in the treatment of blood clots; Emerald Peak Minerals, LLC, a potash mining and development operation in Utah; and Nawgan Products, LLC, a company committed to the development of products that support optimal brain function among adults.

Mr. Melnuk is a Chairman and minority owner of retail brand and credit card processing company, Clark Brands, LLC and Chairman of Water Ski and Wakeboard Canada, a not-for-profit organization responsible for the oversight of towed water sports in Canada. Mr. Melnuk also recently participated in an investment in Schlafly Brewing Company of St. Louis.

PRIOR INVOLVEMENT

Mr. Melnuk's professional background is diverse, including oil refining and marketing, precious metals, contracting services, financial services, and manufacturing. In addition to successfully growing a number of private companies with impressive results, Mr. Melnuk has also led a number of established public companies over the course of his career, holding various executive leadership roles:

- Chairman and Chief Executive Officer of Thermadyne Holdings Corporation – $500 million global manufacturer of welding products.
- President and Chief Executive Officer of Bracknell Corporation – $1.3 billion construction services company.
- President and Chief Executive Officer of Barrick Gold Corporation – world's largest gold mining company.
- President and Chief Executive Officer of Clark USA, Inc. – $5 billion oil refining and marketing company.
- President and Chief Operating Officer of Horsham Corporation – publicly traded investment company.
- Chairman of Clark Brands, Inc. – privately held retail brand and credit card processing company.
- Director of Petro – Canada Inc. – multi-billion integrated oil and gas company.
- Director of White Hen Pantry Inc. – privately held convenience store chain.

As Co-President of America's Water Heater Rentals, LLC, a specialty finance company that leases water heaters to more than 130,000 residential customers, Mr. Melnuk helped substantially improve profitability, grow its customer base, and guide the company through a profitable sale to Macquarie Bank in 2007.

Mr. Melnuk has previously served on the board of the United Way of Greater St. Louis; the St. Louis Area Council of the Boy Scouts of America; and The Family Resource Center, a St. Louis-based charity serving the needs of abused children.

PERSONAL

Mr. Melnuk resides in Orlando, Florida with his wife, Donna. He enjoys spending time with their four children Jillian (33), Andrew (28), Bryan (24), and Kevin (22) and four grandchildren.

Mr. Melnuk holds an Honors Bachelor of Commerce degree from the University of Manitoba (1976). He is a member of the Canadian Institute of Chartered Accountants and of the World Presidents' Organization, St. Louis chapter.

THOMAS J. HILLMAN

2012 BIOGRAPHICAL INFORMATION

PRESENT INVOLVEMENT

Thomas J. Hillman (55) currently serves as Managing Partner of FTL Capital, LLC, a St. Louis-based merchant banking and private equity investment company he co-founded in 2001. Mr. Hillman is a seasoned executive with considerable experience acquiring, building, and restructuring a variety of businesses. Throughout his career, he has helped dozens of businesses grow profitably over the long term.

Mr. Hillman is actively involved with FTL Capital's current portfolio of companies: FTL Finance, a national specialty home improvement finance company; Valley Minerals, LLC, a manufacturer of dolomitic lime; Community Housing Partners, LLC, a purchaser/reseller of tax credits to individual and corporate taxpayers; Sendouts, a company steeped in on-demand, web-based recruiting software solutions; and Benada Aluminum Products, LLC, a Florida-based aluminum extruder. FTL Capital also maintains other investments in additional companies such as Pulse Therapeutics, a biomedical company with cutting-edge procedures in the treatment of blood clots; Emerald Peak Minerals, LLC, a potash mining and development operation in Utah; and Nawgan Products, LLC, a company committed to the development of products that support optimal brain function among adults. Most recently, Mr. Hillman was elected to the Board of Pulse Therapeutics and currently serves as its Chairman.

FTL Capital is not the exclusive investment vehicle for Mr. Hillman. In 2006, he co-founded Announce Media, an internet lead generation and search engine company. This business was recently cited as one of the top 150 private companies in St. Louis. Mr. Hillman currently serves as Board member and is active on several standing committees. The company recently completed an acquisition of Answers.com, a publically-listed company. Mr. Hillman also recently participated in an investment in Schlafly Brewing Company of St. Louis.

Other current Board positions Mr. Hillman is active with include:

- Innovate St. Louis, an organization which fosters creativity in innovation through education and collaboration.
- Central Regional Board for the YPO/WPO Organization, an association that promotes better leaders through education and idea exchange. He formerly led the St. Louis chapter as Chairman.
- Board of Advisors for HealthPointCapital LP, a New York-based private equity firm that specializes in orthopedics and dental implants.
- Board member for Mission Center, LC3, an organization that educates individuals on creating more efficient, effective, and sustainable organizations.
- Board member on the Barnes Jewish Hospital Foundation Board.
- Board of Trustees member at Washington University in St. Louis.
- National Council of Entrepreneurism at Washington University in St. Louis.

PRIOR INVOLVEMENT

Mr. Hillman has been involved with private business enterprises over the course of his career and has likewise consistently served as an active partner and catalyst for starting, acquiring, building, and monetizing a number of businesses.

As Co-President of America's Water Heater Rentals, LLC, a specialty finance company that leases water heaters to more than 130,000 residential customers, Mr. Hillman helped substantially improve profitability, grow its customer base, and guide the company through a profitable sale to Macquarie Bank in 2007.

He was a founding shareholder and Board member of Hoover's, Inc. (HOOV), serving as Chairman of the Nominating Committee and member of the Audit Committee. The public business content and research company was sold to Dun & Bradstreet in 2003.

Mr. Hillman was President and CEO of The Fresh Fish Co, Inc., a wholesale fish distributor, until its ultimate sale to Global Seafoods, LLC. During that same time, Mr. Hillman founded and remained involved with Rain Forest Aquaculture Products, Inc., a tilapia fish producer, before its sale to Commonwealth Development Corporation of the UK was finalized in 2000.

Mr. Hillman is a past Director and current investor at Appistry, Inc., a developer of computing products for enterprise applications in public and private cloud environments.

Mr. Hillman proudly contributed his time as Board President of the Center of Creative Arts (COCA), a St. Louis-based community performing arts center. He has served as Trustee of the St. Michael School, was a member of the Executive Committee, and chaired both Strategic Planning and Development Committees.

Additional positions of influence Mr. Hillman has held include Advisory Director at Southwest Bank and Board of Advisors at Creve Coeur Camera.

PERSONAL

Mr. Hillman resides in Clayton with his wife, Jennifer (Washington University in St. Louis alumna), and their three children: Max 22, Ben 20, and Natalie 16. He is a 1978 Graduate of Washington University in St. Louis.

Mr. Hillman grew up in Harrison, New York in Westchester County, north of New York City. In his spare time, he enjoys skiing, hiking, attending music festivals and lectures, cooking, and serving as a mentor.

BRAD ALDRICH

16443 Andraes Drive
Chesterfield, MO 63005

BradAldrich@Earthlink.Net
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SUMMARY OF QUALIFICATIONS

Results oriented senior executive with demonstrated ability to provide vision, articulate values, achieve understanding and commitment to strategies, and foster unconventional approaches. Proven capability to mobilize and focus large functionally diverse organizations to achieve ambitious business objectives. Highly developed general management, leadership and analytical skills enhanced by the ability to persuasively communicate with diverse audiences. Experience and expertise include:

- Public & Private Investor Interaction
- Extensive International Exposure
- Strategy and Policy Development
- M&A Development and Execution
- Operations/Profitability Improvement
- World-Scale Project Development

PROFESSIONAL EXPERIENCE

HARVEST ENERGY TRUST • Calgary, AB **2007 to 2011**

$6 billion publicly traded integrated energy company.

Chief Operating Officer-Downstream and President-North Atlantic Refining Limited

Leadership of Harvest's $4.5 billion downstream business unit in Newfoundland (petroleum refining, branded retail and wholesale marketing, and ancillary businesses):

- Led development of $2 billion refinery investment program.
- Reduced manning levels by 20% and fully contained fixed expense inflation.
- Led due diligence and other processes associated with potential acquisitions.
- New records in refinery employee safety each successive year (bottom to top quartile).
- Captured retail market share leadership from competitors through same store growth.
- Negotiated new $0.7 billion off-balance sheet working capital facility improving terms $25 million per year.
- Played role in developing privatization tender offer from Korean National Oil Corporation at 40% premium to share value.

CHANGING WORLD TECHNOLOGIES, INC. • West Hempstead, NY **2006 to 2007**

Privately held emerging alternative energy company.

President and Chief Operating Officer

Responsible for all operations, engineering, finance, research and development activities, and development and implementation of strategy to finance company's growth plans:

- Oversaw establishment of technological demonstration at pilot plant.
- Negotiated sales contracts resulting in first penetration of product markets.
- Accessed private equity markets to sustain company.

YUKOS OIL COMPANY • Moscow, Russia **2002 to 2005**

Russia's largest oil company (publicly traded) with annual revenues of $18 billion.

Vice President-Production

Responsible for all petroleum, petrochemical, and natural gas processing operations (11 plants in the former Soviet Union, 40 million tons per year of products, 35,000 unionized employees, $760 million operating budget, and average capital spending of $150 million). Also responsible for financial planning/control, technical support, service enterprises, and research activities:

- Led development of $1.3 billion refinery modernization program to meet new Russian and European fuels quality specifications and improve competitive position.
- Played a key due diligence role in YUKOS' $11 billion acquisition of 92% share of Russia's 4th largest energy company (selected to lead combined organizations).

ADESTA TRANSPORTATION, INC. • Mt. Laurel, NJ **2000 to 2002**

$100 million private corporation, engaged in the design, engineering, operation, and maintenance of sophisticated electronic highway toll collection systems and high volume data intensive customer service and violation processing centers around the world. Wholly owned by Bracknell Corporation.

President and Chief Executive Officer

Responsible for turning around financially and operationally troubled subsidiary company:

- Renegotiated and settled disputes and claims to salvage $500 million contract for installation of world's largest electronic toll collection system ("EZ Pass").
- Reduced corporate overhead 20%.
- Rebuilt senior management team.
- Successfully sold business to WorldCom as part of parent company bankruptcy.

CLARK REFINING AND MARKETING, INC. • St. Louis, MO **1994 to 2000**

Privately held $4.5 billion independent refiner and marketer of petroleum and petrochemical products. Predecessor company to publicly traded Premcor Inc.

Executive Vice President and Chief Operating Officer

P&L accountability for petroleum refining and petrochemicals business with $525 million operating budget, $550 million capital budget, and 1900 employees (1200 union). Responsible for crude oil supply, plant operations, engineering, wholesale distribution and marketing, commodity and futures trading, price risk management, planning and development, MIS, HR, and EH&S:

- Led due diligence and negotiations for $575 million of asset acquisitions, expansion of manufacturing capacity by 365% and revenue growth from $1 billion to $4.5 billion.
- Negotiated $15 billion crude oil purchase contract with the Mexican National Oil Company, providing foundation for $900 million plant upgrade project financing.
- Profitability improved $170 million through cost reductions and operating productivity gains (excludes effects of capital investments and market improvements).
- Employee safety, environmental performance and product quality improved from below to above averages among U.S. competitors (top quartile regarding safety).

CF INDUSTRIES, INC. • Long Grove, IL **1991 to 1994**

$1 billion manufacturer and distributor of chemical fertilizer products (owned by eight of the largest regional agricultural supply cooperatives in North America).

Vice President Supply & Distribution

Responsible for supply, trading and transportation operations, distribution facility operations, distribution facility leasing and production planning:

- Diversified and expanded product supply sources to meet 20% sales volume growth.
- Managed due diligence and negotiations for the acquisitions of a $175 million manufacturing plant from the government of Trinidad and a $23 million deepwater dock and cryogenic storage facility through complex bankruptcy proceedings.
- Negotiated sale of $25 million ocean-going cargo vessel and associated long-term affreightment contract.

CONOCO INC. • Houston, TX **1980 to 1991**

$20 billion fully integrated multi-national energy company (wholly owned subsidiary of DuPont).

Manager North American Products

Responsible for all product supply and distribution, commercial trading and price risk hedging operations in North America (350,000 BPD distributed through a network of 300 terminals).

Executive Assistant to Executive Vice President

Chief of Staff for Executive Vice President of worldwide refining, petrochemicals, and marketing operations (executive grooming assignment). Responsibilities included coordinating communications, managing special projects and providing planning and administrative support to North American and Western European subsidiaries and affiliates.

Various other operations, engineering, administrative, planning, supply and trading, and general management assignments. Promoted 10 times and relocated 6 times during 11-year tenure.

EDUCATION

New Mexico State University
BS Industrial Engineering (1979)

PROFESSIONAL ASSOCIATIONS

National Petrochemical and Refiners Association (NPRA)
Board of Directors (1994 to 2000)

PERSONAL

Married (32 years) with 2 children.
Certificated aircraft pilot.
Excellent health.

STEVEN A. SCHUMM, CPA

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INTRODUCTION

Operations-oriented CFO. Two successful turnarounds. Two sales of publicly traded companies at double-digit premiums. NASDAQ and NYSE experience with listings, SEC inquiries, bond offerings, and road shows.

EXPERIENCE

THERMADYNE HOLDINGS CORPORATION, St. Louis, MO, **2006-2011**
NASDAQ-traded, $500 million revenue, global manufacturer and supplier of cutting and welding power sources, torches, and consumables.
Chief Financial Officer & Chief Administrative Officer
Responsible for strategic planning and budgeting, financial reporting and forecasting, SOX compliance, investor relations, risk management, tax, treasury, legal, and information systems.

- Restored financial credibility of NASDAQ-traded Company.
  - Cured five "material weaknesses" to obtain clean SOX auditor reports
  - Hired Controller, Directors of Accounting, Financial Reporting, Financial Planning and Tax and outsourced Internal Audit.

- Teamed with executive group increasing gross margin 500+ basis points ($25+ million) through multi-phased cost reduction program ("TCP") and new processes for directing product pricing.

- Reduced working capital investment by $15 million through revised billings and collections process (20% reduction in DSOs) and extended supplier terms as financial results improved.

- Lowered annual foreign tax costs 35%.

- Reduced administrative costs 25% ($4 million) through I.T. and telecommunications restructuring and process changes across all support functions.

- Renegotiated Revolver and Second Lien facilities, increasing credit availability to $100 million with lower interest rate grid, more lenient covenants, and expanded "collateral availability."

- Positioned Company to survive 40% reduction in revenue during 2008 global economic meltdown, which severely impacted the industrial sector.

- Launched investor relations program increasing investor base and increasing trading volumes.

- Transformed I.T. to lead initiatives for process improvement and cost reductions in Manufacturing, Distribution, Sales, Customer Care, and Engineering.

- Directed $422 million sale of Company (60% premium to twelve month trailing average price). The process included offering memorandum preparation, management presentations, data room preparation and subsequent interface with buyers. In response to late stage concerns of buyer, created special analysis and presentation of working capital seasonality to "save the deal."

- Led national roadshow resulting in $260 million bond offering substantially over-subscribed.

LA QUINTA CORPORATION, Dallas, TX, **2005-2006**
NYSE-traded, $600 million revenue, lodging services company with national footprint and franchisees.
Chief Financial Officer (2005-2006)
Responsible for strategic planning and budgeting, financial reporting and forecasting, SOX compliance, investor relations, risk management, tax, and treasury functions.

- Guided strategic planning process assessing alternatives for growth through acquisitions, accelerated franchise growth and new property investments.
- Launched and coordinated process for $3.5 billion sale of the Company (40% premium).
- Improved cash flows by streamlining processes in billings and vendor payments
- Streamlined operational and financial reporting.

CHARTER COMMUNICATIONS, INC., St. Louis, MO, **1998-2005**
NASDAQ-traded, $5 billion revenue, cable company, formed through a series of acquisitions at the impetus of the majority shareholder, Paul Allen, co-founder of Microsoft.
Chief Administrative Officer & Chief Financial Officer
Integrated twelve acquisitions, launched the high-speed internet and telephony businesses, and restored financial reporting credibility in the face of SEC inquiry and looming default on $8 billion in debt.

Chief Administrative Officer (1998-2005)
Managed planning and budgeting, risk management, internal audit, communications, customer care, human resources, information services, voice, and internet services.

- Established I.T. function and informational processes to support the $5 billion multi-service line business created from a series of twelve “overnight” acquisitions.
- Directed the infrastructure support for launch of internet and voice services.
- Negotiated the purchase of AT&T’s St. Louis-based telephony operations.
- Negotiated cable industry-wide model contract for access technology to digital video content.
- Established new system for managing installation workforce projected to save $20-$30 million annually, while driving customer service improvements.

Chief Financial Officer (Interim) (2002-2004)
Restored financial reporting credibility restating financial statements, resolving issues with SEC and negotiating resolution with bank lenders to avoid default.

- Resolved numerous complex issues with SEC. Included two days of meetings with the Office of the Chief Accountant. Filings were completed timely when most advisors viewed it impossible.
- Refinanced $2 billion of the $8 billion publicly-held indebtedness via two separate transactions requiring road show and S-4 registrations.
- Negotiated covenant violation waiver from (four) bank syndicate with $1.5 of $8 billion debt.

ERNST & YOUNG, LLP **1974-1998**
Leading Big Four global public accounting firm.

Managing Partner of St. Louis Area Office (1998)
National Director of Industry Tax Services (1997-1998)
Directed local and national tax functions, in addition to client service responsibilities. Appointed as Managing Partner of the 250 person St. Louis area office in 1998. Resigned to accept newly-created position at Charter Communications, Inc. before its initial public offering.

- Merged and led the Missouri and Kansas tax practices to record revenue and profitability growth.
- Directed strategy for the Firm's tax practice as a member of the National Tax Committee.
- Created and led national rollout of model for identifying income tax saving opportunities.

Tax Services Partner (1984-1997), **Missouri/Kansas Director of Tax Services** (1992-1997)
Audit Specialist and Tax Specialist (1974-1998)
Served various industries including the manufacturing of electric motors, aircraft, aluminum and steel foundries, meatpacking, wholesale/retail distribution and construction.

- Admitted to partnership at age 32 through achievements in increasing roles.

EDUCATION AND CERTIFICATIONS

SAINT LOUIS UNIVERSITY, St. Louis, MO **1974**
Bachelor of Business Administration, Accounting
Summa Cum Laude

NORTHWESTERN UNIVERSITY KELLOGG SCHOOL OF MANAGEMENT, Chicago, IL **1998**
HARVARD BUSINESS SCHOOL, Cambridge, MA
Executive Management Programs

Certified Public Accountant – Missouri Certificate No. 4544

BOARD SEATS AND CIVIC AFFILIATIONS

Heartland Bank of St. Louis – Board of Directors, Audit Committee Chair (2007-present)

Bellerive Country Club – Board of Governors, Vice President and President (2007-2011)

St. Louis University John Cook School of Business – Dean's Advisory Board (since 1998)

St. Louis Catholic Archdiocese – Budget and Finance Committee (2005-present)

Recent press and references available upon request.

JACOB D. STURDY

2012 BIOGRAPHICAL INFORMATION

PRESENT INVOLVEMENT

Jacob D. Sturdy currently serves as Vice President of FTL Capital, LLC, a St. Louis-based merchant banking and private equity investment company. Mr. Sturdy has a proven track-record of value creation as a private equity investor and also as an executive in an operating company. He possesses a strong analytical and technical skill set across a broad-range of disciplines.

Mr. Sturdy also serves as President and General Manager of Community Housing Partners, LLC, an FTL portfolio company. Since its founding in January of 2011, Mr. Sturdy has led all aspects of the organization, including acquiring the initial assets, negotiating bank credit facilities, forming distribution relationships with tax credit end users and their advisors, and seeking new acquisition opportunities.

Mr. Sturdy is actively involved with FTL Capital's current portfolio of companies: FTL Finance, a national specialty home improvement finance company; Valley Minerals, LLC, a manufacturer of dolomitic lime; Community Housing Partners, LLC, a purchaser/reseller of tax credits to individual and corporate taxpayers; Sendouts, a company steeped in on-demand, web-based recruiting software solutions; and Benada Aluminum Products, LLC, a Florida-based aluminum extruder. FTL Capital also maintains other investments in additional companies such as Pulse Therapeutics, a biomedical company with cutting-edge procedures in the treatment of blood clots; Emerald Peak Minerals, LLC, a potash mining and development operation in Utah; and Nawgan Products, LLC, a company committed to the development of products that support optimal brain function among adults.

PRIOR ACTIVITIES

Mr. Sturdy's professional background is diverse, both in function and industry exposure. His experience includes the following roles:

- Senior Vice President of Thompson Street Capital Partners – a middle market private equity fund with $445 million under management in two funds.
- Vice President of Corporate Development at Cequel III - an Investment and management firm focused on the development of cable and telecommunications companies.
- Associate, Corporate and Leveraged Finance at CIBC World Markets Corp – investment banking with a focus on telecommunications and industrials while with the company.
- Senior Financial Analyst with Stone Carlie – multi-disciplined accounting and advisory firm, serving as in both the investment banking and litigation advisory services group.
- Staff Accountant at Pehlman & Dold – public accounting firm providing audit, tax and advisory services to small and mid-sized companies and not for profit entities.

In addition to his present role on the Board of Community Housing Partners, Mr. Sturdy has previously served on the Board of Directors of Iron Data Solutions, LLC and Option 1 Nutrition Solutions, LLC. He also currently serves on the Executive Board of the Kirkwood Athletic Association, as its Secretary.

PERSONAL

Mr. Sturdy resides in Saint Louis, Missouri with his wife, Kirsten, and his two sons – Gannon (7) and Graysen (5).

Mr. Sturdy earned his Master of Business Administration from the Olin School of Business at Washington University (2002), and holds a Bachelor of Science in Accounting from Illinois College (1995). Mr. Sturdy earned his CPA designation in the State of Missouri.

THOMPSON COBURN LLP

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February 20, 2012

Claire M. Schenk
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acartha.receivership@
thompsoncoburn.com

<u>VIA EMAIL AND REGULAR MAIL</u>
Paul Melnuk
Managing Principal
FTL Capital LLC
120 South Central Avenue, Suite 1000
St. Louis, MO 63105

Re: *Securities and Exchange Commission v. Burton Douglas Morriss, et al.*
No. 4:12-cv-00080-CEJ

Dear Paul:

Thank you for agreeing to provide consulting services in connection with the above-referenced matter. This letter will serve to summarize and confirm our conversations over the last few weeks regarding the assistance which you agreed to provide to me in my capacity as Receiver of Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, and Gryphon Investments, III, LLC, ("the Receivership entities") on behalf of and through FTL Capital, LLC ("FTL"). The consulting services to be provided will include, but are not limited to evaluation of the assets and liabilities of the portfolio investment concerns, development of a business plan, service on the boards of the concerns, if necessary and appropriate, and related services.

To be clear, you understand that you are working as an independent contractor in order to provide services for the benefit of the Receivership entities and that you do not have a direct or indirect contractual arrangement with Thompson Coburn LLP. You have agreed to work on the basis of a fee application to the Court subject to the availability of Receivership funds and have agreed to submit a monthly statement of your fees in accordance with the SEC billing guidelines which were previously made available to you along with a copy of the Receivership Order. We will assist you with the submission of your fees to the Court, however, all monthly statements will be initially submitted to me for my preliminary review and approval.

Your hourly fees are set forth in your proposal of January 30, 2012. Any additional fees, *e.g.*, travel, overhead or other expert assistance, will require prior advance approval. Additionally, you have been provided a list of names of individuals and entities and have searched your records for previous relationships and conflicts. Based upon your review, you are not aware of any conflicts or relationships requiring disclosure or further discussion. Finally, you are aware that the work that you are performing is of a privileged and/or sensitive and confidential nature and have previously signed a Non Disclosure Agreement in your own right and on behalf of FTL. Portfolio concerns or others involved with the Receivership may impose

Ex. 5

additional confidentiality requirements or agreements and you have agreed to adhere to those requirements to the extent that you are reasonably able to do so.

We have discussed the specific services pertaining to the consulting services which you are able to provide and which are outlined in your January 30, 2012 communication. You will be my primary contact for this engagement and have agreed to work subject to my direction so that we have very clear communications regarding the nature and scope of the services which you will provide and as outlined above. You have represented that while you will provide strategic direction and participate in board meetings, preliminary review and analysis of the information presented to you will be performed by the individual possessing the lowest hourly rate so long as the service can be reasonably performed by that individual.

Additionally, you are aware that under paragraph 22 of the Receivership Order, "[e]xcept for an act of gross negligence or greater, the Receiver shall not be liable for any loss or damage by reason of any act performed or omitted to be performed by the Receiver in connection with the discharge of the Receiver's duties and responsibilities." We have further discussed the fact that in representing the Receiver in performing the services outlined herein, *e.g.*, participating as an observer on various boards and summarizing the information providing to you for the purposes of the Receiver, you are acting as an agent of the Receiver. For this reason, the standard outlined in paragraph 22 of the Order should be deemed to included your activities and I have agreed that I will directly address this issue in the Second (and next) Interim Receiver's Report.

Furthermore, we have discussed the fact that the needs of the Receivership or FTL may evolve over time and that this agreement to perform services may be terminated by either party with thirty days written notice. Please let me know if you have any questions or concerns regarding any of the points addressed in this letter. I look forward to working with you.

Very truly yours,

Thompson Coburn LLP

By
Claire M. Schenk

CONFIRMATION

I agree to provide services under the terms of this Engagement Letter.

Accepted: Dated: February 21, 2012

Paul Melnuk
Managing Principal,
FTL Capital, LLC

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AR294 Date: 02/21/12          JOB SUBMISSION PARAMETERS
      Time: 09:57


User Name: jefern
Job Name : AR294
Step Nbr : 1


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*************************************************************************************
*    Selection                                                                      *
*                                                                                   *
*                                                                                   *
*                      Company:   35    Administaff Companies II                    *
*                    Post Date: 010106  -  013112                                   *
*                       Status: A       All                                         *
*                Process Level: 1       Insperity PEO Services-P/R                  *
*                     Customer:   1784900                                           *
*                     Currency: USD         US Dollars                              *
*             Currency Display: T       Transaction                                 *
*                 Print Detail: Y       Detail Printed                              *
*                Customer List:                                                     *
*                                                                                   *
*************************************************************************************
*   Transactions                                                                    *
*                                                                                   *
*                                                                                   *
*                     Payments: N    Payments Not Listed                            *
*              Non-AR Payments: N    Non-AR Payments Not Listed                     *
*                 Credit Memos: N    Credits Not Listed                             *
*                Invoices, BOE: N    Invoices Not Listed                            *
*                  Debit Memos: N    Debit Memos Not Listed                         *
*              RTM Debit Memos: N    Returned Pymnt Debits Not List                 *
*   Finance Charge Debit Memos: N    Fin Charge Debits Not Listed                   *
*       Chargeback Debit Memos: N    Chargeback Debits Not Listed                   *
*             All Transactions: Y    All Transactions Listed                        *
*                                                                                   *
*                                                                                   *
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Ex. 6

Transaction		Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
P	097798	1784900	*ACARTHA GROUP, LLC	1287	01/12/06		115,551.76		Fully Applied	
P	107522	1784900	*ACARTHA GROUP, LLC	1304	01/30/06		113,252.41		Fully Applied	
P	114813	1784900	*ACARTHA GROUP, LLC	1319	02/14/06		116,130.82		Fully Applied	
P	120856	1784900	*ACARTHA GROUP, LLC	1328	02/27/06		114,921.35		Fully Applied	
P	128850	1784900	*ACARTHA GROUP, LLC	1341	03/14/06		115,713.82		Fully Applied	
P	137219	1784900	*ACARTHA GROUP, LLC	1356	03/30/06		115,278.86		Fully Applied	
P	9615	1784900	*ACARTHA GROUP, LLC	1358	04/03/06		115,278.86		Transferred to	
P	006324	1784900	*ACARTHA GROUP, LLC	1366	04/13/06		113,367.31		Fully Applied	
P	015416	1784900	*ACARTHA GROUP, LLC	1381	04/27/06		112,237.13		Fully Applied	
P	5831	1784900	*ACARTHA GROUP, LLC	1392	05/11/06		118,652.41		Fully Applied	
P	025042	1784900	*ACARTHA GROUP, LLC	1393	05/12/06		125,656.27		Fully Applied	
P	034099	1784900	*ACARTHA GROUP, LLC	1410	05/30/06		124,995.73		Fully Applied	
P	041563	1784900	*ACARTHA GROUP, LLC	1433	06/14/06		123,936.24		Fully Applied	
P	049270	1784900	*ACARTHA GROUP, LLC	1457	06/29/06		123,936.24		Fully Applied	
P	056447	1784900	*ACARTHA GROUP, LLC	1478	07/13/06		136,855.03		Fully Applied	
P	065157	1784900	*ACARTHA GROUP, LLC	1502	07/28/06		138,141.27		Fully Applied	
P	074723	1784900	*ACARTHA GROUP, LLC	1532	08/15/06		137,631.45		Fully Applied	
P	080795	1784900	*ACARTHA GROUP, LLC	1561	08/30/06		137,286.77		Fully Applied	
P	088383	1784900	*ACARTHA GROUP, LLC	1587	09/14/06		130,795.10		Fully Applied	
P	095780	1784900	*ACARTHA GROUP, LLC	1614	09/28/06		130,792.38		Fully Applied	
P	105593	1784900	*ACARTHA GROUP, LLC	1642	10/13/06		122,800.35		Fully Applied	
P	113855	1784900	*ACARTHA GROUP, LLC	1680	10/31/06		125,005.27		Fully Applied	
P	121708	1784900	*ACARTHA GROUP, LLC	1710	11/15/06		126,251.98		Fully Applied	
P	129503	1784900	*ACARTHA GROUP, LLC	1740	11/30/06		127,296.27		Fully Applied	
P	138638	1784900	*ACARTHA GROUP, LLC	1767	12/15/06		126,873.88		Fully Applied	
P	144010	1784900	*ACARTHA GROUP, LLC	1790	12/28/06		72,752.28		Fully Applied	
P	146533	1784900	*ACARTHA GROUP, LLC	1796	12/29/06		127,322.33		Fully Applied	
P	150642	1784900	*ACARTHA GROUP, LLC	1806	01/08/07		42,769.62		Fully Applied	
P	154012	1784900	*ACARTHA GROUP, LLC	1818	01/12/07		137,003.55		Fully Applied	
P	162638	1784900	*ACARTHA GROUP, LLC	1852	01/31/07		132,787.76		Fully Applied	
P	171055	1784900	*ACARTHA GROUP, LLC	1884	02/15/07		131,489.24		Fully Applied	
P	178244	1784900	*ACARTHA GROUP, LLC	1911	02/28/07		129,101.68		Fully Applied	
P	186497	1784900	*ACARTHA GROUP, LLC	1942	03/15/07		129,664.84		Fully Applied	
P	195128	1784900	*ACARTHA GROUP, LLC	1973	03/30/07		129,093.90		Fully Applied	
P	202693	1784900	*ACARTHA GROUP, LLC	2001	04/13/07		126,800.81		Fully Applied	
P	211106	1784900	*ACARTHA GROUP, LLC	2031	04/30/07		125,881.12		Fully Applied	
P	219241	1784900	*ACARTHA GROUP, LLC	2057	05/15/07		125,032.28		Fully Applied	
P	227365	1784900	*ACARTHA GROUP, LLC	2087	05/31/07		125,447.61		Fully Applied	
P	236700	1784900	*ACARTHA GROUP, LLC	2118	06/15/07		124,992.18		Fully Applied	
P	244530	1784900	*ACARTHA GROUP, LLC	2146	06/29/07		123,204.37		Fully Applied	
P	252284	1784900	*ACARTHA GROUP, LLC	2175	07/13/07		123,204.37		Fully Applied	
P	261121	1784900	*ACARTHA GROUP, LLC	2210	07/31/07		123,306.75		Fully Applied	
P	264095	1784900	*ACARTHA GROUP, LLC	2219	08/03/07		10,286.54		Fully Applied	
P	269568	1784900	*ACARTHA GROUP, LLC	2239	08/15/07		122,204.81		Fully Applied	
P	275074	1784900	*ACARTHA GROUP, LLC	2259	08/24/07		7,202.27		Fully Applied	
P	279282	1784900	*ACARTHA GROUP, LLC	2273	08/31/07		123,362.14		Fully Applied	
P	287063	1784900	*ACARTHA GROUP, LLC	2297	09/14/07		122,410.06		Fully Applied	
P	294984	1784900	*ACARTHA GROUP, LLC	2324	09/28/07		122,407.34		Fully Applied	
P	299043	1784900	*ACARTHA GROUP, LLC	2337	10/05/07		7,661.95		Fully Applied	
P	303856	1784900	*ACARTHA GROUP, LLC	2350	10/15/07		123,062.73		Fully Applied	
P	312323	1784900	*ACARTHA GROUP, LLC	2383	10/31/07		124,794.02		Fully Applied	
P	320960	1784900	*ACARTHA GROUP, LLC	2407	11/15/07		123,174.72		Fully Applied	
P	330266	1784900	*ACARTHA GROUP, LLC	2434	11/30/07		123,193.40		Fully Applied	
P	338651	1784900	*ACARTHA GROUP, LLC	2461	12/14/07		123,114.00		Fully Applied	

Transaction		Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
P	348061	1784900	*ACARTHA GROUP, LLC	2490	12/31/07		123,133.40		Fully Applied	
P	356098	1784900	*ACARTHA GROUP, LLC	2516	01/15/08		134,485.60		Fully Applied	
P	364899	1784900	*ACARTHA GROUP, LLC	2547	01/31/08		134,266.12		Fully Applied	
P	374194	1784900	*ACARTHA GROUP, LLC	2573	02/15/08		132,593.14		Fully Applied	
P	382253	1784900	*ACARTHA GROUP, LLC	2595	02/29/08		120,855.89		Fully Applied	
P	390214	1784900	*ACARTHA GROUP, LLC	2620	03/14/08		120,222.50		Fully Applied	
P	398628	1784900	*ACARTHA GROUP, LLC	2649	03/31/08		121,851.83		Fully Applied	
P	406891	1784900	*ACARTHA GROUP, LLC	2677	04/15/08		117,921.39		Fully Applied	
P	415150	1784900	*ACARTHA GROUP, LLC	2706	04/30/08		117,884.02		Fully Applied	
P	423647	1784900	*ACARTHA GROUP, LLC	2737	05/15/08		21,546.76		Fully Applied	
P	432677	1784900	*ACARTHA GROUP, LLC	2766	05/30/08		22,479.92		Fully Applied	
P	437681	1784900	*ACARTHA GROUP, LLC	2788	06/11/08		183,914.66		Fully Applied	
P	440629	1784900	*ACARTHA GROUP, LLC	2793	06/13/08		116,595.86		Fully Applied	
P	7022	1784900	*ACARTHA GROUP, LLC	2829	06/27/08		38,606.61		Fully Applied	
P	453828	1784900	*ACARTHA GROUP, LLC	2861	07/09/08		77,375.73		Fully Applied	
P	457824	1784900	*ACARTHA GROUP, LLC	2875	07/15/08		39,225.51		Fully Applied	
P	466658	1784900	*ACARTHA GROUP, LLC	2922	07/31/08		39,579.17		Fully Applied	
P	476131	1784900	*ACARTHA GROUP, LLC	2964	08/15/08		39,832.07		Fully Applied	
P	481035	1784900	*ACARTHA GROUP, LLC	2993	08/26/08		77,375.74		Fully Applied	
P	484353	1784900	*ACARTHA GROUP, LLC	3003	08/29/08		39,282.86		Fully Applied	
P	488893	1784900	*ACARTHA GROUP, LLC	3024	09/08/08		77,130.32		Fully Applied	
P	492974	1784900	*ACARTHA GROUP, LLC	3041	09/15/08		39,177.07		Fully Applied	
P	501434	1784900	*ACARTHA GROUP, LLC	3081	09/30/08		39,018.84		Fully Applied	
P	505406	1784900	*ACARTHA GROUP, LLC	3093	10/06/08		231,210.99		Fully Applied	
P	509949	1784900	*ACARTHA GROUP, LLC	3116	10/15/08		39,572.76		Fully Applied	
P	511585	1784900	*ACARTHA GROUP, LLC	3119	10/16/08		3,856.96		Fully Applied	
P	520014	1784900	*ACARTHA GROUP, LLC	3160	10/31/08		44,940.14		Fully Applied	
P	528192	1784900	*ACARTHA GROUP, LLC	3189	11/14/08		43,460.76		Fully Applied	
P	536426	1784900	*ACARTHA GROUP, LLC	3220	11/28/08		43,993.69		Fully Applied	
P	545392	1784900	*ACARTHA GROUP, LLC	3261	12/15/08		43,310.26		Fully Applied	
P	554937	1784900	*ACARTHA GROUP, LLC	3305	12/31/08		43,877.52		Fully Applied	
P	563017	1784900	*ACARTHA GROUP, LLC	3345	01/15/09		46,636.88		Fully Applied	
P	572060	1784900	*ACARTHA GROUP, LLC	3385	01/30/09		47,843.80		Fully Applied	
P	9567	1784900	*ACARTHA GROUP, LLC	3428	02/18/09		18,540.92		Fully Applied	
P	587786	1784900	*ACARTHA GROUP, LLC	3448	02/27/09		39,221.77		Fully Applied	
P	1669	1784900	*ACARTHA GROUP, LLC	3475	03/11/09		57,701.83		Transferred fr	
P	3376	1784900	*ACARTHA GROUP, LLC	3475	03/11/09		59,201.33		Fully Applied	
P	595482	1784900	*ACARTHA GROUP, LLC	3480	03/13/09		40,287.16		Fully Applied	
P	604035	1784900	*ACARTHA GROUP, LLC	3518	03/31/09		40,253.21		Fully Applied	
P	611980	1784900	*ACARTHA GROUP, LLC	3555	04/15/09		39,469.49		Fully Applied	
P	620021	1784900	*ACARTHA GROUP, LLC	3591	04/30/09		39,825.44		Fully Applied	
P	628784	1784900	*ACARTHA GROUP, LLC	3631	05/15/09		38,929.95		Fully Applied	
P	636164	1784900	*ACARTHA GROUP, LLC	3663	05/29/09		39,359.76		Fully Applied	
P	644553	1784900	*ACARTHA GROUP, LLC	3698	06/15/09		40,205.83		Fully Applied	
P	652269	1784900	*ACARTHA GROUP, LLC	3729	06/30/09		38,890.57		Fully Applied	
P	660109	1784900	*ACARTHA GROUP, LLC	3761	07/15/09		38,890.57		Fully Applied	
P	669033	1784900	*ACARTHA GROUP, LLC	3802	07/31/09		39,320.38		Fully Applied	
P	676395	1784900	*ACARTHA GROUP, LLC	3832	08/14/09		38,890.57		Fully Applied	
P	684463	1784900	*ACARTHA GROUP, LLC	3869	08/31/09		39,320.38		Fully Applied	
P	692000	1784900	*ACARTHA GROUP, LLC	3901	09/15/09		38,890.57		Fully Applied	
P	693370	1784900	*ACARTHA GROUP, LLC	3904	09/16/09		87,982.46		Fully Applied	
P	699642	1784900	*ACARTHA GROUP, LLC	3933	09/30/09		38,683.90		Fully Applied	
P	707480	1784900	*ACARTHA GROUP, LLC	3960	10/15/09		38,683.90		Fully Applied	
P	715822	1784900	*ACARTHA GROUP, LLC	3996	10/30/09		38,199.44		Fully Applied	

Transaction		Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
P	722982	1784900	*ACARTHA GROUP, LLC	4026	11/13/09		36,207.53		Fully Applied	
P	731103	1784900	*ACARTHA GROUP, LLC	4057	11/30/09		36,207.53		Fully Applied	
P	738753	1784900	*ACARTHA GROUP, LLC	4090	12/15/09		36,207.53		Fully Applied	
P	8259	1784900	*ACARTHA GROUP, LLC	4101	12/18/09		36,207.53		Fully Applied	
P	5849	1784900	*ACARTHA GROUP, LLC	4125	12/30/09		9,000.00		Fully Applied	
P	1215	1784900	*ACARTHA GROUP, LLC	4128	12/31/09		27,539.73		Fully Applied	
P	3541	1784900	*ACARTHA GROUP, LLC	4148	01/13/10		42,868.45		Fully Applied	
P	3081	1784900	*ACARTHA GROUP, LLC	4191	02/02/10		25,067.58		Fully Applied	
P	8072	1784900	*ACARTHA GROUP, LLC	4216	02/11/10		43,253.85		Fully Applied	
P	0958	1784900	*ACARTHA GROUP, LLC	4232	02/18/10		21,650.00		Fully Applied	
P	3909	1784900	*ACARTHA GROUP, LLC	4235	02/19/10		21,650.00		Fully Applied	
P	5313	1784900	*ACARTHA GROUP, LLC	4250	02/24/10		21,650.00		Fully Applied	
P	0961	1784900	*ACARTHA GROUP, LLC	4281	03/11/10		20,777.89		Fully Applied	
P	4439	1784900	*ACARTHA GROUP, LLC	4300	03/19/10		21,213.85		Fully Applied	
P	5603	1784900	*ACARTHA GROUP, LLC	4319	03/30/10		21,662.30		Fully Applied	
P	0994	1784900	*ACARTHA GROUP, LLC	4331	04/05/10		21,438.22		Fully Applied	
P	6976	1784900	*ACARTHA GROUP, LLC	4349	04/13/10		20,955.55		Fully Applied	
P	0864	1784900	*ACARTHA GROUP, LLC	4383	04/28/10		42,357.96		Fully Applied	
P	9942	1784900	*ACARTHA GROUP, LLC	4410	05/10/10		21,178.98		Fully Applied	
P	4455	1784900	*ACARTHA GROUP, LLC	4414	05/11/10		21,178.98		Fully Applied	
P	8183	1784900	*ACARTHA GROUP, LLC	4414	05/11/10		21,178.98		Fully Applied	
P	8674	1784900	*ACARTHA GROUP, LLC	4443	05/21/10		12,578.17		Fully Applied	
P	0151	1784900	*ACARTHA GROUP, LLC	4457	05/28/10		17,466.63		Fully Applied	
P	0359	1784900	*ACARTHA GROUP, LLC	4482	06/10/10		17,466.63		Fully Applied	
P	6539	1784900	*ACARTHA GROUP, LLC	4492	06/15/10		17,140.90		Fully Applied	
P	9950	1784900	*ACARTHA GROUP, LLC	4505	06/22/10		15,310.92		Fully Applied	
P	7762	1784900	*ACARTHA GROUP, LLC	4525	06/30/10		16,551.64		Fully Applied	
P	0032	1784900	*ACARTHA GROUP, LLC	4538	07/08/10		16,551.64		Fully Applied	
P	9116	1784900	*ACARTHA GROUP, LLC	4553	07/15/10		16,529.93		Fully Applied	
P	2677	1784900	*ACARTHA GROUP, LLC	4570	07/23/10		16,529.93		Fully Applied	
P	6208	1784900	*ACARTHA GROUP, LLC	4580	07/29/10		16,621.98		Fully Applied	
P	8570	1784900	*ACARTHA GROUP, LLC	4595	08/06/10		16,621.98		Fully Applied	
P	0379	1784900	*ACARTHA GROUP, LLC	4623	08/18/10		15,989.40		Fully Applied	
P	2458	1784900	*ACARTHA GROUP, LLC	4628	08/20/10		15,989.40		Fully Applied	
P	0726	1784900	*ACARTHA GROUP, LLC	4648	08/30/10		16,636.56		Fully Applied	
P	3553	1784900	*ACARTHA GROUP, LLC	4658	09/02/10		652,277.65		Fully Applied	
P	9615	1784900	*ACARTHA GROUP, LLC	4668	09/10/10		16,636.56		Fully Applied	
P	5417	1784900	*ACARTHA GROUP, LLC	4680	09/15/10		15,710.10		Fully Applied	
P	1538	1784900	*ACARTHA GROUP, LLC	4689	09/20/10		279,939.33		Fully Applied	
P	0951	1784900	*ACARTHA GROUP, LLC	4694	09/22/10		1,000.00		Fully Applied	
P	7840	1784900	*ACARTHA GROUP, LLC	4694	09/22/10		15,710.10		Fully Applied	
P	8308	1784900	*ACARTHA GROUP, LLC	4716	09/30/10		18,785.47		Fully Applied	
P	8407	1784900	*ACARTHA GROUP, LLC	4735	10/08/10		18,785.47		Fully Applied	
P	7498	1784900	*ACARTHA GROUP, LLC	4745	10/15/10		18,442.53		Fully Applied	
P	0738	1784900	*ACARTHA GROUP, LLC	4762	10/22/10		18,442.53		Fully Applied	
P	4263	1784900	*ACARTHA GROUP, LLC	4779	10/29/10		18,469.90		Fully Applied	
P	8427	1784900	*ACARTHA GROUP, LLC	4792	11/05/10		18,469.90		Fully Applied	
P	1424	1784900	*ACARTHA GROUP, LLC	4811	11/15/10		17,839.40		Fully Applied	
P	6245	1784900	*ACARTHA GROUP, LLC	4834	11/24/10		17,839.40		Fully Applied	
P	3409	1784900	*ACARTHA GROUP, LLC	4844	11/30/10		18,049.86		Fully Applied	
P	4422	1784900	*ACARTHA GROUP, LLC	4859	12/07/10		18,049.86		Fully Applied	
P	1788	1784900	*ACARTHA GROUP, LLC	4866	12/10/10		15,216.31		Fully Applied	
P	8356	1784900	*ACARTHA GROUP, LLC	4873	12/14/10		36,096.40		Fully Applied	
P	4756	1784900	*ACARTHA GROUP, LLC	4887	12/17/10		264,825.93		Fully Applied	

Transaction		Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
P	6638	1784900	*ACARTHA GROUP, LLC	4914	12/30/10		18,359.40		Fully Applied	
P	1257	1784900	*ACARTHA GROUP, LLC	4922	01/05/11		15,961.12		Fully Applied	
P	5718	1784900	*ACARTHA GROUP, LLC	4945	01/14/11		34,010.98		Fully Applied	
P	0590	1784900	*ACARTHA GROUP, LLC	4986	02/02/11		35,376.24		Fully Applied	
P	0560	1784900	*ACARTHA GROUP, LLC	5014	02/14/11		33,669.47		Fully Applied	
P	1915	1784900	*ACARTHA GROUP, LLC	5052	02/28/11		32,071.75		Fully Applied	
P	2184	1784900	*ACARTHA GROUP, LLC	5086	03/15/11		33,153.94		Fully Applied	
P	6640	1784900	*ACARTHA GROUP, LLC	5129	03/31/11		16,668.61		Fully Applied	
P	0763	1784900	*ACARTHA GROUP, LLC	5150	04/07/11		16,668.61		Fully Applied	
P	2501	1784900	*ACARTHA GROUP, LLC	5165	04/14/11		16,269.34		Fully Applied	
P	8815	1784900	*ACARTHA GROUP, LLC	5175	04/19/11		16,269.34		Fully Applied	
P	4146	1784900	*ACARTHA GROUP, LLC	5194	04/27/11		16,428.09		Fully Applied	
P	7918	1784900	*ACARTHA GROUP, LLC	5214	05/06/11		16,428.09		Fully Applied	
P	4155	1784900	*ACARTHA GROUP, LLC	5233	05/13/11		16,404.21		Fully Applied	
P	9822	1784900	*ACARTHA GROUP, LLC	5246	05/19/11		16,404.21		Fully Applied	
P	5577	1784900	*ACARTHA GROUP, LLC	5272	05/31/11		16,749.69		Fully Applied	
P	4151	1784900	*ACARTHA GROUP, LLC	5289	06/07/11		16,749.69		Fully Applied	
P	8039	1784900	*ACARTHA GROUP, LLC	5311	06/15/11		16,275.69		Fully Applied	
P	2494	1784900	*ACARTHA GROUP, LLC	5334	06/22/11		16,275.69		Fully Applied	
P	1708	1784900	*ACARTHA GROUP, LLC	5357	06/30/11		16,419.08		Fully Applied	
P	2548	1784900	*ACARTHA GROUP, LLC	5370	07/07/11		16,419.08		Fully Applied	
P	1624	1784900	*ACARTHA GROUP, LLC	5389	07/14/11		16,394.40		Fully Applied	
P	0714	1784900	*ACARTHA GROUP, LLC	5411	07/21/11		16,394.40		Fully Applied	
P	6853	1784900	*ACARTHA GROUP, LLC	5437	07/29/11		16,510.02		Fully Applied	
P	3899	1784900	*ACARTHA GROUP, LLC	5455	08/04/11		16,510.02		Fully Applied	
P	1417	1784900	*ACARTHA GROUP, LLC	5507	08/22/11		21,338.32		Fully Applied	
P	4161	1784900	*ACARTHA GROUP, LLC	5551	09/08/11		20,721.65		Fully Applied	
P	3542	1784900	*ACARTHA GROUP, LLC	5556	09/12/11		8,210.34		Fully Applied	
P	8218	1784900	*ACARTHA GROUP, LLC	5573	09/15/11		13,314.17		Fully Applied	
P	1029	1784900	*ACARTHA GROUP, LLC	5592	09/22/11		13,314.17		Fully Applied	
P	7279	1784900	*ACARTHA GROUP, LLC	5600	09/26/11		18,975.34		Fully Applied	
P	6034	1784900	*ACARTHA GROUP, LLC	5609	09/28/11		587.88		Fully Applied	
P	1075	1784900	*ACARTHA GROUP, LLC	5621	09/30/11		14,337.69		Fully Applied	
P	677	1784900	*ACARTHA GROUP, LLC	5637	10/07/11		14,337.69		Fully Applied	
P	2692	1784900	*ACARTHA GROUP, LLC	5658	10/14/11		20,450.12		Fully Applied	
P	7102	1784900	*ACARTHA GROUP, LLC	5678	10/21/11		20,450.12		Fully Applied	
P	4923	1784900	*ACARTHA GROUP, LLC	5700	10/31/11		20,293.82		Fully Applied	
P	9713	1784900	*ACARTHA GROUP, LLC	5721	11/07/11		20,293.82		Fully Applied	
P	1569	1784900	*ACARTHA GROUP, LLC	5738	11/15/11		19,818.00		Fully Applied	
P	4749	1784900	*ACARTHA GROUP, LLC	5758	11/21/11		19,818.00		Fully Applied	
P	5826	1784900	*ACARTHA GROUP, LLC	5808	12/07/11		19,970.86		Fully Applied	
P	3548	1784900	*ACARTHA GROUP, LLC	5813	12/08/11		19,970.86		Fully Applied	
P	7568	1784900	*ACARTHA GROUP, LLC	5841	12/16/11		8,415.05		Fully Applied	
P	0056	1784900	*ACARTHA GROUP, LLC	5847	12/19/11		8,415.05		Fully Applied	
P	0043	1784900	*ACARTHA GROUP, LLC	5855	12/21/11		8,415.05		Fully Applied	
P	4490	1784900	*ACARTHA GROUP, LLC	5858	12/22/11		8,415.05		Fully Applied	
P	1824	1784900	*ACARTHA GROUP, LLC	5915	01/13/12		9,231.26	8,415.05	Open	

USD Total Transferred Payments 57,701.83

Transaction	Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
		USD Total Assigned Payments				12,753,434.32			
I 2038148	1784900	*ACARTHA GROUP, LLC	11306	01/13/06	01/13/06	115,551.76		Fully Applied	
I 2050158	1784900	*ACARTHA GROUP, LLC	13106	01/31/06	01/31/06	113,252.41		Fully Applied	
I 2060961	1784900	*ACARTHA GROUP, LLC	21506	02/15/06	02/15/06	116,130.82		Fully Applied	
I 2069567	1784900	*ACARTHA GROUP, LLC	22806	02/28/06	02/28/06	114,921.35		Fully Applied	
I 2079449	1784900	*ACARTHA GROUP, LLC	31506	03/15/06	03/15/06	115,713.82		Fully Applied	
I 2091517	1784900	*ACARTHA GROUP, LLC	33106	03/31/06	03/31/06	115,278.86		Fully Applied	
I 2102405	1784900	*ACARTHA GROUP, LLC	41406	04/14/06	04/14/06	113,367.31		Fully Applied	
I 2112374	1784900	*ACARTHA GROUP, LLC	42806	04/28/06	04/28/06	112,237.13		Fully Applied	
I 2121191	1784900	*ACARTHA GROUP, LLC	51506	05/15/06	05/15/06	118,652.41		Fully Applied	
I 2122120	1784900	*ACARTHA GROUP, LLC	51506	05/15/06	05/15/06	125,656.27		Fully Applied	
I 2131444	1784900	*ACARTHA GROUP, LLC	53106	05/31/06	05/31/06	124,995.73		Fully Applied	
I 2140904	1784900	*ACARTHA GROUP, LLC	61506	06/15/06	06/15/06	123,936.24		Fully Applied	
I 2150791	1784900	*ACARTHA GROUP, LLC	63006	06/30/06	06/30/06	123,936.24		Fully Applied	
I 2163335	1784900	*ACARTHA GROUP, LLC	71406	07/14/06	07/14/06	136,855.03		Fully Applied	
I 2174595	1784900	*ACARTHA GROUP, LLC	73106	07/31/06	07/31/06	138,141.27		Fully Applied	
I 2183793	1784900	*ACARTHA GROUP, LLC	81506	08/15/06	08/15/06	137,631.45		Fully Applied	
I 2191777	1784900	*ACARTHA GROUP, LLC	83106	08/31/06	08/31/06	137,286.77		Fully Applied	
I 2207539	1784900	*ACARTHA GROUP, LLC	91506	09/15/06	09/15/06	130,795.10		Fully Applied	
I 2214336	1784900	*ACARTHA GROUP, LLC	92906	09/29/06	09/29/06	130,792.38		Fully Applied	
I 2226736	1784900	*ACARTHA GROUP, LLC	101306	10/13/06	10/13/06	122,800.35		Fully Applied	
I 2235596	1784900	*ACARTHA GROUP, LLC	103106	10/31/06	10/31/06	125,005.27		Fully Applied	
I 2244808	1784900	*ACARTHA GROUP, LLC	111506	11/15/06	11/15/06	124,120.26		Fully Applied	
I 2248716	1784900	*ACARTHA GROUP, LLC	111506	11/15/06	11/15/06	2,131.72		Fully Applied	
I 2259486	1784900	*ACARTHA GROUP, LLC	113006	11/30/06	11/30/06	127,296.27		Fully Applied	
I 2271312	1784900	*ACARTHA GROUP, LLC	121506	12/15/06	12/15/06	126,873.88		Fully Applied	
I 2281912	1784900	*ACARTHA GROUP, LLC	122806	12/28/06	12/28/06	72,752.28		Fully Applied	
I 2282052	1784900	*ACARTHA GROUP, LLC	122906	12/29/06	12/29/06	127,322.33		Fully Applied	
I 2291100	1784900	*ACARTHA GROUP, LLC	10807	01/08/07	01/08/07	42,769.62		Fully Applied	
I 2294261	1784900	*ACARTHA GROUP, LLC	11207	01/12/07	01/12/07	137,003.55		Fully Applied	
I 2303931	1784900	*ACARTHA GROUP, LLC	13107	01/31/07	01/31/07	132,787.76		Fully Applied	
I 2318179	1784900	*ACARTHA GROUP, LLC	21507	02/15/07	02/15/07	131,489.24		Fully Applied	
I 2330019	1784900	*ACARTHA GROUP, LLC	22807	02/28/07	02/28/07	129,101.68		Fully Applied	
I 2339778	1784900	*ACARTHA GROUP, LLC	31507	03/15/07	03/15/07	129,664.84		Fully Applied	
I 2351814	1784900	*ACARTHA GROUP, LLC	33007	03/30/07	03/30/07	129,093.90		Fully Applied	
I 2361271	1784900	*ACARTHA GROUP, LLC	41307	04/13/07	04/13/07	126,800.81		Fully Applied	
I 2377151	1784900	*ACARTHA GROUP, LLC	43007	04/30/07	04/30/07	125,881.12		Fully Applied	
I 2386901	1784900	*ACARTHA GROUP, LLC	51507	05/15/07	05/15/07	125,032.28		Fully Applied	
I 2398121	1784900	*ACARTHA GROUP, LLC	53107	05/31/07	05/31/07	125,447.61		Fully Applied	
I 2413132	1784900	*ACARTHA GROUP, LLC	61507	06/15/07	06/15/07	124,992.18		Fully Applied	
I 2421595	1784900	*ACARTHA GROUP, LLC	62907	06/29/07	06/29/07	123,204.37		Fully Applied	
I 2434882	1784900	*ACARTHA GROUP, LLC	71307	07/13/07	07/13/07	123,204.37		Fully Applied	
I 2442815	1784900	*ACARTHA GROUP, LLC	73107	07/31/07	07/31/07	123,306.75		Fully Applied	
I 2443437	1784900	*ACARTHA GROUP, LLC	80307	08/03/07	08/03/07	10,286.54		Fully Applied	
I 2455389	1784900	*ACARTHA GROUP, LLC	81507	08/15/07	08/15/07	122,204.81		Fully Applied	
I 2463549	1784900	*ACARTHA GROUP, LLC	82407	08/24/07	08/24/07	7,202.27		Fully Applied	
I 2471846	1784900	*ACARTHA GROUP, LLC	83107	08/31/07	08/31/07	589.47		Fully Applied	
I 2471859	1784900	*ACARTHA GROUP, LLC	83107	08/31/07	08/31/07	122,772.67		Fully Applied	
I 2482738	1784900	*ACARTHA GROUP, LLC	91407	09/14/07	09/14/07	122,410.06		Fully Applied	
I 2490704	1784900	*ACARTHA GROUP, LLC	92807	09/28/07	09/28/07	122,407.34		Fully Applied	
I 2496497	1784900	*ACARTHA GROUP, LLC	100507	10/05/07	10/05/07	7,661.95		Fully Applied	

Transaction	Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
I 2502515	1784900	*ACARTHA GROUP, LLC	101507	10/15/07	10/15/07	123,062.73		Fully Applied	
I 2513678	1784900	*ACARTHA GROUP, LLC	103107	10/31/07	10/31/07	124,794.02		Fully Applied	
I 2527826	1784900	*ACARTHA GROUP, LLC	111507	11/15/07	11/15/07	123,174.72		Fully Applied	
I 2540338	1784900	*ACARTHA GROUP, LLC	113007	11/30/07	11/30/07	123,193.40		Fully Applied	
I 2554694	1784900	*ACARTHA GROUP, LLC	121407	12/14/07	12/14/07	123,114.00		Fully Applied	
I 2567257	1784900	*ACARTHA GROUP, LLC	123107	12/31/07	12/31/07	123,133.40		Fully Applied	
I 2576205	1784900	*ACARTHA GROUP, LLC	11508	01/15/08	01/15/08	134,485.60		Fully Applied	
I 2592205	1784900	*ACARTHA GROUP, LLC	13108	01/31/08	01/31/08	134,266.12		Fully Applied	
I 2598071	1784900	*ACARTHA GROUP, LLC	21508	02/15/08	02/15/08	132,593.14		Fully Applied	
I 2612777	1784900	*ACARTHA GROUP, LLC	22908	02/29/08	02/29/08	120,855.89		Fully Applied	
I 2623288	1784900	*ACARTHA GROUP, LLC	31408	03/14/08	03/14/08	120,222.50		Fully Applied	
I 2631790	1784900	*ACARTHA GROUP, LLC	33108	03/31/08	03/31/08	121,851.83		Fully Applied	
I 2644319	1784900	*ACARTHA GROUP, LLC	41508	04/15/08	04/15/08	117,921.39		Fully Applied	
I 2654196	1784900	*ACARTHA GROUP, LLC	43008	04/30/08	04/30/08	117,884.02		Fully Applied	
I 2671875	1784900	*ACARTHA GROUP, LLC	51508	05/15/08	05/15/08	21,546.76		Fully Applied	
I 2682932	1784900	*ACARTHA GROUP, LLC	53008	05/30/08	05/30/08	22,479.92		Fully Applied	
I 2688006	1784900	*ACARTHA GROUP, LLC	61108	06/11/08	06/11/08	183,914.66		Fully Applied	
I 2691449	1784900	*ACARTHA GROUP, LLC	61308	06/13/08	06/13/08	116,595.86		Fully Applied	
I 2704699	1784900	*ACARTHA GROUP, LLC	63008	06/30/08	06/30/08	38,606.61		Fully Applied	
I 2710689	1784900	*ACARTHA GROUP, LLC	70908	07/09/08	07/09/08	77,375.73		Fully Applied	
I 2716246	1784900	*ACARTHA GROUP, LLC	71508	07/15/08	07/15/08	39,225.51		Fully Applied	
I 2727271	1784900	*ACARTHA GROUP, LLC	73108	07/31/08	07/31/08	39,579.17		Fully Applied	
I 2737978	1784900	*ACARTHA GROUP, LLC	81508	08/15/08	08/15/08	39,832.07		Fully Applied	
I 2747157	1784900	*ACARTHA GROUP, LLC	82608	08/26/08	08/26/08	77,375.74		Fully Applied	
I 2747834	1784900	*ACARTHA GROUP, LLC	82908	08/29/08	08/29/08	39,282.86		Fully Applied	
I 2757091	1784900	*ACARTHA GROUP, LLC	90808	09/08/08	09/08/08	77,130.32		Fully Applied	
I 2763861	1784900	*ACARTHA GROUP, LLC	91508	09/15/08	09/15/08	39,177.07		Fully Applied	
I 2772732	1784900	*ACARTHA GROUP, LLC	93008	09/30/08	09/30/08	39,018.84		Fully Applied	
I 2778684	1784900	*ACARTHA GROUP, LLC	100608	10/06/08	10/06/08	231,210.99		Fully Applied	
I 2785519	1784900	*ACARTHA GROUP, LLC	101508	10/15/08	10/15/08	39,572.76		Fully Applied	
I 2788992	1784900	*ACARTHA GROUP, LLC	101608	10/16/08	10/16/08	3,856.96		Fully Applied	
I 2799895	1784900	*ACARTHA GROUP, LLC	103108	10/31/08	10/31/08	44,940.14		Fully Applied	
I 2808822	1784900	*ACARTHA GROUP, LLC	111408	11/14/08	11/14/08	43,460.76		Fully Applied	
I 2822718	1784900	*ACARTHA GROUP, LLC	112808	11/28/08	11/28/08	43,993.69		Fully Applied	
I 2833244	1784900	*ACARTHA GROUP, LLC	121508	12/15/08	12/15/08	43,310.26		Fully Applied	
I 2846130	1784900	*ACARTHA GROUP, LLC	123108	12/31/08	12/31/08	43,877.52		Fully Applied	
I 2858915	1784900	*ACARTHA GROUP, LLC	11509	01/15/09	01/15/09	46,636.88		Fully Applied	
I 2869601	1784900	*ACARTHA GROUP, LLC	13009	01/30/09	01/30/09	47,843.80		Fully Applied	
I 2882512	1784900	*ACARTHA GROUP, LLC	21909	02/19/09	02/19/09	18,540.92		Fully Applied	
I 2891289	1784900	*ACARTHA GROUP, LLC	22709	02/27/09	02/27/09	39,221.77		Fully Applied	
I 2899751	1784900	*ACARTHA GROUP, LLC	31309	03/13/09	03/13/09	40,287.16		Fully Applied	
I 2901969	1784900	*ACARTHA GROUP, LLC	31309	03/13/09	03/13/09	59,201.33		Fully Applied	
I 2912020	1784900	*ACARTHA GROUP, LLC	33109	03/31/09	03/31/09	40,253.21		Fully Applied	
I 2923395	1784900	*ACARTHA GROUP, LLC	41509	04/15/09	04/15/09	39,469.49		Fully Applied	
I 2932463	1784900	*ACARTHA GROUP, LLC	43009	04/30/09	04/30/09	39,825.44		Fully Applied	
I 2942728	1784900	*ACARTHA GROUP, LLC	51509	05/15/09	05/15/09	38,929.95		Fully Applied	
I 2954970	1784900	*ACARTHA GROUP, LLC	52909	05/29/09	05/29/09	39,359.76		Fully Applied	
I 2965526	1784900	*ACARTHA GROUP, LLC	61509	06/15/09	06/15/09	40,205.83		Fully Applied	
I 2975756	1784900	*ACARTHA GROUP, LLC	63009	06/30/09	06/30/09	38,890.57		Fully Applied	
I 2986419	1784900	*ACARTHA GROUP, LLC	71509	07/15/09	07/15/09	38,890.57		Fully Applied	
I 2998108	1784900	*ACARTHA GROUP, LLC	73109	07/31/09	07/31/09	39,320.38		Fully Applied	
I 3007775	1784900	*ACARTHA GROUP, LLC	81409	08/14/09	08/14/09	38,890.57		Fully Applied	
I 3016476	1784900	*ACARTHA GROUP, LLC	83109	08/31/09	08/31/09	39,320.38		Fully Applied	
I 3026218	1784900	*ACARTHA GROUP, LLC	91509	09/15/09	09/15/09	38,890.57		Fully Applied	

Transaction	Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
I 3026998	1784900	*ACARTHA GROUP, LLC	91609	09/16/09	09/16/09	87,982.46		Fully Applied	
I 3037732	1784900	*ACARTHA GROUP, LLC	93009	09/30/09	09/30/09	38,683.90		Fully Applied	
I 3049827	1784900	*ACARTHA GROUP, LLC	101509	10/15/09	10/15/09	38,683.90		Fully Applied	
I 3059524	1784900	*ACARTHA GROUP, LLC	103009	10/30/09	10/30/09	38,199.44		Fully Applied	
I 3068878	1784900	*ACARTHA GROUP, LLC	111309	11/13/09	11/13/09	36,207.53		Fully Applied	
I 3078864	1784900	*ACARTHA GROUP, LLC	113009	11/30/09	11/30/09	36,207.53		Fully Applied	
I 3089601	1784900	*ACARTHA GROUP, LLC	121509	12/15/09	12/15/09	36,207.53		Fully Applied	
I 3103208	1784900	*ACARTHA GROUP, LLC	123109	12/31/09	12/31/09	36,539.73		Fully Applied	
I 3111872	1784900	*ACARTHA GROUP, LLC	11510	01/15/10	01/15/10	42,868.45		Fully Applied	
I 3122709	1784900	*ACARTHA GROUP, LLC	20210	02/02/10	02/02/10	25,067.88		Fully Applied	
I 3132435	1784900	*ACARTHA GROUP, LLC	21210	02/12/10	02/12/10	43,253.85		Fully Applied	
I 3141362	1784900	*ACARTHA GROUP, LLC	30110	03/01/10	03/01/10	42,176.03		Fully Applied	
I 3151275	1784900	*ACARTHA GROUP, LLC	31510	03/15/10	03/15/10	42,427.89		Fully Applied	
I 3160852	1784900	*ACARTHA GROUP, LLC	33110	03/31/10	03/31/10	42,876.43		Fully Applied	
I 3170286	1784900	*ACARTHA GROUP, LLC	41510	04/15/10	04/15/10	42,393.77		Fully Applied	
I 3182467	1784900	*ACARTHA GROUP, LLC	43010	04/30/10	04/30/10	42,357.96		Fully Applied	
I 3192019	1784900	*ACARTHA GROUP, LLC	51410	05/14/10	05/14/10	42,305.25		Fully Applied	
I 3196495	1784900	*ACARTHA GROUP, LLC	52810	05/28/10	05/28/10	34,933.25		Fully Applied	
I 3209379	1784900	*ACARTHA GROUP, LLC	61510	06/15/10	06/15/10	34,281.80		Fully Applied	
I 3215556	1784900	*ACARTHA GROUP, LLC	63010	06/30/10	06/30/10	33,103.28		Fully Applied	
I 3226546	1784900	*ACARTHA GROUP, LLC	71510	07/15/10	07/15/10	33,081.57		Fully Applied	
I 3239499	1784900	*ACARTHA GROUP, LLC	73010	07/30/10	07/30/10	33,162.76		Fully Applied	
I 3247224	1784900	*ACARTHA GROUP, LLC	81310	08/13/10	08/13/10	32,570.78		Fully Applied	
I 3260652	1784900	*ACARTHA GROUP, LLC	83110	08/31/10	08/31/10	32,921.95		Fully Applied	
I 3265259	1784900	*ACARTHA GROUP, LLC	90810	09/08/10	09/08/10	652,277.65		Fully Applied	
I 3269264	1784900	*ACARTHA GROUP, LLC	91510	09/15/10	09/15/10	32,171.08		Fully Applied	
I 3274578	1784900	*ACARTHA GROUP, LLC	92210	09/22/10	09/22/10	279,939.33		Fully Applied	
I 3279330	1784900	*ACARTHA GROUP, LLC	93010	09/30/10	09/30/10	35,371.01		Fully Applied	
I 3288423	1784900	*ACARTHA GROUP, LLC	101510	10/15/10	10/15/10	36,128.03		Fully Applied	
I 3300924	1784900	*ACARTHA GROUP, LLC	102910	10/29/10	10/29/10	36,533.92		Fully Applied	
I 3309500	1784900	*ACARTHA GROUP, LLC	111510	11/15/10	11/15/10	36,106.36		Fully Applied	
I 3320167	1784900	*ACARTHA GROUP, LLC	113010	11/30/10	11/30/10	36,103.04		Fully Applied	
I 3330962	1784900	*ACARTHA GROUP, LLC	121510	12/15/10	12/15/10	51,316.03		Fully Applied	
I 3336323	1784900	*ACARTHA GROUP, LLC	122110	12/21/10	12/21/10	264,825.93		Fully Applied	
I 3344109	1784900	*ACARTHA GROUP, LLC	123110	12/31/10	12/31/10	36,409.26		Fully Applied	
I 3349252	1784900	*ACARTHA GROUP, LLC	11411	01/14/11	01/14/11	34,010.98		Fully Applied	
I 3364457	1784900	*ACARTHA GROUP, LLC	13111	01/31/11	01/31/11	34,693.91		Fully Applied	
I 3374403	1784900	*ACARTHA GROUP, LLC	21511	02/15/11	02/15/11	34,196.69		Fully Applied	
I 3384273	1784900	*ACARTHA GROUP, LLC	22811	02/28/11	02/28/11	33,118.92		Fully Applied	
I 3394225	1784900	*ACARTHA GROUP, LLC	31511	03/15/11	03/15/11	33,136.43		Fully Applied	
I 3403869	1784900	*ACARTHA GROUP, LLC	33111	03/31/11	03/31/11	33,256.82		Fully Applied	
I 3413157	1784900	*ACARTHA GROUP, LLC	41511	04/15/11	04/15/11	32,877.75		Fully Applied	
I 3421758	1784900	*ACARTHA GROUP, LLC	42911	04/29/11	04/29/11	32,866.97		Fully Applied	
I 3432975	1784900	*ACARTHA GROUP, LLC	51311	05/13/11	05/13/11	32,837.69		Fully Applied	
I 3443852	1784900	*ACARTHA GROUP, LLC	53111	05/31/11	05/31/11	33,213.54		Fully Applied	
I 3455968	1784900	*ACARTHA GROUP, LLC	61511	06/15/11	06/15/11	32,837.69		Fully Applied	
I 3464942	1784900	*ACARTHA GROUP, LLC	63011	06/30/11	06/30/11	32,837.69		Fully Applied	
I 3473966	1784900	*ACARTHA GROUP, LLC	71511	07/15/11	07/15/11	32,813.25		Fully Applied	
I 3484721	1784900	*ACARTHA GROUP, LLC	72911	07/29/11	07/29/11	32,916.64		Fully Applied	
I 3498368	1784900	*ACARTHA GROUP, LLC	81511	08/15/11	08/15/11	32,299.98		Fully Applied	
I 3502357	1784900	*ACARTHA GROUP, LLC	83111	08/31/11	08/31/11	21,338.32		Fully Applied	
I 3516824	1784900	*ACARTHA GROUP, LLC	91411	09/14/11	09/14/11	8,210.34		Fully Applied	
I 3517105	1784900	*ACARTHA GROUP, LLC	91511	09/15/11	09/15/11	19,878.16		Fully Applied	
I 3526109	1784900	*ACARTHA GROUP, LLC	92811	09/28/11	09/28/11	18,975.34		Fully Applied	

Transaction	Customer	Name	Batch	Tran Date	Due Date	Amount	Open Amount	Status	TC
I 3529783	1784900	*ACARTHA GROUP, LLC	93011	09/30/11	09/30/11	28,675.88		Fully Applied	
I 3540257	1784900	*ACARTHA GROUP, LLC	101411	10/14/11	10/14/11	28,363.28		Fully Applied	
I 3541178	1784900	*ACARTHA GROUP, LLC	103111	10/31/11	10/31/11	40,900.24		Fully Applied	
I 3559275	1784900	*ACARTHA GROUP, LLC	111511	11/15/11	11/15/11	40,268.12		Fully Applied	
I 3568831	1784900	*ACARTHA GROUP, LLC	113011	11/30/11	11/30/11	40,104.92		Fully Applied	
I 3579315	1784900	*ACARTHA GROUP, LLC	121511	12/15/11	12/15/11	40,104.92		Fully Applied	
I 3584868	1784900	*ACARTHA GROUP, LLC	123011	12/30/11	12/30/11	16,830.10		Fully Applied	
I 3601398	1784900	*ACARTHA GROUP, LLC	11312	01/13/12	01/13/12	17,646.31		Fully Applied	
			USD	Total Invoices		12,593,532.88			
D NSF17849	1784900	*ACARTHA GROUP, LLC	2742	04/03/06	04/03/06	115,278.86		Fully Applied	
D NSF17849A	1784900	*ACARTHA GROUP, LLC	5900	12/17/09	12/17/09	36,207.53		Fully Applied	
			USD	Total Debit Memos		151,486.39			

*** Report Completed ***

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February 10, 2012

BY FIRST CLASS MAIL
And EMAIL

Claire M. Schenk, Esq.
Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri 63101

Re: SEC v. Morriss, et al. (No 4:12-cv-00080-CEJ)

Dear Ms. Schenk:

We represent Mr. Ameet Patel. Your letter to Mr. Patel, dated February 3, 2012, has been referred to us for a response. In this connection, we write to advise you of Mr. Patel's claim against Acartha and its assets.

Mr. Patel's claim totals no less than $2,665,339.91 and is comprised of the following items. The largest portion of Mr. Patel's claims arises from deferred salary from October 1, 2005 to January 17, 2012, which totals $1,159,170.68 (that amount does not include any interest on the deferred salary, to which we believe Mr. Patel is entitled). Mr. Patel's employment contract also entitles him to payment of twelve month's salary, for a total of $750,000, in the event he is terminated without cause, as well as twelve months of health and life insurance benefits (value to be determined). In addition, Mr. Patel was not compensated by Acartha for the period January 15 through January 17, 2012, for which we calculate Mr. Patel is owed approximately $5,769.23. Mr. Patel is also contractually entitled to reimbursement of his business expenses which, as of January 17, 2012, totaled approximately $400. Backup for these expenses will be provided upon request.

Finally, pursuant to agreements between Mr. Patel and Doug Morriss, Mr. Patel is entitled to profit interest (i.e., "carried interest") in certain funds that were established after Mr. Patel joined Acartha in July, 2005. In particular, Mr. Patel is entitled to 6% profit interest in each of MIC VII, LLC, Tervela Acquisition, LLC, Tervela Acquisition 2, LLC, Integrien Acquisition LLC, Clearbrook Acquisition LLC, and Evergrid/MIC VII LLC, and is entitled to 5% profit interest in Acartha Technology Partners, L.P., Integrien Acquisition 2 LLC, Librato Acquisition 2 LLC, and Tervela Acquisition 3 LLC. Mr. Patel estimates the value of these profit interests to be in the range of $750,000 to $2,000,000, based on the successful exits of these companies.

Ex. 7

If you have any questions, please do not hesitate to contact me.

Sincerely,

Robert J.A. Zito

Robert J.A. Zito

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February 27, 2012

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VIA FACSIMILE & REGULAR MAIL

Catherine Hanaway, Esq.
Ashcroft Hanaway LLC
222 South Central Ave, Suite 110
St. Louis, MO 63105

Re: Notification of Intended Claim/Demand

Dear Ms. Hanaway:

I represent the Receiver of Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, and Gryphon Investments III, LLC (the "Receivership Entities"), appointed pursuant to the Court's Order of January 17, 2012 in *The United States Securities and Exchange Commission* (the "SEC") *v. Burton Douglas Morriss, et al.*, Case No. 4:12-cv-80-CEJ, pending in the United States District Court, Eastern District of Missouri.

While the Receiver's investigation of the affairs of the Receivership Entities is still in its early phase, the SEC has detailed certain wrongful acts committed by Mr. Morriss in its complaint and other filings. The SEC alleged that Mr. Morriss transferred $9.1 million or more in funds that investors provided to the Receivership Entities to himself and/or Morriss Holdings, LLC. This letter is to advise that the Receiver intends to assert a claim against Mr. Morris for wrongful acts committed as an executive in his various roles with the Receivership Entities, including CEO and chairman of the board of Acartha Group, LLC, and seek damages in the amount of at least $9.1 million. To the extent necessary, we will seek relief from the Bankruptcy Court and/or the Receivership Court in order to pursue the claims against Mr. Morriss.

Based on prior discussions with Mr. Topol, counsel for Federal Insurance Company, and his expressed interest being advised of additional claims against executives of the Receivership Entities, I have copied him on this communication. I trust that you will be making claim under Policy 8207-6676 with respect to this communication.

Ex. 8

Very truly yours,

Thompson Coburn LLP

By

Matthew S. Darrough

MD/msd

cc: David Topol

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February 27, 2012

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VIA FACSIMILE & REGULAR MAIL

JoAnn Trog, Esq.
121 West Adams
Kirkwood, Missouri 63122

Re: Claim/Demand on Dixon Brown

Dear Ms. Trog:

I represent the Receiver of Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, and Gryphon Investments III, LLC (the "Receivership Entities"), appointed pursuant to the Order of January 17, 2012 in *The United States Securities and Exchange Commission* (the "SEC") *v. Burton Douglas Morriss, et al.*, Case No. 4:12-cv-80-CEJ, pending in the United States District Court for the Eastern District of Missouri. I am directing this letter to you as legal representative for Dixon Brown.

While the Receiver's investigation of the Receivership Entities is still in its early phase, the SEC has detailed certain wrongful acts committed by Mr. Morriss in its complaint and other filings in 4:12-cv-80-CEJ. The SEC has alleged that Mr. Morriss transferred $9.1 million or more in funds held by the Receivership Entities to himself and/or Morriss Holdings, LLC, in violation of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Investment Advisors Act of 1940. Based on Mr. Brown's executive role with certain of the Receivership Entities and other information currently available, the Receiver has reached a preliminary conclusion that Mr. Brown acted wrongfully with respect to the Receivership Entities, including his actions and inactions as an officer and director of Acartha Group LLC. Based upon this, I am asserting a claim on behalf of the Receiver against Mr. Brown for recovery of the $9.1 million transferred from the Receivership Entities by Mr. Morriss.

Finally, and based upon prior discussions with David Topol, counsel for Federal Insurance Company, and in the event that Mr. Brown will be making a claim under Policy 8207-6676 with respect to this demand, I also have copied him on this communication.

Ex. 9

Very truly yours,

Thompson Coburn LLP

By

Matthew S. Darrough

MSD/msd

cc: David Topol