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

RECEIVER'S MOTION FOR ENTRY OF AN ORDER APPROVING AND CONFIRMING THE RECEIVER'S EIGHTH INTERIM STATUS REPORT

By Order entered January 17, 2012, the Court appointed Claire M. Schenk as Receiver (the "Receiver") over Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP and Gryphon Investments III, LLC (collectively, the "Receivership Entities").

The Receiver herein moves this Court for entry of the proposed Order Approving and Confirming her Eighth Interim Status Report of Receiver, filed simultaneously herewith as Exhibit A to this Motion.

This motion is administrative and not adversarial in nature.

Respectfully Submitted,

THOMPSON COBURN LLP

October 31, 2013

By /s / Kathleen E. Kraft

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CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2013, I electronically filed the foregoing with the Clerk of the Court through the Court's CM/ECF system which will send a notice of electronic filing to the following:

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

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

I further certify that I served the foregoing document on the following via U.S. mail, postage prepaid:

Morriss Holdings, LLC

P.O. Box 50416
St. Louis, MO 63105

Morriss Holdings, LLC
c/o CSC-Lawyers Incorporating Service Company
221 Bolivar Street
Jefferson City, MO 65101

/s/ Kathleen E. Kraft

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
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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

EIGHTH 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 this **Eighth Interim Status Report** to update the Court on the activities of the Receiver occurring since July 12, 2013:

A. Claims

On March 4, 2013, the Court entered its order approving the Receiver's proposed claims allowance procedures (the "Claims Bar Date Order") (Dkt. No. 234). The Claims Bar Date Order set forth a date by which potential claimants would file claims with the Receiver and subsequent deadlines by which the Receiver would respond to claimants,

Ex. A

seek additional information from claimants and resolve objections to the Receiver's determinations on filed claims. On August 14, 2013, the Receiver filed her *Motion to Amend Claims Bar Date Order to Extent Certain Claims Procedures Deadlines and Otherwise Establish Specific Dates for the Remaining Claims Procedures Deadlines* (Dkt. No. 276). On August 22, 2013, the Court granted the Receiver's motion (Dkt. No. 278). The Court's order sets the following deadlines:

Action	**Deadline**
Deadline for Issuing Notices of Determination on Deficient Claims	January 13, 2014
Deadline for Claimants to File Objections to Determinations Issued Between September 3, 2013 and January 13, 2014	February 12, 2014
Resolution Period for Filed Objections	February 12, 2014 - May 13, 2014
Period During Which Claimant May File Objection with Court	May 13, 2014 - June 12, 2014
Deadline for Receiver to Respond to Claimant's Objection Filed with Court	July 14, 2014

All claimants who received a Notice of Deficiency were required to provide the Receiver with supplemental documentation and/or information to substantiate their claims on or before September 3, 2013. To date, the Receiver has received 119 supplemental claim responses and is working with her professionals to review the supplemental responses.

B. 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." In line with this authority, the Receiver retained the services of Gerald Greiman and Spencer Fane Britt & Browne LLP ("Spencer Fane") to provide legal services to the Receivership Entities pertaining to their claims against UHY Advisors. Legal services to be provided by Spencer Fane include the evaluation and development of the Receiver's claims and the filing and pursuit of appropriate litigation on behalf of the Receivership Estate.

As set forth in the engagement letter, which is attached hereto as **Exhibit 1**, Spencer Fane was retained on a contingent fee basis, with its fees being paid from funds actually paid by and received from UHY Advisors or its carrier according to a sliding scale. Spencer Fane's expenses will be advanced by the Receivership Estate subject to the Receiver's prior written advance approval and Court approval, to the extent required. Receiver's retention of and contingency fee arrangement with Spencer Fane has been shared with and approved by the SEC. The Receiver will keep the Court and the SEC informed as to the expenses associated with this matter.

C. Tax Matters

During this review period, the Receiver worked closely with CliftonLarsonAllen ("CLA"), the Receivership's accountants, to prepare tax returns for each of the

Receivership Entities and related entities and K-1 forms for the investors in the entities managed by a Receivership Entity.

The Receiver filed tax returns and provided K-1s, as deemed appropriate by CLA, for the following entities: Acartha Group, LLC; MIC VII, LLC; Acartha Tech Partners, LLC; Gryphon Investments III, LLC; Clearbrook Acquisition, LLC; Evergrid Acquisition, LLC; Integrien Acquisition, LLC; Integrien Acquisition II, LLC; Evergrid MIC VII, LLC; Tervela Acquisition, LLC; Tervela Acquisition II, LLC; Tervela Acquisition III, LLC; Acartha Merchant Partners, LLC; Morriss Administration d/b/a Acartha Group Funding, LLC; Acartha Special Situations Funding, LLC; Acartha Specialty Finance Investment, LLC; Integrien Acquisition Capital II, LLC; and Librato Acquisition II, LLC.

D. Acartha Specialty Finance Investment, LLC

During this review period, the Receiver worked with counsel for the investors in Acartha Specialty Finance Investment, LLC ("ASFI") to reach a resolution regarding the dissolution of ASFI and distribution of ASFI's assets.

1. Background

Receivership records reflect that ASFI was formed on or about December 31, 2010, by and through Acartha & Company, LLC ("Acartha & Co."), to finance the acquisition of interests in Impact Ventures II, LP ("Impact Ventures"). Pursuant to a subscription agreement effective as of December 31, 2010, ASFI committed to fund a

$500,000 limited partnership interest in Impact Ventures. Acartha & Co. serves as the managing member of ASFI.[1]

According to the ASFI Operating Agreement, the initial members of ASFI included Acartha & Co. as the Managing Member with a 60 percent interest and a $300,000 required capital contribution. However, despite this requirement of a capital infusion, Receivership records indicate that Acartha & Company either did not contribute or contributed and withdrew the required capital. In June 2011, the members of ASFI, excluding Acartha & Co., (together, the "Contributing Members")[2] executed Transfer and Sale Agreements, whereby the Contributing Members purchased their interests in ASFI. Pursuant to these Transfer and Sale Agreements, the Contributing Members contributed a total of $300,000 to ASFI.

2. Withdrawal as Managing Member of ASFI

As related above, Receivership records do not reflect an investment interest in ASFI. However, because Acartha & Co. still serves as managing member of ASFI, the Receivership Estate shoulders the administrative burden and expense of managing ASFI. This includes, among other things, preparing tax filings for ASFI, preparing tax

[1] In turn, Acartha Group is the managing member of Acartha & Co. Therefore, because the Receiver is the managing member of Acartha Group, the Receiver also serves as managing member of Acartha & Co. and ASFI.

[2] The Receiver is not identifying the Contributing Members of ASFI, and has omitted their names from the proposed resolution attached hereto, because she wishes to respect the privacy of the Contributing Members regarding their financial dealings with the Receivership Entities. The Receiver will transmit a copy of this Receivership Report to counsel for the new managing member of ASFI upon filing with the Court.

documents for the investor members of ASFI, and maintaining ASFI's corporate documents and corporate registration. The Receiver believes that it is in the best interest of the Receivership Estate for Acartha & Co. to withdraw as managing member of ASFI. The withdrawal will save the Receivership Estate the burden and expense of managing ASFI and avoid any potential confusion regarding other responsibilities associated with service as the managing member.

Pursuant to a proposed resolution, which is attached hereto in draft form as **Exhibit 2**, Acartha & Co. will withdraw as managing member of ASFI, one of the Contributing Members will assume the responsibilities of serving as managing member of ASFI, and the Contributing Members will dissolve ASFI and distribute the interest of ASFI in Impact Ventures to the Contributing Members.[3] The Receiver believes that Acartha & Co.'s withdrawal as managing member of ASFI is in the best interest of the Receivership Estate and consistent with the Receiver's authority and obligations under the Receivership Order.[4] The Receivership Estate has no investment interest in ASFI.

[3] Although the proposed resolution has not yet been executed by all the parties, the Receiver anticipates that full execution of the proposed resolution (in substantially the form attached hereto) will occur in the near term.

[4] Pursuant to the Receivership Order, the Court authorized the Receiver to, among other things, administer and manage the businesses and financial affairs of the Receivership Entities and take all actions necessary for the protection of investors. *See* Receivership Order, p. 1. The Court gave the Receiver sole authority to operate and manage the businesses and financial affairs of the Receivership Entities. Receivership Order, p. 8. The Receiver succeeded to all rights and powers of the managing member and/or managing partner of the Receivership Entities -- including Acartha Group -- and has the sole and exclusive authority to take all actions necessary in such capacity. *Id.* As managing member of Acartha Group, the Receiver also is the managing member of Acartha & Co. and ASFI, and is authorized and empowered to make decisions with respect to the management and control of Acartha & Co. and ASFI.

Therefore, the Receiver's continued role in the management of ASFI, through Acartha & Co., is a burden to the Receivership Estate. Withdrawal of Acartha & Co. as managing member will allow the Receiver to conserve the Receivership Estate's resources by avoiding any further time and expenses devoted to managing ASFI's affairs.

E. Integrien Acquisition, LLC and Integrien Acquisition II, LLC

On June 25, 2013, the Court entered its order on the Receiver's *Motion for Authorization to Distribute Funds Held By Integrien Acquisition, LLC and Integrien Acquisition II, LLC* (the "Integrien Motion"). The Court's Order authorizes, but does not direct, the Receiver to distribute the First Escrow Funds and Final Escrow Funds (as those terms are defined in the Integrien Motion) in accordance with the Schedule of Proposed Distribution attached to the O'Shaughnessy Declaration. The Court's order also approves the Receiver's reservation for and payment of fees and expenses of the Integrien SPVs, AMP and Integrien Capital II from the Final Escrow Funds.

In accordance with the Schedule of Proposed Distribution, the Receiver distributed the First Escrow Funds and Final Escrow Funds to the investors in IA and IAII and received confirmation of the various wire transfers on or around July 29, 2013. The Receiver is working with the Receivership's accountants to finalize expenses for AMP and Integrien Capital II, and will not make any distributions relative to interests in those entities until fees and expenses have been finalized and allocated.

F. Interpleader Litigation

In the Receiver's Sixth Interim Status Report filed on June 21, 2013, the Receiver reported the settlement, through mediation, of certain interpleader litigation involving the

rights to the proceeds of a three million dollar D&O liability policy purchased by the Receivership Entities. Pursuant to the settlement agreement, the Receiver was allocated $487,300 of the funds involved in the action. The Receiver received the final payment of the Receivership's share of the D&O policy proceeds and deposited the funds on July 18, 2013. These funds have replenished the Receivership accounts to the extent that the Receiver has paid out funds from such accounts for defense costs pursuant to Court order(s), with any remaining funds having been reserved for the payment of unpaid billed and unbilled defense costs, subject to Court approval.

G. Permanent Injunction and Guilty Plea of Burton Douglas Morriss

On August 13, 2013, Defendant Burton Douglas Morriss ("Morriss"), consented to the Judgment of Permanent Injunction sought by the SEC in this matter, resolving issues of liability in the case. While he also agreed to disgorgement, the amount of the disgorgement, prejudgment interest, and the amount of the applicable civil penalties are to be addressed in a subsequent motion by the SEC. As part of his consent and in connection with the SEC's motion for disgorgement and a civil penalty, Morriss is precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint.

On August 26, 2013, Morriss entered a guilty plea in a criminal matter, United States of America v. Burton Douglas Morriss, 4:13-CR-341-RWS. Morriss admitted to a knowing and willful violation of Title 26, United States Code, Section 7201. In particular, he admitted that he attempted to defeat a tax or the payment of a tax which attempt sought to avoid the payment of a substantial additional tax. In exchange for the

voluntary plea, the government agreed that no further federal prosecution will be brought in the Eastern District of Missouri relative to the defendant's conduct with respect to the evasion of income taxes or the operation or management of Acartha Group or any related entity. The plea agreements states that the tax due by Morriss is $5,559,386 and the a prison term of up to five years may result at sentencing. Sentencing is scheduled for December 19, 2013.

Following entry of the plea, Morriss offered to provide access to documentation accumulated as part of his defense to the civil and criminal proceedings and which is currently held by Modus, a third party vendor located in Northwest Washington, D.C. The Receiver is working with Vicky Reznik, Senior Project Manager, to gain access to this information. This information is extensive and is being gathered by the Receiver although it appears that most of the information is redundant of information previously accumulated by the Receiver under the turnover provision of the Receivership Order.

Conclusion

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

Dated: October 31, 2013

Respectfully submitted,

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

Exhibit 1

THOMPSON COBURN LLP

September 13, 2013

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

VIA EMAIL AND REGULAR MAIL

Gerald P. Greiman
Spencer Fane Britt & Browne LLP
1 North Brentwood Blvd., Suite 1000
St. Louis, MO 63105

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

Dear Mr. Greiman:

Thank you for agreeing, on behalf of Spencer Fane Britt & Browne LLP, to provide legal services for Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, and Gryphon Investments, III, LLC, ("the Receivership entities") pertaining to the claims of the Receivership entities against UHY Advisors. As we have discussed, you have agreed that you will 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 the contingent fee arrangement described below, the SEC billing guidelines which were previously made available to you and the approval of the Receivership Court. I have advised you that I will submit this arrangement for the approval of the Court as part of the next interim Receiver's Report and will assist with the preparation of all required approvals.

Subject to the above terms, your fees will be recovered from funds actually paid by and recovered from UHY Advisors or its carrier in keeping with the following sliding scale: twenty-five percent of the recovery prior to the beginning of post filing discovery; thirty percent of the recovery prior to the beginning of trial; and thirty-five percent following the beginning of trial. We have agreed that expenses, *e.g.*, expert assistance or travel, will be advanced by the Receivership estate subject to the Receiver's prior written advance approval and Court approval to the extent that it may be required. Reasonable consideration will be given to all requests for expenses. Expenses are to be repaid from funds recovered under this arrangement and prior to payment under the contingent fee arrangement.

You have been provided a list of names of individuals and entities and 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 signed the enclosed Nondisclosure Agreement on behalf of Spencer Fane. 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.

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

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

Accepted:

Gerald P. Greiman
Spencer Fane Britt & Browne LLP

Dated:

Sept. 16, 2013

MUTUAL NONDISCLOSURE AGREEMENT

This MUTUAL NONDISCLOSURE AGREEMENT ("Agreement") is made and entered into as of September 16, 2013 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 Gerald P. Greiman of Spencer Fane Britt and Browne LLP (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 if legally possible 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.

9. 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".

10. 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.

11. 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: _____

Name: Claire M. Schenk

Title: Receiver

Date: Sept. 13, 2013

By: _____

Name: Gerald P. Greiman

Spencer Fane Britt & Browne LLP

Title: PARTNER

Date: Sept. 16, 2013

DRAFT **EXHIBIT 2**

ACARTHA SPECIALTY FINANCE INVESTMENT, LLC
WRITTEN CONSENT TO RESOLUTIONS IN LIEU OF MEETING

OCTOBER __, 2013

This Written Consent to Resolutions in Lieu of Meeting (this "Consent") is entered into by and among [the Contributing Members] and Acartha & Company LLC.

WHEREAS, [the Contributing Members] and Acartha & Company LLC have heretofore entered into that certain Limited Liability Operating Agreement of Acartha Specialty Finance Investment, LLC (the "Fund");

WHEREAS, Acartha & Company LLC ("Acartha"), the managing member of the Fund, may have contributed up to $300,000 to the Fund; but any and all funds contributed by Acartha to the Fund were withdrawn;

WHEREAS, Acartha Group, LLC ("AG") is the managing member of Acartha;

WHEREAS, Claire M. Schenk was appointed by competent authority as receiver for AG ("the Receiver") and has the authority to act on the behalf of and bind AG;

WHEREAS, a total of $300,000 has been contributed to the Fund (and no amounts withdrawn) as follows:

[Contributing Member]	$ 62,500
[Contributing Member]	$ 62,500
[Contributing Member]	$ 50,000
[Contributing Member]	$ 25,000
[Contributing Member]	$100,000;

WHEREAS, the current ownership percentages of the Fund based on net funds contributed to the Fund are as follows:

[Contributing Member]	20.83%
[Contributing Member]	20.83%
[Contributing Member]	16.67%
[Contributing Member]	8.33%
[Contributing Member]	33.34%
	100.00%

WHEREAS, the Fund's sole asset and investment is an investment in Impact Ventures II, LP ("Impact");

WHEREAS, the Fund has invested $267,461 in Impact; and

DRAFT

WHEREAS, the undersigned desire to dissolve the Fund and distribute the Fund's interest in Impact to the investors in the Fund who have made net contributions to the Fund;

NOW THEREFORE BE IT RESOLVED, for good and valuable consideration, the sufficiency of which is hereby acknowledged and agreed, the undersigned consent to and adopt the following resolutions so the same shall have the same force and effect as if adopted at a meeting duly held:

RESOLVED, that the foregoing WHEREAS clauses are part of these resolutions;

RESOLVED, that Acartha withdraws as the Managing Member and as and investor and member of the Fund;

RESOLVED, that Acartha is deemed to have no interest in the Fund and is entitled to no payment or other economic interest in connection with its withdrawal as the Managing Member and investor in the Fund except to the extent that the Fund has agreed to reimburse the Receiver for expenses incurred as Managing Member, i.e., tax filings and corporate registration fees;

RESOLVED, that the Fund be dissolved and the Fund's interest in Impact be distributed in accordance with the current ownership percentages of the Fund set forth above;

RESOLVED, that the Limited Liability Operating Agreement of the Fund is hereby amended as may be necessary to carry out these resolutions; and

RESOLVED, that the Fund appoints, authorizes, directs and empowers [Contributing Member] to take all action to carry out the dissolution of the Fund and to effect the foregoing resolutions, including but not limited to executing any documents necessary or advisable to (a) dissolve the Fund, (b) cause Impact to distribute the Fund's interest in Impact to the members in accordance with the current ownership interests of the Fund set forth above; (c) engage attorneys or accountants or other professionals on behalf of the Fund and its members, (f) file articles of dissolution and other documents with the proper authorities; (g) file final tax return(s); and (h) take such other action as may be necessary or advisable on behalf of the Fund and its members.

IN WITNESS WHEREOF, the undersigned have executed this Consent as of the date first written above.

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

ORDER

Upon the Receiver's Motion for Entry of an Order Approving and Confirming the Eighth Interim Status Report of Receiver, filed by Claire M. Schenk, the court-appointed receiver (the "Receiver") for Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP and Gryphon Investments III, LLC in this action; and

Having fully considered the Motion and the Eighth Interim Status Report and being duly advised as to the merits,

THE COURT DOES HEREBY ORDER THAT

1. The Receiver's Motion is granted in its entirety; and

2. The Eighth Interim Status Report of Receiver for the period July 13, 2013 through October 31, 2013, and every act and transaction reported therein, are hereby approved and confirmed.

SO ORDERED this _____ day of _____ 2013

_____
THE HONORABLE CAROL E. JACKSON
UNITED STATES DISTRICT COURT JUDGE