

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

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

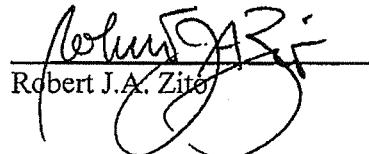
**OBJECTION OF HANY TEYLOUNI  
TO RECEIVER'S NOTICE OF DETERMINATION**

Claimant Hany Teylouni (Claim No. 20), hereby objects to the Receiver's Notice of Determination, dated February 12, 2014 (the "Notice of Determination"), and states as follows:

- (1) A copy of the Receiver's Notice of Determination is annexed hereto as Exhibit A.
- (2) A detailed statement of the reasons for Mr. Teylouni's objections are set forth in Mr. Teylouni's correspondence to the Receiver, dated April 28, 2014, annexed hereto as Exhibit B.
- (3) A copy of Mr. Teylouni's Proof of Claim form, with supporting documentation, is annexed hereto as Exhibit C.
- (4) Annexed hereto as Exhibit D is a copy of a Certification submitted by Mr. Teylouni to the Receiver in response to the Receiver's request for same.

I certify that I have conferred in good faith with the Receiver in an effort to resolve Mr. Teylouni's objection.

Dated: New York, New York  
July 31, 2014

  
\_\_\_\_\_  
Robert J.A. Zito

Carter Ledyard & Milburn LLP  
2 Wall Street  
New York, New York 10005  
Tel: (212) 732-3200  
Fax: (212) 732-3232  
[zito@clm.com](mailto:zito@clm.com)  
*Counsel for Hany Teylouni*

**CERTIFICATE OF SERVICE**

I hereby certify that on July 31, 2014, I electronically filed the Objection of Hany Teylouni to Receiver's Notice of Determination with the Clerk of the Court through the Court's CM/ECF system, which will send a notice of electronic filing to all attorneys of record.

/s/ Robert J.A. Zito

# EXHIBIT A

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

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

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NOTICE OF DETERMINATION

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February 12, 2014

Hany Teylouni  
c/o Theodore McDonough, Carter Ledyard & Milburn LLP  
2 Wall Street  
New York, NY 10005

Email: mcdonough@clm.com

Dear Claimant:

**PLEASE READ THIS NOTICE CAREFULLY.**

The Court Appointed Receiver in the above-referenced matter, Claire M. Schenk, has made the following determination regarding your claim designated as Claim Number                   20          :

**The Receiver will recommend that the Court disallow the claim in its entirety. Please see the attached Exhibit A for the bases of the Receiver's recommendation.**

**PLEASE TAKE NOTICE:** If you disagree with this Determination, you have the right to file an objection and have the Court decide whether the Determination is correct. To exercise this right, you must first serve, but not file with the Court, a written objection to the Receiver's determination in accordance with the instructions herein. You must serve the objection on the Receiver (a) in person, by courier, or by mail addressed to Acartha Group Receivership, 505 North 7th Street, Saint Louis, Missouri 63101, or (b) by electronic mail, as an attachment in portable document format (.pdf) to [acartha.receivership@thompsoncoburn.com](mailto:acartha.receivership@thompsoncoburn.com), within **THIRTY (30) DAYS** of the date of this Notice of Determination. The objection shall include: (i) the claim number; (ii) a detailed statement of the reasons for your objection to the Receiver's determination; (iii) copies of any document or other writing upon which you rely; and (iv) your mailing, phone, and email contact information. Objections not timely served shall be deemed waived and overruled without the need for further order of the Court or action by the Receiver.

**PLEASE TAKE FURTHER NOTICE:** You are required to work in good faith with the Receiver to attempt to resolve your objection before submitting the objection to the Court for determination.

**PLEASE TAKE FURTHER NOTICE:** If you and the Receiver are unable to resolve your objection, you shall file the written objection to the Receiver's Notice of Determination with the Court in accordance with the instructions herein. You must file the objection with the Court no earlier than NINETY (90) DAYS of the date of the Receiver's Notice of Determination and no later than ONE HUNDRED TWENTY (120) DAYS of the date of the Receiver's Notice of Determination. The objection shall include: (i) the claim number; (ii) a detailed statement of the reasons for your objection to the Receiver's Notice of Determination; (iii) copies of any document or other writing upon which you rely; (iv) your mailing, phone, and email contact information; and (v) a certification that you have conferred in good faith with the Receiver in an effort to resolve the objection without the need for a ruling from the Court. Objections not timely filed with the Court shall be deemed waived and overruled without the need for further order of the Court or action by the Receiver.

**PLEASE TAKE FURTHER NOTICE:** The Receiver may, within **THIRTY (30) DAYS** of the date on which you file with the Court a written objection to the Receiver's Notice of Determination, file a response to your objection. The Receiver shall serve a copy of her response on you or your counsel. Following the filing of the Receiver's response or, if the Receiver does not file a response, the expiration of the Receiver's thirty (30) day response period, the Court will consider and rule on your objection to the Notice of Determination. Notwithstanding the procedures outlined herein, you and the Receiver may stipulate to informally resolve the dispute and may extend by agreement without leave of Court the deadline for either party to file a motion to have the Court rule on the objection and determination.

**PLEASE TAKE FURTHER NOTICE:** No discovery or other motion practice shall occur regarding the Receiver's Notice of Determination or facts giving rise to such determination unless you first seek and obtain leave of Court, upon a showing of good cause and substantial need to pursue such motion practice or discovery. Filing of such a motion for leave shall not suspend or extend any deadlines set forth in the Claims Bar Date Order.

Receiver Claire M. Schenk

**Exhibit A**

**Claim No. 20**

Mr. Teylouni asserted a claim against Acartha Group, LLC (“Acartha”) and Acartha Technology Partners, LP (“ATP”) in the amount of \$352,532.15 (the “Claim”). The Claim seeks deferred salary, plus interest thereon, for the period August 1, 2008 to April 15, 2010. The Receiver will recommend that the Court disallow the Claim. The bases for the Receiver’s recommendation are detailed below.

**Disallowance of Claim for Deferred Compensation (Salary).** The Receiver will recommend disallowance of Mr. Teylouni’s claim for deferred salary (\$352,532.15) on the following grounds:

1. **Lack of Information.** Mr. Teylouni failed to provide all information required by the Receivership Court’s Claims Bar Date Order (Dkt. No. 234). In particular, Mr. Teylouni failed to provide an accounting of all monies received by him from or on behalf of any Receivership Entity. The Receiver notes that Mr. Teylouni did provide copies of his W-2 forms showing compensation for the years 2008 and 2009 and a paystub showing compensation through April 15, 2010. However, this documentation does not establish what other monies Mr. Teylouni may have received, if any, from any of the other Receivership Entities. The Receiver also notes that Mr. Teylouni stated that he is unable to prepare an accounting at this time. Furthermore, in correspondence dated January 6, 2014, the Receiver requested that Mr. Teylouni provide a statement evidencing his knowledge of the allegations made in the complaint filed by the S.E.C. in the Receivership proceeding. The requested statement has not been provided.
2. **Waiver of Deferred Compensation.** Mr. Teylouni evidences his claim for deferred salary (compensation) with an email exchange between Mr. Teylouni and Dixon Brown and a spreadsheet prepared by Mr. Teylouni. It appears that the amount of deferred compensation claimed is based on the difference between what Mr. Teylouni was paid by the Receivership Entities and the stated salary in his employment agreement (\$300,000). The Receivership records reflect that when the Receivership Entities did not have the funds to cover payroll, Mr. Teylouni agreed to lower his salary. Mr. Teylouni signed Employee Change of Status forms that reduced Mr. Teylouni’s salary as of June 1, 2008, to \$80,000 and contained the following language: “By signing below, I acknowledge that this is not a deferral of wages and I have not been promised that any reduction in wages reflected herein will be made up or paid at a later date.” As such, Mr. Teylouni waived any claim to payment of deferred compensation.
3. **Right to Payment of Deferred Compensation Was Conditional.** Any right Mr. Teylouni may have had to payment of the difference between the compensation amount stated in his employment agreement and the amount of salary and other benefits received by Mr. Teylouni was conditional. The December 8, 2011 correspondence from Acartha to investors described the alleged deferred compensation as follows:

On the cost side, since October 2008, the most significant move was to have all senior personnel agree to reduce their salaries by 70 to 80%<sup>[1]</sup>, with the understanding that if and when either a successful portfolio company liquidity event occurred or Acartha was able to raise additional funds, the compensation foregone would be recovered. Partial deferred salary recoveries occurred after the sale of Integrien to VMWare on August 30, 2010. The Reduced salaries have continued through 2011.

Dec. 8, 2011 Correspondence, at page 3 (emphasis added). The correspondence further states:

Salaries for Acartha senior employees were reduced effective October 1, 2008, resulting in total compensation paid being reduced from \$2.6mm in 2008 to \$961K in 2009. After adjustments for recent personnel reductions, Acartha's projected current annual payroll is \$846K. In 2010, after Acartha recovered fees and expenses related to the sale of Integrien, the deferred salary balance (\$3.5mm as of 9/30/10) was reduced by \$1.65mm through payments to employees whose salaries had been previously reduced. The salary deferral balance as of 11/30/11 was \$2.4mm. **This deferred balance does not appear on the financial statements of the Company as a liability, although it has been the understanding of the Company and the employees whose salaries had been reduced that the deferred balance would be paid at such time as Acartha had sufficient recourses as a result of fundraising or portfolio company liquidity events.** Individual and aggregate amounts paid in compensation and carried interest for each of 2009, 2010 and 2011 are set forth on the Compensation Schedule attached to this letter.

Dec. 8, 2011 Correspondence, at page 3 n.1 (emphasis added). As described in the December 8, 2011 letter, Acartha did not have sufficient resources to satisfy the alleged deferred compensation amounts due to any employee. See Dec. 8, 2011 Correspondence, at page 1 (describing the financial situation as "grave" and stating "**ABSENT SUPPORT FROM INVESTORS TO FINANCE ACARTHA THROUGH Q1 . . . AND ABSENT RECEIPT OF FUNDING BY DECEMBER 21, 2011, THE COMPANY WILL BE FORCED TO COMMENCE WIND-DOWN AND CEASE OPERATIONS ON DECEMBER 31, 2011.**" (emphasis in original)); see also Acartha Group, LLC, Voluntary Petition, Jan. 8, 2012 (showing assets of less than \$50,000 and liabilities exceeding \$1,000,001). The Receiver is not aware of circumstances that would have triggered Acartha Group's potential liability for payment of the alleged deferred compensation.

4. Salary Fully Paid. The Receivership's records reflect that Mr. Teylouni agreed to lower his salary on at least two occasions. For 2008, Mr. Teylouni's agreed-upon salary (given the two Employee Change of Status forms) was \$167,333.33 per year; for 2009, Mr. Teylouni's agreed-upon salary was \$80,000 per year; and for 2010, Mr. Teylouni's agreed-upon salary was \$80,000 per year (\$3,333.33/pay period; \$23,333.31 through April 15, 2010). The salary payments Mr. Teylouni actually received met or exceeded Mr. Teylouni's agreed-upon salaries for those years. Mr. Teylouni's W-2 form from 2008 evidences that Mr. Teylouni received \$235,833.30. According to the Receivership's records and Mr. Teylouni's 2009 W-

2 form, Mr. Teylouni received \$88,984.92 in 2009. For the period of 2010 covered (until April 15, 2010), Mr. Teylouni received \$23,333.31, as shown by his final paystub. Mr. Teylouni agreed to lower his salary and as the records available to the Receiver show, he was fully compensated for the lowered salary.

5. Inequitable to Award Conditional Payments. The Receiver believes it would be inequitable to allow Mr. Teylouni's claim for deferred compensation. The December 8, 2011 correspondence evidences, and communicated to investors, that the claimed deferred compensation would be paid "if and when either a successful portfolio company liquidity event occurred or Acartha was able to raise additional funds." Dec. 8 Correspondence, at page 3; *id.* at page 3, n.1 (payment of deferred compensation was conditioned on the availability of "sufficient resources as a result of fundraising or portfolio company liquidity events"). The December 8, 2011 Correspondence also discussed the failure of ATP to "raise the fund originally expected." Dec. 8, 2011 Correspondence, at page 3. ATP was intended to be a \$250,000,000 fund. The total capital raised for the Receivership Entities and related entities was less than \$89,000,000. *See* Complaint for Injunctive and Other Relief (Dkt. No. 1) at ¶15. The Receivership Entities' operating budgets were funded by management fees and carried interest from ATP and other related entities. In particular, the December 8, 2011 Correspondence notes that "the management fees which were payable to Acartha Group as service provider for the general partner of ATP were a small fraction of what had been anticipated." Dec. 8, 2011 Correspondence, at page 2. Acartha did not have the funds to pay employees for any differentials in pay, and in fact, had "insufficient revenues for Acartha to support its operations." *Id.* at page 3. The Receivership Entities' lack of cash is further evidenced by borrowing arrangements to cover payroll. It would be inequitable to award Mr. Teylouni a claim for deferred compensation based on a failure of the funds to raise sufficient capital to support payment of the deferred compensation. Furthermore, to the extent a "successful portfolio liquidity event" may occur as a result of the efforts of the Receiver after January 17, 2012, the Receiver believes that it would be inequitable to pay deferred compensation.
6. Deferred Compensation Invalid Under ATP Agreement of Limited Partnership and Acartha Group Company Agreement. The salary promised to Mr. Teylouni in his employment agreement was not valid under the Acartha Group Company Agreement dated March 1, 2006 ("Acartha Company Agreement"). The Acartha Company Agreement required that the Budget and Compensation Committee establish the "compensation to be paid to the employees of the Company and its subsidiaries" on an annual basis. The Acartha Company Agreement did not contemplate fixed salaries, but rather required evaluation of the funds and expenses in determining employee salaries. Mr. Teylouni's employment agreement violates the Acartha Company Agreement.
7. Claimed Deferred Compensation Not Treated as Deferred Compensation By Receivership Entities. The information available to the Receiver shows that the Receivership Entities did not treat the claimed deferred compensation as deferred compensation. The Receivership Entities did not designate the claimed deferred compensation as deferred compensation for tax purposes; instead, they treated the claimed deferred compensation as a bonus when paying employees. The Receivership Entities' prior treatment of the claimed deferred compensation precludes the treatment requested by Mr. Teylouni in the claims process.

8. **Inequitable to Allow Claim for Deferred Compensation.** Mr. Teylouni lacks an equitable right to payment of the alleged deferred compensation. In S.E.C.-instituted cases, courts have held that receivers may disallow or disqualify employee-related claims based on activities by the employees that harmed investors. *See, e.g., Sec. & Exch. Comm'n v. Pension Fund of Am. L.C.*, 377 Fed. Appx. 957 (11th Cir. 2010) (Circuit court upheld decision to disallow regional director's claim for payment of commission, finding that director was "responsible for recruiting the investors who ultimately suffered losses due to the . . . fraud" (*id.* at 963)); *Sec. & Exch. Comm'n v. Byers*, 637 F. Supp. 2d 166 (S.D.N.Y. 2009) (approving receiver's proposal to disqualify defendants, defendants' relatives, and employees that actively participated in the development, implementation, and marketing of the fraudulent scheme (*id.* at 173) as "eminently reasonable and [ ] supported by caselaw" (*id.* at 184)); *see also Sec. & Exch. Comm'n v. Basic Energy & Affiliated Res.*, 273 F.3d 657, 660 (6th Cir. 2001); *Sec. & Exch. Comm'n v. Enter. Trust Co.*, No. 08 Civ. 1260, 2008 WL 4534154, at \*3 (N.D. Ill. Oct. 7, 2008); *Sec. & Exch. Comm'n v. Merrill Scott & Assocs.*, No. 02 Civ. 39, 2006 WL 3813320, at \*6-7 (D. Utah Dec. 21, 2006)).

Furthermore, disallowance of claims of insiders is justified in equitable receivership proceedings. *See Sec. & Exch. Comm'n v. Aquacell Batteries, Inc.*, No. 6:07-cv-608-Orl-22DAB, 2009 WL 1854671, at \*2 (M.D. Fla. June 29, 2009) (disallowing vice-president/board member's claims because "[a]s equitable theories govern distribution plans in S.E.C. receiverships, [the claimant's] status as an insider whose actions furthered the fraud defeat[ed] his claim"). Insiders include individuals who have a fiduciary relationship with the entity (i.e., directors, officers) (*United States v. Evans*, 486 F.3d 315, 321 (7th Cir. 2007)) and persons in control of the entity (11 U.S.C. § 101(31)). The Receiver notes that insider status justifies not only disallowance but also equitable subordination of a claim. *See Sec. & Exch. Comm'n v. Am. Bd. of Trade*, 719 F. Supp. 186, 198-99 (S.D.N.Y. 1989) (holding that even if certain claims were not disallowed, they could be subordinated).

Mr. Teylouni was a managing director of ATP. In that role, he was, or should have been, aware of the related-party transactions and other dealings that led to the removal of funds from the Receivership Entities. The Receiver also has no information indicating that Mr. Teylouni reported out to investors, the Acartha board, the S.E.C., law enforcement, or others regarding the BDM transfers or other activities as alleged in the S.E.C. complaint. Furthermore, as managing director, Mr. Teylouni was an insider.

**Reservation of Rights.** The Receiver reserves the right to assert legal claims held by the Receivership Entities against Mr. Teylouni that would offset any alleged liability of the Receivership Entities to Mr. Teylouni. Offsetting claims may be based upon the facts generally outlined above and include, but are not limited to, an offset of the sums received by Mr. Teylouni in excess of his reduced salary and an offset of sums provided to Mr. Teylouni by Acartha in a lending capacity. The facts may also support offsetting claims based upon legal theories including, but not limited to, breach of fiduciary duty, aiding and abetting BDM's breach of fiduciary duty, aiding and abetting BDM's conversion, aiding and abetting BDM's fraudulent misrepresentation/concealment, and common law negligence. The Receiver further reserves the right to identify additional grounds for her recommendation of disallowance.

**Interview.** The Receiver would like to conduct an interview of Mr. Teylouni. The Receiver understands that Mr. Teylouni is currently out of the country. Please provide the Receiver with the dates on which Mr. Teylouni is available to participate in an interview upon his return to the United States.

# **EXHIBIT B**

## CARTER LEDYARD & MILBURN LLP

*Counselors at Law*

Robert J.A. Zito  
Partner

Direct Dial: 212-238-8768  
E-mail: zito@clm.com

2 Wall Street  
New York, NY 10005-2072

570 Lexington Avenue  
New York, NY 10022-6856  
(212) 371-2720

Tel (212) 732-3200  
Fax (212) 732-3232

April 28, 2014

**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)  
Claim of Hany Teylouni, Claim No. 20

Dear Ms. Schenk:

This letter responds to the Notice of Determination, dated February 12, 2014, recommending disallowance of Mr. Teylouni's claim, Claim No. 20, submitted in the proceeding referenced above. This letter will respond to each aspect of the Receiver's recommendation that Mr. Teylouni's claim for deferred compensation be disallowed.

The Receiver first asserts that Mr. Teylouni has failed to provide sufficient information for the Receiver to determine the dates during which Mr. Patel's claim for deferred compensation accrued. To the contrary, Mr. Teylouni has provided all information and documents in his possession. He has also agreed, at the Receiver's request, to be interviewed by the Receiver. Moreover, as Receiver, the Receiver has in her possession, custody and control all company documents relating to Mr. Teylouni's claim for deferred compensation. For this reason, Mr. Teylouni believes the Receiver has all information necessary to determine his claim for deferred compensation.

The Receiver also asserts that Mr. Teylouni waived his right to deferred compensation by signing an Employee Change of Status form dated June 1, 2008 which reduced his compensation to \$80,000 per year. The Receiver relies on the same "form" to support the assertion that Mr. Teylouni's salary was fully paid. As an initial matter, Mr. Teylouni does not have a copy of, and the Receiver has not provided us, the Employee Change of Status form to which the Receiver refers. Additionally, in support of his claim for deferred compensation Mr. Teylouni relies on, among other things, emails between him and Dixon Brown<sup>1</sup>, one of which, sent by Mr. Brown and dated October 23, 2008, states, "This will confirm that your rate of compensation as an

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<sup>1</sup> A copy of the emails was included with Mr. Teylouni's Proof of Claim.

Claire M. Schenk, Esq.

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employee of Acartha Group is \$300,000 per annum . . . ." Thus, it is clear that despite whatever payroll "form" Mr. Teylouni was asked to sign, such was not intended to act as a waiver against future compensation claims. And that is certainly the case for the period after June 1, 2008. Accordingly, the Receiver's assertion that Mr. Teylouni "waived" his claim for future compensation, or that his salary was fully paid, is unavailing.

In response to the contention that recovery of deferred compensation was dependent upon a liquidity event, Mr. Teylouni notes that the Receiver recently received approval from the Court to sell preferred and common shares of Pollen, Inc. Accordingly, the alleged condition precedent in the December 8, 2011 correspondence to investors will be satisfied.

The Receiver contends that the Acartha Group, LLC Agreement ("Operating Agreement") required a Budget and Compensation Committee to establish the compensation to be paid to Acartha's employees. The relevant language of the Operating Agreement, however, requires that the Budget and Compensation Committee "*recommend*[]" to the Board of Directors . . . the compensation to be paid" to Acartha's employees. (emphasis supplied). That the Budget and Compensation Committee's recommendations were not binding on Acartha's Board of Directors belies the contention that the Operating Agreement did not contemplate fixed salaries, and any failure of the Budget and Compensation Committee to make a recommendation for Mr. Teylouni's salary is not fatal to his claim.

The Receiver also contends that because the Receivership Entities' treated deferred compensation as a bonus when paying employees, rather than as deferred compensation, Mr. Teylouni's claim is precluded. That argument is a non-sequitur. The manner by which the Receivership Entities elected to account for payment of deferred compensation to their employees is irrelevant for purposes of determining whether compensation actually is due. Mr. Teylouni has established that is due more than \$350,000 in deferred compensation and whether or not the Receivership entities accounted for his past deferred compensation amounts as bonuses is irrelevant.

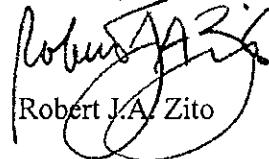
Finally, Mr. Teylouni contends that the cases on which the Receiver relies in support of the assertion that it would be inequitable to allow Mr. Teylouni's claim are inapposite. The factual circumstances underlying those decisions bear no resemblance to Mr. Teylouni's activities while at ATP. Mr. Teylouni's responsibilities as an employee of ATP would not have revealed to him Mr. Morriss' related-party transactions. As set forth in Mr. Teylouni's employment agreement with ATP, Mr. Teylouni's responsibilities included "build[ing] and direct[ing] a technology advisory business" and "[o]verse[ing] and manag[ing] Acartha's and its subsidiaries Information Technology platform." Specifically, Mr. Teylouni conducted due diligence into the technology aspects of various companies, as directed by his superior. He had no involvement with fundraising activities, and his work would not have brought the related-party transactions to Mr. Teylouni's attention, particularly because it is well known that Mr. Morriss' concealed, whenever possible, the existence of the transactions. Accordingly, Mr. Teylouni disagrees with the assertion that it would be inequitable to allow his claim.

Claire M. Schenk, Esq.

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Mr. Teylouni remains willing to be interviewed by the Receiver. Please contact me to schedule the interview.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J.A. Zito". The signature is fluid and cursive, with "Robert" on top, "J.A." in the middle, and "Zito" at the bottom.

Robert J.A. Zito

# **EXHIBIT C**

**PROOF OF CLAIM IS TO BE FILED WITH RECEIVER -- DO NOT FILE WITH COURT**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

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

**PROOF OF CLAIM FORM**  
Please Type or Print in the Boxes Below  
Do NOT use Red Ink, Pencil, or Staples

**FOR RECEIVER'S USE ONLY**

Claim No.: \_\_\_\_\_

Date of Claim: \_\_\_\_ / \_\_\_\_ / \_\_\_\_<sup>1</sup>

**PART I: CLAIMANT IDENTIFICATION**

Name of Individual (Last, First) or Entity  
TEYLOUNI, HANY

If Entity, Name (Last, First) of Individual Completing Form on behalf of Entity

Title \_\_\_\_\_

Street Address

c/o THEODORE MCDONOUGH, CARTER LEDYARD & MILBURN LLP, TWO WALL STREET

City

NEW YORK

State

NEW YORK

Zip Code

10005

Foreign Province

Foreign Postal Code

Foreign Country Name/Abbreviation

Telephone Number (Primary)  
212 - 732 - 3200

Telephone Number (Alternate)  
212 - 238 - 8768

Email Address  
MCDONOUGH@CLM.COM

<sup>1</sup> For Claims sent by regular mail, "Date of Claim" means: (i) for Claims sent by regular mail, the date shown on the official postmark on the Proof of Claim Form envelope; (ii) for Claims sent by hand delivery or courier, the date the Receiver actually received the Proof of Claim Form; and (iii) for Claims sent by electronic mail, the date that the email was transmitted as determined by the time stamp given to the email by the Claimant's email provider (adjusted to prevailing Central Time as necessary).

**PART II: CLAIM**

**AMOUNT OF CLAIM:** \$ 352,532.15

(if your claim is based on equity or other interest(s) and is not subject to specific valuation, please include such information in the "Specific Grounds for Claim" box below)

**DATE CLAIM INCURRED:** August 1, 2008

Please identify, by checking the appropriate box, the Receivership Entity against whom this claim is asserted:

- Acartha Group, LLC
- Acartha Technology Partners, L.P.
- MIC VII, LLC
- Gryphon Investments III, LLC

**Specific Grounds for Claim** (attach additional sheet(s), if necessary).

Mr. Teylouni is a former employee of Acartha Group, LLC and the former Managing Director of Acartha Technology Partners, L.P. Mr. Teylouni's claim is comprised of deferred salary, plus interest thereon, for the period August 1, 2008 to April 15, 2010. Please see the attached sheet for additional information.

**Secured Claim.** Check this box if you contend that your claim is subject to a security interest. Attach copies of all documents that evidence the claim of secured status, including, but not limited to, promissory notes, mortgages, security agreements, and evidence of perfection of lien.

Asserted Value of Collateral:  
\$ \_\_\_\_\_ . 00

Description of Collateral:

If Court Judgment, Date Obtained:

\_\_\_\_ / \_\_\_\_ / \_\_\_\_

If Legal Action Pending, Date Commenced, Court Name, and Case No.:

\_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Claim Status.**

- Check box if you are aware that anyone else has filed a Proof of Claim Form relating to your Claim. (Attach statement giving particulars.)
- Check box if the address entered on this form differs from the address on the envelope sent to you by the Receiver (if you received this form via mail).

Check here if this Proof of Claim:

- Amends
- Replaces
- Supplements a previously filed Proof of Claim Form, dated: \_\_\_\_\_

**YOU MUST READ AND SIGN THE RELEASE AND THE CERTIFICATE OF TRUTHFULNESS OF PAGE 3.  
FAILURE TO SIGN THE RELEASE AND THE CERTIFICATE OF TRUTHFULNESS MAY RESULT IN A  
DELAY IN PROCESSING OR THE REJECTION OF YOUR CLAIM.**

**SUPPORTING DOCUMENTATION:** Please attach to your Proof of Claim Form only documents (including copies of emails and other electronic data) that support your Proof of Claim Form. Such documentation may include, but is not limited to: copies of personal checks, cashier's checks, wire transfer advices; account statements and other documents evidencing the investment or payment of funds; any written contract or agreement made in connection with any investment in or with any Receivership Entity; a chronological accounting of all money received by the Claimant from any Receivership Entity or the Receiver, whether such payments are denominated as the return of principal, interest, commissions, finder's fees, sponsor payments, or otherwise; copies of all documentation and records reflecting or regarding any withdrawals ever made by or payments received by the Claimant from any Receivership Entity or the Receiver; copies of all agreements, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, or evidence of perfection of lien; and other documents evidencing the amount and basis of the Claim. DO NOT SEND ORIGINAL DOCUMENTS. If such documentation is not available, please attach an explanation of why the documents are not available.

Please do not submit the following types of materials with a Proof of Claim Form unless requested by the Receiver: (1) marketing brochures and other marketing materials received from the Receivership Entities; (2) routine or form correspondence received from the Receivership Entities; (3) copies of pleadings on file in any case involving the Receiver or the Receivership Entities; and (4) other documents received from Receivership Entities that do not reflect Claimant specific information concerning the existence or value of a Claim.

**VERIFICATION OF CLAIMS:** All Proof of Claim Forms submitted are subject to verification by the Receiver and approval by the Court. It is important to provide complete and accurate information to facilitate this effort. Claimants must be willing to submit to an interview and may be asked to supply additional information to complete the claims process.

**CONSENT TO JURISDICTION:** By submitting your Proof of Claim Form, you consent to the jurisdiction of the United States District Court for the Eastern District of Missouri for all purposes and agree to be bound by its decisions, including, without limitation, a determination as to the validity and amount of any Claims asserted against the Receivership Entities. In submitting your Proof of Claim Form, you agree to be bound by the actions of the United States District Court for the Eastern District of Missouri even if that means your Claim is limited or denied.

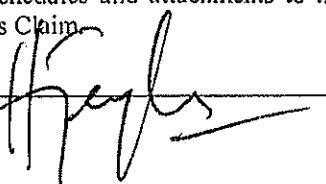
**CERTIFICATE OF TRUTHFULNESS:** Pursuant to 28 U.S.C. § 1746, I, the undersigned, hereby certify, under penalty of perjury under the laws of the United States of America, that all of the information provided in this Proof of Claim Form, including all Schedules and attachments to the Proof of Claim, is true and correct and that the undersigned is authorized to make this Claim.

(Sign your name here)

Hany Teylouni

(Type or print your name here)

(Capacity of person(s) signing)



(Date)

4/23/2013

Submit your Proof of Claim Form and supporting documentation to the Receiver: (1) by mail to Acartha Group Receivership, 505 North 7th Street, Saint Louis, Missouri 63101; (2) by courier service, overnight service or hand delivery to Acartha Group Receivership, 505 North 7th Street, Saint Louis, Missouri 63101; or (3) by electronic mail, as an attachment in portable document format (.pdf), to [acartha.receivership@thompsoncoburn.com](mailto:acartha.receivership@thompsoncoburn.com).

**Reminder Checklist:**

1. Please sign the above declaration.
2. Remember to attach supporting documentation, if available.
3. Keep a copy of your claim form and all supporting documentation for your records.
4. If your contact information changes, please send the Receiver updated information.

**Specific Grounds for Claim:**

Mr. Teylouni is a former employee of Acartha Group, LLC (“Acartha”) and the former Managing Director of Acartha Technology Partners, L.P. Mr. Teylouni’s claim is comprised of deferred salary from August 1, 2008 to April 15, 2010, plus interest on his deferred salary. Attached hereto is a copy of Mr. Teylouni’s employment agreement with Acartha, a copy of his 2008 and 2009 W-2 forms, a copy of the final pay stub Mr. Teylouni received, emails between Mr. Teylouni and Dixon Brown, the former Chief Administrative Officer of Acartha, evidencing the deferral of Mr. Teylouni’s salary and the agreement that interest would accrue on his deferred salary, and a spreadsheet (two pages) detailing the computation of interest accrued.

## ACARTHA EMPLOYMENT AGREEMENT

**Employee:** Hany Teylouri

**Co-Employer:** Acartha Group, LLC ("Acartha") - Employer of record for supervision, evaluation and determinations with respect to Employee's Employment Agreement; and, Administaff of Texas, Inc. - Employer of record for payroll and benefits.

**Subsidiary Affiliation & Title:** Acartha Technology Partners, LLC - Managing Director.

**Report:** Employee's position reports to Ameet Patel, Partner and CTO, Acartha Group and CEO of Acartha Technology Partners, LLC.

**Responsibilities:** Oversight of Acartha portfolio companies as assigned from time to time by Ameet Patel other such assignments as may be tasked by Acartha from time to time. In addition, Employee will build and direct a technology advisory business operating from within Acartha Technology Partners, LLC ("ATP") pursuant to a business plan for same to be developed by ATP. Oversee and manage Acartha's and its subsidiaries Information Technology platform.

**Hire Date:** July 3, 2005.

**Employment Term:** The Employment Term ("Term") is one (1) full year from Hire Date and will automatically renew monthly thereafter unless ended under the Termination provisions of the Agreement.

**Condition of Employment:**

- An executed Acartha Employment Agreement ("Agreement").
- An executed Administaff Employment Agreement.
- Completed required Federal employment forms including, but not limited to, Form I-9.
- An executed Acartha Confidentiality and Non-Disclosure Agreement (attached hereto and made part hereof).
- To Acartha's sole satisfaction, a background and reference(s) checks and a substance abuse screening.

**Annual Base Compensation Rate:** ("ABCR"): \$300,000 paid in accordance with Acartha's payroll policies as are in effect from time to time.

**Additional Standard Compensation:**

- Twenty (20) business days (4 weeks) Employer paid Vacation Days during the first year of employment, pro rated for number of days employed from Hire Date during the year.
- Two (2) Employer paid Personal Days.

## ACARTHA EMPLOYMENT AGREEMENT

### Incentive Compensation:

- **Cash Incentive Compensation ("CIC")** of up to \$60,000 in excess of ABCR may be awarded by Aeartha based on a performance review at the conclusion of 12 full months from Hire Date, provided Employee is an Aeartha Employee at the time any CIC is awarded.
- **Equity Compensation:** Morris Enterprises, LLC, the majority owner of Aeartha, shall grant Employee a Profits Interest in Morris Enterprises, LLC as soon as practicable, but no later than 90 days from Hire Date ("Grant Date") in a fixed number of shares equal to 1% of the shares of Morris Enterprises outstanding on Grant Date. The Profits Interest granted to Employee will vest in equal monthly installments over 36 months from Grant Date.

**Participation/Carry in Selected Aeartha Transactions:** Aeartha shall allow Employee to participate in the funds managed by ATP and may award Employee a portion of carried interest therein. In addition, at the sole discretion of Aeartha's Compensation Committee, Aeartha may allow Employee to participate in and/or award Employee a carried interest with respect to selected special purpose vehicle investment entities created by Aeartha or its affiliates, including investments in Related Business Opportunities, defined herein.

**Related Business Opportunities:** During the Term, Employee will bring all business opportunities of which he is aware that are within the scope of the any of Aeartha's funds' investment strategy ("Related Business Opportunity") to the attention of Aeartha for consideration regardless of whether any Aeartha entity desires to participate in such Related Business Opportunity. Employee will not participate in or advise any Related Business Opportunity without the approval of Aeartha's Board of Directors. Any fees or remuneration due Employee as the result of an approved participation in or advisory services to a Related Business Opportunity will be treated pursuant to Aeartha policies for such fees as are in effect at the time the fees are earned.

**Outside Activities:** Aeartha acknowledges that Employee may have existing passive investments. This Agreement shall not require the liquidation of any such investments unless such investment is made in any business or entity which is or may be deemed, at the sole discretion of Aeartha, to be in direct competition with Aeartha or any portfolio company held in a fund managed by Aeartha or any of its subsidiaries. Employee agrees that he will notify Aeartha of any future investments in entities competitive with Aeartha, or competitive with portfolio companies held in a fund managed by an Aeartha subsidiary, which he intends to make or pursue while Aeartha employs him and agrees not to make any such investment unless approved in writing by the Aeartha's Board of Directors. Aeartha acknowledges that Employee may engage in charitable and community activities and may serve as an officer or director thereof, provided such activities are not directly competitive with Aeartha and do not interfere with Employee's performance of his obligations hereunder.

**Benefits:** Employee shall participate in all benefits generally provided by Aeartha to its employees at a similar level of responsibility. Standard benefits currently offered are detailed in Exhibit A to this memo.

## ACARTHA EMPLOYMENT AGREEMENT

**Termination:** Employee may be terminated by Aeartha at any time for any reason subject to policies of Aeartha as are from time to time in effect. If terminated for Cause, the Employee will receive ABCR compensation only through date of Notice of Termination. If terminated not for Cause, the Employee will be paid four weeks compensation from date of Notice of Termination pro rated for any partial pay period already earned by the Employee to the date of Notice of Termination. In addition, Employee will be compensated at the daily rate of his/her ABCR for any unused Vacation Days or Personal Days.

**Notice of Termination:** Aeartha shall notify the Employee of Termination in writing. Such Notice may be delivered by letter or electronically by facsimile or e-mail. The effective date of such Notice and Termination is the date of the letter or, if applicable, the date of the letter's transmission electronically by facsimile or, if applicable, the date the e-mail is sent to the Employee by Aeartha.

**Confidentiality Obligations during the Term:**

The Employee acknowledges that the Employee's work for the Employer is expected to expose Employee to confidential and proprietary information of Aeartha, its Affiliates, its Related Parties, its investors, its clients, its vendors, its Officers, and its employees. As a condition of employment, Aeartha requires that the Employee undertake certain confidentiality, non-competition and intellectual property obligations. Accordingly, Employee shall execute the attached Confidentiality and Non-Disclosure Agreement.

**Obligations after the End of the Term:** In the event Employee's employment is terminated, Employee agrees to be subject to the non-competition and non-solicitation provisions described below for a one year period beginning on the effective date of Notice of Termination. The non-competition and non-solicitation provisions to which Employee will be subject are as follows: (1) Employee shall not directly or indirectly own, manage, control, participate in, consult with, render services for, or in any manner engage in any business that is invested in or proposes to invest in any company in which Aeartha or any affiliate thereof or any fund associated with Aeartha has invested or in any company which was introduced to any of the foregoing and discussed by Aeartha management during the Term; (2) Employee shall not directly or indirectly through another entity (i) induce, attempt to induce or hire any employee of Aeartha or any affiliate thereof to leave the employ of Aeartha or affiliate thereof, or in any way willfully interfere with the relationship between Aeartha or any affiliate thereof and any employee thereof; or (ii) induce or attempt to induce any investor, joint venture, manager, customer, supplier, licensee or other business relation of Aeartha or any affiliate thereof to cease doing business with Aeartha or such affiliate thereof, or in any way interfere with the relationship between any such person or entity and Aeartha or any affiliate thereof.

**Expense Reimbursement:**

Employer will reimburse the Employee only for documented expenses that have been approved in advance by Employee's Report or Officer of Aeartha and provided that such expenses are legitimate business expenses of Aeartha. Expense Reimbursements shall be made in accordance with Aeartha reimbursement policies in effect at the time the expense is submitted for reimbursement.

## ACARTHA EMPLOYMENT AGREEMENT

### Acknowledgement by Employee:

I hereby acknowledge that I am aware that Aeartha is a start up financial services holding company and that its management has disclosed to me the potential risks of business failure associated with its business plan. I acknowledge that this letter and its attachments constitute the only terms of this Agreement. Further, I acknowledge that I have read the forgoing and the other documents presented herewith and that any questions I may have had pertaining thereto have been answered to my satisfaction by Aeartha.

Employee: Flany Taylor

Date: 6/17, 2006

### Acknowledgement of Receipt by Employer:

Employer: Aeartha Group, LLC

By: Dixon R. Brown, Secretary

Date: 6/19, 2006

Exhibit A - Benefits List from Administaff

This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.

Copy C-For EMPLOYEE'S RECORDS (see Notice to Employee on back of Copy B.)		Form W-2 Wage and Tax Statement	OMB No. 1545-0008
<b>2008</b>	1 Wages, tips, other comp. <b>235,833.30</b>	2 Federal income tax withheld <b>42,398.97</b>	
Employee's SSN	3 Social security wages <b>102,000.00</b>	4 Social security tax withheld <b>6,324.00</b>	
Employer Ident. No. (EIN)	5 Medicare wages and tips <b>235,833.30</b>	6 Medicare tax withheld <b>3,419.55</b>	
Employee's name, address, and ZIP code <b>ADMINISTAFF COMPANIES II, L.P. 19001 CRESCENT SPRINGS DR KINGWOOD, TX 77339</b>			
Control number <b>1784900</b>			
Employee's first name and initial <b>HANY TEYLOUNI</b>		Last name <b>Sull.</b>	
Employee's address, and ZIP code <b>55 CREST ST CONCORD, MA 01742-3006</b>			
Employee's address, and ZIP code <b>7 Social security tips</b>			
<b>8 Allocated tips</b>		<b>9 Advance EIC payment</b>	
10 Dependent care benefits		11 Nonqualified plans	
		12a code Soc insit. for box 12	
13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/>		Third-party sick pay <input type="checkbox"/> 12b code	
14 Other NJSDI 138.50 UI/I/C 117.73		12c code	
		12d code	
15 State MA NJ	Employee's state ID no. 760-689-539-03 760-689-539/000	16 State wages, tips, etc. <b>235,833.30</b> <b>235,833.30</b>	17 State Income tax <b>1,126.81</b> <b>12,161.79</b>
18 Local wages, tips, etc.		19 Local Income tax	20 Locality name

Department of the Treasury-Internal Revenue Service

Copy B - To Be Filed With Employee's FEDERAL Tax Return.			2009	OMB No. 1545-0006
a Employee's social security number		1 Wages, tips other comp. 88984.92	2 Federal income tax withheld 3402.90	
b Employer ID number		3 Social security wages 88984.92	4 Social security tax withheld 5517.15	
c Employer's name, address and ZIP code		5 Medicare wages and tips 88984.92	6 Medicare tax withheld 1290.20	
REISSUED STATEMENT				
ADMINISTAFF COMPANIES II, L.P. 19001 CRESCENT SPRINGS DR KINGWOOD, TX 77339				
d Control number 1784900				
e Employee's name HANY TEYLOUNI				
f Employee's address and ZIP code 55 CREST ST CONCORD, MA 01742				
7 Social security tips		8 Allocated tips	9 Advanced EIC payment	
10 Dependent care benefits		11 Nonqualified plans	12a Code See Instr. for box 12	
13 Statutory employee		14 Other NJSDI 144.50 UI/HC/ 122.83	12b Code	
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NJ MA	760-689-539/000 760-689-539*03*	88984.92 88984.92	1972.20 1968.24	
15 State Employer's State ID number		16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.		19 Local income tax 26.01	20 Locality name FLJ	
Form W-2 Wage and Tax Statement      Dept. of the Treasury -- IRS      39-1908847				
This information is being furnished to the Internal Revenue Service				

Copy C - For EMPLOYEE'S RECORDS. (See Notice to Employee on Back of Copy B).			2009	OMB No. 1545-0006
a Employee's social security number		1 Wages, tips other comp. 88984.92	2 Federal income tax withheld 3402.90	
b Employer ID number		3 Social security wages 88984.92	4 Social security tax withheld 5517.15	
c Employer's name, address and ZIP code		5 Medicare wages and tips 88984.92	6 Medicare tax withheld 1290.20	
REISSUED STATEMENT				
ADMINISTAFF COMPANIES II, L.P. 19001 CRESCENT SPRINGS DR KINGWOOD, TX 77339				
d Control number 1784900				
e Employee's name HANY TEYLOUNI				
f Employee's address and ZIP code 55 CREST ST CONCORD, MA 01742				
7 Social security tips		8 Allocated tips	9 Advanced EIC payment	
10 Dependent care benefits		11 Nonqualified plans	12a Code See Instr. for box 12	
13 Statutory employee		14 Other NJSDI 144.50 UI/HC/ 122.83	12b Code	
Retirement plan		12c Code		
Third-party sick pay		12d Code		
NJ MA	760-689-539/000 760-689-539*03*	88984.92 88984.92	1972.20 1968.24	
15 State Employer's State ID number		16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.		19 Local income tax 26.01	20 Locality name FLJ	
Form W-2 Wage and Tax Statement      Dept. of the Treasury -- IRS      39-1908847				
This information is being furnished to the IRS. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.				

REISSUED STATEMENT

Earnings		Units	Current	YTD
Base-Rate				
Salary	81.67	5,233.33		
(3333.33)				
<b>TOTAL</b>		<b>3,233.33</b>		<b>32,233.33</b>
Federal Taxes		3,233.33		32,233.33
Soc Sec Wage Base				
Medicare Wage Base				
Deductions				
Federal Taxes		42.44		316.36
Fed Sec		206.97		1,416.59
Holiday		45.33		336.31
MA STT		72.33		493.72
PJ STT		57.75		406.25
PJ SUJ		14.17		99.15
PJ SDU		15.67		116.69
MJ FLL		4.00		28.00
Fed Tax Levy		2,475.39		16,451.74
Net to Bank Acct		0.00		387.58
<b>TOTAL</b>		<b>2,943.75</b>		<b>18,520.54</b>
<b>NET PAY</b>				
<b>387.58</b>				

Date: 04/15/2010  
From: 04/01/2010 To: 04/15/2010  
Check #: 0006091999  
Bank #: 524 Street: MIS  
Name: MANY TEYLOUNI  
Employee ID: 396179

**hany teylouni**

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**From:** Dixon Brown <[dbrown@AcarthaGroup.com](mailto:dbrown@AcarthaGroup.com)>  
**Sent:** Thursday, October 23, 2008 6:38 AM  
**To:** Hany Teylouni  
**Subject:** RE: employment and salary

Hany,

This will confirm that your rate of compensation as an employee of Acartha Group is \$300,000 per annum and that, as of October, 15, 2008 the amount of salary deferrals

is \$18,333.35 and that you have no other additional deferred compensation. Please note that an employee's deferred compensation is subject to certain mandatory withholding by Administaff and any voluntary reductions (401-K, Medical Savings, term life insurance, etc.) offered by Administaff and authorized by the employee. Therefore, the amount confirmed above is gross deferred compensation prior to any such withholdings or voluntary reductions.

Thanks, Dixon.

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**From:** Hany Teylouni [<mailto:hteylouni@acarthatechpartners.com>]  
**Sent:** Wednesday, October 22, 2008 9:49 PM  
**To:** Dixon Brown  
**Subject:** employment and salary

Just a quick email to remind you of our discussion to send me your template.

Thanks

Hany

---

Acartha Group, LLC  
Hany Teylouni  
*Managing Director*  
[hteylouni@acarthatechpartners.com](mailto:hteylouni@acarthatechpartners.com)  
2 Tower Center boulevard  
20<sup>th</sup> Floor  
East Brunswick, NJ 08816  
Tel: +1 (732)289-3353  
Mobile: +1(917)613-4811

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**From:** Dixon Brown [<mailto:dbrown@AcarthaGroup.com>]  
**Sent:** Sunday, October 12, 2008 11:43 PM  
**To:** Hany Teylouni  
**Subject:** RE: cornwall agreement

Not really...will emerge on Tuesday...lets talk then.

---

**From:** Hany Teylouni [<mailto:hteylouni@acarthatechpartners.com>]  
**Sent:** Sunday, October 12, 2008 6:01 PM  
**To:** Dixon Brown  
**Subject:** cornwall agreement

I would like to discuss changing the terms. Specifically extending the term beyond the \$50K limit which is where we will be at following payment of the last invoice (assuming we get the last invoice paid).

Are you available Monday morning?

---

Acartha Group, LLC

Hany Teylouri  
*Managing Director*  
[hteylouri@acarhatechpartners.com](mailto:hteylouri@acarhatechpartners.com)  
2 Tower Center boulevard  
20<sup>th</sup> Floor  
East Brunswick, NJ 08816  
Tel: +1 (732)289-3353  
Mobile: +1(917)613-4811

**hany teylouni**

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**From:** Dixon Brown <[dbrown@AcarthaGroup.com](mailto:dbrown@AcarthaGroup.com)>  
**Sent:** Wednesday, January 28, 2009 9:56 AM  
**To:** Hany Teylouni  
**Subject:** RE: Call

Hany,  
Sorry getting back to you so late - been a bit hectic here. The amount due you as of 1.15.09 including interest is \$73,610.91. Of that, \$73,333.33 is deferred and the balance is interest. The interest accrual is low because it is LIBOR based and that is low and has been in the recent past. Chris provided the calculations and we now have a model to revise the accrual at the end of each month. Thanks, drb

---

**From:** Hany Teylouni [<mailto:hteylouni@acarthatechpartners.com>]  
**Sent:** Tuesday, January 27, 2009 7:32 AM  
**To:** Dixon Brown  
**Subject:** Re: Call

Ok. Do you have an account of what I am due?  
Acartha Tech Partners

Hany Teylouni  
Managing Director  
[hteylouni@acarthatechpartners.com](mailto:hteylouni@acarthatechpartners.com)

2 Tower Center boulevard  
East Brunswick, NJ 08816

Tel: +1 (732) 289 3353  
Mobile: +1 (917) 613 4811

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**From:** Dixon Brown  
**To:** Hany Teylouni  
**Sent:** Tue Jan 27 06:56:12 2009  
**Subject:** RE: Call

Thanks - will talk to Doug today about this. Structure is most likely note from you to him personally - I will draft. But remember, when you get \$ from Acartha as make up, you will be paying back Doug in after tax \$ because your Acartha make up will be a taxable bonus against which there will be the normal withholdings. So, best plan that into your cash flows in the future. Thanks, drb.

---

**From:** Hany Teylouni [<mailto:hteylouni@acarthatechpartners.com>]  
**Sent:** Monday, January 26, 2009 11:00 PM  
**To:** Dixon Brown  
**Subject:** RE: Call

\$35 to 40K as an advance against payroll  
Thanks

---

Acartha Group, LLC  
Hany Teylouni  
Managing Director  
[hteylouni@acarthatechpartners.com](mailto:hteylouni@acarthatechpartners.com)  
2 Tower Center boulevard

20<sup>th</sup> Floor  
East Brunswick, NJ 08816  
Tel: +1 (732)289-3353  
Mobile: +1(917)613-4811

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**From:** dbrown [<mailto:dbrown@morrissholdings.com>]

**Sent:** Monday, January 26, 2009 5:26 PM

**To:** Hany Teylouni

**Subject:** Re: Call

Hany,

What is the amount you discussed with Doug? Thanks, drb

drb Acartha Group Blackberry

---

**From:** "Hany Teylouni"

**Date:** Mon, 26 Jan 2009 16:00:15 -0500

**To:** <[dbrown@acarthagroup.com](mailto:dbrown@acarthagroup.com)>

**Subject:** Re: Call

Thanks. Wanted to set up time with you and doug before or after to discuss salary catch up (following discussion I had with him yesterday)

Acartha Tech Partners

Hany Teylouni

Managing Director

[Hteylouni@acarthatechpartners.com](mailto:Hteylouni@acarthatechpartners.com)

2 Tower Center boulevard  
East Brunswick, NJ 08816

Tel: +1 (732) 289 3353

Mobile: +1 (917) 613 4811

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**From:** Dixon Brown

**To:** Hany Teylouni

**Sent:** Mon Jan 26 15:34:24 2009

**Subject:** RE: Call

There is a call but the participants are Ameet, Doug, John, Wynne and Christian will focus on valuation and valuation process, future rounds, and prairie capital closing docs. We need not be on the call. drb

---

**From:** Hany Teylouni [<mailto:hteylouni@acarthatechpartners.com>]

**Sent:** Monday, January 26, 2009 3:16 PM

**To:** Dixon Brown

**Subject:** Call

Are we having a call tomorrow and if so at what time?

Acartha Tech Partners

Hany Teylouni

Managing Director

[Hteylouni@acarthatechpartners.com](mailto:Hteylouni@acarthatechpartners.com)

2 Tower Center boulevard  
East Brunswick, NJ 08816

Tel: +1 (732) 289 3353  
Mobile: +1 (917) 613 4811

Pay Period	Monthly libor	Monthly Interest Rate	Accrued Interest	Deferred Compensation		Accrued Deferred Compensation plus interest
				During Pay Period (\$)	Total Deferred Compensation (\$)	
Sep-08	3.21%	0.0026724	\$0.00	9166.666667	9166.666667	
Oct-08	3.96%	0.003302083		9166.666667	18333.33333	
Oct-08	3.96%	0.003302083	\$90.81	9166.666667	27500	\$27,590.81
Nov-08	3.17%	0.002644792		9166.666667	36757.47396	\$36,757.47
Nov-08	3.17%	0.002644792	\$121.46	9166.666667	45924.14063	\$46,045.60
Dec-08	2.77%	0.002305208		9166.666667	55212.26708	\$55,212.27
Dec-08	2.77%	0.002305208	\$148.41	9166.666667	64378.93374	\$64,527.34
Jan-09	2.00%	0.001669792		9166.666667	73694.00726	\$73,694.01
Jan-09	2.00%	0.001669792	\$138.36	9166.666667	82860.67393	\$82,999.03
Feb-09	1.98%	0.001645833		9166.666667	92165.70066	\$92,165.70
Feb-09	1.98%	0.001645833	\$166.78	9166.666667	101332.3673	\$101,499.14
Mar-09	2.12%	0.00176615		9166.666667	110665.8102	\$110,665.81
Mar-09	2.12%	0.00176615	\$211.64	9166.666667	119832.4768	\$120,044.12
Apr-09	1.97%	0.001643233		9166.666667	129210.7856	\$129,210.79
Apr-09	1.97%	0.001643233	\$227.39	9166.666667	138377.4523	\$138,604.84
May-09	1.87688%	0.001564067		9166.666667	147771.5054	\$147,771.51
May-09	1.87688%	0.001564067	\$245.46	9166.666667	156938.1721	\$157,183.63
Jun-09	1.60%	0.001333333		9166.666667	166350.3005	\$166,350.30
Jun-09	1.60%	0.001333333	\$234.02	9166.666667	175516.9672	\$175,750.99
Jul-09	1.61%	0.001338542		9166.666667	184917.6565	\$184,917.66
Aug-09	1.61%	0.001338542		9166.666667	194084.3231	\$194,084.32
Aug-09	1.50%	0.001247917	\$253.64	9166.666667	203250.9898	\$203,504.63
Sep-09	1.50%	0.001247917		9166.666667	212671.2968	\$212,671.30
Sep-09	1.33%	0.001108333	\$245.87	9166.666667	221837.9634	\$222,083.83
Oct-09	1.33%	0.001108333		9166.666667	231250.5005	\$231,250.50
Oct-09	1.33%	0.001108333	\$266.46	9166.666667	240417.1672	\$240,683.63
Nov-09	1.26%	0.001053125		9166.666667	249850.2962	\$249,850.30
Nov-09	1.26%	0.001053125	\$272.78	9166.666667	259016.9629	\$259,289.74
Dec-09	1.20%	0.000999483		9166.666667	268456.4068	\$268,456.41
Dec-09	1.20%	0.000999483	\$277.48	9166.666667	277623.0734	\$277,900.55
Jan-10	0.98%	0.000820317		9166.666667	287067.2197	\$287,067.22
Jan-10	0.98%	0.000820317	\$243.01	9166.666667	296233.8864	\$296,476.89
Feb-10	0.85%	0.000705208		9166.666667	305643.5587	\$305,643.56
Feb-10	0.85%	0.000705208	\$222.01	9166.666667	314810.2253	\$315,032.23
Mar-10	0.84%	0.000699483		9166.666667	324198.8988	\$324,198.90
Mar-10	0.84%	0.000699483	\$233.18	9166.666667	333365.5655	\$333,598.75
Apr-10	0.92%	0.000766667		9166.666667	342765.4158	\$342,765.42
Apr-10	0.92%	0.000766667	\$262.79		342765.4158	\$343,028.20
May-10	1.02%	0.000846358	\$290.32		343028.2026	\$343,318.53

Jun-10	1.20%	0.001003383	\$344.48	343318.5274	\$343,663.01
Jul-10	1.17313%	0.000977608	\$335.97	343663.0075	\$343,998.98
Aug-10	1.04%	0.000863908	\$297.18	343998.9753	\$344,296.16
Sep-10	0.84306%	0.00070255	\$241.89	344296.1589	\$344,538.04
Oct-10	0.78%	0.000648125	\$223.30	344538.0441	\$344,761.35
Nov-10	0.76%	0.000635158	\$218.98	344761.3479	\$344,980.33
Dec-10	0.79%	0.000655467	\$226.12	344980.3259	\$345,206.45
Jan-11	0.78094%	0.000650783	\$224.65	345206.449	\$345,431.10
Feb-11	0.78125%	0.000651042	\$224.89	345431.1036	\$345,655.99
Mar-11	0.79025%	0.000658542	\$227.63	345655.9937	\$345,883.62
Apr-11	0.78250%	0.000652083	\$225.54	345883.6225	\$346,109.17
May-11	0.76100%	0.000634167	\$219.49	346109.1675	\$346,328.66
Jun-11	0.72950%	0.000607917	\$210.54	346328.6584	\$346,539.20
Jul-11	0.73350%	0.00061125	\$211.82	346539.1973	\$346,751.02
Aug-11	0.76025%	0.000633542	\$219.68	346751.0194	\$346,970.70
Sep-11	0.80000%	0.000666667	\$231.31	346970.7006	\$347,202.01
Oct-11	0.86489%	0.000720742	\$250.24	347202.0144	\$347,452.26
Nov-11	0.93561%	0.000779675	\$270.90	347452.2574	\$347,723.16
Dec-11	1.07106%	0.00089255	\$310.36	347723.1572	\$348,033.52
Jan-12	1.12805%	0.000940042	\$327.17	348033.5175	\$348,360.68
Feb-12	1.09570%	0.000913083	\$318.08	348360.6836	\$348,678.77
Mar-12	1.05980%	0.000883167	\$307.94	348678.7659	\$348,986.71
Apr-12	1.04850%	0.00087375	\$304.93	348986.7073	\$349,291.63
May-12	1.04720%	0.000872667	\$304.82	349291.6345	\$349,596.45
Jun-12	1.06920%	0.000891	\$311.49	349596.4497	\$349,907.94
Jul-12	1.06800%	0.00089	\$311.42	349907.9401	\$350,219.36
Aug-12	1.05350%	0.000877917	\$307.46	350219.3582	\$350,526.82
Sep-12	1.03200%	0.00086	\$301.45	350526.8216	\$350,828.27
Oct-12	0.97300%	0.000810833	\$284.46	350828.2746	\$351,112.74
Nov-12	0.87550%	0.000729583	\$256.17	351112.7379	\$351,368.90
Dec-12	0.86000%	0.000716667	\$251.81	351368.9039	\$351,620.72
Jan-13	0.84350%	0.000702917	\$247.16	351620.7183	\$351,867.88
Feb-13	0.78100%	0.000650833	\$229.01	351867.8783	\$352,096.89
Mar-13	0.75150%	0.00062625	\$220.50	352096.8857	\$352,317.39
Apr-13	0.73150%	0.000609583	\$214.77	352317.3864	\$352,532.15
				TOTAL	\$352,532.15

# **EXHIBIT D**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

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

CERTIFICATION OF HANY TEYLOUNI

I, Hany Teylouni, hereby certify as follows:

1. I am over the age of eighteen, make this certification of my own personal knowledge and am competent to testify as a witness if called to do so in this matter.
2. I hold a Masters degree in Mathematics and Computer Science from the University of Geneva. I have no degrees in finance, accounting, or related disciplines.
3. In or about July 2006, I was hired as Managing Director of Acartha Technology Partners, LLC (“ATP”). A copy of my employment agreement is annexed hereto as Exhibit A.<sup>1</sup>
4. My responsibilities as a Managing Director included overseeing and managing ATP’s internal technology infrastructure (e.g., ensuring that ATP’s telephone and email systems were functioning), and conducting due diligence on the technological aspects of companies in which Acartha Group, LLC (“Acartha”) or one of its subsidiary entities was considering

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<sup>1</sup> I note that my employment agreement indicates that I was hired on July 3, 2005. That is not correct and I believe inclusion of the July 3, 2005 date in my employment agreement is a mistake.

investing. While an employee of ATP, I conducted due diligence into the technological aspects of approximately 50 companies in which Acartha or one of its subsidiary entities was considering investing.

5. As Managing Director of ATP, I reported to Ameet Patel, the CTO of Acartha and CEO of ATP. I delivered the work product of my due diligence investigations to Mr. Patel. Occasionally, I participated in telephone conferences with members of Acartha's management team during which my due diligence was discussed.

6. I had no role in deciding whether ATP, Acartha, or any Acartha subsidiary would ultimately invest in a particular company. I was unaware at the time, and do not know today, whether Acartha or a subsidiary entity invested in any of the companies on which I conducted due diligence. I did not know during my employment, and do not know presently, the identity of any investors in Acartha or its subsidiaries.

7. In or about 2006 and 2007, I participated in a limited number of telephone conferences with potential investors. I do not know whether those potential investors ultimately invested in Acartha or one of its subsidiaries. In or about 2008, I ceased to be involved in fundraising telephone calls and participated in no other fundraising activities.

8. During my employment with ATP, I was unaware of the financial condition of Acartha and its subsidiaries. I neither prepared, reviewed, nor was offered to review, financial documents for Acartha, ATP, or any other Acartha subsidiary. Only when I was informed in or about October 2008 that a portion of ATP's employees' salaries would need to be deferred did I understand the financial condition of the company.

9. Other than regular payroll payments, I received no property (including but not limited to carried interest and equity compensation) from Acartha, ATP, or any of Acartha's

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subsidiaries while employed by ATP. I received no payments or property of any kind from Acartha, ATP, or any of Acartha's subsidiaries after I resigned from ATP.

10. I resigned as Managing Director of ATP in or about February, 2010. At that time I joined LogicSource as its CTO.

11. When I resigned as Managing Director of ATP, I understood that ATP was obligated to pay my deferred salary and that payment was not conditioned on a liquidity event or any other condition precedent.

12. I have reviewed the Complaint for Injunctive and Other Relief, dated January 17, 2011, Filed by the Securities and Exchange Commission against Burton Douglass Morrise and others.

13. While employed at ATP, I had no knowledge of the personal transfers or loans to Mr. Morrise or Morrise Holdings, or of any related party transaction, alleged in the Complaint. Similarly, I had no knowledge of either the "netting agreement" or promissory notes referenced in the Complaint.

14. I understood that Mr. Morrise was wealthy and believed much of his wealth was inherited. I had no knowledge of the financial difficulties allegedly experienced by Mr. Morrise or of his efforts to address those difficulties.

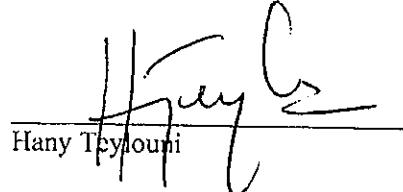
15. I am unaware whether or not Mr. Morrise, Acartha Group, MIC VII, ATP, or Gryphon Investments failed to disclose that Mr. Morris would or could use investor proceeds for personal use.

16. I had no role in the preparation, review, or dissemination of offering and operating documents of ATP, or of those of Acartha or any Acartha subsidiary.

17. I had no knowledge of the alleged defrauding of MIC VII and Gryphon Investment Investors alleged in the Complaint.

FURTHER DECLARANT SAYETH NAUGHT

I swear under penalty of perjury on this 17th day of June, 2014 that the foregoing is true and correct.



Hany Tbyouni