

JURY TRIAL DEMANDED

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI**

ACARTHA GROUP, LLC, by and)
through its RECEIVER,)
CLAIRE M. SCHENK,)
)
Plaintiff,)
)
vs.)
)
MORRISS HOLDINGS, L.L.C.,)
)
Defendant.)
)

Case No. 4:12-cv-1142-CEJ

ANSWER AND ADDITIONAL AND AFFIRMATIVE DEFENSES

Defendant, Morriss Holdings, L.L.C., states as follows for its Answer and Additional and Affirmative Defenses to Plaintiff’s Complaint for Breach of Note.

1. Admit.
2. Defendant states that the referenced Order speaks for itself. Except as expressly admitted herein, Defendant denies the allegations of paragraph 2.
3. Defendant states that the referenced Order speaks for itself. Except as expressly admitted herein, Defendant denies the allegations of paragraph 3.
4. Defendant states that it is a Missouri limited liability company organized in the State of Missouri in March of 1998. Defendant denies the remaining allegations of paragraph 4.
5. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 5 and, therefore, denies the same.
6. The allegations of paragraph 6 constitute legal conclusions rather than averments of fact, and Defendant therefore neither admits nor denies the same. To the extent an answer is required, Defendant denies the allegations of paragraph 6.

7. The allegations of paragraph 7 constitute legal conclusions rather than averments of fact, and Defendant therefore neither admits nor denies the same. To the extent an answer is required, Defendant denies the allegations of paragraph 7.

8. The allegations of paragraph 8 constitute legal conclusions rather than averments of fact, and Defendant therefore neither admits nor denies the same. To the extent an answer is required, Defendant denies the allegations of paragraph 8.

9. The allegations of paragraph 9 constitute legal conclusions rather than averments of fact, and Defendant therefore neither admits nor denies the same. To the extent an answer is required, Defendant denies the allegations of paragraph 9.

10. Defendant states that B. Douglas Morriss signed the document attached as Exhibit 1 to the Complaint, and further states that Exhibit 1 speaks for itself. Except as expressly admitted herein, Exhibit 1 speaks for itself.

11. Defendant states that the referenced documents speak for themselves. Except as expressly admitted herein, Defendant denies the allegations of paragraph 11.

12. Defendant states that the referenced document speaks for itself. Except as expressly admitted herein, Defendant denies the allegations of paragraph 12.

13. Defendant states that the referenced document speaks for itself. Except as expressly admitted herein, Defendant denies the allegations of paragraph 13.

14. Deny.

15. Defendant admits that on or about June 8, 2012, Plaintiff's counsel sent the letter attached as Exhibit 2 to the Complaint, and further states that Exhibit 2 speaks for itself. Except as expressly stated herein, Defendant denies the allegations of paragraph 15.

16. Deny.

17. Defendant lacks knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 17 and, therefore, denies the same.

18. Deny.

19. Deny.

20. Except as expressly admitted herein, Defendant denies each and every allegation contained in the Complaint.

ADDITIONAL AND AFFIRMATIVE DEFENSES

1. Further answering, Defendant states that Plaintiff has failed to state a claim upon which relief can be granted.

2. Further answering, Defendant states that Plaintiff's claim is barred by the doctrines of waiver, estoppel, and unclean hands.

3. Further answering, Defendant states that Plaintiff's claim fails because the Note is void and unenforceable for lack of consideration.

4. This matter should be consolidated with the action styled: *The United States Securities and Exchange Commission v. Burton Douglas Morriss, et al.*, Case No. 4:12-cv-80-CEJ pending in the United States District Court, Eastern District of Missouri.

5. Defendant demands a trial by jury.

WHEREFORE, Defendant respectfully prays that this Court enter judgment in Defendant's favor, and against Plaintiff, for Defendant's costs incurred herein, and for such other and further relief as this Court deems just and proper.

SHER CORWIN WINTERS LLC

/s/ David S. Corwin
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Attorneys for Defendant

CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing document on August 30, 2012, with the Clerk of the Court using the CM/ECF system, which will send notification to the following:

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