

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:)
) Case No.: 12-40164
) Chapter 7
 BURTON DOUGLAS MORRISS,)
) Judge: Kathy A. Surratt-States
)
)
 Debtor.)
)
)

**AFFIDAVIT OF LESLIE L. LANE IN SUPPORT OF FIRST AMENDED APPLICATION
FOR ORDER PURSUANT TO 11 U.S.C. SECTION 327 OF THE BANKRUPTCY CODE
AUTHORIZING THE EMPLOYMENT AND RETENTION OF LANE LAW FIRM AS
COUNSEL FOR THE DEBTOR *NUNC PRO TUNC* TO JANUARY 9, 2012**

STATE OF MISSOURI)
) ss.
COUNTY OF PHELPS)

Leslie L. Lane, being duly sworn, states:

1. I am an attorney at law admitted to practice in the State of Missouri and before the United States District Court for the Eastern District of Missouri. I am a member of the law firm Lane Law Firm, LLC, which is located at 208 N. Rolla Street, Rolla, Missouri 65401. I am personally familiar with the matters set forth herein and make this affidavit in support of the First Amended Application for Order Pursuant to 11 U.S.C. Section 327 of the Bankruptcy Code Authorizing the Employment and Retention of Lane Law Firm as Counsel for the Debtor *Nunc Pro Tunc* to January 9, 2012 (the "Application").

2. The Debtor selected Lane Law Firm to serve as his counsel in these bankruptcy proceedings from January 9, 2012, the Petition Date, to on or about April 17, 2012, for the purpose of providing legal services to the Debtor necessary for the administration of this estate, as more fully set forth in the Application.

3. Debtor agreed to compensate Lane Law Firm for services rendered by me in these bankruptcy proceedings at the hourly rate of \$250 per hour, which reflects a substantial discount from the hourly rate I have charged in other large, complex chapter 11 proceedings. Such rate is competitive with the hourly rates charged by other attorneys in this district for matters of a similar nature.

4. On June 18, 2012, the Court conducted a hearing on Lane Law Firm's Application for Order Pursuant to 11 U.S.C. Section 327 of the Bankruptcy Code Authorizing the Employment and Retention of Lane Law Firm as Counsel for the Debtor *Nunc Pro Tunc* to January 9, 2012 (the "Retention Application").

5. At the hearing, the Court found that there was a question as to the disinterestedness of Lane Law Firm and, therefore, the Court could not determine from the Retention Application as filed whether Lane Law Firm is a disinterested person within the meaning of the Bankruptcy Code. On that basis, the Court entered an Order on June 29, 2012 denying the Retention Application and further ordered the disgorgement of the \$12,000 pre-petition retainer that Lane Law Firm received. However, the Order also provided that Lane Law Firm could file an amended application setting forth additional details concerning my prior representation of the Debtor and related entities so that the Court could determine whether Lane Law Firm is a disinterested person.

6. Accordingly, Lane Law Firm submitted the Amended Application to provide additional details concerning those prior representations.

PRIOR REPRESENTATIONS

A. Representations from December 15, 2011 to January 8, 2012.

7. Except for the very limited representations specifically set forth in this section, in the four years immediately preceding the commencement of the Debtor's bankruptcy filing, neither Lane Law Firm nor I had any connection with, nor provided any services to, the Debtor, any affiliates of the Debtor or any creditors of the Debtor. In addition, I rendered no legal services to, or on behalf of, Jacobs Partners LLC during that time period.

8. On December 15, 2011, I was contacted by Jacobs Partners to determine if Lane Law Firm would appear as local counsel on behalf of the defendants in the matter: *Ron Nixon and Wilmington Trust Company, as Co-Trustees of the Bailey Quin Daniel 1991 Trust, JBG Interests, LLC, and HEG Interests, LLC vs. Acartha Group, LLC, MIC VII, LLC and B. Douglass Morriss*; commenced in the Circuit Court for St. Louis County (the "Nixon Litigation"). The Plaintiffs in the Nixon Litigation sought injunctive and other relief. Lane Law Firm appeared on behalf of all the defendants in the Nixon Litigation. The exact services that Lane Law Firm performed are described in detail in the invoices that were submitted directly to Jacobs Partners. The invoices are attached to hereto as Exhibit A. Essentially, the representation consisted of reviewing the complaint, performing legal research and preparing for and attending depositions that were conducted in St. Louis. I was present in St. Louis during the deposition, but the deposition was defended by Mr. Jacobs from Jacobs Partners via telephone. The interests of the Debtor were aligned with the interests of the other related defendants.

9. In early January, 2012, the decision was made to put Mr. Morriss, the other two Defendants in the Nixon Litigation (MIC VII and Acartha Group), and Acartha Technology Parnters, L.P. into chapter 11 proceedings. It was determined that Jacobs Partners would represent the entities and Lane Law Firm would represent Mr. Morriss. However, it was

requested that Lane Law Firm also assist in the preparation of the barebones petitions for the three entities. This decision was based largely on the fact that Lane Law Firm had the bankruptcy preparation software needed to prepare the basic petitions. The information needed to complete the entity petitions was provided to Lane Law Firm by the entities and Lane Law Firm then entered that data into the appropriate form. Lane Law Firm was not involved in any substantive issues or determinations related to the entity debtors. A more detailed description of the services rendered are included in the invoices attached hereto as Exhibit B.

B. Representations from 2008 to December 15, 2011.

10. In January 2008, I formed Lane Law Firm, LLC. Lane Law Firm and I did not provide any services to the Debtor, his affiliates or creditors during this period of time. In addition, Lane Law Firm and I did not provide any services to Jacobs Partners, LLC during this period of time.

C. Representations Prior to 2008

11. Prior to 2008, while associated with Jacobs Partners LLC, I provided the following services to the Debtor or entities related to the Debtor:

a. (2000 – 2005) Representation of Verde Media, Inc., as debtor and debtor-in-possession, in the United States Bankruptcy Court for the District of Delaware. Upon information and belief, Verde Media was an entity that was owned by one of the investment funds controlled by entities related to the Debtor.

b. (2002) Representation of MIC Aircraft, LLC, as debtor and debtor-in-possession, in the United States Bankruptcy Court for the District of Delaware. Upon information and belief, MIC Aircraft was an entity that was controlled by entities related to the Debtor.

c. (2003 – 2006) Representation of the Debtor, MIC III, LLC, The Witan

Company, L.P., Gyphon Holdings, Inc., Gryphon Holdings B, L.P., Gryphon Investments LLC, Gryphon Holdings II B, L.P., Gryphon Investments II, LLC, Morriss Administration, L.L.C., Morriss Ventures, L.L.C., Morriss Holdings, L.L.C., Gryphon Holdings II, LLP, Berkley Holdings, Inc., and the Barbara Burton Morriss Revocable Trust in litigation commenced by Net Jets, Inc. for breach of contract.

d. (2005) Representation of Cirqit.com, Inc. in connection with general business and financing issues. Upon information and belief, Cirqit.com was an entity that was owned by one of the investment funds controlled by entities related to the Debtor.

e. (2007) Limited representation of Debtor, Kinexus Representative LLC, Morriss Holdings LLC, MIC III LLC, MIC V LLC, and Berkeley Holdings in connection with the prosecution of litigation against Advent Software, Inc. in the Court Of Chancery Of The State Of Delaware, In And For New Castle County. My representation in said case was very limited both in time and substance and I have little knowledge of the issues presented in the litigation.

12. I do not believe that any of the representations disclosed herein create any interest that is materially adverse to the Debtor, his estate or his creditors. I believe that Lan Law Firm is a disinterested person within the meaning of the Bankruptcy Code. Except for the very limited representations discussed above in sub-paragraph A, neither Lane Law Firm nor I represented the Debtor or any affiliates during the four years preceding the petition date. Further, neither Lane Law Firm nor I provided any representation to the Debtor during the time periods that are the subject of the SEC Litigation or the Nixon Litigation.

13. I have read the Application, and to the best of my knowledge, information and belief, the contents of said Application are true and correct.



Les L. Lane (EDMO # 5222798)
208 N. Rolla St.
Rolla, MO 65401
Telephone: (573) 426-5251
Facsimile: (573) 426-5540
Email: lanelaw@fidnet.com

SUBSCRIBED AND SWORN to before me this 17th day of July, 2012.



Notary Public

My commission expires:

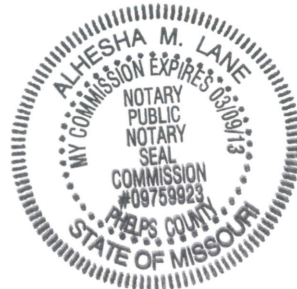


EXHIBIT A

CLIENT STATEMENT

LANE LAW FIRM, LLC
 208 N. ROLLA ST.
 ROLLA, MO 65401
 573.426.5251

Date
5/2/2012

To:
Jacobs Partners LLC

Terms	Amount Due
	\$5,706.09

Date	Transaction	Amount	Balance
11/30/2011	Balance forward		0.00
12/15/2011	Nixon v. Morriss- Confer w/ RMF re Nixon v. Acartha, MIC VII and Morriss; Discuss basics of litigation and coverage of upcoming depositions; Receive and respond to emails from RMF and MRJ re same and review attachments thereto --- LL/JP Hourly Rate, 0.7 @ \$250.00 = 175.00	175.00	175.00
12/15/2011	Review investor package; receive and respond to emails from MRJ and RMF; Review deposition notices and subpoenas; T/c w/ RMF re depositions --- LL/JP Hourly Rate, 1.5 @ \$250.00 = 375.00	375.00	550.00
12/17/2011	Receive and respond to emails from MRJ/RMF re litigation issues --- LL/JP Hourly Rate, 0.2 @ \$250.00 = 50.00	50.00	600.00
12/19/2011	Legal research re telephonic appearance by party at depositions; Review draft agreed TRO; emails to/from MRJ/RMF re litigation; T/c w/ MRJ and RMF --- LL/JP Hourly Rate, 0.8 @ \$250.00 = 200.00	200.00	800.00
12/20/2011	Legal research re unfair insurance practice acts under Missouri and New Jersey law --- LL/JP Hourly Rate, 0.6 @ \$250.00 = 150.00	150.00	950.00
12/20/2011	Conference calls w/ co-counsel and defendants re depositions and strategy; review plaintiffs motion for a TRO and appointment of receiver; Confer w/ nonparty deponent re deposition; travel from Rolla, MO to ST. Louis for depositions; Prep for depositions; receive and respond to number of emails from counsel and parties --- LL/JP Hourly Rate, 5 @ \$250.00 = 1,250.00	1,250.00	2,200.00
12/20/2011	PMT Received wire from Jacobs Partners re retainer in Nixon litigation	-2,500.00	-300.00

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
100.00	5,606.09	0.00	0.00	0.00	\$5,706.09

CLIENT STATEMENT

LANE LAW FIRM, LLC
 208 N. ROLLA ST.
 ROLLA, MO 65401
 573.426.5251

Date
5/2/2012

To:
Jacobs Partners LLC

		Terms	Amount Due		
			\$5,706.09		
Date	Transaction	Amount	Balance		
12/21/2011	Prep and attend depositions in St. Louis re Nixon v. Morriss litigation; confer w/ co-counsel and opposing counsel re agreed TRO and hearing on appointment of receiver; instruct MM re filing of agreed TRO and appearance at hearing; forward relevant documents to MM; review pro hac vice rules/procedure --- LL/JP Hourly Rate, 13 @ \$250.00 = 3,250.00	3,250.00	2,950.00		
12/21/2011	Overnight lodging and meals in STL for attendance at depositions --- Out of Pocket Expense \$240.59	240.59	3,190.59		
12/21/2011	Mileage to/from STL for depositions (210 miles @ \$0.55/mile) --- Out of Pocket Expense \$115.50	115.50	3,306.09		
12/22/2011	Draft Appearances for LLL, MRJ and MM in Nixon v. Morriss litigation; Draft pro hac vice application for MRJ; Review drafts of agreed TRO; Confer w/ counsel re TRO and continuance of hearing on Receiver; instruct MM re filing TRO and appearances and meeting w/ counsel; Receive and respond to number of emails from counsel and parties; T/cs w/ MRJ, RMF and MM --- LL/JP Hourly Rate, 6.5 @ \$250.00 = 1,625.00	1,625.00	4,931.09		
12/27/2011	Confer w/ MRJ re answer to complaint --- LL/JP Hourly Rate, 0.2 @ \$250.00 = 50.00	50.00	4,981.09		
12/28/2011	Conference call w/ co-counsel and defendants re litigation strategy; review and comment on answer to complaint; emails to/from counsel and clients --- LL/JP Hourly Rate, 1.6 @ \$250.00 = 400.00	400.00	5,381.09		
12/29/2011	Legal research re verification of answer and right to amend answer; confer w/ MRJ and MM re same; receive and respond to emails from counsel and clients re litigation strategy --- LL/JP Hourly Rate, 0.7 @ \$250.00 = 175.00	175.00	5,556.09		
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
100.00	5,606.09	0.00	0.00	0.00	\$5,706.09

CLIENT STATEMENT

LANE LAW FIRM, LLC
 208 N. ROLLA ST.
 ROLLA, MO 65401
 573.426.5251

Date
5/2/2012

To:
Jacobs Partners LLC

Terms	Amount Due
	\$5,706.09

Date	Transaction	Amount	Balance
12/31/2011	Review draft letter to investors re chapter 11 strategy and DIP loan --- LL/JP Hourly Rate, 0.2 @ \$250.00 = 50.00	50.00	5,606.09
01/02/2012	Conference call w/ MRJ and RMF re litigation strategy; review comments to draft investor strategy letter --- LL/JP Hourly Rate, 0.4 @ \$250.00 = 100.00	100.00	5,706.09

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
100.00	5,606.09	0.00	0.00	0.00	\$5,706.09

EXHIBIT B

CLIENT STATEMENT

LANE LAW FIRM, LLC
 208 N. ROLLA ST.
 ROLLA, MO 65401
 573.426.5251

Date
5/2/2012

To:
Jacobs Partners LLC

		Terms	Amount Due
			\$0.00
Date	Transaction	Amount	Balance
11/30/2011	Balance forward		0.00
01/02/2012	MIC VII Chapter 11 Prep- T/c w/ MRJ, RMF re chapter 11 strategy --- LL/JP Hourly Rate, 0.2 @ \$250.00 = 50.00	50.00	50.00
01/03/2012	Receive and respond to emails from MRJ/RMF --- LL/JP Hourly Rate, 0.1 @ \$250.00 = 25.00	25.00	75.00
01/04/2012	Conference call w/ MRJ, RMF, W. Morriss and D. Brown; Receive and respond to emails from same --- LL/JP Hourly Rate, 0.5 @ \$250.00 = 125.00	125.00	200.00
01/05/2012	Conference call w/ MRJ, RMF and W. Morriss re chapter 11 issues; receive and respond to numerous emails from same; review creditor information; research re venue issues and requirements for bare bones petition --- LL/JP Hourly Rate, 1.3 @ \$250.00 = 325.00	325.00	525.00
01/06/2012	Finalize chapter 11 bare bones petition; receive and respond to emails re same; Coordinate filing w/ DLF --- LL/JP Hourly Rate, 1.5 @ \$250.00 = 375.00	375.00	900.00
01/13/2012	PMT Received check from Jacobs Partners	-900.00	0.00
CURRENT			
0.00			\$0.00
	1-30 DAYS PAST DUE		
	0.00		
	31-60 DAYS PAST DUE		
	0.00		
	61-90 DAYS PAST DUE		
	0.00		
	OVER 90 DAYS PAST DUE		
	0.00		
			Amount Due
			\$0.00