

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
vs.)
)
BURTON DOUGLAS MORRISS, *et al.*,)
)
Defendants,)
)
And)
)
MORRISS HOLDINGS, LLC,)
)
Relief Defendant.)

Case No.: 4:12-cv-00080-CEJ

**SUPPLEMENTAL RESPONSE OF RELIEF DEFENDANT,
MORRISS HOLDINGS, LLC, TO PLAINTIFF'S
MOTION TO COMPEL PRODUCTION OF DOCUMENTS**

On May 21, 2012, Defendant Burton Douglas Morriss filed his response to the SEC's motion to compel his production of documents. (Doc. #168.) In that response, Mr. Morriss detailed his proposal for producing documents to the SEC, to include all electronic and paper data in his possession, a proposal that was rejected by the SEC. Relief Defendant, Morriss Holdings, LLC ("Morriss Holdings"), now joins in Mr. Morriss's offer of production and adopts the facts and arguments set forth in Mr. Morriss's response. This proposed production would include not only those documents that Morriss Holdings has already agreed to produce to the SEC, but would in fact also include all documents in Morriss Holdings' and Mr. Morriss's

possession that are responsive to the SEC's requests. As Mr. Morriss states, these documents would be produced as they "are kept in the usual course of business," as required by Rule 34(b)(2)(E).

The SEC has raised concerns about the cost of reviewing the quantity of documents to be produced, particularly with respect to the electronic data. However, those concerns do not affect these parties' obligations. First, as noted above, the proposal made by Mr. Morriss and Morriss Holdings fully comports with the requirements of Rule 34(b)(2)(E). Second, with respect to any cost considerations, the SEC stands on far better financial footing to bear this cost than does Morriss Holdings. As Morriss Holdings has pointed out repeatedly, and as every party to this litigation knows, Morriss Holdings' assets have been frozen by this Court's order entered at the SEC's request. Indeed, as of this date, Morriss Holdings has no assets even to pay its attorneys, who continue to work on its behalf despite that fact. Morriss Holdings simply does not have the resources to conduct the sort of document and electronic data review the SEC desires.

In these circumstances, the proposal offered by Mr. Morriss and Morriss Holdings is not only legally sufficient, but is also eminently reasonable. (*See* discussion at Doc. #168, pp. 9-13.) The SEC's motion to compel should be denied.

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CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing on May 23, 2012 with the Clerk of the Court using the CM/ECF system, which will send notification to the following:

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