

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.)	

**RECEIVER’S NOTICE OF NO OBJECTION AND
REQUEST FOR ENTRY OF AN ORDER ON
RECEIVER’S FIRST INTERIM APPLICATION FOR ALLOWANCE
AND PAYMENT OF FEES AND EXPENSES INCURRED BY THE
RECEIVER, RETAINED COUNSEL AND OTHER PROFESSIONALS**

By Order entered January 17, 2012, the Court appointed Claire M. Schenk as Receiver (“Receiver”) over Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP and Gryphon Investments III, LLC (collectively, the “Receivership Entities”). On May 4, 2012, in accordance with the Order Appointing Receiver, the Receiver filed her *First Interim Application for Allowance and Payment of Fees and Expenses Incurred by the Receiver, Retained Counsel and Other Professionals* (the “Application”). In the Application, the Receiver sought an order from the Court authorizing (i) an award of fees and costs in the amount of \$352,575.48 and (ii) the Receiver to make payments as follows based upon the authority submitted by the Receiver in support of this Application: (a) \$301,266.96 in legal fees (representing eighty percent (80%) of invoiced fees) and \$21,158.67 in costs for Thompson Coburn LLP; (b) \$12,724.61 in professional fees (representing eighty percent (80%) of invoiced fees) for Segue Equity Group,

LLC; (c) \$4,531.46 in legal fees (representing eighty percent (80%) of invoiced fees) and \$217.78 in costs for Pepper Hamilton, LLP; and (d) \$12,676.00 in professional fees (representing eighty percent (80%) of invoiced fees) for FTL Capital, LLC. The Receiver served a copy of the Application upon all parties receiving notice in this case. Objections to the relief requested in the Application were due on or before Monday, May 14, 2012. *See* E.D.Mo. L.R. 7-4.01(B); Fed. R. Civ. P. 6. No objections have been filed.

Additionally, on May 14, 2012, the Receiver filed a redacted copy of Exhibit C¹ to the Application, which exhibit the Receiver originally filed under seal with the Court. The Receiver also posted a copy of the Application, along with redacted Exhibit C to the Application, on the Receiver's external website, at <http://www.thompsoncoburn.com/news-and-information/acartha-receivership-information/receiversfeeapplications.aspx>. The Receiver's posting permitted investors and other parties-in-interest access to both the Receiver's Application and the redacted bills supporting the Receiver's request for allowance and payment of fees and expenses.

Considering that (i) parties in the case, investors and other parties-in-interest have had ample time to review the Receiver's Application and redacted Exhibit C and (ii) no objections to the relief requested in the Application have been filed, the Receiver respectfully requests that the Court grant the Application and enter the proposed *Order*, filed simultaneously herewith as Exhibit A to this Notice.

¹ Exhibit C contains the detailed bill statements for Thompson Coburn LLP, Segue Equity Group, Pepper Hamilton, LLP, and FTL Capital, LLC.

CERTIFICATE OF SERVICE

I hereby certify that on May 25, 2012, 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:

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

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

David S. Corwin
Vicki L. Little
Sher Corwin LLC
190 Carondelet Plaza
Suite 1100
St. Louis, Missouri 63105
Counsel for Morriss Holdings, LLC

/s/ Stephen B. Higgins

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Defendants, and)
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MORRISS HOLDINGS, LLC,)
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Relief Defendant.)

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

**ORDER ON RECEIVER’S FIRST INTERIM APPLICATION FOR ALLOWANCE AND
PAYMENT OF FEES AND EXPENSES INCURRED BY THE RECEIVER, RETAINED
COUNSEL AND OTHER PROFESSIONALS**

This matter is before the Court on the *Receiver’s First Application for Allowance and Payment of Expenses Incurred by the Receiver, Counsel and Other Professionals* (the “Application”) filed by Claire M. Schenk, the court-appointed receiver (the “Receiver”) for Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, L.P. and Gryphon Investments III, LLC in this action. In the Application, the Receiver states that \$435,375.23 was incurred by various entities for legal and professional fees and expenses, consisting of: (a) \$397,742.37 in legal fees and costs for Thompson Coburn LLP, the Receiver’s primary counsel; (b) \$15,905.76 in professional fees for Segue Equity Group, LLC, the Receiver’s accountants; (c) \$5,882.10 in legal fees and costs for Pepper Hamilton, LLC, the Receiver’s Delaware counsel; and (d) \$15,845.00 in professional fees for FTL Capital, LLC, the Receiver’s business advisors. The Receiver is seeking only 80 percent (80%) of the total amount of legal and professional fees and one hundred percent (100%) of incurred costs at this time, thereby reducing

Ex. A

the total amount sought to \$352,575.48, and without prejudice to the Receiver's right to seek payment of the remaining twenty percent (20%) of incurred legal and professional fees upon further application to this Court.

Having fully considered the Application and being duly advised as to the merits,

THE COURT DOES HEREBY ORDER THAT

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

2. The presented fees and expenses are allowed and the Receiver is authorized to make the following payments out of the assets of the Receivership estate:

- (a) \$301,266.96 in legal fees and \$21,158.67 in costs for Thompson Coburn LLP, the Receiver's primary counsel;
- (b) \$12,724.61 in professional fees for Segue Equity Group, LLC, the Receiver's accountants;
- (c) \$4,531.46 in legal fees and \$217.78 in costs for Pepper Hamilton, LLP, the Receiver's Delaware counsel; and
- (d) \$12,676.00 in professional fees for FTL Capital, LLC, the Receiver's business advisors.

SO ORDERED this the ____ day of _____, 2012.

THE HONORABLE CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE