

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI

CASE NO. 12-CV-80-CEJ

SECURITIES AND EXCHANGE COMMISSION, )  
)  
Plaintiff, )  
v. )  
)  
BURTON DOUGLAS MORRISS, )  
ACARTHA GROUP, LLC, )  
MIC VII, LLC, )  
ACARTHA TECHNOLOGY PARTNERS, LP, and )  
GRYPHON INVESTMENTS III, LLC, )  
)  
Defendants, and )  
)  
MORRISS HOLDINGS, LLC, )  
)  
Relief Defendant. )  
\_\_\_\_\_ )

**PLAINTIFF’S REPLY TO RELIEF  
DEFENDANT MORRISS HOLDINGS’ SUPPLEMENTAL RESPONSE  
TO PLAINTIFF’S MOTION TO COMPEL PRODUCTION OF DOCUMENTS (D.E. 172)**

Relief Defendant Morriss Holdings, LLC, without any explanation, has decided to renege on its previously announced agreement with the Commission to comply with its discovery obligations and produce certain documents responsive to the Commission’s requests.<sup>1</sup> Instead, Morriss Holdings now seeks to follow Defendant Burton Douglas Morriss’ lead and absolve itself of its discovery obligations by dumping thousands of paper documents and an undisclosed volume of electronic data on the Commission. For the same reasons stated in the Commission’s Reply to Defendant Burton Douglas Morriss’ Response to Plaintiff’s Motion to Compel

<sup>1</sup> In its May 8, 2012 Response to the Commission’s Motion to Compel, Morriss Holdings advised the Court it “has agreed to provide non-privileged documents or information pursuant to the Commission’s modified requests.” (D.E. 162 at 1).

Production of Documents, Morriss Holdings' new proposal would unduly burden the Commission, delay discovery, and most importantly violate Fed. R. Civ. P. 34. (D.E. 175).<sup>2</sup>

Morriss Holdings has repeatedly delayed discovery in this case. It failed to appear at its duly noticed Fed. R. Civ. P. 30(b)(6) deposition (D.E. 42 at Exs. 1 & 2), refused to provide a sworn accounting as required by the Court's January 17, 2012 Order (D.E. 82 & 119), and has yet to produce a single responsive document to the Commission's over four-month-old initial document request. Morriss Holdings' latest proposal to have the Commission locate responsive "needles in a haystack" of hundreds of thousands of non-responsive documents would further impede the Commission's ability to conduct meaningful discovery and delay this case.

Consequently, the Commission respectfully requests the Court reject Morriss Holdings' latest production proposal, require it to follow through with its original agreement and conduct a reasonable search for and produce, by a date certain, all documents responsive to the Commission's First Request for Production of Documents.

Respectfully submitted,

June 1, 2012

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<sup>2</sup> The Commission incorporates by reference its Reply. (D.E. 175).

**CERTIFICATE OF SERVICE**

I hereby certify that on June 1, 2012, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a notice of electronic filing to the following:

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