

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

CASE NO. 12-CV-00080-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 NOTICE OF FILING CONSENT OF DEFENDANT BURTON DOUGLAS MORRISS TO FINAL JUDGMENT AND REQUEST FOR ENTRY OF JUDGMENT

Plaintiff Securities and Exchange Commission files the Consent of Defendant Burton Douglas Morriss to the entry of a Final Judgment. The Consent and proposed Final Judgment are attached to this notice, and the Commission asks the Court to enter the Final Judgment.

If the Court enters the attached Final Judgment, that will resolve all issues as to Morriss. Simultaneously, we are filing a notice dismissing the Commission’s claims for disgorgement, prejudgment interest, and civil penalties against the four corporate defendants (now under the control of the Court-appointed receiver), and our claims for disgorgement and prejudgment interest against Relief Defendant Morriss Holdings, LLC. That will resolve the Commission’s

case in its entirety, although the case should remain open as the Receiver continues to marshal the assets of the receivership estate.

February 24, 2014

Respectfully submitted,

By: s/Robert K. Levenson
Robert K. Levenson
Regional Trial Counsel
Florida Bar No. 0089771
Direct Dial: (305) 982-6341
E-mail: levensonr@sec.gov

Attorney for Plaintiff
**SECURITIES AND EXCHANGE
COMMISSION**
801 Brickell Avenue, Suite 1800
Miami, Florida 33131
Telephone: (305) 982-6300
Facsimile: (305) 536-4154

CERTIFICATE OF SERVICE

I hereby certify that on February 24, 2014, 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:

Stephen B. Higgins, Esq.
Kevin Carnie, Esq.
Brian A. Lamping, Esq.
Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri 63101
Telephone: 314.552.6047
Facsimile: 314.552.7047
Counsel for Receiver

John R. Ashcroft, Esq.
The Ashcroft Law Firm LLC
222 S. Central Avenue, Suite 110
St. Louis, Missouri 63105

Telephone: 314.863.7001
Facsimile: 314.863.7008
Counsel for Defendant Burton D. Morriss

Morriss Holdings, LLC
P.O. Box 50416
St. Louis, Missouri 63105

Morris Holdings, LLC
c/o CSC-Lawyers Incorporating Service Company
221 Bolivar Street
Jefferson City, Missouri 65101

s/Robert K. Levenson
Robert K. Levenson

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SECURITIES AND EXCHANGE COMMISSION,)
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 MIC VII, LLC,)
 ACARTHA TECHNOLOGY PARTNERS, LP, and)
 GRYPHON INVESTMENTS III, LLC,)
)
 Defendants, and)
)
 MORRISS HOLDINGS, LLC,)
)
 Relief Defendant.)
 _____)

CONSENT OF DEFENDANT BURTON DOUGLAS MORRISS

1. Defendant Burton Douglas Morriss acknowledges having been served with the Complaint and admits the Court’s jurisdiction over Morriss and over the subject matter of this action.

2. Without admitting or denying the allegations of the Complaint (except as to personal and subject matter jurisdiction, which Morriss previously admitted), Morriss consents to the entry of the Final Judgment as to Defendant Burton Douglas Morriss (“Final Judgment”) in the form attached and incorporated by reference, which, among other things, orders Morriss to pay disgorgement of \$9.1 million plus prejudgment interest of \$416,090.71.

3. Morriss waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

4. Morriss waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

5. Morriss enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to Morriss or anyone acting on his behalf except as stated in this Consent or the attached Final Judgment to induce Morriss to enter into this Consent.

6. Morriss agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth herein.

7. Morriss will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

8. Morriss waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Morriss of its terms and conditions. Morriss further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Morriss has received and read a copy of the Final Judgment.

9. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Morriss in this civil proceeding. Morriss acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Morriss waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition

of any remedy or civil penalty herein. Morriss further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Morriss understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

10. Morriss understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Morriss' agreement to comply with the terms of Section 202.5(e), Morriss: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Morriss does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Morriss does not deny the allegations; and (iii) upon the filing of this Consent, Morriss hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Morriss breaches

this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Morriss': (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

11. Morriss hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Morriss to defend against this action. For these purposes, Morriss agrees that Morriss is not the prevailing party in this action since the parties have reached a good faith settlement.

12. Morriss agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

13. Morriss agrees he is liable for disgorgement of \$9.1 million, together with prejudgment interest in the amount of \$416,090.71. Morriss agrees to satisfy this obligation by paying \$9,516,090.71 within 14 days after entry of this Final Judgment by: (1) transmitting payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request; (2) paying directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofin.htm>; or (3) paying by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to Enterprise Services Center, Accounts Receivable Branch, 6500 South MacArthur Boulevard, Oklahoma City, OK 73169. Morriss agrees the payment shall be accompanied by a letter identifying the case title, civil action

number, and name of this Court; Morriss as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment. Morriss shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action, Robert K. Levenson, 801 Brickell Ave., Suite 1800, Miami, FL 33131. Morriss agrees he shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of the attached Final Judgment.

14. Morriss agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: November 4, 2013


BURTON DOUGLAS MORRISS

On this 4 day of NOVEMBER, 2013, before me personally appeared BURTON DOUGLAS MORRISS who _____ is personally known to me or _____ who produced a Drivers License, bearing his name and photograph as identification, and who executed this Consent, and he acknowledged to me that he executed the same.



Notary Public

5/26/17

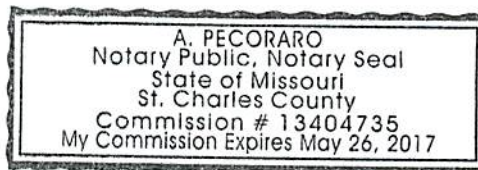
Commission Expires

Approved as to Form:



John R. Ashcroft, Esq.

The Ashcroft Law Firm LLC
222 S. Central Avenue, Suite 110
St. Louis, Missouri 63105
Telephone: 314.863.7001
Facsimile: 314.863-7008
jrashcroft@ashcroftlawfirm.com



UNITED STATES DISTRICT COURT
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SECURITIES AND EXCHANGE COMMISSION,)
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Plaintiff,)
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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.)
_____)

FINAL JUDGMENT AS TO DEFENDANT BURTON DOUGLAS MORRISS

The Securities and Exchange Commission having filed a complaint, and Defendant Burton Douglas Morriss having: entered a general appearance; consented to the Court’s jurisdiction over him and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Morriss admits); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

DISGORGEMENT AND PREJUDGMENT INTEREST

IT IS ORDERED AND ADJUDGED that Morriss is liable for disgorgement of \$9.1 million, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest of \$416,090.71. Morriss shall satisfy this obligation by paying \$9,516,090.71 within 14 days after the entry of this Final Judgment.

Morriss may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account or by credit or debit card via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Burton Douglas Morriss as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Morriss shall simultaneously transmit photocopies of evidence of payment and case identifying information to: Robert K. Levenson, Regional Trial Counsel, U.S. Securities & Exchange Commission, 801 Brickell Avenue, Suite 1800, Miami, FL, 33131. By making this payment, Morriss relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to him. The Commission shall hold any funds collected pursuant to this Final Judgment for possible distribution to investors, through the Court-appointed Receiver or otherwise, pending further order of the Court.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Morriss shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

CIVIL PENALTY

The Commission's claim for a civil penalty against Morriss is dismissed.

DONE AND ORDERED in Chambers at St. Louis, Missouri, this ____ day of _____, 2013.

CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record