

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.)	

SUPPLEMENTAL MEMORANDUM REGARDING OBJECTION OF HANY TEYLOUNI TO RECEIVER’S NOTICE OF DETERMINATION

Claire M. Schenk, (the “Receiver”) provides the following new information to support her prior determination to disallow claimant Hany Teylouni’s claim. On February 12, 2014, the Receiver notified Mr. Teylouni that she was recommending that his claim for deferred compensation be disallowed. Following communications with the Receiver, Mr. Teylouni filed his objection with the Court (ECF No. 337).

The reasons for the Receiver’s determination were outlined in the Notice of Determination and explained in the Receiver’s Response to Objection of Hany Teylouni (ECF No. 344) (“Response”). As the Court’s Claims Bar Date Order (ECF No. 234) explains, however, the Receiver maintains a continuing right to assert defenses to a claimant’s claim. Here, the Receiver files this supplemental memorandum to provide new and additional information in support of her position.

Mr. Teylouni Did Not Provide Sufficient Information to Support His Claim, and Third-Party Information Suggests He May Not Have a Claim Because It May Have Been Paid

As the Receiver noted in her Notice of Determination, during the claims process, Mr. Teylouni failed to provide all information required by the Receivership Court's Claims Bar Date Order. In particular, Mr. Teylouni failed to establish what monies Mr. Teylouni may have received from the Receivership Entities and stated that he was unable to provide an accounting of monies received. This information directly impacted the Receiver's ability to assess whether Mr. Teylouni had actually received the deferred compensation that he claimed was due to him. Since issuing her Notice of Determination, the Receiver has received additional information that further emphasizes the need for Mr. Teylouni to provide the Receiver and Court with further information should the Court determine that Mr. Teylouni has an allowable claim.

On or about September 29, 2014, after filing her Response to Mr. Teylouni's objection to her claim determination, the Receiver received unsolicited information (the "Information") from a Federal agency. The Information is inconsistent with a specific written statement that Mr. Teylouni provided the Receiver during the claims process. That Information also raises the question—again—as to whether some, or all, of the claimed amount for deferred compensation may have been paid.

The Receiver sought clarifying information from Mr. Teylouni through contact with Mr. Teylouni's counsel, but Mr. Teylouni failed to respond. In particular, the Receiver sent a letter to Mr. Teylouni's counsel on February 25, 2015 and asked for a response by March 3, 2015. On March 3 and March 17, 2015, Mr. Teylouni's counsel notified the Receiver that he had not received a response yet from Mr. Teylouni. The Receiver sent a follow-up letter to Mr. Teylouni's counsel on March 19, 2015 and asked for a response by March 30, 2015. On March

30, 2015, Mr. Teylouni's counsel again informed the Receiver that he had not received a response from Mr. Teylouni.

As of this filing, Mr. Teylouni has not provided the Receiver with any additional information that addresses the inconsistency or demonstrates that the Information does not preclude Mr. Teylouni from claiming amounts due from the Receivership Entities. Mr. Teylouni has, therefore, failed to provide sufficient information showing that the Receivership Entities actually owe Mr. Teylouni the claimed deferred compensation. The Claims Bar Date Order required all claimants to provide supporting documentation for their proof of claim. It also explained to claimants that the Receiver's determinations would be based on a "review of the information submitted by the Claimant in light of the information available to the Receiver." Here, where Mr. Teylouni failed to provide sufficient supporting documentation for his claim in the first instance, and where the documentation he provided conflicted with the Information received from a Federal agency, the Receiver's determination to disallow Mr. Teylouni's claim is reasonable.

WHEREFORE, because Mr. Teylouni has failed to provide sufficient information to support his claim and because he has failed to cooperate in clarifying the apparently inconsistent statement, the Receiver respectfully reaffirms her determination that Mr. Teylouni's claim should be disallowed and requests that the Court uphold the Receiver's disallowance of Mr. Teylouni's claim.

Dated: April 8, 2015

Respectfully Submitted,

THOMPSON COBURN LLP

By /s/ Kathleen E. Kraft

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CERTIFICATE OF SERVICE

I hereby certify that on April 8, 2015, 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 all parties receiving CM/ECF service.

/s/ Kathleen E. Kraft