

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.)	

**MOTION FOR LEAVE TO FILE EXHIBIT C
TO THE RECEIVER’S MEMORANDUM OF LAW IN SUPPORT OF RECEIVER’S
MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT BETWEEN GRYPHON
INVESTMENTS III, LLC AND JOHN S. WEHRLE, GRYPHON INVESTMENTS II,
LLC, AND CIRQIT.COM, LLC UNDER SEAL**

Receiver Claire M. Schenk, in her capacity as receiver (“Receiver”) for Acartha Group, LLC, Acartha Technology Partners, L.P., MIC VII, LLC, and Gryphon Investments III, LLC (collectively, the “Receivership Entities”), respectfully requests leave of this Court to file Exhibit C to the Receiver’s *Memorandum of Law in Support of Receiver’s Motion for Approval of Settlement Agreement Between Gryphon Investments III, LLC and John S. Wehrle, Gryphon Investments II, LLC, and Cirqit.com, LLC* (the “Motion”) under seal pursuant to E.D. Mo. L.R. 83-13.05(A). In support of this motion, the Receiver states as follows:

1. In connection with her duty to manage the business affairs of the Receivership Entities, the Receiver has engaged in the daily work of managing the Receivership’s investment assets, which consist of illiquid interests in various portfolio concerns. These venture capital concerns are newly developing companies and are not traded on the open market.

2. In the Motion, the Receiver seeks authorization from the Court to, among other things, consummate Cirqit.com, LLC's ("Cirqit") redemption of the Receivership's interest in Cirqit, which is dependent in part on Cirqit's proposed redemption of a portion of its holdings in LogicSource. Cirqit and LogicSource are private companies and have not authorized the Receiver to disclose Cirqit's and/or LogicSource's proprietary and confidential information.

3. For this reason, the Receiver seeks to file Exhibit C to the Motion under seal. Exhibit C is the Valuation Report prepared by the Receiver's expert, Ed Morris, to evaluate the reasonableness of the proposed redemption price for the Receivership's Series D preferred shares in Cirqit. In his evaluation, Mr. Morris relied on and cited confidential financial and other non-public information concerning Cirqit and LogicSource. Cirqit and LogicSource have not authorized the Receiver to disclose this information.

4. In order to provide additional information to the investors in the Receivership Entities regarding the proposed sale of the Receivership's interest, the Receiver is filing a redacted version of Exhibit C with the Motion. The redactions protect the confidentiality of Cirqit's and LogicSource's financial and other non-public information. Furthermore, the Receiver will post an unredacted version of Exhibit C to the Receivership's secure investor website for viewing by those investors who have executed a nondisclosure agreement.

WHEREFORE, the Receiver respectfully requests that the Court grant her leave to file Exhibit C to the Motion under seal, and for such other and further relief as this Court deems just and proper.¹

¹ A proposed order is attached hereto as Exhibit 1.

Respectfully Submitted,

THOMPSON COBURN LLP

Dated: January 7, 2016

By /s / Kathleen E. Kraft

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CERTIFICATE OF SERVICE

I hereby certify that on January 7, 2016, 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 counsel receiving electronic service.

/s/ Kathleen E. Kraft

EXHIBIT 1

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

SECURITIES AND EXCHANGE)	
COMMISSION,)	
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Plaintiff,)	
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v.)	Case No. 4:12-cv-00080-CEJ
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BURTON DOUGLAS MORRISS, <i>et al.</i> ,)	
)	
Defendants, and)	
)	
MORRISS HOLDINGS, LLC,)	
)	
Relief Defendant.)	

ORDER

This matter is before the Court on the *Motion for Leave to File Exhibit C to the Receiver’s Memorandum of Law in Support of Receiver’s Motion for Approval of Settlement Agreement Between Gryphon Investments III, LLC and John S. Wehrle, Gryphon Investments II, LLC, and Cirqit.com, LLC Under Seal* (the “Motion”) 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.

Having fully considered the Motion, being duly advised as to the merits and for good cause shown,

THE COURT DOES HEREBY ORDER THAT

1. The Receiver’s Motion is granted in its entirety; and
2. The Clerk of the Court shall maintain Exhibit C to the Receiver’s *Memorandum of Law in Support of Receiver’s Motion for Approval of Settlement Agreement Between Gryphon*

Investments III, LLC and John S. Wehrle, Gryphon Investments II, LLC, and Cirqit.com, LLC
under seal.

SO ORDERED this the ____ day of _____, 2016.

THE HONORABLE CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE