

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.)	

**ORDER APPROVING SETTLEMENT AGREEMENT
BETWEEN GRYPHON INVESTMENTS III, LLC AND JOHN S. WEHRLE,
GRYPHON INVESTMENTS II, LLC, AND CIRQUIT.COM, LLC**

This matter is before the Court on the *Motion for Approval of Settlement Agreement Between Gryphon Investments III, LLC and John S. Wehrle, Gryphon Investments II, LLC, and Circuit.com, LLC* and memorandum in support thereof (ECF Nos. 428, 429; the “Motion”) filed by Claire M. Schenk, the court-appointed receiver (“Receiver”) for Acartha Group, LLC, Acartha Technology Partners, L.P., MIC VII, LLC, and Gryphon Investments III, LLC (collectively, the “Receivership Entities”). On January 7, 2016, the Receiver filed the Motion, seeking Court approval of the Receiver’s *Agreement to Compromise, Settle and Release Claims* (the “Agreement”) against John S. Wehrle (“Wehrle”), individually and in his capacity as trustee of the John S. Wehrle Revocable Living Trust (the “Trust”), Gryphon Investments II, LLC (“Gryphon II”), and Circuit.Com, Inc. (“Circuit” and collectively, the “Wehrle Defendants”). The Agreement, among other things, contemplates the redemption of the Receivership’s 214,063,351 Series D shares in Circuit for the planned purchase price of \$1,489,201, which price is calculated

as of October 31, 2015 and is subject to adjustment based on additional interest accrued on certain capital call notes issued by Cirqit (as finally calculated, the “Receivership shares”). No oppositions to the motion have been filed and the time for doing so has expired.

Having fully considered the Motion and being duly advised as to the merits, the Court hereby finds as follows:

1. The Agreement is reasonable, fair, and equitable. *S.E.C. v. Ruderman*, No. 2:09-CV-02974-ODW, 2013 WL 153266, at *2 (C.D. Cal. Jan. 15, 2013). The funds recovered pursuant to the Agreement will increase the liquid assets of the Receivership estate, maximize the possibility of a distribution to investors, avoid the risk of future dilution and diminution of the Receivership’s holding in Cirqit, and help fund the Receivership’s pursuit of potential recoveries against third-parties. The Agreement also will reduce the cost to the Receivership estate of managing and monitoring ongoing litigation and the Receivership’s holding in Cirqit.

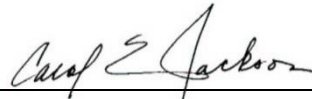
2. Good grounds exist to authorize the proposed redemption of the Receivership shares by Cirqit outside of the statutory scheme set forth in 28 U.S.C. §§ 2001 and 2004. *See Tanzer v. Huffines*, 412 F.2d 221 (3d Cir. 1969); *Sec. & Exch. Comm’n v. Goldfarb*, No. C 11-00938 WHA, 2013 WL 4504271 (N.D. Cal. Aug. 21, 2013); *U.S. v. Kerner*, No. 00-75370, 2003 WL 22905202 (E.D. Mich. Oct. 24, 2003). The Court further finds that the purchase price for redemption of the Receivership shares represents the best price for such shares under the circumstances. Therefore,

IT IS HEREBY ORDERED THAT

1. The Motion [Doc. #428] is **GRANTED** in its entirety.

2. The Agreement is approved. Furthermore, the Receiver is authorized to enter into the Agreement and to consummate the redemption of the Receivership shares in accordance with the terms of the Agreement.

SO ORDERED this 22nd day of January, 2016.



CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE