

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, <i>et al.</i> ,)	
)	
Defendants, and)	
)	
MORRISS HOLDINGS, LLC,)	
)	
Relief Defendant.)	
)	

**CONSENT MOTION FOR LEAVE TO ASSERT LATE OBJECTION TO RECEIVER’S
AMENDED MOTION TO APPROVE DISTRIBUTION PLAN**

The Holders of Allowed Claim Nos. 93 and 124 (the “Claimants”), through counsel and with the consent of Claire M. Schenk (“Receiver”), the Court-appointed receiver over Acartha Group, LLC, MIC VII, LLC, Acartha Technology Partners, LP, and Gryphon Investments III, LLC (collectively, the “Receivership Entities”), hereby respectfully request leave from the Court to assert a late objection to the Receiver’s *Amended Motion to Approve Plan of Distribution, Approve Schedule of Claims, Authorize Distributions of Receivership Assets, and Approve Partial Payment of Holdback Amount Pertaining to Legal and Professional Services Rendered by the Receiver, Retained Counsel, and Other Professionals* (ECF No. 527). In support, the Claimants state as follows:

1. On April 20, 2017, the Receiver filed her *Motion to Approve Plan of Distribution, Approve Schedule of Claims, Authorize Distributions of Receivership Assets, and Approve Partial Payment of Holdback Amount Pertaining to Legal and Professional Services Rendered by the Receiver, Retained Counsel, and Other Professionals* (ECF No.

515). No objections were filed to the motion, but during the objection period, the Receiver received inquiries from Interested Parties regarding minor adjustments to the distribution schedules attached to Exhibit B to the motion (*see* ECF No. 519).

2. The Receiver addressed these inquiries in an amended filing with the Court (*see* ECF No. 525). The Court granted the Receiver’s motion (ECF No. 526), and the Clerk entered the Receiver’s Amended Motion on the docket on May 10, 2017. Objections to the Amended Motion were due on or before Wednesday, May 17, 2017. No objections were filed with the Court. Further, no Interested Parties contacted the Receiver regarding potential objections to the distributions schedules.

3. On May 19, 2017, the Receiver filed her *Notice of No Objection and Request for Entry of Order* on the Amended Motion (ECF No. 529).

4. Subsequently, the Claimants discovered two scrivener’s errors with respect to the initial contribution amounts attributed to Claim Nos. 93 and 124 in Exhibit A-1 and Attachment B-2 to the Receiver’s Motion.

Claim No.	Receivership Entity	Original Reported Initial Contribution Amount	Corrected Initial Contribution Amount	Reason for Correction
93	ATP	\$50,000	\$300,000	Conform to corrected initial contribution amount reported and verified by Claimant
124	ATP	\$250,000	\$275,000	Conform to corrected initial contribution amount reported and verified by Claimant

The Claimants’ proposed adjustments to initial contribution amounts will necessitate a recalculation of the Receiver’s allocation of shared assets and expenses between the Receivership Entities. As a result, the proposed initial distribution amounts relative to each

Allowed Claim and the percentage recoveries and standard deviation impacts of the various distribution methodologies considered by the Receiver will also change slightly.

5. Provided the Court grants Claimants' leave to assert their late objection to the distribution schedules attached to the Receiver's Amended Motion, the Receiver will, in the interest of equity, incorporate the proposed adjustments to Claim Nos. 93 and 124 and file the necessary updated papers (distribution schedules and proposed order) with the Court.

6. The Receiver has no objection to the Claimant's request for leave to assert their late objection to the initial contributions amounts for Claim Nos. 93 and 124. The informal objection was made to the Receiver one day after the filing of the Notice of No Objection, the request is for the correction of scrivener's errors that have been confirmed by both the Claimants and the Receiver, the Court has not entered its order on the Amended Motion, and the Claimants have agreed to pay for the accounting costs incurred by the Receivership in re-running the distribution model with the corrected contribution amounts.

7. Good cause supports the Claimant's request to assert their late objection to the Amended Motion and permit the Receiver to address the late objection through updates to the distribution schedules and accompanying papers. The Claimants' request and the Receiver's consent to the request fairly responds to inquiries from the Claimants and obviates the need for the filing of a formal objection by the Claimants to request the adjustments.

8. The Receiver will serve a copy of this Motion for Leave on all Interested Parties via electronic mail and will post a copy on the Receivership's website. Additionally, should the Court grant the Motion for Leave, the Receiver will file updates to the distribution

schedules and accompanying papers with the Court and serve such papers on all Interested Parties (as defined in the Amended Motion).

WHEREFORE, for all the reasons stated above, the Claimants, with the consent of the Receiver, request that the Court grant their motion for leave and permit the Receiver's filing of updates to the distribution schedules and accompanying papers with the Court, and grant any other relief that is necessary and appropriate under the circumstances.

Dated: May 26, 2017

Respectfully Submitted,

LATHROP & GAGE LLP

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ATTORNEYS FOR THE CLAIMANTS

CERTIFICATE OF SERVICE

I hereby certify that on May 27, 2017, 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 of record receiving electronic service.

/s/ Brian M. Holland_____