

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
BURTON DOUGLAS MORRISS,)
ACARTHA GROUP, LLC,)
MIC VII, LLC,) Case No. 4:12-CV-00080-CEJ
ACARTHA TECHNOLOGY PARTNERS, LP, and)
GRYPHON INVESTMENTS III, LLC,)
)
Defendants, and)
)
MORRISS HOLDINGS, LLC,)
)
Relief Defendant.)
_____)

ORDER

This matter is before the Court on the *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*, the memorandum in support thereof, and all exhibits attached thereto (ECF No. 527, the “Motion”), as supplemented by the documents attached to the *Notice of Filing of Updated Distribution Schedules* (ECF No. 533), filed by Claire M. Schenk, the court-appointed receiver (the “Receiver”) for Acartha Group, LLC; MIC VII, LLC; Acartha Technology Partners, LP; and Gryphon Investments III, LLC (collectively, the “Receivership Entities”).¹

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* and memorandum in support thereof (ECF Nos. 515, 516) (collectively, the “Original Motion”). On May 9, 2017, the Receiver filed her *Motion to Amend/Correct Receiver’s Motion to Approve Distribution Plan, along with the Amended Motion to Approve Plan of Distribution, Approve Schedule of Claims, Authorize First Interim Distribution of Receivership Assets, and Approve Partial Payment of Holdback Amount Pertaining to Legal and Professional*

The Motion seeks Court approval of: (i) the Receiver's determinations of allowance and/or disallowance on filed claims, (ii) the Receiver's methodology for allocation of assets and expenses between the Receivership Entities, (iii) the Receiver's determinations regarding classification and priority of allowed claims, (iv) the Receiver's methodology for distribution of Receivership assets to allowed claimants, and (v) the Receiver's request for allowance and payment of 80 percent of the legal and professional fees of the Receiver, her counsel, and her professionals incurred and remaining unpaid as of December 31, 2016.

Having fully considered the Motion, finding that no objections have been filed, and being duly advised as to the merits, the Court finds that there is good cause to grant the Motion. The actions to be taken by the Receiver in connection with the proposed plan of distribution are reasonable and within the Receiver's sound business discretion, are fair and equitable under the particular circumstances of this case, and are in the best interests of the Receivership estate and the allowed claimants of the Receivership Entities.

The Court also finds that interested parties were afforded adequate notice and an opportunity to be heard in a meaningful manner on the relief requested in the Motion. The Receiver electronically served all Interested Parties (as defined in the Motion), included in the service communication the time limits for filing objections to motions under the Court's local rules, and posted a copy of the Original Motion and the Motion on the Receivership's website. The procedure for objections to motions under this Court's local rules were available to interested parties as a means to object and be heard.

Accordingly,

Services Rendered by the Receiver, Retained Counsel, and Other Professionals and updated exhibits to account for minor adjustments to certain of the numbers reported in the Motion (ECF No. 525). On May 10, 2017, the Court granted the Receiver leave to file the amended motion and mooted the Original Motion (ECF No. 526). On May 26, 2017, the holders of Claim Nos. 93 and 124 filed a *Consent Motion* seeking the Court's approval to assert a late objection to the reporting of their initial contribution amounts in the Motion (ECF No. 530). The Court granted the *Consent Motion* on May 30, 2017 (ECF No. 532). The Receiver's supplemental filing (ECF No. 533) addressed the matters raised in the *Consent Motion*.

IT IS HEREBY ORDERED that the Receiver's Amended Motion [Doc. # 527] is **granted** in its entirety.

IT IS FURTHER ORDERED that:

1. ALLOWANCE OF CLAIMS.

The Receiver's recommendations on claim allowance and disallowance and the claim amounts as set forth in the Schedule of Allowed Claims and Schedule of Disallowed Claims, attached hereto as **Exhibit A-1** and **Exhibit A-2**, are approved. All claims listed on the Schedule of Allowed Claims shall be referred to herein as "Allowed Claims." Holders of such Allowed Claims shall be referred to as Allowed Claimants.

2. APPROVAL OF THE RECEIVER'S DISTRIBUTION PLAN.

The Receiver's Distribution Plan, as set forth in the memorandum in support of the Motion, the Declaration of Timothy O'Shaughnessy, the Supplemental Declaration of Timothy O'Shaughnessy, and the schedules attached to the Supplemental Declaration (which schedules are attached hereto as **Exhibit B-1**, **Exhibit B-2**, **Exhibit B-3**, and **Exhibit B-4**), is approved. In particular, but without limiting the proposals set forth in the Distribution Plan:

A. Allocation of Assets.

The Receiver's methodology for the allocation of assets of the Receivership Estate between the Receivership Entities is approved. Where an asset or recovery can be linked to a harm particular to a single Receivership Entity or an investment or portfolio interest held by one or more, but not all, Receivership Entities, the Receiver shall allocate that asset or recovery to the particular Receivership Entity(ies) involved. Where an asset or recovery cannot be linked to a harm particular to a single Receivership Entity or an investment or portfolio interest held by one or more, but not all, Receivership Entities, but instead resulted from a jointly-held asset or a recovery sought for the benefit of the entire Estate ("Shared Assets"), the Receiver shall allocate

that asset or recovery between the Receivership Entities in proportion to the size of the initial cash investment in each of the Receivership Entities.

Pursuant to this methodology, the Receiver shall allocate the Shared Assets between the Receivership Entities as follows: 24.77 percent to Acartha Group, LLC; 41.54 percent to MIC VII, LLC; 31.45 percent to Acartha Technology Partners, L.P.; and 2.24 percent to Gryphon Investments III, LLC. The Receiver is authorized to take all actions necessary for effectuation of the allocations approved herein.

B. Allocation of Receivership Expenses.

The Receiver's methodology for the allocation of expenses of the Receivership Estate between the Receivership Entities is approved. The Receiver shall allocate all Receivership expenses between the four Receivership Entities in proportion to the size of the initial cash investment in each of the Receivership Entities.

Pursuant to this methodology, the Receiver shall allocate the Receivership expenses between the Receivership Entities as follows: 24.77 percent to Acartha Group, LLC; 41.54 percent to MIC VII, LLC; 31.45 percent to Acartha Technology Partners, L.P.; and 2.24 percent to Gryphon Investments III, LLC. The Receiver is authorized to take all actions necessary for effectuation of the allocations approved herein.

C. Claim Classification and Priority.

The Receiver's proposal for the classification and priority treatment of Allowed Claims is approved. The Allowed Claims shall be divided into four main classes: (1) Cash Investors (Classes 1-A, 1-B, 1-C, and 1-D), (2) Exchange-Loss Investors (Class 2-A), (3) Unsecured Creditors (Classes 3-A and 3-B), and (4) Professional and Employee Claims (Classes 4-A, 4-B, 4-C, and 4-D). The Receiver's proposed classification of individual claims, as set forth in **Exhibit A-1** and **Exhibit A-2**, is approved as set forth in Paragraph 2 above. The Classes shall be prioritized in descending order. Allowed Claimants in Classes 1-A through 1-D (Cash

Investors) shall receive the highest priority to Receivership assets. The remaining classes (Class 2, Class 3, and Class 4) will follow in second, third, and fourth priority, respectively.

The foregoing classification and priority treatment of Allowed Claims is fair and equitable under the circumstances of this case. Allowed Claimants are grouped with other similarly situated Allowed Claimants into one of four categories determined by the Allowed Claimant's (1) status as an investor, trade creditor, or former employee or professional and (2) for investors, the method of contribution (cash or exchange). Allowed Claimants within each of the Class categories will receive the same treatment. Further, the Receiver's differing treatment of the cash investors and the exchange-loss investors in Acartha Group, LLC is reasonable and equitable based upon the manner in which the two groups of investors participated in Acartha Group, LLC. The Receiver's prioritization of the claims of the cash investors is also fair and equitable because the Receiver was appointed in connection with the SEC's civil enforcement action against the Receivership Defendants. The SEC's allegations in its enforcement action against Burton Douglas Morriss resulted in the entry of a Judgment of Permanent Injunction and Other Relief as to Morriss on August 13, 2013 (ECF No. 275), which precluded Morriss from arguing that he did not violate the federal securities laws as alleged in the *SEC Complaint* in connection with an SEC motion for disgorgement and/or civil penalty and determined, for purposes of such a motion, that the allegations in the *SEC Complaint* shall be accepted as and deemed true by the Court. On February 26, 2014, the Court entered its Final Judgment as to Morriss (ECF No. 314), in which the Court ordered that Morriss disgorge \$9.1 million, representing profits gained as a result of the conduct alleged in the *SEC Complaint*, along with prejudgment interest of \$416,090.71.

As alleged by the SEC, Morriss's fraudulent conduct was directed toward the investors. Investors were not informed that Morriss would be taking invested monies and using them for personal purposes. Also, as alleged by the SEC, Morriss circumvented the requirements of the

MIC VII operating documents to allow new investors into MIC VII, then effectively used the new investor funds to satisfy a personal loan. As such, affording cash investors the highest priority ensures that those investors benefit the most from the assets recovered by the Receiver.

D. Distribution Methodology.

The Receiver's proposed methodology for distributing the assets of the Receivership is approved. The Receiver shall distribute the assets of the Receivership Estate to Allowed Claimants using the rising tide pro rata method of distribution. In accordance with the calculations performed by the Receivership's accountant, the Receiver shall distribute the available assets to Allowed Claimants in Classes 1-A through 1-D on an increasing basis, devoting available assets to those Allowed Claimants who lost the greatest percentage of their investment until they reach parity with other Allowed Claimants who lost a smaller percentage of their investment. *See Exhibits B-1, B-2, B-3, and B-4.* Furthermore, in calculating the distributions to Allowed Claimants, the Receiver shall rely on the pre-Receivership investment and distribution amounts provided to the Receiver through the claims filing and bar date process, except where it is necessary for the Receiver to resolve discrepancies in pre-Receivership investment or distribution amounts by relying on Receivership records. The initial investment and pre-Receivership distribution amounts for each Allowed Claim are set forth in **Exhibits B-1, B-2, B-3, and B-4.** Because the assets of the Receivership Estate are insufficient to fully satisfy Allowed Claims in Class 1, the Receiver need not determine rising tide pro rata participation percentages for Allowed Claimants in Classes 2 through 4.

Use of the foregoing methodology (rising tide pro rata) is fair, equitable, and reasonable under the circumstances of this case. First, distributing assets pro rata is a fair and equitable method of distribution where, as here, the assets to be distributed are insufficient to fully satisfy the outstanding claims against the estate. Second, as between the various methods of pro rata distribution, the rising tide method is most equitable for this case. Distribution using the rising

rising tide methodology will most equitably distribute the available assets to those Class 1 Allowed Claimants who benefited the least from pre-Receivership distributions and will equalize, to the greatest extent possible, the total recoveries (pre- and post-Receivership) of each Allowed Claimant on an entity-by-entity basis. By using rising tide, the Receiver is able to reduce the amount of variation in each Class 1 Allowed Claimant's total percentage recovery—thereby equalizing the recoveries of all Allowed Claimants in Class 1 to the greatest extent possible.

E. Distribution(s) of Liquid Assets.

The Receiver is authorized to make one or more distributions of Receivership assets to Allowed Claimants in Class 1 in accordance with the claim classification, priority, and distribution methodology approved herein. The Receiver shall make a first interim distribution to Allowed Claimants in Class 1 of approximately 80 percent of the Receivership assets as expeditiously as possible. *See Exhibits B-1, B-2, B-3, and B-4.* Future distributions shall be made in accordance with the claim classification, priority, and distribution methodology approved herein. The Receiver is authorized to take any and all actions necessary to effectuate the first interim distribution and all subsequent distributions to Allowed Claimants.

3. PAYMENT OF PORTION OF HOLDBACK EXPENSES.


The Receiver's request for allowance and authorization to pay 80 percent of the legal and professional fee holdback incurred and remaining unpaid as of December 31, 2016 is approved. The following fees are allowed and the Receiver is authorized to make the following payments out of the assets of the Receivership estate:

Thompson Coburn LLP	\$221,902.62
Segue Equity Group, LLC	\$11,827.43
CliftonLarsonAllen LLP	\$20,270.46
Pepper Hamilton LLP	\$453.14
FTL Capital	\$2,387.20
Total	\$256,840.85

4. **AUTHORIZATION TO TAKE STEPS NECESSARY FOR RECEIVERSHIP WIND-UP.**

In addition to the authorities described above, the Court further authorizes the Receiver to take all necessary steps to achieve a winding up of the Receivership's assets and estate. These actions may include, but are not limited to, taking such actions to effectuate future distribution(s) of Receivership assets to Allowed Claimants in accordance with claim classification, priority, and distribution methodology approved herein, resolving the intercompany entries between Receivership Entities through debt cancellation during calendar year 2017, reporting a "theft loss" allocated to Allowed Claimants in Class 1 and 2 as described in the Receiver's memorandum, and distributing and assigning any unliquidated assets of the Receivership Entities to the Allowed Claimants in those Entities in proportion to the respective interests held by such Allowed Claimants prior to or as part of the wind up of this proceeding.

SO ORDERED this 16th day of June, 2017.



CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1**Schedule of Allowed Claims**

<u>Claim No.</u>	<u>Receiver's Recommended Determination</u>	<u>Receivership Entity</u>	<u>Claim Amount²</u>	<u>Proposed Class</u>
4	Allow	Acartha	<i>Exchange</i>	2-A
5	Allow	Acartha	<i>Exchange</i>	2-A
6	Allow	Acartha	<i>Exchange</i>	2-A
7	Allow	Acartha	<i>Exchange</i>	2-A
8	Allow	MIC VII	\$100,000	1-C
9	Allow	MIC VII	\$250,000	1-C
11	Allow	Gryphon	\$500,000	1-D
13	Allow	Acartha	\$2,000,000	1-A
14	Allow	Acartha	\$1,500,000	1-A
15	Allow	MIC VII	\$20,000	1-C
16	Allow	Acartha	\$119,551	4-A
16	Allow	ATP	\$38,667	4-B
16	Allow	MIC VII	\$58,622	4-C
16	Allow	Gryphon	\$3,220	4-D
18	Allow in part	Acartha	\$2,500,000	1-A
18	Allow in part	Acartha	<i>Exchange</i>	2-A
22	Allow	Acartha	\$1,500,000	1-A
22	Allow	MIC VII	\$2,020,898.74	1-C
23	Allow	Gryphon	\$250,000	1-D
24	Allow	MIC VII	\$632,911.39	1-C
26	Allow	Acartha	\$200,000	1-A
27	Allow	MIC VII	\$550,000	1-C
28	Allow	Acartha	\$1,500,000	1-A
29	Allow	Acartha	\$1,250,000	1-A
29	Allow	Acartha	<i>Exchange</i>	2-A
30	Allow	Acartha	\$1,250,000	1-A
30	Allow	Acartha	<i>Exchange</i>	2-A
31	Allow	MIC VII	\$3,259,576.96	1-C
32	Allow	MIC VII	\$3,259,576.96	1-C
33	Allow	Acartha	\$500,000	1-A
34	Allow	Acartha	\$14,000	3-A
35	Allow	MIC VII	\$1,300,000	1-C
36	Allow	MIC VII	\$30,000	1-C
37	Allow	MIC VII	\$154,676.05	1-C
38	Allow	MIC VII	\$700,000	1-C

² Claim Amount is either (a) the investor's asserted and/or verified cash contribution amount to the applicable Receivership Entity, not deducting any pre-Receivership distributions; or (b) the creditor's asserted claim amount.

<u>Claim No.</u>	<u>Receiver's Recommended Determination</u>	<u>Receivership Entity</u>	<u>Claim Amount²</u>	<u>Proposed Class</u>
39	Allow	MIC VII	\$100,000	1-C
40	Allow	MIC VII	\$20,000	1-C
41	Allow	ATP	\$9,650,000	1-B
42	Allow	MIC VII	\$649,336.24	1-C
44	Allow	MIC VII	\$975,821.19	1-C
45	Allow	MIC VII	\$1,044,303.80	1-C
46	Allow	MIC VII	\$537,974.68	1-C
47	Allow	MIC VII	\$2,140,805	1-C
48	Allow in part	Acartha	\$2,500,000	1-A
48	Allow in part	Acartha	<i>Exchange</i>	2-A
48	Allow in part	MIC VII	\$3,496,597	1-C
49	Allow	Acartha	\$500,000	1-A
49	Allow	MIC VII	\$600,000	1-C
50	Allow	MIC VII	\$25,000	1-C
52	Allow	Acartha	\$300,000	1-A
53	Allow	MIC VII	\$550,000	1-C
54	Allow	MIC VII	\$400,000	1-C
60	Allow	ATP	\$100,000	3-B
62	Allow in part	Gryphon	\$450,000	1-D
69	Allow	MIC VII	\$50,000	1-C
70	Allow	MIC VII	\$1,250,000	1-C
71	Allow	MIC VII	\$250,000	1-C
72	Allow	MIC VII	\$50,000	1-C
73	Allow	MIC VII	\$40,000	1-C
74	Allow	MIC VII	\$70,000	1-C
75	Allow	MIC VII	\$250,000	1-C
76	Allow	MIC VII	\$33,000	1-C
77	Allow	MIC VII	\$33,000	1-C
78	Allow	MIC VII	\$34,000	1-C
79	Allow	MIC VII	\$100,000	1-C
80	Allow	MIC VII	\$75,000	1-C
81	Allow	MIC VII	\$25,000	1-C
82	Allow	MIC VII	\$25,000	1-C
83	Allow	MIC VII	\$50,000	1-C
84	Allow	MIC VII	\$100,000	1-C
85	Allow	MIC VII	\$65,000	1-C
86	Allow	ATP	\$100,000	1-B
87	Allow	ATP	\$50,000	1-B
88	Allow	ATP	\$25,000	1-B
89	Allow	ATP	\$50,000	1-B
90	Allow	ATP	\$50,000	1-B
91	Allow	ATP	\$50,000	1-B
92	Allow	ATP	\$50,000	1-B
93	Allow	ATP	\$300,000	1-B
94	Allow	ATP	\$300,000	1-B
95	Allow	ATP	\$25,000	1-B

<u>Claim No.</u>	<u>Receiver's Recommended Determination</u>	<u>Receivership Entity</u>	<u>Claim Amount²</u>	<u>Proposed Class</u>
96	Allow	ATP	\$50,000	1-B
97	Allow	ATP	\$129,000	1-B
98	Allow	ATP	\$80,000	1-B
99	Allow	ATP	\$300,000	1-B
100	Allow	ATP	\$27,500	1-B
101	Allow	ATP	\$165,000	1-B
102	Allow	ATP	\$243,500	1-B
103	Allow	ATP	\$32,500	1-B
104	Allow	ATP	\$55,000	1-B
105	Allow	ATP	\$130,000	1-B
106	Allow	ATP	\$341,000	1-B
107	Allow	ATP	\$100,000	1-B
108	Allow	ATP	\$25,000	1-B
109	Allow	ATP	\$25,000	1-B
110	Allow	ATP	\$75,000	1-B
111	Allow	ATP	\$27,500	1-B
112	Allow	ATP	\$32,500	1-B
113	Allow	ATP	\$115,000	1-B
114	Allow in part	MIC VII	\$267,527.49	1-C
114	Allow in part	Gryphon	\$200,000	1-D
115	Allow in part	MIC VII	\$410,381	1-C
116	Allow	ATP	\$27,500	1-B
117	Allow	ATP	\$115,000	1-B
118	Allow	ATP	\$65,000	1-B
119	Allow	ATP	\$125,000	1-B
120	Allow	ATP	\$155,000	1-B
121	Allow	ATP	\$155,000	1-B
122	Allow	ATP	\$135,000	1-B
123	Allow	ATP	\$32,500	1-B
124	Allow	ATP	\$275,000	1-B
125	Allow	ATP	\$465,000	1-B
126	Allow	ATP	\$110,000	1-B
127	Allow	ATP	\$110,000	1-B
128	Allow	ATP	\$220,000	1-B
129	Allow	ATP	\$150,000	1-B
130	Allow	ATP	\$125,000	1-B
131	Allow	ATP	\$125,000	1-B
132	Allow	ATP	\$125,000	1-B
133	Allow	ATP	\$220,000	1-B
134	Allow	ATP	\$275,000	1-B
135	Allow	ATP	\$99,000	1-B
136	Allow	ATP	\$60,000	1-B
137	Allow	ATP	\$112,500	1-B
138	Allow	ATP	\$770,000	1-B
139	Allow	ATP	\$275,000	1-B
140	Allow	ATP	\$750,000	1-B

<u>Claim No.</u>	<u>Receiver's Recommended Determination</u>	<u>Receivership Entity</u>	<u>Claim Amount²</u>	<u>Proposed Class</u>
141	Allow	ATP	\$100,000	1-B
142	Allow	ATP	\$250,000	1-B
143	Allow	ATP	\$1,650,000	1-B
227	Allow	Acartha	\$74,594	3-A

EXHIBIT A-2**Schedule of Disallowed Claims**

Claim No.	Receiver's Recommended Determination	Receivership Entity(ies)	Claim Amount³
1	Disallow	Acartha, ATP, MIC VII, Gryphon	\$28,946.18
2	Disallow	Acartha	\$1,738.89
3	Disallow	MIC VII	\$30,000
10	Disallow	Gryphon	\$244,692.15
12	Disallow	Acartha, ATP, MIC VII, Gryphon	\$100,000
17	Disallow	Acartha	\$450,363.05
18	Disallow in part	Acartha	\$10,959,707.25
19	Disallow	Acartha	\$25,718.85
20	Disallow	Acartha, ATP	\$352,532.15
21	Disallow	Acartha, ATP, MIC VII	\$2,764,524.49
25	Disallow	Acartha	Equity 33.33% + \$10,845.25
43	Disallow	Acartha	\$432,391.24
48	Disallow in part	Acartha	\$2,500,000
48	Disallow in part	MIC VII	\$3,496,597
51	Disallow	Gryphon	None given
55	Disallow	Acartha	\$10,000
56	Disallow	ATP	\$10,000
57	Disallow	MIC VII	\$42,500
58	Disallow	Gryphon	\$10,000
59	Disallow	Acartha	\$61,066.33
61	Disallow	Acartha, ATP, MIC VII, Gryphon	\$1,301,756.93
62	Disallow in part	Gryphon	\$427,882.24
63	Disallow	Acartha	20.833333% plus \$6,778.96
64	Disallow	Acartha	8.333333% plus \$2,710.75
65	Disallow	Acartha	16.666666% plus \$5,423.17
66	Disallow	Acartha	20.833333% plus \$6,778.96
67	Disallow	Acartha	\$172,734.91
68	Disallow	Acartha, MIC VII, Gryphon	\$1,053,333.33 plus other equity
114	Disallow in part	MIC VII, Gryphon	\$862,453.64
115	Disallow in part	MIC VII	\$62,650.34
144	Disallow	Acartha	Equity 1.61%
145	Disallow	Acartha	Equity 1.61%
146	Disallow	Acartha	Equity 3.23%

³ Claim Amount is the total claim amount provided by the claimant on the proof of claim form filed with the Receiver, regardless of whether the claim was disallowed in full or in part.

Claim No.	Receiver's Recommended Determination	Receivership Entity(ies)	Claim Amount³
147	Disallow	Acartha	Equity 1.61%
148	Disallow	Acartha	Equity 1.61%
149	Disallow	Acartha	Equity 1.61%
150	Disallow	Acartha	Equity 1.61%
151	Disallow	Acartha	Equity 3.23%
152	Disallow	Acartha	Equity 4.03%
153	Disallow	Acartha	Equity 1.22%
154	Disallow	Acartha	Equity 0.81%
155	Disallow	Acartha	Equity 1.37%
156	Disallow	Acartha	Equity 8.88%
157	Disallow	Acartha	Equity 4.03%
158	Disallow	Acartha	Equity 8.07%
159	Disallow	Acartha	Equity 12.8%
160	Disallow	Acartha	\$5,439
161	Disallow	Acartha	\$5,439
162	Disallow	Acartha	\$5,439
163	Disallow	Acartha	\$10,878
164	Disallow	Acartha	\$13,598
165	Disallow	Acartha	\$4,079
166	Disallow	Acartha	\$2,720
167	Disallow	Acartha	\$4,623
168	Disallow	Acartha	\$29,915
169	Disallow	Acartha	\$13,598
170	Disallow	Acartha	\$27,196
171	Disallow	Acartha	\$5,439
172	Disallow	Acartha	\$13,598
173	Disallow	Acartha	\$81,587
174	Disallow	Acartha	\$5,439
175	Disallow	Acartha	\$1,360
176	Disallow	Acartha	\$1,360
177	Disallow	Acartha	\$5,439
178	Disallow	Acartha	\$2,720
179	Disallow	Acartha	\$1359.78
180	Disallow	Acartha	\$2,720
181	Disallow	Acartha	\$5,439
182	Disallow	Acartha	\$5,439
183	Disallow	Acartha	\$5,439
184	Disallow	Acartha	\$1,360
185	Disallow	Acartha	\$16,317
186	Disallow	Acartha	\$5,439
187	Disallow	Acartha	\$5,439
188	Disallow	Acartha	\$10,878
189	Disallow	Acartha	\$5,439
190	Disallow	Acartha	\$1,874
191	Disallow	Acartha	\$3,748
192	Disallow	Acartha	\$11,243

Claim No.	Receiver's Recommended Determination	Receivership Entity(ies)	Claim Amount³
193	Disallow	Acartha	\$937
194	Disallow	Acartha	\$11,061
195	Disallow	Acartha	\$5,622
196	Disallow	Acartha	\$9,790
197	Disallow	Acartha	\$1,359.78
198	Disallow	Acartha	\$2,720
199	Disallow	Acartha	\$5,439
200	Disallow	Acartha	\$16,861
201	Disallow	Acartha	\$5,439
202	Disallow	Acartha	\$4,079
203	Disallow	Acartha	\$1,360
204	Disallow	Acartha	\$1,360
205	Disallow	Acartha	Equity 0.28%
206	Disallow	Acartha	Equity 2.42%
207	Disallow	Acartha	Equity 2.9%
208	Disallow	Acartha	Equity 0.4%
209	Disallow	Acartha	Equity 1.61%
210	Disallow	Acartha	Equity 5%
211	Disallow	Acartha	Equity 0.4%
212	Disallow	Acartha	Equity 0.4%
213	Disallow	Acartha	Equity 0.4%
214	Disallow	Acartha	Equity 0.81%
215	Disallow	Acartha	Equity 0.81%
216	Disallow	Acartha	Equity 1.61%
217	Disallow	Acartha	Equity 1.615%
218	Disallow	Acartha	Equity 1.615%
219	Disallow	Acartha	Equity 1.42%
220	Disallow	Acartha	Equity 0.4%
221	Disallow	Acartha	Equity 2.47%
222	Disallow	Acartha	Equity 3.41%
223	Disallow	Acartha	\$24,960.92
224	Disallow	Acartha	Equity 4.94957%
225	Disallow	Acartha	Equity 8.1357527%
226	Disallow	Acartha	\$350,000

Acartha Group, LLC (Class 1-A)

Claim No.	Initial Investment	Pre-Receivership Distributions	Rising Tide Pro	
			Rata Distribution Amount	Total Return %
13	2,000,000.00	-	16,380.86	0.82%
14	1,500,000.00	-	12,285.65	0.82%
18	2,500,000.00	-	20,476.08	0.82%
22	1,500,000.00	-	12,285.65	0.82%
26	200,000.00	-	1,638.09	0.82%
28	1,500,000.00	-	12,285.65	0.82%
29	1,250,000.00	-	10,238.04	0.82%
30	1,250,000.00	-	10,238.04	0.82%
33	500,000.00	-	4,095.22	0.82%
48	2,500,000.00	-	20,476.08	0.82%
49	500,000.00	-	4,095.22	0.82%
52	300,000.00	-	2,457.13	0.82%
TOTALS	15,500,000.00	-	126,951.69	

Acartha Technology Partners, L.P. (Class 1-B)

Claim No.	Initial Investment	Pre-Receivership Distributions	Rising Tide Pro	
			Rata Distribution Amount	Total Return %
41	9,650,000.00	4,414,146.00	2,758,536.89	74.33%
86	100,000.00	-	74,328.32	74.33%
87	50,000.00	-	37,164.16	74.33%
88	25,000.00	-	18,582.08	74.33%
89	50,000.00	-	37,164.16	74.33%
90	50,000.00	-	37,164.16	74.33%
91	50,000.00	-	37,164.16	74.33%
92	50,000.00	-	37,164.16	74.33%
93	300,000.00	-	222,984.96	74.33%
94	300,000.00	-	222,984.96	74.33%
95	25,000.00	-	18,582.08	74.33%
96	50,000.00	-	37,164.16	74.33%
97	129,000.00	49,490.23	46,393.30	74.33%
98	80,000.00	24,745.12	34,717.54	74.33%
99	300,000.00	148,470.70	74,514.26	74.33%
100	27,500.00	12,372.57	8,067.72	74.33%
101	165,000.00	74,235.35	48,406.38	74.33%
102	243,500.00	220,756.23	-	90.66%
103	32,500.00	30,660.59	-	94.34%
104	55,000.00	61,321.18	-	111.49%
105	130,000.00	122,642.34	-	94.34%
106	341,000.00	380,191.27	-	111.49%
107	100,000.00	122,642.34	-	122.64%
108	25,000.00	30,660.59	-	122.64%
109	25,000.00	30,660.59	-	122.64%
110	75,000.00	92,281.76	-	123.04%
111	27,500.00	30,660.59	-	111.49%
112	32,500.00	30,660.59	-	94.34%

Claim No.	Initial Investment	Pre-Receivership Distributions	Rising Tide Pro	
			Rata Distribution Amount	Total Return %
113	115,000.00	122,642.34	-	106.65%
116	27,500.00	30,660.59	-	111.49%
117	115,000.00	61,321.54	24,156.03	74.33%
118	65,000.00	28,530.74	19,782.67	74.33%
119	125,000.00	122,642.34	-	98.11%
120	155,000.00	122,642.86	-	79.12%
121	155,000.00	122,642.86	-	79.12%
122	135,000.00	122,642.35	-	90.85%
123	32,500.00	30,660.59	-	94.34%
124	275,000.00	197,147.70	7,255.18	74.33%
125	465,000.00	367,927.06	-	79.12%
126	110,000.00	122,642.34	-	111.49%
127	110,000.00	122,642.34	-	111.49%
128	220,000.00	245,284.69	-	111.49%
129	150,000.00	122,642.34	-	81.76%
130	125,000.00	122,642.34	-	98.11%
131	125,000.00	122,642.34	-	98.11%
132	125,000.00	23,236.70	69,673.70	74.33%
133	220,000.00	245,284.69	-	111.49%
134	275,000.00	306,605.86	-	111.49%
135	99,000.00	91,981.75	-	92.91%
136	60,000.00	61,321.18	-	102.20%
137	112,500.00	104,245.99	-	92.66%
138	770,000.00	674,532.90	-	87.60%
139	275,000.00	306,605.86	-	111.49%
140	750,000.00	613,211.72	-	81.76%
141	100,000.00	122,642.34	-	122.64%
142	250,000.00	306,605.86	-	122.64%
143	1,650,000.00	1,839,617.19	-	111.49%
TOTALS	19,680,000.00	12,760,447.44	3,871,951.02	

MIC VIII, LLC (Class 1-C)

Claim No.	Initial Investment	Pre- Receivership Distributions	Rising Tide Pro	
			Rata Distribution Amount	Total Return %
8	100,000.00	19,096.00	-	19.10%
9	250,000.00	69,910.48	-	27.96%
15	20,000.00	5,388.63	-	26.94%
22	2,020,898.74	349,343.82	-	17.29%
24	632,911.39	109,776.88	-	17.34%
27	550,000.00	156,244.06	-	28.41%
31	3,259,576.96	802,641.00	-	24.62%
32	3,259,576.96	802,641.00	-	24.62%
35	1,300,000.00	367,388.01	-	28.26%
36	30,000.00	6,907.13	-	23.02%
37	154,676.05	41,946.17	-	27.12%
38	700,000.00	197,815.09	-	28.26%
39	100,000.00	13,695.00	660.54	14.36%
40	20,000.00	5,668.36	-	28.34%
42	649,336.24	109,778.73	-	16.91%
44	975,821.19	201,938.44	-	20.69%
45	1,044,303.80	170,778.66	-	16.35%
46	537,974.68	50,826.46	26,402.69	14.36%
47	2,140,805.00	400,058.00	-	18.69%
48	3,496,597.00	257,827.87	244,127.36	14.36%
49	600,000.00	170,197.21	-	28.37%
50	25,000.00	7,098.73	-	28.39%
53	550,000.00	157,388.42	-	28.62%
54	400,000.00	86,354.97	-	21.59%
114	267,527.49	50,787.56	-	18.98%
115	410,381.00	41,549.42	17,362.97	14.36%
N/A	2,500,000.00	-	358,888.39	14.36%
TOTALS	25,995,386.50	4,653,046.10	647,441.95	

Claim No.	Initial Investment	Pre- Receivership Distributions	Rising Tide Pro	
			Rata Distribution Amount	Total Return %
69	50,000.00	-	7,177.77	14.36%
70	1,250,000.00	-	179,444.20	14.36%
71	250,000.00	-	35,888.84	14.36%
72	50,000.00	-	7,177.77	14.36%
73	40,000.00	-	5,742.21	14.36%
74	70,000.00	-	10,048.88	14.36%
75	250,000.00	-	35,888.84	14.36%
76	33,000.00	-	4,737.33	14.36%
77	33,000.00	-	4,737.33	14.36%
78	34,000.00	-	4,880.88	14.36%
79	100,000.00	-	14,355.54	14.36%
80	75,000.00	-	10,766.65	14.36%
81	25,000.00	-	3,588.88	14.36%
82	25,000.00	-	3,588.88	14.36%
83	50,000.00	-	7,177.77	14.36%
84	100,000.00	-	14,355.54	14.36%
85	65,000.00	-	9,331.10	14.36%
<i>SUB-TOTALS</i>	2,500,000.00	-	358,888.39	

Gryphon Investments III, LLC (Class 1-D)

Claim No.	Initial Investment	Pre- Receivership Distributions	Rising Tide Pro	
			Distribution Amount	Total Return %
11	500,000.00	10,615.70	33,808.32	8.88%
23	250,000.00	5,307.85	16,904.16	8.88%
62	450,000.00	9,554.00	30,427.62	8.88%
114	200,000.00	5,722.28	12,047.33	8.88%
TOTALS	1,400,000.00	31,199.83	93,187.43	