

EXHIBIT A

**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-SNLJ
ACARTHA TECHNOLOGY PARTNERS, LP, and)	
GRYPHON INVESTMENTS III, LLC,)	
)	
Defendants, and)	
)	
MORRISS HOLDINGS, LLC,)	
)	
Relief Defendant.)	
)	

TWENTY-FIFTH INTERIM STATUS REPORT OF RECEIVER

Claire M. Schenk (the “Receiver”), the receiver for defendants Acartha Group, LLC (“Acartha Group”); Acartha Technology Partners, LP (“ATP”); MIC VII, LLC (“MIC VII”); and Gryphon Investments III, LLC (“Gryphon Investments”) (collectively, the “Receivership Entities”), submits this **Twenty-Fifth Interim Status Report** to update the Court on the activities of the Receiver occurring since October 27, 2017.

A. Transfer of Unliquidated Equity Interests

During this reporting period, Receivership activity centered on the assignment of the unliquidated equity interests of the Receivership Entities and the unliquidated assets of three special purpose vehicles: Tervela Acquisition, LLC, Tervela Acquisition II, LLC, and Tervela Acquisition III, LLC (the “Tervela SPVs”). The Receiver determined that the transfer of the interests was the most appropriate course of action because all other Receivership liquidation activity was completed and because an event of liquidity, sale, or other means of disposition was

unlikely for any of these interests in the near term. Thus, the assignment of the unliquidated interests still held by MIC VII, ATP, Gryphon III, and the Tervela SPVs avoids the time and expense of administering and overseeing these assets and allows the Receiver to prepare for a final wind up of this proceeding.

The Receiver worked closely with Michelle Murray, CPA at Segue Capital, LLC (“Segue”), to develop and finalize a plan to allocate and assign the interests held by the Receivership Entities and the Tervela SPVs (“the Plan”). To develop the Plan, the Receiver and Ms. Murray relied upon investor lists, the most recent tables of capitalization, and current communications pertaining to the interests. The Plan describes the interests then held by MIC VII, ATP, Gryphon III, and the Tervela SPVs in Tervela, Inc. (“Tervela”), Logos, LLC (“Logos”)/Cirqit.Com, Inc. (“Cirqit”), Exegy, Ltd. (“Exegy”), and Velocidata.

In furtherance of the Plan, Ms. Murray reviewed the information made available to her and reconciled her records with both the Receiver and the Receiver’s tax preparer, Tim O’Shaughnessy of CliftonLarsonAllen LLP (“CLA”). Ms. Murray then prepared proposed schedules for assignment of the interests. These schedules detail the number of shares formerly held by each of the Receivership Entities and the Tervela SPVs and the *pro rata* percentages then held by each investor. The distribution schedules are based on: the information described above and the investor lists as modified by the Court or by investor abandonment; capitalization tables for Logos/Cirqit, Tervela, Velocidata, and Exegy; and information regarding the total number of outstanding shares and the various classes of stock and other interests held by the Receivership Entities and the Tervela SPVs.

On November 17, 2017, the Receiver filed her motion to obtain authority to allocate and assign the interests held by the Tervela SPVs and the Receivership Entities. This motion was

supported by a detailed memorandum, which included the Declaration of Ms. Murray describing the Plan (collectively, the motion and memorandum are the “Motion”) (ECF Nos. 556 and 557).¹ On December 5, 2017, the Court approved the Receiver’s Motion (“the December 5 Order”). The Court’s approval of the Receiver’s motion allowed the Receiver to move forward with assignment of the interests of the Tervela SPVs to the remaining investors. The December 5 Order also allowed the Receiver to assign the Receivership Entities’ stock interests to Allowed Claimants of MIC VII, ATP, and Gryphon III under the June 16, 2017 Order in proportion to the respective interests held by such Allowed Claimants in the Receivership Entities.

Towards this end, the Receiver and her counsel prepared stock powers transferring the interests of MIC VII, ATP, Gryphon III, and the Tervela SPVs. These stock powers, along with the allocation schedules, were directed to the Receiver’s contacts at Tervela, Logos/Cirqit, Exegy, and Velocidata. Subsequently, the Receiver directed communications to each of the investors who were the recipients of the interests under the December 5 Order to explain the import of the stock powers, *i.e.*, that the interests had been transferred to the investors. The investors were informed that they now each directly held interests as described in the schedules and were provided the contact information for each of the relevant investment companies. The Receiver contacted each of these investment companies to provide them with this communication along with the current contact information for each of the investors.

¹ The memorandum accompanying the motion recognized that the Court’s June 16, 2017 order approving 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 “June 16 Order”) provided a framework for the disposition of the Receivership Entities’ assets to the Receivership Entities’ Allowed Claimants, but did not address the interests of the Tervela SPVs.

B. Business Operations

Prior to the Court's entry of the December 5 Order, the Receiver continued to oversee the remaining unliquidated holdings of the Receivership Entities in Tervela, Logos/Cirqit, Exegy, and Velocidata. The Receiver participated in the Tervela board call on Friday, November 10, 2017. The call included a discussion of Tervela's quarterly report, operations, financials, and the timing and future needs for funding, and a summary of this information was posted to the secure investor extranet site. During the board call, the Receiver also explained the status of the Receivership and provided information regarding her (then-planned) motion.

As previously reported, Cirqit moved forward with its conversion from a C Corp to an LLC. Cirqit explained that the primary motivation for the proposed conversion was an expected growth in valuation, which suggested that an LLC conversion be completed prior to the expiration of available tax savings. On October 31, 2017, Mr. Wehrle provided additional information regarding the conversion, including a new operating agreement and notice of a capital call. At the Receiver's request, Mr. Wehrle subsequently agreed to extend the original due date for the funding in light of the Receiver's (then-anticipated) motion and the transfer of the interests under the Plan. As described in Section A of this report, after the transfer was complete, the Receiver provided Mr. Wehrle with investor contact information and asked that he address future communications regarding the pending capital call and other issues directly to the investors.

During this reporting period, the Receiver continued to post information regarding Tervela, Cirqit, Exegy, and Velocidata on the secure investor extranet site. However, now that interests have been transferred, investors are advised to communicate directly with their contacts at Tervela, Logos, Velocidata, and Exegy. As stated in her communications to the involved

parties, the investors and investment concerns should communicate directly and not rely on the Receiver to be an intermediary.

C. Tax Matters and Corporate Compliance

During this reporting period, the Receiver prepared an action item list for both Segue and CLA which outlined tasks that must be completed prior to wind up. Segue will close the books for 2017 and CLA will provide vendor 1099s. CLA will address accounting matters pertaining to intercompany entries. Pursuant to the June 16 Order and December 5 Order, CLA will cancel receivable and debt entries on the books of the Receivership Entities and the SPVs. Once this work is completed, CLA will prepare final state and federal returns for Acartha Group, MIC VII, ATP, Gryphon Investments, Acartha Merchant Partners, Morriss Administration, Tervela Acquisition LLC, Tervela Acquisition II, Tervela Acquisition III, Integrien Acquisition, Evergrid MIC VII, and Librato Acquisition II. Investors will also be provided with final K-1s. The Receiver anticipates that filings and submissions will be made by the end of the second quarter of 2018.

The Receiver continues to respond to notices and inquiries from taxing authorities (including the states of New York and New Jersey). Since all liquidation activity is completed, the Receiver requested that CT Corporation resign. The Receiver will no longer pay taxes to the state of Delaware and the Receivership Entities and the SPVs will become inactive.

D. Administrative Matters

1. SFAR

An updated copy of the Standardized Fund Accounting Report (“SFAR”) will be submitted along with the *Receiver’s Twenty-Fourth Interim Fee Application* for the fourth quarter of 2017, covering October through December. The SFAR reflects known and current

bank balances for the Receivership Entities and the accounts of the SPVs managed by the Receiver. It also reflects expenses and payments during the fourth quarter of 2017. A final SFAR will be submitted to the Court at the conclusion of the Receivership.

2. Interim Applications for Fees and Expenses

Payment of fees and expenses to the service professionals providing assistance to the Receiver are current in keeping with the Court's approval of the last Fee Application. As of the date of the filing of this report, there were no pending Fee Applications, and payments were made to the Receiver and her professionals through September 30, 2017 (with the exception of funds subject to the holdback).

3. Receivership and Secure Investor Websites

The Receiver continues to update the general website hosted by Thompson Coburn (which is linked to the website for the District Court for the Eastern District of Missouri). Additionally, as described in Section B of this report, the Receiver continued to post documents on the extranet sites created for the investors. The Receiver notes, however, that she is no longer likely to receive communications from the investment concerns because the interests are now directly held by the investors. Therefore, going forward, investors should no longer rely on the extranet sites for updated investment information. The Receiver encourages interested parties to visit the public website that is available to them so that they will have a current understanding of Receivership operations and to avoid unnecessary expense through repeated individualized communications with the Receiver and her advisors.

4. Wind Up

The Receiver anticipates that after Segue and CLA complete the various bookkeeping and accounting functions necessary for wind up, the Receiver will submit a final motion to the

Court requesting an appropriate discharge and conclusion of this proceeding. Before this can be done, vendors must anticipate expenses through the final Receivership date and a distribution of the remaining funds will be made to Allowed Claimants in keeping with the Court's June 16 Order.

Conclusion

The Receiver will continue to update this report on a periodic basis to summarize relevant Receivership activities.

Dated: January 23, 2018

Respectfully submitted,

/s/ Claire M. Schenk
Claire M. Schenk, Receiver