

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

CASE NO. 4:12-cv-00080CEJ

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
v.)
)
BURTON DOUGLAS MORRISS,)
ACARTHA GROUP, LLC,)
MIC VII, LLC,)
ACARTHA TECHNOLOGY PARTNERS, LP, and)
GRYPHON INVESTMENTS III, LLC)
)
Defendants, and)
)
MORRISS HOLDINGS, LLC,)
)
Relief Defendant.)
)

**ASSET FREEZE ORDER
AND OTHER EMERGENCY RELIEF**

This cause comes before the Court upon motion by Plaintiff Securities and Exchange Commission for the following orders with respect to Defendants Acartha Group, LLC; MIC VII, LLC; Acartha Technology Partners, LP (“ATP”); and Gryphon Investments III, LLC (collectively, the “Investment Entities”) and Relief Defendant Morriss Holdings, LLC:

- 1) an Order Freezing Defendants Acartha Group’s, MIC VII’s, ATP’s, and Gryphon Investments’s and Relief Defendant Morriss Holdings’s Assets;
- 2) an Order Requiring Sworn Accountings; and
- 3) an Order Prohibiting Destruction of Documents.

The Court has considered the Commission's Complaint, its *Ex Parte* Emergency Motion for Asset Freeze and Other Emergency Relief, its Supporting Memorandum of Law, and the declarations and exhibits filed in support of its motion. The Court also has considered the additional evidence the Commission has submitted between January 17, 2012 and today's date. Finally, the Court has considered the arguments of Defendant B. Douglas Morriss and the Commission at the hearing it held on January 27, 2012.

The Court finds the Commission has made a sufficient and proper showing in support of the relief granted herein by demonstrating a *prima facie* case of securities laws violations by the Defendants. The Court also finds good cause to believe that unless restrained and enjoined by Order of this Court, the Defendants will continue to dissipate, conceal or transfer from the jurisdiction of this Court assets which could be subject to an Order of Disgorgement. Accordingly:

IT IS ORDERED AND ADJUDGED that the motion is **GRANTED**, and the Court also orders as follows:

I.

ASSET FREEZE

IT IS FURTHER ORDERED AND ADJUDGED that:

A. Defendants Acartha Group, MIC VII, ATP, and Gryphon Investments, and Relief Defendant Morriss Holdings, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, who receive notice of this order by personal service, mail, facsimile transmission or otherwise, except any Receiver this Court appoints, be and hereby are, restrained from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging,

assigning, liquidating or otherwise disposing of, or withdrawing any assets or property, including but not limited to cash, free credit balances, fully paid for securities, and, and/or property pledged or hypothecated as collateral for loans, or charging upon or drawing from any lines of credit, owned by, controlled by, or in the possession of:

1. Acartha Group, LLC;
2. MIC VII, LLC;
3. Acartha Technology Partners, LP;
4. Gryphon Investments III, LLC; and
5. Morriss Holdings, LLC.

B. Any financial or brokerage institution or other person or entity located within the jurisdiction of the United States Courts and holding any such funds or other assets, in the name, for the benefit or under the control of the Acartha Group, MIC VII, ATP, Gryphon Investments, or Morriss Holdings, directly or indirectly, held jointly or singly, and which receives actual notice of this order by personal service, facsimile, or otherwise, shall hold and retain within its control and prohibit the withdrawal, removal, transfer, disposition, pledge, encumbrance, assignment, set off, sale, liquidation, dissipation, concealment, or other disposal of any such funds or other assets.

II.

ACCOUNTINGS

IT IS FURTHER ORDERED AND ADJUDGED that Defendants Morriss, Acartha Group, MIC VII, ATP, Gryphon Investments, and Relief Defendant Morriss Holdings shall make the sworn accountings described in D.E. 17 within 14 days of the entry of this Order if they have not already provided them.

III.

RECORDS PRESERVATION

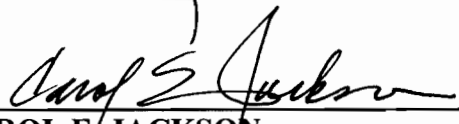
IT IS FURTHER ORDERED AND ADJUDGED that, pending the outcome of this case, the Defendants and Relief Defendant, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to the Defendants and the Relief Defendant wherever located, until further Order of this Court.

IV.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED AND ADJUDGED that this Court shall retain jurisdiction over this matter and the Defendants and Relief Defendant in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED this 27th day of January, 2012, at St. Louis, Missouri.



CAROL E. JACKSON
UNITED STATES DISTRICT JUDGE

Copies to counsel and parties of record

