

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

**SECURITIES AND EXCHANGE COMMISSION**  
**Plaintiff,**

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**No. 4:11-cv-655-RC-ALM**

**v.**

**JAMES G. TEMME, and**  
**STEWARDSHIP FUND, LP,**  
**Defendants.**

**STATUS UPDATE REGARDING RECEIVER’S MOTION FOR SHOW CAUSE  
HEARING REGARDING RECOVERY OF RECEIVERSHIP ESTATE ASSETS AND  
NOTICE OF PROPOSED AGENDA REGARDING SAME**

TO THE HONORABLE COURT:

COMES NOW Keith M. Aurzada as Receiver (the “Receiver”) for James G. Temme (“Temme”), Stewardship Fund, LP, and all other entities directly or indirectly controlled by Temme or Stewardship Fund, LP, including, but not limited to Stewardship Advisors, LLC, d/b/a Stewardship Advisors, LP, Stewardship Asset Management Genpar I, LLC, Stewardship Group, LLC, Destiny Fund, LP, and Stewardship Management, LP (collectively, the “Receivership Entities”) by and through his undersigned counsel, hereby files his Status Update Regarding Order Granting Receiver’s Motion for Show Cause Hearing Regarding Recovery of Receivership Estate Assets and Notice of Proposed Agenda Regarding Same. In support hereof, the Receiver respectfully states the following:

**STATUS UPDATE REGARDING RECEIVER’S MOTION FOR SHOW CAUSE  
HEARING REGARDING RECOVERY OF RECEIVERSHIP ESTATE ASSETS**

1. On February 13, 2012, the Court entered its Order Granting Receiver’s Motion for Show Cause Hearing Regarding Recovery of Receivership Estate Assets (Docket No. 54) (the

“Order”). In the Order, the Court set a Show Cause Hearing on Wednesday, March 14, 2012, at 9:00 a.m. at the U. S. Courthouse Annex, 200 N. Travis Street, Chase Bank Building, Mezzanine Level, Sherman, Texas 75090. The Court further ordered that “[a]t the Show Cause Hearing, any Potential Claimant (as that term is defined in the Motion) or other third party asserting an interest in any of the Notes (as that term is defined in the Motion) shall personally appear and present evidence establishing their interest in any of the Notes. Any such Notes that are not proven to belong to a Potential Claimant or other third party shall be deemed assets of the Receivership Estate.”

2. On March 6, 2012, the Show Cause hearing was reset by the Court for **Monday, April 2, 2012 at 9:00 a.m.**

3. Since the Court’s entry of the Order, the Receiver has worked with the various show cause respondents (collectively, “Respondents”) to obtain information from the Respondents regarding their claimed interests in Receivership Estate Assets. The Respondents consist of numerous separate entities, but many such entities are composed of related investors. As such, the Receiver has categorized the Respondents into the following groups:

<u>Name of Group</u>	<u>Identity of Group Respondents</u>
“Cavco Group”	Cavco Holdings, LLC
“ER Group”	ER, LLC
“Harbour Group”	Harbour High Yield Fund, LLC
	Harbour Internal Fund, LP
	Harbour Portfolio I, LLC
	Harbour Portfolio II, LLC
	Harbour Portfolio III, LLC
	Harbour Portfolio IV, LLC
	Harbour Portfolio V, LLC
	Harbour Portfolio VI, LP
	Harbour Portfolio VII, LP

“HSP Group”	Home Solutions Partners I REO, LLC
	Home Solutions Partners I, LP
	Home Solutions Partners II REO, LLC
	Home Solutions Partners II, LP
	Home Solutions Partners III REO, LLC
	Home Solutions Partners III, LP
	Home Solutions Partners IV REO, LLC
	Home Solutions Partners IV, LP
“Remaining Respondents”	Equitas Housing Fund III, LP
	Equitas Housing Fund, LLC
	Halo Asset Management, LLC
	LenderLive

4. The Receiver believes the following Respondents (collectively, the “Withdrawn Respondents”) have satisfied their burden to show cause:

- Cavco Group;
- ER Group;
- Harbour Group; and
- HSP Group.

5. The Receiver appreciates the cooperation of each of the Withdrawn Respondents and, if applicable, their counsel. While the Receiver believes the Withdrawn Respondents have produced sufficient information to establish why each of the Withdrawn Respondents has a good faith belief that they have an interest in property of the Receivership Estate (therefore showing cause), the actual ownership of the estate property is still subject to a good faith dispute. The Receiver is currently negotiating with each of the Withdrawn Respondents to reach a compromise on the ownership of Receivership Estate Assets, which the Receiver reasonably anticipates will be the subject of separate motions to the court to approve such compromises. The Receiver will file a separate Notice of Partial Withdrawal with respect to the Withdrawn

Respondents, which states the Receiver is withdrawing his Motion for Show Cause with respect to each of them.

6. The Receiver has received no meaningful response from Equitas Housing Fund III, LP, Equitas Housing Fund, LLC, Halo Asset Management, LLC, or LenderLive (collectively, the “Remaining Respondents”).

**NOTICE OF PROPOSED AGENDA REGARDING SHOW CAUSE HEARING**

7. The Receiver respectfully proposes the following agenda for the Show Cause Hearing, scheduled for Monday, April 2, 2012 at 9:00 a.m.:

- Status report by Receiver to update Court and parties on Receivership in general;
- Status report regarding Withdrawn Respondents;
- Allow Opportunity for Remaining Respondents to Show Cause.

8. The Receiver has communicated with counsel for several of the Remaining Respondents, but is unaware of how or whether the Remaining Respondents will respond, if at all. Given the types of assets at issues and the volume of same (i.e. thousands of notes secured by residential mortgages), the Receiver is unaware of whether he will be able to analyze any information presented by the Remaining Respondents at the hearing. The Receiver respectfully reserves his right to request additional time in the event that the Remaining Respondents appear and show cause.



**CERTIFICATE OF SERVICE**

I certify that on March 8, 2012, a true and correct copy of the Order was sent via United States First Class Mail, postage prepaid, to the following:

David Reece  
 United States Securities and Exchange Commission  
 Burnett Plaza, Suite 1900  
 801 Cherry Street, Unit 18  
 Fort Worth, Texas 76102

John Helms, Jr.  
 Helms, Roberts & Diaz LLP  
 6060 N. Central Expressway, Suite 560  
 Dallas, Texas 75206

COUNSEL FOR JAMES G. TEMME

<b><u>Entity Name</u></b>	<b><u>Address</u></b>
Cavco Holdings, LLC	8117 Preston Road, Suite 160, Dallas, TX 75225
Equitas Housing Fund III, LP	Halo Asset Management, LLC 700 Central Expy S, Suite 500, Allen, TX 75013
Equitas Housing Fund, LLC	Halo Asset Management, LLC 700 Central Expy S, Suite 500, Allen, TX 75013
ER, LLC	Robert Asa Boyce Jr. 4016 Centenary Lane, Dallas, TX 75225
Harbour High Yield Fund, LLC	Charles A. Vose III 8214 Westchester Dr., Suite 635, Dallas, TX 75228
Harbour Internal Fund, LP	Charles A. Vose III 8214 Westchester Dr., Suite 635, Dallas, TX 75228
Harbour Portfolio I, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Harbour Portfolio II, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Harbour Portfolio III, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Harbour Portfolio IV, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Harbour Portfolio V, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Harbour Portfolio VI, LP	Charles A. Vose III 8214 Westchester Drive, Suite 635, Dallas, TX 75225
Harbour Portfolio VII, LP	Charles A. Vose III 8214 Westchester Drive, Suite 635, Dallas, TX 75225

Home Solutions Partners I REO, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225
Home Solutions Partners I, LP	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Home Solutions Partners II REO, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Home Solutions Partners II, LP	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Home Solutions Partners III REO, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Home Solutions Partners III, LP	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225-6124
Home Solutions Partners IV REO, LLC	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225
Home Solutions Partners IV, LP	Charles A. Vose III 8214 Westchester Dr., Ste. 635, Dallas, TX 75225
	Jim L. Flegle Loewinsohn Flegle Deary L.L.P. 12377 Merit Drive, Suite 900 Dallas, TX 75251
Halo Asset Management, LLC	700 Central Expy S, Suite 500, Allen, TX 75013
LenderLive	CT CORPORATION SYSTEM, 350 N. St. Paul St., Ste. 2900, Dallas, Texas 75201

I further certify that on March 30, 2012, a true and correct copy of the foregoing was sent via email through the Court's CM/ECF system to all parties consenting to service through same, and via email to known email addresses for the Respondents or their counsel.

/s/ Bradley J. Purcell  
Bradley J. Purcell