

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

Civil Action No. 4:11-CV-00655

JAMES G. TEMME,
STEWARDSHIP FUNDS, LP

Defendants.

**OBJECTION TO SETTLEMENT AGREEMENTS WITH VOSE ENTITIES AND
ROBERT BOYCE**

TO THE HONORABLE COURT:

MDA Realty Holdings, LLC, MVB Realty Holdings, LLC, LF Realty Holdings, LLC and F & B Note Holding, LLC (collectively, the "Finch and Barry Group" or "Movants") file this their objection to the proposed Settlement Agreements with the Vose Entities and Robert Boyce, and would respectfully show the Court the following:

1. The Finch and Barry Group just learned of the Motions to Approve Settlements with the Vose Entities and Boyce Parties, filed on April 25, 2012. These motions were not served upon counsel for the Finch and Barry Group, who appeared at the recent hearing on issues and parties directly related to such motions. Nor were such motions served on any other persons or entities who would have a potential interest in the settling parties as potential sources of recovery for their claims in this matter. The two Motions to Approve Settlements appear to request permission of the Court to give general releases to Charles Vose, individually, Harbour Portfolio I, LLC, Harbour Portfolio II, LLC, and Robert Boyce. An earlier objection would have been filed by the Finch and Barry Group had they received notice of these Motions.

2. As the Court knows from the April 2, 2012 hearing, the Finch and Barry Group was involved in an April 27, 2011 transaction involving James Temme, Home Solutions, LLC and HALO, to purchase some 440 mortgages from Home Solutions, LLC. Movants wire-transferred \$3,139,667.20 to the account of Home Solutions Partners I, LP to purchase these mortgages.

3. As shown by the Motion for Relief from Stay filed by the Finch and Barry Group contemporaneous with this Objection, which is incorporated herein by reference, approximately \$2.2 million of the Movants' \$3.1 million, immediately (within three business days) ended up in bank accounts of Home Solutions Partners I, LP, Home Solutions Partners III, LP, Harbour Portfolio I, LLC (\$211,785.00) and Harbour Portfolio II, LLC (\$183,670.00). An additional \$100,000 of the Movant's money immediately went to Robert Boyce. These monies are all easily traceable. Given the fact that all accounts through which this money passed held negligible balances prior to receipt of the funds, there do not appear to be any commingling issues with these monies. The detailed tracing of these monies is set forth in the Affidavit of Jacob Fain, filed with this Court on March 20, 2012 [Docket Entry #68], which is also incorporated herein by reference.

4. In order to capitalize on the releases proposed to be granted by the Receiver, it is believed that the Vose entities may be tempted to urge that the claims of the Finch and Barry Group, even with regard to the traceable money which they immediately received in their various bank accounts, are claims which should be brought by the receivership estate rather than by these Movants. The Finch and Barry Group would vehemently disagree with this contention, especially with regard to the approximately \$2.2 million of traceable funds; they believe they have standing to assert

these claims directly against the Home Solutions and Vose entities, since their monies are directly traceable to these entities. When the Finch and Barry Group present their claim against Robert Boyce, it is also possible that Mr. Boyce will urge that the claim should be brought by the Receivership estate, rather than by the Finch and Barry Group. In other words, it is possible that both the Vose entities and Robert Boyce will claim that the Finch and Barry Group cannot present their claims against them, that the Receiver must assert such claims, though the Finch and Barry Group vehemently disagrees with such contention.

5. Some of the Vose entities and Robert Boyce would have strong incentive to make this argument, because they have somehow convinced the Receiver to enter into settlement agreements with blanket releases of their persons and entities by the Receiver, as part of the proposed settlements now before the Court. In other words, should the Vose entities somehow convince the Court that the Finch and Barry Group's claims regarding the \$2.2 million of traceable funds must be brought by the Receiver, they would have a release in hand, and the estate would have jettisoned a \$2.2 million claim against one or more solvent defendants. (As noted above, the Receiver proposes to give a blanket release to Charles Vose, individually.) The Boyce situation could play out in the same fashion with respect to the \$100,000.00 claim against him.

6. Given the connections between the Vose entities and Robert Boyce with Stewardship, and give the fact that their depositions have not been taken, and subpoenas duces tecum have not been served upon them, it is also unclear whether they would have other liability to the receivership estate. The Receiver's proposed releases of these persons and entities is beyond premature, and could ultimately turn out to be damaging to the estate and the Stewardship investors.

7. Based upon all the foregoing, the Finch and Barry Group objects to the proposed settlement agreements with the Vose entities and with Robert Boyce, or in the alternative, the general release provisions of such settlement agreements, and requests that the Court overrule the request for approval of these settlements.

WHEREFORE, the Finch and Barry Group prays that the Court conduct a hearing in open court on the Motions to Approve Settlements, providing notice to all potentially affected parties, that the Court overrule and deny the request for approval of the proposed settlements with the Vose entities and Robert Boyce, or strike the general releases in such proposed settlements therein, and that they be granted such other and further relief in this regard as they show themselves justly entitled.

Respectfully submitted,
PENNINGTON HILL, LLP.

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CERTIFICATE OF SERVICE

I certify that on May 15, 2012, a true and correct copy of the foregoing document was served on the following counsel of record via electronic case filing or certified mail, return receipt requested.

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ORDER

On this day the Court considered the Response and Objections (“Response and Objections”) filed by certain nonparties to this action, MDA Realty Holdings, LLC, MVB Realty Holdings, LLC, LF Realty Holdings, LLC, and F & B Note Holding, LLC (collectively, the “Finch and Barry Group”) to the Motions to Approve Settlements with the Vose Entities and the Boyce Parties, and any responses filed thereto. After considering these Motions and the foregoing Response to such motions and proposed settlements, it is the Court’s opinion that the Motions should be DENIED.

It is, therefore, ORDERED that, the Motion to Approve Settlement with the Vose Entities is denied; and it is further

ORDERED that, the Motion to Approve the Settlement with the Boyce Parties is denied.

