

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.

REPLY CONCERNING THE FINCH AND BARRY GROUP'S MOTION TO COMPEL

1. 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 & Barry Group"), hereby withdraw their Motion to Compel against the Receiver for several reasons:

- a. First, though the Receiver initially agreed to respond to the Finch & Barry Group's Request for Production, asked for a confidentiality agreement to allow the production of documents thereunder, and actually produced some documents pursuant to the Request for Production, now the Receiver has objected to any further production of documents on the basis that the Finch & Barry Group is not a "party" to this proceeding.
- b. Second, the Home Solutions Affiliates have now filed an objection to Finch & Barry Group's Request for Production and the Motion to Compel, urging among other objections, that the Finch & Barry Group is not a "party" to this proceeding.

- c. The Court has now concluded the hearing on the Amended Motion to Lift Stay, and thus the documents in the Receiver's possession which could have shed light on some of the issues at that hearing have been successfully kept out of that proceeding and removed from the Court's current consideration.
- d. Due to the passage of time (the initial request for production is dated May 22, 2012), and the dramatic developments that have recently occurred in this case, the very short list of documents which were the subject of the Motion to Compel is somewhat outdated. In addition, given the facts which have come out since May 22, 2012, the Finch & Barry Group can now do a much better job of identifying specific categories of documents which should be provided by the Receiver to all the investors, and will do so as described below.

2. The Finch & Barry Group plans to file a Motion with the Court to require the Receiver to produce an expanded list of documents regarding the past and currently contemplated settlements in this receivership action, documents and reports received from the Home Solutions Affiliates, documents showing ownership of the mortgages involved in this proceeding, and documents, if any, obtained by the Receiver which would call into question the facts alleged in the Complaint in this action, and the statements in the October 10, 2011 Declaration of Charles Vose, based upon which the Court entered injunctive relief in this action. All of the items addressed in Finch & Barry

Group's Motion to Compel, plus other matters, will be addressed in this new motion; thus, there is no necessity for a ruling on the present Motion to Compel.

3. Finally it is the desire of the Finch & Barry Group, and the other investors, that the Court be allowed to make a straight-up decision on the merits of a request for documents and information obtained by the Receiver, without being hampered by the technical procedural objections to a formal request for production which have been raised by the Receiver and the Home Solutions Affiliates.

WHEREFORE, the Finch & Barry Group hereby withdraws its present Motion to Compel, without prejudice, stating its intent to proceed with a formal Motion described above to address the Receiver's decision not to voluntarily provide certain documents and information he has obtained in this matter, and the Finch & Barry Group prays for 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 September 5, 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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