

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

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

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v.

**Civil Action No. 4:11-cv-655**

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

**RECEIVER’S AMENDED FIRST INTERIM APPLICATION TO ALLOW AND PAY  
PROFESSIONAL FEES TO GREG T. MURRAY, PLLC**

Keith M. Aurzada as Receiver (the “*Receiver*”) for James G. Temme, Stewardship Fund, LP, and all other entities directly or indirectly controlled by James G. 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 “*Defendants*”), hereby files his First Interim Application to Allow and Pay Professional Fees to Greg T. Murray, PLLC and, in support thereof, would respectfully show the Court as follows:

**BACKGROUND**

1. Prior to the initiation of the above-captioned action by the Securities and Exchange Commission (“*Commission*”), Defendants raised at least \$35 million from various investors seeking to purchase distressed residential mortgage loans and notes. The Defendants represented to investors that the offerings and proceeds would be used to buy distressed and non-

performing mortgages and notes at deeply discounted values that would be improved to become performing mortgages that would be resold at a profit.

2. As the Receiver has conducted his investigation, it has become apparent that the Defendants' means for acquiring notes and mortgages was to obtain funds from various groups or individuals to invest in limited partnerships in which the general partner would acquire at a discount tapes of distressed, non-performing mortgage loans.

3. In the spring of 2011, Defendants' scheme collapsed, payments to investors ceased, and lienholders began foreclosure proceedings on the properties underlying the mortgages held by the Defendants.

4. Since commencing his duties, the Receiver has identified through the loan servicing company database and public record searches most of the lienholders on each of the properties. The receivership is still in the discovery phase, with a large focus of the Receiver being to identify, locate, and secure assets.

**APPLICATION FOR FEES AND EXPENSES  
OF THE RECEIVER AND HIS ATTORNEYS**

5. This Application seeks the approval and payment of fees and reimbursable expenses for Greg T. Murray, PLLC ("*Murray*") for the time period from March 30, 2012 through August 30, 2012. The Receiver retained Murray as the accountant for the Receivership Estate. *See* Order Granting Unopposed Application to Employ Greg T. Murray as Accountant for Receiver [Dkt. No. 45]. The Receiver has previously provided Murray's credentials and the Court has already approved the discounted fees Murray has offered to the Receiver for his work in this Matter. *See id.*

6. As demonstrated more fully in the invoice attached hereto as Exhibit A, Murray has spent a total of 370.25 hours working on various tax matters, reconciling bank statements,

assisting with forensic examination of records, reviewing and reconciling claims, and maintaining accounts and other accounting issues during the period covered by this Application and seeks allowance of total compensation in the amount of \$35,696.75, which amount includes \$28.00 in expenses incurred in the form of filing fees.

7. The Receiver seeks authority to pay Murray \$35,696.75, constituting \$35,668.75 in fees and \$28.00 in expenses incurred for the time period from March 30, 2012 through August 30, 2012, upon an order of this Court.

8. Exhibit A, which is attached and incorporated for all purposes, conveys the following information for the time period of March 30, 2012 through August 30, 2012: (a) the number of hours worked by Murray on a particular day; (b) the manner and type of work performed by Murray; (c) expenses incurred; and (d) the monetary value assigned to each task performed by Murray.

9. As detailed in Exhibit A, Murray's efforts thus far have centered around three main tasks: (i) creating a single Quickbooks record of all transactions by the Receivership Entities; (ii) tracing funds moving in and out of bank accounts owned by the Receivership Entities; and (iii) analyzing potential investor claims.

10. Murray focused much of his efforts on creating a single Quickbooks record for all Receivership Entity transactions in order to simplify and understand the transfers of funds between Receivership Entities' accounts that often occurred multiple times per day. Additionally, the Receivership Entities operated using Quickbooks as their only accounting software. However, the Receivership Entities' Quickbooks files were incomplete and, often,

incongruent with bank statements. As a result, Murray and his staff<sup>1</sup> spent copious time reconciling the Quickbooks files with the bank records, conflating the Quickbooks files, and tracking all transactions between the Receivership Entities.<sup>2</sup>

11. Additionally, Murray expended much of his time tracing funds that came in to and went out of Receivership Entities' accounts. These records will be used, along with investor proofs of claim, to determine how much money each known investor paid to the Receivership Entities and how much they received in return. The Receiver's ultimate distribution to investors will be based in large part on the account performed by Murray.

12. Finally, much of Murray's time reflected in Exhibit A was spent analyzing claims that have already been filed with the Receiver. As part of his investigation, the Receiver seeks to identify the investors in the Receivership Entities that were "net winner." Determining the net winners and the amount of their recoveries from Receivership Entities will factor into the Receiver's decisions on distributions and potential "claw back" litigation. Murray's analysis and reports will, therefore, be crucial to the Receiver's task of identifying pursuing potential claims of the Receivership Estate.

### **JOHNSON FACTORS**

13. In support of this request for compensation and reimbursement of expenses, the Receiver respectfully directs this Court's attention to those factors generally considered by courts in awarding compensation to professionals for services performed in connection with the administration of a receivership estate. As stated by the Fifth Circuit Court of Appeals in *Migis v.*

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<sup>1</sup> Murray utilized his staff to perform bookkeeping entries in an effort to keep the Receiver's costs low. Murray's staff bills at only \$50 per hour.

<sup>2</sup> Murray was also required to spend some time and \$28 in fees contacting Quickbooks password retrieval service because several of the Quickbooks files were password protected.

*Pearle Vision, Inc.*, 135 F.3d 1041, 1047 (5th Cir. 1998), “The calculation of attorneys fees involves a well-established process. First, the court calculates a ‘lodestar’ fee by multiplying the reasonable number of hours expended on the case by the reasonable hourly rates for the participating lawyers. The court then considers whether the lodestar figure should be adjusted upward or downward depending on the circumstances of the case. In making a lodestar adjustment the court should look at twelve factors, known as the Johnson factors, after *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974).” Those factors as applied to the services rendered in this case by Murray are addressed below.

(a) **The Time and Labor Required.** The Receiver respectfully refers the Court’s attention to Exhibit A, which details the involvement of Murray in this case during the period covered by this Application showing that a total of 370.25 hours of professional accountant time have been expended.

(b) **The Novelty and Difficulty of the Questions.** The tasks reflected in Exhibit A involve the type of tax and accounting issues that are appropriately performed by an accountant with Murray’s skill and expertise.

(c) **The Skill Requisite to Perform the Service.** The Receiver believes that the services performed in this case and shown on Exhibit A have required individuals possessing tax and accounting skills and expertise. Murray has considerable experience in such areas.

(d) **The Preclusion of Other Employment Due to Acceptance of the Case.** The Receiver is unaware of any representation Murray declined solely because of their services as forensic accountants for the Receiver.

(e) **The Customary Fee.** The hourly rates sought herein are commensurate with or lower than the rates charged by other practitioners of similar experience levels in the Eastern

District of Texas. In fact, Murray has given the Receiver a twenty percent (20%) discount below his typical rates. Moreover, where possible, Murray has utilized his staff, under his supervision, to complete tasks at a significant savings to the Receiver.

(f) **Whether the Fee is Fixed or Contingent.** Murray's fees are fixed insofar as monies exist by way of Receivership Assets from which to pay such fees. Payment of such fees, however, is subject to Court approval.

(g) **Time Limitations Imposed by the Client or Other Circumstances.** Murray's services were required in a timely fashion in order to meet applicable filing deadlines.

(h) **The Experience, Reputation and Ability of the Attorneys.** Murray's practice regularly includes the types of services rendered in this case and shown on Exhibit A. Murray is a respected accountant.

(i) **The Undesirability of the Case.** Murray's representation of the Receiver incident to this case has not been undesirable.

(j) **The Nature and Length of the Professional Relationship with the Client.** Murray did not represent the Receiver in these proceedings prior to being retained in these proceedings.

(k) **Award in Similar Cases.** The Receiver believes that the fees requested in this case are less than or equal to those which have been awarded in similar cases in this District.

**WHEREFORE**, the Receiver respectfully requests that the Court allow the requested compensation for professional services and expenses rendered by Murray on an interim basis, and authorize the Receiver to pay Murray total compensation of \$35,668.75 in fees and \$28.00 in expenses for a total amount of \$35,696.75 for the time period from March 30, 2012 through August 30, 2012.

Dated: September 20, 2012

Respectfully submitted:

//s// Keith Miles Aurzada  
Keith Miles Aurzada, Receiver

2200 Ross Avenue, Suite 3300  
Dallas, Texas 75201  
Telephone: 214.721.8041  
Facsimile: 214.721.8100





1503 Tarton Lane  
San Antonio, TX 78231

Certified Public Accountant

Telephone (210) 413-9162  
Fax (210) 492-6389

TAX ID NUMBER 74-2891043

Stewardship Fund LP In Receivership  
Keith Aurzada Receiver  
2200 Ross Avenue, Ste 3300  
Dallas, TX 75201

September 12, 2012  
Invoice # 6372

	<u>Hrs/Rate</u>	<u>Amount</u>
3/30/2012 Set up Quickbooks file, record all cash receipts and NSF back charges. Create initial activity report for court reporting purposes	3.25 275.00/hr	893.75
4/17/2012 Prepare Trust Tax Return Extension	0.50 275.00/hr	137.50
5/21/2012 Reconcile March and April bank statements, record May deposit	0.50 275.00/hr	137.50
5/22/2012 Create Excel report, e-mail to Keith Aurzada	0.25 275.00/hr	68.75
6/6/2012 Meet with Jeff Goldfarb to review documents, discuss forensic examination approach and documents needed to complete tasks	1.25 275.00/hr	343.75
6/14/2012 Entry and reconciliation of bank statement transactions into Quickbooks	20.00 50.00/hr	1,000.00
6/19/2012 Review e-mails from Becky Harker, review Tremme Quickbooks file, respond to e-mail, send e-mail requesting more bank statements	0.50 275.00/hr	137.50
6/22/2012 Update SEC report, e-mail to Keith	0.75 275.00/hr	206.25
6/29/2012 Reconciliation of bank statements into Quickbooks	20.00 50.00/hr	1,000.00
7/2/2012 Review CD from Bryan Cave, load Quickbooks files on server, attempt to open various files, determined that all files are password protected, discuss need for passwords with Keith Aurzada	0.75 275.00/hr	206.25

## Stewardship Fund LP In Receivership

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	<u>Hrs/Rate</u>	<u>Amount</u>
7/2/2012 Receive flash drive from Jeff Goldfarb containing bank statements from Comerica Bank, load files on server, discuss timing of reconciliation procedures with Becky Harker	0.75 275.00/hr	206.25
7/31/2012 Telephone discussions with Becky Harker discussing missing bank statements, goal of finishing bank reconciliations by August 8th	0.50 275.00/hr	137.50
7/2/2012 Record and reconcile bank statements for Home Solution Partners and Stewardship Funds	20.00 50.00/hr	1,000.00
7/5/2012 Record and reconcile bank statements for Stewardship Fund, The Canyon Ferry Fund, Trei II Holding Fund, Harbor Portfolio Fund, James or Laura Tremme to February 3, 2009	20.00 50.00/hr	1,000.00
7/9/2012 Record and reconcile bank statements for Harbour Portfolio II, Stewardship Funds, Virtual Holdings from October, 2007 to October, 2011	20.00 50.00/hr	1,000.00
7/13/2012 Enter Quickbooks and reconcile Steward Fund operating bank statement from October, 2007	20.00 50.00/hr	1,000.00
7/24/2012 Enter and reconcile Stewardship Fund operating bank statements to September 30, 2010	40.00 50.00/hr	2,000.00
7/31/2012 Enter Quickbooks and reconcile Stewardship Funds operating account	20.00 50.00/hr	1,000.00
8/6/2012 Start review of all banking transactions, Identify and reclass banking account transfer transactions	7.25 275.00/hr	1,993.75
8/7/2012 Review transactions for inter account transfer, draft e-mail to Keith, send inquiry to Intuit on help breaking file passwords, Sent e-mail to Intuit legal department and determined they will require a subpoena	2.50 275.00/hr	687.50
Begin review of binder supplied by Jeff Goldberg, MCS Stewardship transactions	2.00 275.00/hr	550.00
8/8/2012 Continued review of transactions, telephone conference with Keith on obtaining additional data	5.25 275.00/hr	1,443.75
8/9/2012 Review claims spreadsheet from Gia Smith, request in Excel format, guide Sally Cowan through loading Quickbooks files received from Keith Aurzada on server	1.75 275.00/hr	481.25

## Stewardship Fund LP In Receivership

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	<u>Hrs/Rate</u>	<u>Amount</u>
8/19/2012 Review claims #1 to #21, reconcile information with Quickbooks file	3.00 275.00/hr	825.00
8/20/2012 Review and confirm payments, claims 22 - 50	7.00 275.00/hr	1,925.00
8/21/2012 Review investor claims 51 to 66, cross reference to Quickbooks	3.00 275.00/hr	825.00
8/22/2012 Review and cross-reference Claims #67 to #101 to Quickbooks data	8.50 275.00/hr	2,337.50
8/24/2012 Work on claims #101 to #134 funds verification, receive passwords to Tremme created Quickbooks files, tested all passwords, discussed with Becky Harker how we will use this information	2.50 275.00/hr	687.50
8/21/2012 Recording banking activity on main Stewardship account from April, 2010 to May, 31, 2012	54.00 50.00/hr	2,700.00
8/26/2012 Complete claims analysis to Claim #144, review deposit transactions in original Tremme Quickbooks files, create spreadsheet for Becky's entry	3.50 275.00/hr	962.50
8/28/2012 Update Quickbooks file for investor payments using information from original Tremme Quickbooks records	20.00 50.00/hr	1,000.00
8/29/2012 Create Excel spreadsheet with details of all deposits from each original Tremme Quickbooks file.	1.50 275.00/hr	412.50
8/30/2012 Reconcile all current investor claims with pre-2008 transactions to original Tremme Quickbooks files	5.25 275.00/hr	1,443.75
8/31/2012 Reconcile deposit information from original Tremme Quickbooks files to our Quickbooks file	5.00 275.00/hr	1,375.00
9/1/2012 Reconcile deposits from original Tremme Quickbooks files to created file - August 2010 to March 2011	2.00 275.00/hr	550.00
9/2/2012 Reconcile original Tremme Quickbooks deposit records to created Quickbooks file	3.25 275.00/hr	893.75

Stewardship Fund LP In Receivership

	<u>Hrs/Rate</u>	<u>Amount</u>
9/3/2012 Complete Re-formatting Tremme file for bulk sales and mortgage payments	4.00 275.00/hr	1,100.00
9/7/2012 Record missing payee names on created Quickbooks using information from Tremme original Quickbooks. Completed for Destiny Fund, Virtual Holdings and Stewardship equity transactions	20.00 50.00/hr	1,000.00
9/12/2012 Enter payee names from original Tremme Stewardship Fund Quickbooks file to created Quickbooks file. Completed for October, 2007 to February, 2010	20.00 50.00/hr	1,000.00
 For professional services rendered <u>Expenses:</u>	 <u>370.25</u>	 <u>\$35,668.75</u>
8/7/2012 Electronic Filing Fees Electronic Fee for Intuit services		28.00
 Total expenses		 <u>\$28.00</u>
Total amount of this bill		<u>\$35,696.75</u>
 Balance due		 <u>\$35,696.75</u>