

United States District Court

EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE
COMMISSION

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v.

JAMES G. TEMME and STEWARDSHIP
FUND, LP

Case No. 4:11-CV-655
Judge Clark/Judge Mazzant

ORDER

Pending before the Court is the Motion to Approve Settlement Agreement with Halo Companies, Inc. (Dkt. #244). On September 13, 2014, the Stewardship Receivership Claimants Association (the "Association") filed objections to the motion.

The Court does not have enough information to make a decision that the approval of this settlement would be in the best interest of the estate. The Association asserts the following:

Here, the settlement with Halo as proposed in the Motion does not appear to be in the best interests of the estate. In fact, a significant concern with the Motion is that it fails to articulate for the Court and other interested parties the values of the assets subject to the settlement. The Receiver wholly fails to identify the value of (1) the two classes of Halo stock he is offering in settlement, (2) the AMX software or its enterprise value and use, or (3) the several claims he intends to release. Regarding AMX, the Receiver has apparently negotiated only a limited license for his own use, despite the fact that the estate has a claim to ownership of the software.

The Association also asserts the following: (1) that the Receiver has offered no evidence regarding the value of the stock the estate holds in Halo; (2) the Receiver has not identified or explained the potential claims between the estate and Halo, their value, or their viability; (3) the Receiver has offered no evidence of Halo's financial condition; and (4) the Receiver has offered no evidence regarding the value of AMX software which Halo claims to own. The Court shares some of these concerns and needs answers before deciding how to proceed. The Receiver should address each of these concerns in the reply.

IT IS SO ORDERED.

SIGNED this 23rd day of September, 2013.


AMOS L. MAZZANT
UNITED STATES MAGISTRATE JUDGE