

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

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

Defendants.

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Civil Action No. 4:11-cv-655

ORDER

Before the court are Receiver Keith Aurzada’s (the “Receiver”) Motion to Approve Settlement Agreement with Halo Companies, Inc. (collectively, the “Settlement Motion”) [Doc. #244]. The court, having considered the Motion, the evidence, the responsive briefing, the arguments of counsel, and the relevant legal principles, hereby orders that the Motion is GRANTED as follows:

I. DEFINITIONS.

1. For purposes of this Order, the following terms shall have the following meanings:

- (a) The term “Halo” refers to Halo Companies, Inc.
- (b) The term “Receivership Orders” refers to the following orders entered by the Court in the above-styled action (the “SEC Matter”): (1) Agreed Order Appointing Receiver over Entities Under Control of James G. Temme entered October 28, 2011 [Doc. #24]; (2) Agreed Order Appointing Receiver over Stewardship Fund, LP and Related Entities entered October 28, 2011 [Doc. #25]; and (3) Order Appointing Receiver over James G. Temme dated November 3, 2011 [Doc. #30].
- (c) The term “Receiver” refers to Keith Aurzada, solely in his capacity as court-appointed Receiver in the SEC Matter pursuant to the Receivership Orders over

the following parties: (1) James G. Temme (“Temme”), and any entity Temme owns or controls, directly or indirectly, including without limitation Stewardship Advisors, LLC, Stewardship Advisors, LP, and Stewardship Asset Management Genpar I, LLC, and all of the entities they own or control; and (2) Stewardship Fund, LP (“Stewardship Fund,” and together with Temme, the “Receivership Entities”), and all entities directly or indirectly controlled by Stewardship Fund, LP.

- (d) The term “Settlement Agreement” refers to the Compromise & Settlement Agreement by and between the Receiver and Halo, a true and correct copy of which was included as Exhibit A in the Appendix in Support of the Motion.
- (e) The term “Stewardship Investment Plan” refers to the various investment plans arranged, executed, or orchestrated by Temme or Stewardship Fund calling for investments into the Receivership Entities.
- (f) The term “Stewardship Creditors” refers to any creditors of any Receivership Entity, including any investor (and their heirs, successors, agents and assigns) who invested in any Stewardship Investment Plan.

II. SETTLEMENT MOTION.

2. On August 28, 2013, the Receiver filed the Settlement Motion seeking: (i) a determination that the proposed settlement between the Receiver and Halo be deemed fair, equitable, reasonable, and in the best interests of the Receivership Entities and, thus be approved by the court; and (ii) seeking the entry of an order, as a condition of the proposed settlement, permanently barring or enjoining any and all Stewardship Creditors from commencing or continuing any judicial, administrative, arbitration, or other proceeding, and from asserting or prosecuting any claims or causes of action against Halo arising out of, in connection with, or relating in any way to the Stewardship Investment Plan, the investments made in any Receivership Entity by the Stewardship Creditors, and any transfers received by Halo, directly or indirectly, from the Receivership Entities.

3. The Receiver provided due and proper notice of the Settlement Motion, the proposed settlement, and any hearing on the Settlement Motion to all interested persons, and the

court has considered the papers filed and arguments made by the Receiver in support of his Settlement Motion, and any objections to the Motion, and such other and further evidence as has been presented to the court.

4. It is therefore ORDERED that:

- (a) the Settlement Motion is GRANTED;
- (b) The Settlement Agreement between the Receiver and Halo is hereby APPROVED; and
- (c) Any and all of the Stewardship Creditors are hereby permanently BARRED, RESTRAINED, and ENJOINED, consistent with general equitable principles and in accordance with this Court's ancillary equitable jurisdiction in the SEC Matter, from commencing or continuing any judicial, administrative, arbitration, or other proceeding and asserting or prosecuting any claims and causes of action against Halo or its respective past, present, and future agents, officers, directors, employees, heirs, beneficiaries, representatives, managers, relations by blood and marriage, affiliates, predecessors, successors, assigns, and related entities, including their current or former general partners and limited partners, arising out of, in connection with, or relating in any way to the Stewardship Investment Plan, the investments made in any Receivership Entity by the Stewardship Creditors, or any transfers received by Halo from any of the Receivership Entities.

5. Neither Halo's settlement with the Receiver, nor any of the terms or provisions of the Settlement Agreement, nor any of the negotiations or proceedings in connection with the settlement, nor any of the documents or statements referred to therein shall be construed as or deemed in any judicial, administrative, arbitration or other type of proceeding to be evidence of a presumption, concession, or an admission by Halo of the truth of any fact alleged or the validity of any claim that has been, could have been, or in the future might be asserted in the SEC Matter, or in any other judicial, administrative, arbitration or other proceeding.

6. The rights of the Stewardship Investors to participate in the claims process for the Receiver's ultimate plan of distribution for the Receivership Entities shall not be impaired by this Order.

7. The court shall have and retain jurisdiction over all matters related to the administration, interpretation, effectuation, or enforcement of this Order, the Settlement Agreement, and any related disputes.

8. The Clerk of Court shall promptly serve copies of this Order upon all parties to the SEC Matter.

So **ORDERED** and **SIGNED** this **30** day of **March, 2014**.



Ron Clark, United States District Judge