

the sale of these assets once Barrier has determined the best manner to sell them at the highest price.

3. The Receivership Estate is a forty percent (40%) limited partner in Stewardship Fund No. 2, L.P., Stewardship Fund No. 3, L.P., Stewardship Fund No. 4, L.P. and Stewardship Fund No. 5, L.P (collectively, the "Mt. Vernon Entities"). The estate's partnership interests are, however, subject to certain repayments of investment capital made by the other limited and general partners of the Mt. Vernon Entities. Currently the Mt. Vernon Entities hold approximately 1,184 assets.

4. The majority of the assets held by the Mt. Vernon Entities were acquired using funds from the Mt. Vernon Entities' limited partners (the "Mt. Vernon Entity Investors").

5. As a general matter, the Mt. Vernon Entity Investors would identify a specific tape of assets to be purchased, a partnership agreement would be entered, and the assets would be purchased and taken into the Mt. Vernon Entities. Despite this pattern, certain assets described in the attached Asset Disposition Agreement (attached as Exhibit A) as the Substitute Assets were not identified on the original tapes and partnership agreements. As such, the Receiver contends that the estate may have a claim to take title to those assets by virtue of a fraudulent conveyance claim. The Mt. Vernon Entity Investors disagree and assert that they are entitled to ownership.

6. The Substitute Assets require servicing. Many of them have liens for unpaid taxes and require funding to preserve value. In fact, some taxes are due on or before February 28, 2012. If not paid, the estate risks losing the value of those assets by virtue of a fraudulent conveyance claim. The Receivership Estate cannot fund these servicing requirements. The Mt. Vernon Entity Investors have agreed to fund these requirements and to participate in the sale of

the Substitute Assets on the terms set forth in the Asset Disposition Agreement. Both the Receiver and the Mt. Vernon Entity Investors seek approval of this agreement. The entire agreement is attached, but the most basic and important terms are as follows:

- The Receivership Estate will be granted a 40% profits interest in the Substitute Assets
- The Mt. Vernon Entity Investors will pay tax and other costs associated with preserving the Substitute Assets. These advances will be repaid with 10% interest prior to distribution of profits.
- The parties will proceed immediately to sell the Substitute Assets .
- The parties will also work together to sell additional assets held by the Mt. Vernon Entities in which the Receivership Estate holds a 40% interest. Mt. Vernon agrees to pay for title curative costs involved with these transactions.

II.

ARGUMENT

7. A federally appointed receiver is permitted to enter into settlement agreements so long as he does so in good faith, within the terms of his appointment, and without misconduct, gross negligence, or criminal intent. *See, e.g., Securities and Exchange Com'n v. Funding Resource Group*, 2003 WL 21500431, at * 1 (N.D. Tex. April 22, 2003); *Hawk v. Williams*, 2002 WL 31255096, at *5 (N.D. Tex. Oct. 4, 2002); *Brewer v. Hill*, 453 F.Supp. 67, 69 (N.D. Tex. 1978).

8. The Receiver was appointed in this matter according to the Agreed Order Appointing Receiver Over Entities Under Control of James G. Temme (Dkt. No. 24); Agreed Order Appointing Receiver Over Stewardship Fund, LP, and Related Entities (Dkt. No. 25); and Order Appointing Receiver Over James Temme (Dkt. No. 30) (together, the "Receiver Orders"). Pursuant to the Receiver Orders, the Receiver is to "immediately take and have complete and exclusive control, possession, and custody of the Receivership Estate and to any assets traceable

to assets owned by the Receivership Estate.” Agreed Order Appointing Receiver Over Entities Under Control of James G. Temme ¶ 4 (Dkt. No. 24).

9. Moreover, under the Receiver Orders the Receiver is entitled to “contract and negotiate with any claimants against the Receivership Estate (including, without limitation, creditors) for the purpose of compromising or settling any claim . . . Perform all acts necessary to conserve, hold, manage, and preserve the value of the Receivership Estate, in order to prevent any irreparable loss, damage, and injury to the Estate [and] Enter into such agreements in connection with the administration of the Receivership Estate.” Agreed Order Appointing Receiver Over Stewardship Fund, LP, and Related Entities ¶ 5(f)(h) (Dkt. No. 25).

10. The Receiver believes in good faith that the Asset Disposition Agreement is in the best interest of the Receivership Estate and that it will result in the preservation of Receivership Estate assets that would otherwise be irreparably devalued or lost entirely.

11. Furthermore, the Receiver believes that the Asset Disposition Agreement presents the best opportunity for the Receivership Estate to realize value from the Substitute Assets and additional assets held by the Mt. Vernon Entities. Accordingly, the Receiver seeks immediate Court approval of the Asset Disposition Agreement.

III.

RELIEF REQUESTED

The Receiver seeks immediate approval of the Asset Disposition Agreement as the value of the Substitute Assets could decline quickly. Mt. Vernon Entity Investors have been cooperative and engaged in a full dialogue concerning the background of their investment. The Receiver believes that the Asset Disposition Agreement maximizes value of the Receivership Estate.

For these reasons, the Receiver seeks immediate approval of the Motion.

Dated: February 28, 2012

BRYAN CAVE LLP

By: //s// Jay Krystinik
Keith Miles Aurzada
State Bar No. 24009880
Jay L. Krystinik
State Bar No. 24041279
2200 Ross Avenue, Suite. 3300
Dallas, Texas 75201
(214) 721-8000
(214) 721-8100 Fax
keith.aurzada@bryancave.com
jay.krystinik@bryancave.com
Counsel for Keith Miles Aurzada, Receiver

CERTIFICATE OF CONFERENCE

I have discussed the relief requested herein with David Reece of the Securities and Exchange Commission. The relief requested herein is not opposed by the Securities and Exchange Commission.

//s// Keith Mile Aurzada
Keith Miles Aurzada

CERTIFICATE OF SERVICE

I certify that on February 28, 2012, I served a true and correct copy of the foregoing pleading by United States First Class Mail, postage prepaid, to the following in accordance with the Federal Rules of Civil Procedure:

David Reece
United States Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street
Fort Worth, Texas 76102

John Helms, Jr.
Helms, Roberts & Diaz LLP
6060 N. Central Expressway, Suite 560
Dallas, Texas 75206
COUNSEL FOR JAMES G. TEMME

Moreover, the foregoing will be uploaded to www.stewardshipfundreceivership.com

//s// Jay Krystinik
Jay Krystinik

ASSET DISPOSITION AGREEMENT

THIS ASSET DISPOSITION AGREEMENT (this “Agreement”) is entered into as of the ____ day of February, 2012, by and between 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, “Stewardship Fund”) and each of Stewardship Fund No. 2, L.P., Stewardship Fund No. 3, L.P., Stewardship Fund No. 4, L.P. and Stewardship Fund No. 5, L.P. (collectively, the “Mt. Vernon Entities”).

RECITALS

WHEREAS, Receiver is tasked with taking exclusive custody and control of all assets and records of, or traceable to, Stewardship Fund for the benefit of the receivership estate (the “Receivership Estate”) and ultimately the investors and creditors of Stewardship Fund, and to take such actions deemed prudent by Receiver to maximize the recoveries for the Receivership Estate; and

WHEREAS, the Mt. Vernon Entities are affiliates of Mt. Vernon Investments LP, which, together with its affiliates, shall be referred to herein as “Mt. Vernon;” and

WHEREAS, among other assets, the Mt. Vernon Entities claim ownership of approximately 1,184 assets on the Halo AMX servicing platform currently boarded in the name of the Mt. Vernon Entities (the “Mt. Vernon Assets”); and

WHEREAS, the ownership of certain Mt. Vernon Assets may be unclear because of the circumstances in which they were contributed to the Mt. Vernon Entities (such assets are identified on Exhibit A attached hereto and shall be referred to as the “Substitute Assets”). The Receivership Estate is a 40% limited partner in the Mt. Vernon Entities subject to certain return of capital requirements for the other partners of the Mt. Vernon Entities; and

WHEREAS, a portion of the Substitute Assets are performing loans (the “Performing Substitute Assets”) and the remaining Substitute Assets are non-performing assets (the “Non-performing Substitute Assets”); and

WHEREAS, with the passage of time, the value of the Receivership Estate may dissipate on account of tax foreclosure and redemption expirations; and

WHEREAS, the Receivership Estate does not have sufficient funds at this time to pay the delinquent taxes to avoid the aforementioned tax foreclosure actions or to pay the necessary property upkeep, maintenance and ownership related costs (collectively the “Asset Preservation Costs”); and

WHEREAS, in light of the foregoing, the Receiver has determined it to be advisable and in the best interest of the Receivership Estate to reach an agreement with the Mt. Vernon Entities regarding the Substitute Assets and proceed with an orderly sale thereof.

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the following:

1. Mt. Vernon Advances

- (a) Mt. Vernon agrees to advance funds for the payment of the Asset Preservation Costs for the Substitute Assets, including, without limitation, the payment of delinquent taxes and penalties to avoid a tax foreclosure, as it deems appropriate and prudent in its sole discretion. Mt. Vernon will provide the Receiver with periodic reports concerning such advances.
- (b) Mt. Vernon agrees to order and advance funds for the payment of title abstract and review work on the Performing Substitute Assets in an effort to determine the title curative work necessary to position the Performing Substitute Assets for sale. Mt. Vernon also agrees to manage the disposition of the Performing Substitute Assets and to advance funds in connection therewith, provided, however, that Mt. Vernon will not charge a fee for its services associated with the disposition process.

All funds advanced by Mt. Vernon as detailed in this section will be referred to as the “Mt. Vernon Advances”. The Mt. Vernon Advances will constitute a loan to the Receivership Estate and will bear interest at the annual rate of 10% which will be secured by the Substitute Assets and proceeds thereof. The Substitute Assets will be the sole basis for repayment of the Mt. Vernon Advances.

2. Disposition of Non-performing Substitute Assets, Legacy Assets and Non-performing Mt. Vernon Assets

- (a) The Non-performing Substitute Assets will be contributed to the existing pool of Stewardship Fund non-performing assets (the “Legacy Assets”) and will be prepared for sale. Mt. Vernon will also contribute the remaining Mt. Vernon Assets that it classifies as non-performing assets (the “Non-performing Mt. Vernon Assets”) to the aforementioned pool of Non-performing Substitute Assets and Legacy Assets (all such assets shall be referred to as the “Disposition Assets”) in an effort to bring greater scale to the disposition effort, which will potentially increase the average sales price per asset, reduce the average selling expense per asset and, as a result, maximize the net recovery per asset. The Receiver will employ Barrier Advisors as the investment banker to manage the sale of the Disposition Assets pursuant to an engagement agreement mutually acceptable to Receiver and Mt. Vernon.
- (b) Net proceeds from the sale of the Disposition Assets will be allocated among the Non-performing Substitute Assets, Legacy Assets and Non-performing Mt. Vernon Assets pro

rata based on each asset's original UPB or such other criteria mutually agreed upon in writing by the parties. The parties acknowledge that certain assets will command a higher price than other assets based on the character of such assets (e.g., REOs will generally command a higher price than non-performing loans and non-performing loans will generally command a higher price than charged-off assets). In the event a buyer purchases a blended pool of assets, Receiver and Mt. Vernon agree to allocate the net proceeds in a manner that reflects the clear difference in value among the various assets based on their character and other relevant criteria.

3. Distribution of Proceeds – Substitute Assets

Net proceeds generated by and from the Substitute Assets hereunder (i.e., after payment to Barrier Advisors or other sales agent) ("Net Proceeds") will be distributed in the following manner:

- (a) First, to the payment of interest to Mt. Vernon on the Mt. Vernon Advances outstanding from time to time based upon an annual interest rate of 10%.
- (b) Second, to the repayment of the outstanding principal balance on all Mt. Vernon Advances.
- (c) Third, to reimburse Receiver for any reasonable out-of-pocket title curative work incurred by Receiver associated with the Substitute Assets.
- (d) Fourth, to the Receivership Estate and Mt. Vernon based upon a ratio of 40% to the Receivership Estate and 60% to Mt. Vernon. To the extent Mt. Vernon has a claim in the Receivership Estate, it will not share in recovery from the Substitute Assets beyond the amounts set forth in this Section 3. Mt. Vernon does not waive its right to share in recovery from other Receivership Estate assets.

4. Distribution of Proceeds – Other Disposition Assets

Net Proceeds generated by and from all other Disposition Assets (i.e., other than the Substitute Assets) hereunder will be distributed to the Receivership Estate and Mt. Vernon pro rata based on each asset's original UPB or such other criteria mutually agreed upon in writing by the parties. .

5. Receiver Title Curative Work

- (a) The Receiver will be responsible for all title curative work necessary to sell the Disposition Assets and the Performing Substitute Assets and shall use best efforts to do so. Such efforts may include seeking additional relief from the Court.
- (b) Mt. Vernon will also be ordering title abstract and review work on the balance of its performing assets (in addition to the Substitute Performing Assets as previously mentioned) in order to determine the title curative work necessary to position these performing assets for sale. Receiver agrees to perform the work necessary to cure any

title issues identified by Mt. Vernon's title abstract initiative, including but not limited to reaching out to former note owners to correct breaks in the chain of title and the execution of assignments where appropriate. It is anticipated that this work will be performed by the Receiver simultaneously with any title curative work on the Substitute Performing Assets.

- (c) Mt. Vernon agrees to reimburse Receiver for third party costs incurred in conjunction with the title curative work on the Mt. Vernon Assets (excluding costs associated with the Substitute Assets which will be handled as provided for above). These third party costs will be allocated on a pro rata basis where appropriate. For example, if the Receiver incurs \$10,000 in third party costs associated with title curative work on 20 assets from one lender/seller (e.g. JP Morgan), and 4 of the assets are Mt. Vernon Assets (again, excluding the Substitute Assets), then Mt. Vernon would be allocated 20% of the cost, or \$2,000, subject to other equitable criteria based on the degree of title curative work required.
- (d) Any third party service provider engaged by the Receiver to perform title curative work will be mutually agreed upon by the Receiver and Mt. Vernon and Mt. Vernon will be entitled to oversee such third party as it deems appropriate.

6. Disposition and Other Assurances

- (a) Both Receiver and Mt. Vernon acknowledge and agree that there are no assurances or guarantees that any or all of the assets referenced in this Agreement will sell as a result of the collective efforts detailed herein. Any assets that remain unsold upon the conclusion of these processes will be returned to the rightful owners, along with all related asset information and documentation.
- (b) Receiver agrees to release and hold harmless Mt. Vernon and the Mt. Vernon Entities and their respective officers, directors, employees, members, partners and agents from any and all claims for loss, damage, or liability resulting directly or indirectly from this Agreement, including, without limitation, acts or omissions of such persons relating to the Asset Preservation Costs, except for willful misconduct or gross negligence.
- (c) Receiver agrees that, to the extent any performing loans held by Mt. Vernon (other than the Performing Substitute Assets) ultimately become a part of the Receivership Estate, any Asset Preservation Costs paid by Mt. Vernon with respect to such assets will have conferred a substantial benefit upon the Receivership Estate. In such case, the Receiver will reimburse Mt. Vernon for such costs from the Net Proceeds generated by and from such assets prior to distributing the Net Proceeds to any other person.

7. Court Approval

This Agreement is subject to Court approval. The Receiver agrees to seek approval of this Agreement forthwith upon its completion.

IN WITNESS WHEREOF, each of the undersigned parties to this Asset Disposition Agreement has caused this Agreement to be duly executed by a duly authorized representative, all as of the date first above written.

By: _____
Keith Miles Aurzada
As Receiver for Stewardship Fund

Stewardship Fund No. 2, LP, a Texas limited partnership

By: Cultus 2 , LLC, a Texas limited liability company
Its: General Partner

By: ATMT Holdings LLC, a Texas limited liability company
Its: Member

By: _____
Name: Nicholas A. Merrick
Its: Manager

Stewardship Fund No. 3, LP, a Texas limited partnership

By: Cultus 3 , LLC, a Texas limited liability company
Its: General Partner

By: ATMT Holdings LLC, a Texas limited liability company
Its: Member

By: _____
Name: Nicholas A. Merrick
Its: Manager

Stewardship Fund No. 4, LP, a Texas limited partnership

By: Cultus 4 , LLC, a Texas limited liability company
Its: General Partner

By: ATMT Holdings LLC, a Texas limited liability company
Its: Member

By: _____
Name: Nicholas A. Merrick
Its: Manager

Stewardship Fund No. 5, LP, a Texas limited partnership

By: Cultus 5 , LLC, a Texas limited liability company
Its: General Partner

By: ATMT Holdings LLC, a Texas limited liability company
Its: Member

By: _____
Name: Nicholas A. Merrick
Its: Manager

EXHIBIT A

PERFORMING SUBSTITUTE ASSETS

AMX ID	Address
5764	3968 N 28th St
5702	18067 Orleans Street
21866	507 E MICHIGAN ST
5789	547 N 7TH
5716	212 Pittman Street
2752	22415 Madison
5859	231 St. Christopher Drive
1701	123 North 4th Street
5865	1250 Scotten
1587	115 New Arnold Street (was 116)
5791	5449 Gilcrest Sands Drive (aka 5512 Mall St)
5796	60 HARWICK DR (LOT 208)
5745	300 7th St
5832	P O Box 1751
5858	1619 Glendale Avenue
5938	1420 Gattegno Street
2743	774 Club Dr (65 Lake Washington Club)
1709	708 Euclid Street
1677	1043 Plain Ave Northeast
5911	7047 Florence Place
2718	9184 Maneese Lane
5907	4615 Inlow Springs Rd
1624	507 Marquette Street
1597	313 Spruce Street

2839	128 Tan Street (formerly 28 Tan)
5724	229 Elmhurst
5919	222 Spruce Street
1581	3061 Eagledale Drive
2700	16153 Lilac
2672	221 Grande Avenue
5918	5023 Ward Street
5867	21 North Walker Street
5909	575 Fire Tower Road
5856	21160 Lowe Davis Road
5930	1069 Jasmine Lane
5873	1822 Briggs Street
1690	36 Redwood
2402	400 North Elm Street
1681	950 Kirbert
5917	1347 Nolan Street NE
5870	404 W. Wharton Drive
5876	3479 Zola Drive
5879	1215 Rural Dempsey RD

NON-PERFORMING SUBSTITUTE ASSETS

AMX ID	Address
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21874	935 Burleigh Avenue
2875	1648 Fulton Avenue Southwest
21880	2449 BEEKMAN STREET
2349	8096 Orchard Avenue
21871	984 GILBERT ST
2285	3347 Electric
2731	2645 Pike Road
21872	3108 Warsaw Street
2809	2511 Pine Tree Trail
2337	490 Beechwood
5673	133 E. Petain Street
2841	332 Church Street
5682	151 9th Avenue
5830	HIGHWAY 167
5665	1238S 27TH STREET
5704	19350 Meyers
5901	125 Plum Orchard
5833	P.O. BOX 95 (8872 North 99 East)
5734	258 HAZELWOOD AVENUE
5837	RT 2 BOX 122-BB (12 Lewis Simpson Rd)
5845	14750 WEST BURNSVILLE PARKWAY LOT 294
1651	1905 Lindell
5136	1402 Norval Street
21881	4315 4317 N FLORISSANT A
5746	301 South 5th Street
5680	1409 ELIZABETH ST
5641	1007 N.W. 34TH
5676	13522 SPAULDING
21864	873 75 E FULTON ST
5688	160 Redwood Terr
5695	1741 NORTH MAPLE STREET
5756	3511 W 14th

5765	396 W WARREN
5784	512 15TH AVE W
5884	21027 Voyager Blvd # K-7
5663	123 White Oak Drive Lot 10
2188	3405 Fairfield Avenue
5787	531 North Pulaski Street
5809	7100 Nova Drive 304A
5755	35 Happy Avenue
5729	2337 Cherry Hill
2287	3832 Cadillac Blvd
5774	4272 ORCHARD STREET
5763	3735 Lee Drive
2868	4086 Meramec Street
5894	417 Windsor Drive
2819	189-191 South Highland Avenue
5818	783 BAY ST
5686	156 WHITE RD
1682	1877 Baltimore Ave.
5760	366 Beaver Ave
5913	410 Fourth Avenue
5838	RT 4 BOX 318
2835	405-407 Dearborn
5827	BOX 309 CO RD 890
2739	10821 Adams Road
5769	405 W Princess Street
5905	299 Trembley Ave SW
2798	1408 Lower Gurley Road
5885	1057 Cypress Lane
5788	542 EAST BUCHANAN
5238	22707 Waters Edge Blvd #52
5931	7609 Petra Lane
5880	7110 Flaggler Dr

5840	223 DUPONT CIRCLE
5897	728 Northwest 31st Street
2892	806 Johnson Street
5685	156 Water Street
5860	15791 Huckleberry Lane
2689	2032 Friel Street
5923	8427 N CR 200 E
5895	1131 Payne Ave
2679	402 East Avenue
1571	410 East Fifth Street
5874	1320 Sylvia Ave A
2756	460 West Hudson Avenue
1619	13276 Caldwell
2220	69 North Wayne
2694	248 Kenwood Avenue
5934	3420 Ready Section Rd
5921	2714 Rufus Ratchford Road
5834	Route 4 BOX 109 (519 Ronnie Road)
5759	3608 Weldon Drive
1567	602 E. 8th Street
2683	437 North Riley Avenue
5844	10 Levee Road
5664	1231 West Keyes Road

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

SECURITIES AND EXCHANGE COMMISSION
Plaintiff,

§
§
§
§
§
§
§
§
§
§

Civil Action No. 4:11-cv-655

v.

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

**ORDER GRANTING RECEIVER’S EMERGENCY MOTION TO APPROVE ASSET
DISPOSITION AGREEMENT**

Came for consideration the Receiver’s Emergency Motion to Approve Asset Disposition Agreement (the “Motion”) filed by 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”). Based upon a review of the Motion, and the pleadings on file, the Court finds and concludes that (a) the relief requested in the Motion is in the best interests of the Receiver and his receivership estates; (b) proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and (c) good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the proceedings had before the Court in connection with the Motion. Therefore, it is hereby **ORDERED** that:

- i. The Motion is **GRANTED**.

ii. The Court hereby approves of the Asset Disposition Agreement attached as Exhibit A to the Motion.

iii. Within a reasonable time after this Order is entered, the Receiver shall post this Order on www.stewardshipfundreceivership.com.