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11 **SUPERIOR COURT OF ARIZONA**

12 **MARICOPA COUNTY**

13 ARIZONA CORPORATION COMMISSION,

14 Plaintiff,

15 vs.

16 MATHON MANAGEMENT COMPANY,  
17 L.L.C., fka an Arizona limited liability  
18 company now dba a Delaware limited liability  
19 company,  
20 SLADE WILLIAMS AND ASSOCIATES,  
21 L.L.C., an Arizona limited liability company,  
22 MATHON FUND I, L.L.C., an Arizona  
23 limited liability company, MATHON FUND,  
24 L.L.C.,  
25 fka an Arizona limited liability company now  
26 dba a Delaware limited liability company,  
INTEGRITY 101, L.L.C., an Arizona limited  
liability company, INTEGRITY 201, L.L.C.,  
an Arizona limited liability company,  
INTEGRITY 301, L.L.C., an Arizona limited  
liability  
company, INTEGRITY 401, L.L.C., an  
Arizona limited liability company,  
INTEGRITY 501,  
L.L.C., an Arizona limited liability company,  
INTEGRITY 601, L.L.C., an Arizona limited  
liability company, INTEGRITY 701, L.L.C.,  
an Arizona limited liability company,  
INTEGRITY 801, L.L.C., an Arizona limited  
liability company, INTEGRITY 901, L.L.C.,  
an Arizona limited liability company, ROUND

Case No.: No. CV 2005-005484

**STIPULATION REGARDING  
PRESERVATION OF ASSETS  
AND RIGHTS**

(Assigned to the Honorable Barry C.  
Schneider)

1 VALLEY CAPITAL, L.L.C., an Arizona  
2 limited liability company, W.S.F. – WORLD  
3 SPORTS FANS, L.L.C., an Arizona limited  
4 liability company,  
5 MILL CREEK, L.L.C., an Arizona limited  
6 liability company, BELLEVUE HOLDINGS,  
7 L.L.C., an Arizona limited liability company,  
8 OAK HARBOR FINANCIAL, L.L.C., an  
9 Arizona limited liability company, SW  
10 TRATEGIC WEALTH ADVISORS, L.L.C.,  
11 an Arizona limited liability company,  
12 EVERETT CAPITAL, L.L.C., an Arizona  
13 limited liability company, CRE CAPITAL,  
14 L.L.C., an Arizona limited liability company,  
15 MEZZANINE MANAGEMENT L.L.C., an  
16 Arizona limited liability company,  
17 MEZZANINE FUND I,  
18 L.L.C., an Arizona limited liability company,  
19 JONAS FUND I, L.L.C., an Arizona limited  
20 liability company, TEMPLAR FUND L.L.C.,  
21 an Arizona limited liability company now dba  
22 a Delaware limited liability company,  
23 MERCER ISLAND, L.L.C., an Arizona  
24 limited liability company, CONNECTICUT  
25 PROPERTIES  
26 L.L.C., an Arizona limited liability company,  
FIRST ATLANTA INVESTMENTS L.L.C.,  
an Arizona limited liability company, MM  
COLONIAL FUND, L.L.C., an Arizona  
limited liability company, SLADE  
CONSTRUCTION, L.L.C., an Arizona limited  
liability company, DUANE SLADE and  
JENNIFER SLADE,  
husband and wife, GUY ANDREW  
WILLIAMS and LISA WILLIAMS, husband  
and wife,

Defendants.

Robert M. Berry, M.D. (“Dr. Berry”), by and through his attorneys of record, and James C. Sell, in his capacity as Court-appointed Conservator in the above matter (“Conservator”), hereby stipulate and agree as set forth herein.



1           7.       Under Letter of Understanding No. 1, Mathon was to pay Dr. Berry \$1,175,000.00 on  
2 or before December 16, 2003 from the funds recovered from Borrower, which Dr. Berry alleges was  
3 TMC Partners, L.P.

4           8.       Under Letter of Understanding No. 2, Mathon was to pay Dr. Berry \$292,000.00 on or  
5 before December 18, 2003 from the funds recovered from Borrower.

6           9.       Dr. Berry did not receive any return on his investments prior to the due dates of  
7 December 16 and December 18, 2003. Since that time Dr. Berry received a partial return of his  
8 initial investments; however, of his original investments, Dr. Berry alleges that at least \$652,000.00  
9 of principal remains unpaid, not including interest.

10          10.       Letter of Understanding No. 1 and No. 2 both contain the following identical  
11 language:

12                   Upon request by Lender [Dr. Berry], Mathon agrees to provide Lender with  
13 an assignment of the collateral and an endorsement to the Promissory Note.

14          11.       Based on this contractual provision, Dr. Berry claims he is entitled to an assignment of  
15 the Connecticut Collateral.

16          12.       On or about April 1, 2005, the Arizona Corporation Commission caused to be filed a  
17 Verified Complaint in this matter against numerous individual entities, including Mathon, seeking the  
18 appointment of a Receiver over the named Defendants. This proceeding is referred to as the  
19 "Lawsuit."

20          13.       On April 1, 2005, this Court issued its Order appointing James C. Sell Receiver for the  
21 approximately 30 entities named in the Receivership complaint.

22          14.       On April 14, 2005, the Court issued its Order approving the Stipulation Regarding  
23 Order Appointing Conservator.

24          15.       On or about June 24, 2005, the Conservator filed its Amended Motion to Authorize  
25 Settlement with TMC Partners, L.P. In that Motion, the Conservator seeks the Court's approval of a  
26 proposed settlement with TMC Partners, L.P. and/or its principals relating to the TMC Promissory

1 Note and the Connecticut Collateral. This proposed settlement is referred to as the "Proposed TMC  
2 Settlement."

3 16. Dr. Berry has moved the Court for leave to assert his alleged contractual rights to  
4 obtain an assignment of the Connecticut Collateral and all rights of action incident to the Connecticut  
5 real property and TMC Promissory Note. This motion is referred to as "Dr. Berry's Motion."

6 17. The Conservator does not admit or deny the allegations of Dr. Berry at this time. The  
7 Conservator also does not admit or deny that Dr. Berry has any rights to the assignment of the  
8 Connecticut Collateral.

9 18. The Conservator desires to enter into this agreement to forestall the briefing, hearing  
10 and decision on Dr. Berry's Motion.

#### 11 **STIPULATION AND AGREEMENT**

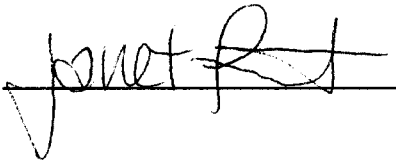
12 The parties represent, warrant, stipulate and agree as follows:

13 1. **Preservation of Rights to Collateral.** Without admitting or denying that Dr. Berry  
14 has any valid or enforceable right to the assignment of the Connecticut Collateral, the Conservator  
15 agrees, on behalf of himself and all Mathon entities that are the subject of the Lawsuit, that whatever  
16 rights Dr. Berry may have to an assignment of the Connecticut Collateral will not be prejudiced in  
17 any manner if the Proposed TMC Settlement is approved and entered into or performed in whole or  
18 in part. The parties agree that whatever rights Dr. Berry may have to the Connecticut Collateral will  
19 be transferred into any Proposed TMC Settlement that is approved, entered into or completed, in such  
20 a manner that Dr. Berry's rights, whatever they may be, will be completely preserved with or without  
21 the Proposed TMC Settlement. Likewise, whatever rights Dr. Berry may have to an assignment of  
22 the Connecticut Collateral will be transferred to any proceeds of any Proposed TMC Settlement or  
23 actual settlement. In the event In the event any such cash proceeds are realized, the Conservator  
24 shall hold all such proceeds, up to a maximum amount of \$1,045,700 in a separate account, and will  
25 not distribute such proceeds to any person or any entity unless and until Dr. Berry's claims are fully  
26 resolved or unless and until the Court specifically orders otherwise, whichever may come earlier.



1 **COPIES** of the foregoing mailed and  
2 emailed this 25<sup>th</sup> day of August, 2005 to:

3 Wendy L. Coy, Esq. 4 ARIZONA CORPORATION COMMISSION 5 SECURITIES DIVISION 6 1300 West Washington, 3 <sup>rd</sup> Floor 7 Phoenix, Arizona 85007 8 <i>Attorney for Plaintiff</i> 9 <a href="mailto:WCoy@azcc.gov">WCoy@azcc.gov</a>	Keith Beauchamp, Esq. LEWIS & ROCA, LLP 40 N. Central Avenue Phoenix, Arizona 85004-4429 <i>Attorney for Duane Slade and Guy Williams</i> <a href="mailto:kbeauchamp@lrlaw.com">kbeauchamp@lrlaw.com</a>
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