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12 Phoenix, Arizona 85012
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15 *Attorneys for the Receiver/Special Counsel Debtors*

16 UNITED STATES BANKRUPTCY COURT
17 DISTRICT OF ARIZONA

18 In re:
19 AMERICAN NATIONAL MORTGAGE
20 PARTNERS, LLC,
21 Debtor.

In Proceedings Under
Chapter 11
Case Nos: 03-03803 PHX RJH
03-03799 PHX RJH

**NOTICE OF PROPOSED SETTLEMENT
WITH STANFORD E. LERCH AND
SUSAN LERCH**

22 In re:
23 ANMP 74TH ST., LLC,
24 Debtor.

25 **NOTICE IS HEREBY GIVEN** that the Reorganized Debtors have, out of an abundance
26 of caution, filed their proposed *Settlement Agreement and Release of their claims against*
27 *Stanford E. Lerch and Susan Lerch* (the "Settlement"), on the terms set forth on Exhibit "A"
28 hereto, for the sum of \$25,000.00.

Any objection(s) to the Settlement shall be in writing, filed with the Court within ten (10)
days of service of this Notice and served on Counsel for the Reorganized Debtors at the following
addresses:

Lawrence E. Wilk
JABURG & WILK, P.C.
3200 N. Central Ave., #2000
Phoenix, AZ 85012
lew@jaburgwilk.com

1 If a timely Objection is filed, the Court will set a hearing on the matter as soon as the
 2 Court's Calendar permits. If no Objection is filed, the court will enter an Order approving the
 3 Motion without further notice.

4 The *Settlement Agreement and Release* is on file with the Court and can be viewed at: the
 5 following sites: www.americannationalrecivership.com and/or www.2beam.com/ANMP.

6 DATED this 3rd day of July, 2006.

JABURG & WILK, P.C.

/s/ 006510

Lawrence E. Wilk
 Jonathan P. Ibsen
 Special Counsel for the Debtors

7
 8
 9
 10 COPY of the foregoing mailed
 11 this 3rd day of July, 2006.

12 Michael W. Carmel 80 E. Columbus Ave. Phoenix, AZ 85012-4965	Elizabeth Amorosi OFFICE OF THE U.S. TRUSTEE 230 N. 1 st Avenue, Suite 204 Phoenix, AZ 85003-1725
14 Stanford E. Lerch, Esq. Anthony E. DePrima, Esq. LERCH & DEPRIMA, P.L.C. 4000 N Scottsdale Road, Suite 107 Scottsdale, AZ 85251	Wendy L. Coy, Esq. ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION 1300 West Washington, 3 rd Floor Phoenix, Arizona 85007
17 J. Phillip Glasscock, Esq. J. PHILLIP GLASSCOCK, P.C. 13430 N. Scottsdale Road, Suite 106 Scottsdale, Arizona 85254 <i>Attorney for Pamela Coulter as Personal Representative of the Estate of Darrell Coulter</i>	Alan A. Meda, Esq. STINSON MORRISON HECKER 1850 N. CENTRAL AVE., #2100 Phoenix, Arizona 85067-6379 <i>Attorney for Dexter Distributing Corp. in related proceedings And Castle Real Property Entities</i>
21 Thomas A. Draghi WESTERN BALL EDERER MILLER & SHARFSTEIN 170 Old Country Road, Suite 400 Mineola, New York 11501	Constance Sutton, P.C. File 093103 5025 N. Central Avenue, Suite 631 Phoenix, Arizona 85012
24 Camelback Stone Canyon Rachelle Smith C/O AMERICAN FINANCIAL RESOURCES 3770 N. 7 th Street, Suite A Phoenix, Arizona 85012	Patricia A. Premeau COMBS LAW GROUP, P.C. 2200 E. Camelback Road, Suite 221 Phoenix, AZ 85016 <i>Attorney for Airport Way Properties, LLC</i>
27 Mark J. Giunta LAW OFFICE OF MARK J. GIUNTA 845 N. Third Avenue Phoenix, Arizona 85003-1408	STEPHEN WADE NEBGEN, PPLC 2025 N. 3 rd Street, Suite 157 Phoenix, Arizona 85004 <i>Attorney for Fifth Avenue Condominiums Assoc</i>

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David T. Bonfiglio DAVID T. BONFIGLIO, PC 4422 N. Civic Center Plaza, Suite 101 Scottsdale, Arizona 85251	Christopher R. Perry PERRY & PARTNERS P.O. Box 33080 Phoenix, Arizona 85067-3080
Barbara B. Maroney, Esq. LAW OFFICES OF BARBARA B. MARONEY 15433 N. Tatum Blvd, Suite 106 Phoenix, AZ 85302-4231	James P. Kneller, Esq. LAW OFFICES OF JAMES P. KNELLER, PC 7509 E. First Street Scottsdale, AZ 85251
James C. Sell 2222 E. Camelback Road, #110 Phoenix, Arizona 85016 <i>Court Appointed Receiver</i>	

/s/Janet Forster

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PHOENIX, ARIZONA 85012

Exhibit "A"

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement"), between Stanford E. Lerch and Susan Lerch ("Lerch") and James C. Sell as Receiver, and on behalf of the Debtor Entities set forth in Exhibit "A" ("Debtors" collectively referred to as "Parties") effective upon satisfaction of the conditions precedent set forth below, is a full compromise and settlement of claims pursuant to the terms and conditions set forth herein.

THIS AGREEMENT SHALL BE OF NO EFFECT, AND NO PARTY WILL BE BOUND BY ANY OF ITS PROVISIONS, UNTIL AND UNLESS IT IS APPROVED BY THE UNITED STATES BANKRUPTCY COURT, FOR THE DISTRICT OF ARIZONA, IN THE PENDING BANKRUPTCY CASE NO. 03-03799.

ARTICLE 1. RECITALS.

- 1.1 Stanford E. Lerch and Susan Lerch are husband and wife.
- 1.2 On March 10, 2003, American National Mortgage Partners, LLC ("ANMP") filed for Bankruptcy relief, cause number 03-03803 (the "Bankruptcy Proceeding").
- 1.3 On March 25, 2003, the Arizona Corporation Commission filed a lawsuit in Maricopa County Superior Court; cause number CV2003-005724 against numerous parties, requesting various forms of relief, including the appointment of a Receiver on behalf of the Defendant Entities (the "Receivership Proceeding").
- 1.4 James C. Sell was subsequently appointed as the Receiver of the Defendants to the Receivership Proceeding (the "Receiver"), and thereafter the Bankruptcy Court granted him relief from stay, and included the Debtor Entities as Receivership Entities.
- 1.5 Subsequently, the remaining entities listed on Exhibit "A" were substantively consolidated with ANMP in the Bankruptcy Proceeding.
- 1.6 Debtors claim an interest in certain real property more particularly described below (the "Property"):

Unit 19, Park Fifth Avenue Condominiums and PARK FIFTH AVENUE CONDOMINIUMS, according to the declaration of horizontal property regime recorded at recorders number 83-174934 and according to the plat of record in book 252 of maps, page 32, records of Maricopa County Arizona;

together with an undivided interest in and to the common elements as set forth in said declaration and as designated on said plat.

by way of a secured interest arising out of a Note in the principal amount of \$25,000 signed by Lerch on September 17, 2002.

1.7 Lerch has defaulted under the terms of the Note, and there is a dispute as to the amounts that are currently owed. Lerch wishes to buy peace, avoid costly and prolonged litigation, and is willing to effect a settlement, subject to the terms and conditions set forth below.

1.8 Such compromises are in the best interest of the Debtors as they will eliminate the risk associated with protractive litigation and realize monies for the Debtors Estates.

1.9 The Parties have agreed to affect the full compromise and settlement and any and all claims which each of them may have, or a claim against each other, their employees and agents, arising out of the Note as previously described, and subject to the terms and conditions set forth below.

ARTICLE 2. **AGREEMENT.**

Based on the foregoing Recitals, all of which are incorporated by reference, the Parties hereby warrant, represent and agree as follows:

2.1 The Recitals set forth in Article I above are contractual in nature, and shall constitute a basis for determining the intent of the parties to this Agreement.

2.2 The Receiver agrees to accept the total sum of \$25,000.00, (the "Settlement Proceeds"), to be paid by Lerch, in exchange for a complete release of any and all claims the Receiver may have against Lerch. The Settlement Proceeds shall be paid with ten (10) days of Court approval of this Settlement Agreement.

2.3 In addition to the payment referenced hereinabove, Lerch agrees to release and waive any claim that they may have for distributions from the Debtors' Estates, either on their own behalf, or on behalf of any related entities; including but not limited to Lerch & DePrima, PLC.

2.4 Upon payment in full, the Receiver shall consider the Note paid in full.

2.5 In consideration of the payment of the Settlement Proceeds identified in paragraph 2.2 above, Debtors, the Receiver and Lerch hereby release and forever discharge each other from any and all liability, rights, claims, demands, actions, or causes of actions of any kind or nature that each may have against the other, or their corporations, employees, agents, independent contractors or their respective martial communities.

2.6 The Parties acknowledge and agree that they have been represented by counsel in this matter, and have conducted an independent investigation regarding the facts and circumstances regarding any claim or claims that they have or may have, as well as the terms and conditions of this Agreement.

2.7 In the event that Court Approval of this Agreement is not granted, the parties retain any and all claims and defenses that existed prior to entering into the terms and provisions of this Agreement.

2.8 Upon issuance of an Order approving this Agreement, Lerch waives any and all rights in the Bankruptcy Proceeding; including, but not limited to, the right to object to administrative expenses sought by the professionals of the Debtor.

ARTICLE 3.
MISCELLANEOUS PROVISIONS.

3.1 The terms and conditions of this Agreement shall survive the execution hereof and shall remain in full force and effect thereafter.

3.2 This Agreement represents the entire understanding and agreement of the parties and any representations, discussions, or negotiations between the Parties and their agents, or any third party, with respect to the subject matter hereof.

3.3 This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona.

3.4 Each party acknowledges their participation in the negotiating and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all of the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

3.5 This Agreement shall not be changed, modified or terminated without the written consent of the parties hereto and subsequent Order of the Bankruptcy Court.

3.6 Any notice, request, instruction, correspondence, or other document to be given hereunder by any party hereto to another, shall be in writing and delivered personally to its intended recipient or mailed by registered or certified mail, postage prepaid, and return receipt requested, to the intended recipient, with said notice being effective five (5) days after mailing. Any party may send any notice, request, demand, claim or other communication hereunder to the intended recipient using any other means, including personal delivery, expedited courier, message service, facsimile, ordinary mail, or electronic mail, but no such notice, request, demand, claim or other communication

shall be deemed to have been duly given unless and until it is actually received by the intended recipient.

3.7 In the event of any dispute regarding the interpretation or enforcement of any of the terms and conditions of this Agreement, the prevailing party shall be entitled to recover all of its costs of enforcement, including reasonable attorneys' fees.

3.8 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

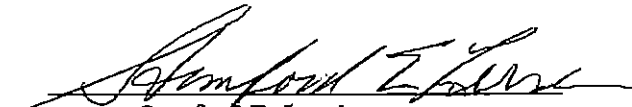
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, acknowledged and delivered on the date set forth below.

American National Mortgage Partners, *et al*
Debtors and Debtors in Possession.

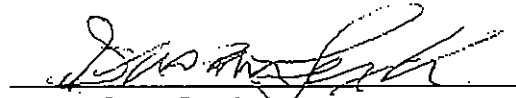
Date

by James C. Sell

6-30-06
Date


Stanford E. Lerch

6/30/06
Date


Susan Lerch