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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA**

In re:
MORTGAGES LTD.,
Debtor.

Chapter 11

Case No. 2:08-bk-07465-RJH

**OFFICIAL UNSECURED
CREDITORS COMMITTEE'S
RESPONSE AND OBJECTION TO
REV-OP GROUP'S EMERGENCY
MOTION FOR ENTRY OF ORDER:
(I) CLARIFYING CHAPTER 11
PLAN, CONFIRMATION ORDER,
AND OTHER MATTERS RELEVANT
TO TRANSFER DECISION OF PASS-
THROUGH INVESTORS; AND (II)
EXTENDING THE TRANSFER
DECISION**

Hearing Date: October 8, 2009

Hearing Time: 11:00 a.m.

Location: 230 N. First Avenue
Courtroom 603
Phoenix, AZ 85003

The Official Unsecured Creditors Committee of Radial Bunny, LLC (the "RB Committee"), hereby responds and objects to the *Rev-Op Group's Emergency Motion for Entry: (I) Clarifying Chapter 11 Plan, Confirmation Order, and Other Matters Relevant to Transfer Decision of Pass-Through Investors; and (II) Extending the Transfer Decision* (the "Emergency Motion").

MEMORANDUM OF POINTS AND AUTHORITIES.

The Emergency Motion is a blatant attempt by the movants to circumvent the terms of the confirmed Plan that they agreed to and which are now *res judicata*. It was clearly understood in the context of negotiations, statements on the record, the Plan and the Confirmation Order, that individual investors would have no direct control over the collection or liquidation of loans or collateral other than through the voting mechanism provided for each Loan LLC. It was further clearly understood and reflected in all of these conversations and court records, that the expenses of such activities would be shared by all of the investors, regardless of whether they elected to transfer the fractional interests to the Loan LLCs.¹ The RB Committee, in fact, would not have agreed to the confirmation of the Plan in the absence of these provisions, and relied on these agreements, representations, and understanding in consenting to confirmation of the Plan. Such an obviously, and ridiculously inequitable treatment of one subset of the investors would clearly have been unacceptable to any of the other investor groups or creditor constituencies.

The RB Committee generally joins in the legal arguments raised in the ML Manager LLC's response and objection to the Emergency Motion. The RB Committee, however, believes that Emergency Motion must be denied at this time with prejudice rather than deferred to some future date based on ML Manager's ripeness argument. The RB Committee is informed and believes that the issues and arguments raised in the Emergency Motion have caused, and will continue to cause, delays, unnecessary difficulties, and significant needless professional fees and expenses in connection with the collection of the loans and liquidation of the collateral by the Loan LLC's, whose very authority to act has been called into question by this small group of investors who are attempting to benefit at the expense of all others.

¹ See, e.g., Paragraph U of the Confirmation Order.

WHEREFORE, the RB Committee respectfully requests the Court to enter an order denying the Emergency Motion, together with such other and further relief as the Court deem just and proper.

Dated: October 2, 2009

PERKINS COIE BROWN & BAIN P.A.

By: /s/ Richard M. Lorenzen (006787)

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Copies of the foregoing transmitted
via email to the following parties,
and electronically using the Court's ECF System
on October 2, 2009:

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