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7 Counsel for the Rev Op Group and
8 Sternberg Enterprises Profit Sharing Plan

9 **IN THE UNITED STATES BANKRUPTCY COURT**
10 **FOR THE DISTRICT OF ARIZONA**

11 In re:
12 MORTGAGES LTD.,
13
14 Debtor.

In Proceedings Under Chapter 11
Case No. 2:08-bk-07465-RJH
NOTICE OF APPEAL

15
16 AJ Chandler 25 Acres, L.L.C., Bear Tooth Mountain Holdings, L.L.P., Brett M.
17 McFadden, Cornerstone Realty and Development, Inc., Cornerstone Realty and
18 Development, Inc. Defined Benefit Plan and Trust, Evertson Oil Company, Inc., James C.
19 Schneck Rev. Trust, Louis B. Murphey, Michael Johnson Investments II, L.L.C., Morley
20 Rosenfield, M.D. P.C. Restated Profit Sharing Plan, Pueblo Sereno Mobile Home Park,
21 L.L.C., Queen Creek XVIII, L.L.C., Revocable Living Trust of Melvin L. Dunsworth, Jr.,
22 Ronald Kohner, The Lonnie Joel Krueger Family Trust, Trine Holdings, L.L.C., Weksler-
23 Casselman Investments, William L. Hawkins Family L.L.P., and Yuval Caine and Mirit
24 Caine (collectively, the “Rev Op Group”) and Sternberg Enterprises Profit Sharing Plan
25 hereby appeal, pursuant to 28 U.S.C. § 158(a) and (b), to the Bankruptcy Appellate Panel
26 for the Ninth Circuit from the Bankruptcy Court’s Order Regarding Motion to Clarify
27 [Docket #2345] (the “Order”), which incorporated the Bankruptcy Court’s Memorandum
28 Decision [Docket #2323] as amended by the Bankruptcy Court’s Order Granting ML
Manager LLC’s Emergency Motion and Amending the Court’s October 21, 2009

1 Memorandum Decision [Docket #2338].¹ True and accurate copies of the Order and the
2 Memorandum Decision, as amended, are attached hereto as Exhibit “A” and incorporated
3 by reference herein.

4 The parties to the Order appealed from and the names, addresses and telephone
5 numbers of their respective attorneys are as follows:

6 **ML Manager, LLC**

7 Cathy Reece, Esq.
8 Keith Hendricks, Esq.
9 Fennemore Craig, P.C.
10 3003 North Central Avenue, Suite 2600
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12 **ML Liquidating Trust**

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17 **Official Committee of Unsecured Creditors**

18 Richard Lorenzen, Esq.
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The Rev Op Group

**and Sternberg Enterprises Profit
Sharing Plan**
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The Lewis and Underwood Trusts

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Robert G. Furst

Pro Per
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24 _____
25 ¹ Subsequent to entry of the Order, the Rev Op Group and Sternberg Enterprises
26 Profit Sharing Plan filed motions to reconsider, pursuant to Federal Rules of Bankruptcy
27 Procedure 9023 and 9024. The Bankruptcy Court denied the motions to reconsider in
28 their entirety. [Docket #2369] This appeal of the Order is timely pursuant to Federal
Rule of Bankruptcy Procedure 8002(b), as it is made within ten days of the entry of the
order disposing of the motions to reconsider.

1 If a Bankruptcy Appellate Panel Service is authorized to hear this appeal, each
2 party has a right to have the appeal heard by the district court. The appellant may
3 exercise this right only by filing a separate statement of election at the time of the filing
4 of this notice of appeal. Any other party may elect, within the time provided in 28 U.S.C.
5 § 158(c), to have the appeal heard by the district court.

6 RESPECTFULLY SUBMITTED this 13th day of November, 2009.

7 BRYAN CAVE LLP

8
9 By /s/ RJM, #013334

10 Robert J. Miller

11 Bryce A. Suzuki

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14 Counsel for the Rev Op Group and
15 Sternberg Profit Sharing Plan
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1 COPY of the foregoing served via email
2 this 13th day of November, 2009, upon:

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23 /s/ Sally Erwin
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EXHIBIT “A”

IT IS HEREBY ADJUDGED
and DECREED this is SO
ORDERED.

The party obtaining this order is responsible for
noticing it pursuant to Local Rule 9022-1.

Dated: October 28, 2009



Randolph J. Haines

RANDOLPH J. HAINES
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:

MORTGAGES LTD.,

Debtor.

In Proceedings Under Chapter 11

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

**ORDER REGARDING MOTION TO
CLARIFY**

Date of Hearing: 10/08/09

Time of Hearing: 11:00 a.m.

This matter came before the Court pursuant to that certain motion for clarification filed by the Rev Op Group dated September 14, 2009. On October 21, 2009, the court issued its Memorandum Decision ("Memorandum Decision"). Based on the foregoing, the Court hereby orders as follows:

1. The motion for clarification and joinders of Mr. Sternberg and Mr. Furst are granted in part and denied in part, all as set forth in the Memorandum Decision as amended on October 27, 2009 (dkt # 2338).

2. So ordered.

SIGNED, DATED, AND ORDERED AS SET FORTH ABOVE.

SIGNED.



Dated: October 21, 2009

Randolph J. Haines

RANDOLPH J. HAINES
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re)	Chapter 11
)	
)	CASE NO. 2:08-bk-07465-RJH
)	
MORTGAGES LTD.,)	
)	MEMORANDUM DECISION
Debtor.)	

The Rev Op Group’s motion for clarification, and the joinders of Mr. Sternberg and Mr. Furst, are granted in part and denied in part, as follows.

The Court will address the issues according to the numbers identified in the Reply filed by the Rev Op Group on October 8. According to the Reply, issues 1, 2, 7, 9 and 10 have been resolved. As to those issues, therefore, the motion for clarification is denied.

Issue number 3 is the Rev Op Group’s argument that it has a right to set off claims the Pass Through Investors may have against the Debtor against any of the liquidating fund’s expenses. The right of such set off is governed by Bankruptcy Code § 553 and the Ninth Circuit case of *DeLaurentiis*. This therefore does not require any clarification of what the Plan provides, and therefore this motion for clarification is denied.

Issues 4 and 5 concern the right to charge a proportionate share of the exit financing and other liquidating fund expenses back against the Pass Through Investors who not opt in. The motion for clarification is granted, to the extent any clarification is needed. Paragraph U of the confirmation order permits the ML Manager to charge back to the non-opt-in participating investors their proportionate share of all of its expenses, including but not limited to the exit financing. This Plan does impose a limitation that such charge back be fair, equitable and proportional, but within those limitations the ML Manager can exercise his

1 business judgment whether to obtain financing to cover exit costs and operational expenses,
2 and when to make the charge backs.

3 Issue 6, 7 and 8 relate to the ML Manager's authority to deal with the loans and
4 the fractional interests in the notes. The motion for clarification is granted to the following
5 extent. The ML Manager has no authority to sell or encumber the non-opt-in Pass Through
6 Investors' fractional interest in their notes. The ML Manager does have authority to deal with
7 the loans and the collateral securing the loans to the extent provided by the governing
8 documents including but not limited to the applicable subscription agreements and agency
9 agreements.

10 In all other respects, the motion for clarification is denied.

11 DATED AND SIGNED ABOVE

12 Copy of the foregoing e-mailed/mailed
13 this 21st day of October, 2009, to:

14 Robert J. Miller, Esq.
15 Bryan Cave LLP
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16 Attorneys for Rev Op Group

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Robert G. Furst
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Pro Se

/s/ Pat Denk
Judicial Assistant

**IT IS HEREBY ADJUDGED
and DECREED this is SO
ORDERED.**

The party obtaining this order is responsible for
noticing it pursuant to Local Rule 9022-1.

Dated: October 27, 2009



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8 Attorneys for ML Manager LLC

Randolph J. Haines

**RANDOLPH J. HAINES
U.S. Bankruptcy Judge**

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re
Mortgages Ltd.,
Debtor.

Chapter 11

Case No. 2-08-BK-07465-RJH

**ORDER GRANTING ML MANAGER
LLC'S EMERGENCY MOTION AND
AMENDING THE COURT'S
OCTOBER 21, 2009 MEMORANDUM
DECISION**

ML Manager LLC having filed an "Emergency Motion to Amend the Court's Memorandum Decision dated October 21, 2009" ("Emergency Motion") which the Court finds is well taken, and the Court having considered the Response filed by Robert Furst, and the Court noting that Mr. Furst has misunderstood or is mistaken in his interpretation of the Court's Memorandum Decision, and the Court having overruled Mr. Furst's Response, and for good cause shown,

IT IS HEREBY ORDERED that the Emergency Motion is granted and that the October 21, 2009 Memorandum Decision is hereby amended to delete the words "sell or" on page 2, line 5. The rest of the Memorandum Decision remains unchanged and is in full force and effect. This Order is without prejudice to appropriate contested matters or actions filed by the parties raising issues concerning the agency not previously decided by the Court.

DATED AND SIGNED AS ABOVE.

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