

EXHIBIT "A"

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10 Counsel for the Rev Op Group

11 **IN THE UNITED STATES BANKRUPTCY COURT**
12 **FOR THE DISTRICT OF ARIZONA**

13 In re:
14 MORTGAGES LTD.,
15 Debtor.

Chapter 11

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

**THE REV OP GROUP'S FIRST SET OF
REQUESTS FOR PRODUCTION OF
DOCUMENTS TO ML MANAGER LLC**

16 Pursuant to Rule 34 of the Federal Rules of Civil Procedure and Rule 7034 of the Federal
17 Rules of Bankruptcy Procedure, applicable to this contested matter under Rule 9014 of the
18 Federal Rules of Bankruptcy Procedure, and pursuant to the Definitions and Instructions
19 contained in Sections I and II below, the Rev Op Group¹ hereby request that ML Manager
20 produce at the offices of counsel for the Rev Op Group the following Documents in ML
21 Manager's possession, custody, or control for inspection and copying and written responses, if
22 any, to the requests herein by no later than June 25, 2010.

23 **I. DEFINITIONS**

24 The following definitions are incorporated by reference into each Request herein:

25 1. "All" shall include "any" and vice versa; "each" shall include "every" and vice
26 versa.

27
28 ¹ Capitalized terms are defined in the Definitions in Section I.

1 2. “Communication” or “Communications” means the transmission or expression of
2 any thought, word, statement, fact, opinion, idea, document, instruction, demand, or question
3 whether written or oral, whether made in person, by telephone, in the context of a meeting,
4 transmitted electronically or telegraphically or transmitted in any other fashion.

5 3. “Document” or “Documents” are used in the broadest possible sense permissible
6 under the Federal Rules of Civil Procedure. These terms include, without limitation, drafts, the
7 original, and any and all non-identical copies, regardless of location or origin, or any writing or
8 record of any type, including, but not limited to, any letter, memorandum, facsimile, telegram,
9 telex, report, record, study, handwritten or other note, working paper, chart, paper, graph, index,
10 tape, disk, data sheet or data processing card, correspondence, table, analysis, schedule, bill,
11 draft, questionnaire, contract, order, invoice, statement, electronic mail, computer printout,
12 information stored in any computer, any other data compilations from which information can be
13 obtained and/or translated, or any other written, recorded, transcribed, punched, taped, filed or
14 graphic matter, however produced or reproduced. “Document” or “Documents” includes all
15 Communications and anything from which information can be perceived or which are used to
16 memorialize human thoughts, speech, or action, or any other document, object, tangible thing, or
17 writing discoverable under law. “Document” or “Documents” also includes copies containing
18 information in addition to that contained in or on the original and all the attachments,
19 appendices, enclosures or documents referenced in any documents called for by this Request.
20 “Document” or “Documents” shall also include any writing or record of any type that relates to a
21 Communication.

22 4. “Grace Entities” collectively means the following entities and any of their
23 respective officers, managers, directors, board members, attorneys, employees, agents, and any
24 other person or entity purporting to act for or on behalf of the respective entities: Central &
25 Monroe, LLC; Osborn III Partners, LLC; Portales Place Property, LLC; 70th Street Property,
26 LLC; and 44th & Camelback Property, LLC.

27 5. “Grace Settlements” means the Settlement Agreements described in, and attached
28 to, the *Motion to Approve Settlements with Grace Entities* filed by ML Manager on May 18,

1 2010 [DE #2743].

2 6. "Mediation" means the mediation between ML Manager and the Grace Entities,
3 among others, that commenced on August 26, 2009 before mediator Gary L. Birnbaum.

4 7. "ML Manager" means ML Manager LLC and any of its officers, managers,
5 directors, board members, attorneys, employees, agents, and any other person or entity
6 purporting to act for or on its behalf.

7 8. "Relating to," "relate to," "relates to" or "related to" means relating in any way to,
8 referring to, mentioning, evidencing, discussing, describing, reflecting, concerning,
9 memorializing, supporting, dealing with, consisting of, constituting, evidencing, comprising,
10 recording, or in any other way pertaining to the subject, either in whole or in part, whether
11 directly or indirectly.

12 9. "Rev Op Group" collectively means, subject to amendment, correction, and/or
13 substitution of real parties in interest, the following persons and entities: AJ Chandler 25 Acres,
14 L.L.C.; Bear Tooth Mountain Holdings, L.L.P.; Brett M. McFadden; Evertson Oil Company,
15 Inc.; Michael Johnson Investments II, L.L.C.; Morley Rosenfield, M.D. P.C. Restated Profit
16 Sharing Plan; Pueblo Sereno Mobile Home Park, L.L.C.; Queen Creek XVIII, L.L.C.; Ronald
17 Kohner; Trine Holdings, L.L.C.; William L. Hawkins Family L.L.P.; Yuval Caine and Mirit
18 Caine; L.L.J. Investments, LLC, as successor in interest to Louis B. Murphey, the James C.
19 Schneck Revocable Trust, and The Lonnie Joel Krueger Family Trust.

20 10. "You" and "your" means ML Manager and all respective agents, representatives,
21 officers, directors, employees, attorneys, experts, investigators, insurers, or anyone acting on
22 behalf of the foregoing.

23 11. Reference to the singular shall be construed to include the plural, and reference to
24 the plural shall be construed to include the singular.

25 12. All verbs shall be construed to include all tenses.

26 **II. INSTRUCTIONS**

27 1. These Requests require you to provide all non-privileged Documents in your
28 possession, custody, or control, regardless of whether such Documents are possessed directly by

1 you, your employees, agents, consultants, representatives, subsidiaries, affiliates, attorneys,
2 accountants or any other person(s) acting or purporting to act on your behalf or under your
3 direction or control.

4 2. These Requests are continuing in nature, and any subsequently discovered or
5 additional responsive Documents shall be supplied immediately upon your discovery of such
6 Documents.

7 3. If any Documents are withheld based on an assertion of the attorney-client
8 privilege, work product doctrine, or other privilege, state with respect to each such Document:
9 (a) the nature of the privilege asserted and the basis for the assertion; and (b) the date, author,
10 addressee, other recipients (if any) and the subject matter of the Document.

11 4. All Documents produced in response to these Requests shall be produced *in toto*,
12 notwithstanding the fact that portions thereof may contain information not requested, shall
13 include interim as well as final editions of a Document, and shall include all editions or copies of
14 a Document which are not identical to (whether due to handwritten notations, or revisions, or
15 otherwise), the original or produced copy of the Document.

16 5. If any Documents responsive to these Requests have been destroyed or otherwise
17 disposed of, state with respect to each: (a) the date, author and addressee of the Document; (b)
18 the subject matter of the Document; (c) the date of destruction or other disposition; (d) the
19 manner of and reason for the destruction or other disposition.

20 **III. DOCUMENTS TO BE PRODUCED**

21 1. All Documents relating in any way to the Grace Settlements, including, without
22 limitation, all analyses, reports, studies, evaluations or other Documents regarding the
23 reasonableness of the Grace Settlements and the payment of the Grace Entities' attorneys' fees
24 pursuant to the Grace Settlements.

25 2. All Documents evidencing or relating to any Communications that ML Manager,
26 any of its board members, managers, or any other person or entity purporting to act for or on its
27 behalf has had with any of the Grace Entities or any other person or entity regarding the Grace
28 Settlements.

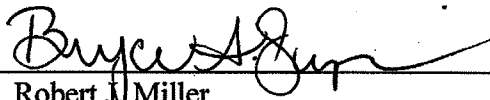
1 3. All minutes, agenda, notes, and/or other Documents evidencing or relating to any
2 ML Manager board meetings, conferences, discussions, votes, or other Communications whether
3 telephonic or otherwise relating in any way to the Grace Settlements.

4 4. All Documents and Communications created, obtained, used, relied upon,
5 referenced, or otherwise utilized by ML Manager in the Mediation, including, without limitation,
6 all briefs and other documents submitted in the Mediation by any party.

7 5. All exhibits that ML Manager intends to use at any evidentiary or other hearing
8 regarding the Grace Settlements.

9 DATED this 11th day of June, 2010.

10 BRYAN CAVE LLP

11
12 By 
13 Robert J. Miller
14 Bryce A. Suzuki
15 Two North Central Avenue, Suite 2200
16 Phoenix, AZ 85004-4406
17 Counsel for the Rev Op Group

18 COPY of the foregoing served
19 by email this 11th day of June, 2010,
20 upon:

21 Cathy L. Reece, Esq.
22 Keith L. Hendricks, Esq.
23 Fennemore Craig, P.C.
24 3003 North Central Avenue, Suite 2600
25 Phoenix, Arizona 85012-2913
26 creece@fclaw.com
27 khendricks@fclaw.com
28 Attorneys for ML Manager LLC

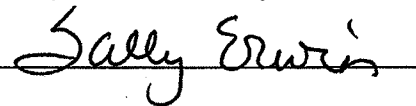


EXHIBIT "B"

1 FENNEMORE CRAIG, P.C.
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2 Keith L. Hendricks (012750)
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3 Phoenix, Arizona 85012
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5 Attorneys for ML Manager LLC

6 IN THE UNITED STATES BANKRUPTCY COURT
7 FOR THE DISTRICT OF ARIZONA

8 In re
9 MORTGAGES LTD.,
10 Debtor.

Chapter 11

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

**ML MANAGER'S RESPONSE TO THE
REV OP GROUP'S FIRST SET OF
REQUESTS FOR PRODUCTION OF
DOCUMENTS TO ML MANAGER**

14 ML Manager, LLC ("ML Manager") hereby provides its Response to the Rev Op
15 Group' First Set of Requests for Production of Documents to ML Manager dated June 11,
16 2010.

17 ML Manager reserves the right to supplement these answers should additional or
18 different information become known to it, whether through discovery, further
19 investigation or otherwise.

20 **I. GENERAL AND CONTINUING OBJECTIONS**

21 ML Manager makes the following General and Continuing Objections to each and
22 every discovery request propounded by the Rev Op Group, whether or not separately set
23 forth in response to each Request for Production, and each of these Objections are
24 incorporated by reference into each Answer, which is therefore subject to and limited by
25 these Objections.

26 1. ML Manager objects to the Instructions and each Request for Production to
27 the extent they request the discovery or disclosure of information that is immune from
28

1 discovery, protected by A.R.S. § 12-2238, protected by the attorney-client privilege,
2 constitute trial preparation materials prepared in anticipation of litigation by or for ML
3 Manager or by or for any representatives of ML Manager, including its attorney(s),
4 consultant(s), employee(s), or agent(s), or which are otherwise protected from discovery
5 pursuant to the Arizona Rules of Civil Procedure or any other privilege or immunity.
6 Such information shall not be provided in response to the Request for Production and any
7 inadvertent disclosure thereof shall not be deemed a waiver of any privilege or immunity
8 with respect to such information.

9 2. ML Manager objects to the extent that any of the Instructions and/or the
10 Requests are vague, ambiguous, or overly broad, and unreasonably requires ML Manager
11 to speculate as to the nature and scope of the information sought. In each instance, where
12 possible, ML Manager will interpret the Request for Production to require only the
13 information reasonably related in time and subject matter to the issues in this litigation.

14 3. ML Manager objects to the Instructions, the Definitions, and the Request for
15 Production to the extent that they require ML Manager to produce documents or
16 information not currently in its possession, custody, or control on the grounds that such
17 Instruction, Definition, and Request for Production seek to require more of ML Manager
18 than any obligation imposed by law, would subject ML Manager to investigate or discover
19 information or materials from third parties that are equally accessible to Plaintiff.

20 4. ML Manager objects to each of the Requests to the extent they call for
21 information that does not relate to matters materially necessary to prosecution and defense
22 of this action and are not reasonably calculated to lead to the discovery of admissible
23 evidence.

24 5. ML Manager objects to the Requests to the extent that they call for
25 information that may comprise trade secrets or other proprietary information, and to the
26 extent that they call for information that is protected under the terms of a confidentiality
27 agreement, protective order, or other restriction on disclosure.

28 . . .

1 6. ML Manager objects to the Requests, as well as the Instructions and the
2 Definitions, to the extent that they seek information not within ML Manager's possession,
3 custody or control; information that is obtainable from some other source that is more
4 convenient, less burdensome, or less expensive; and/or information that is so difficult to
5 obtain that the burden or expense of the discovery outweighs its likely benefit; and/or
6 information that is available to the public or that is equally available to or within the
7 knowledge of Plaintiff or which Plaintiff has equal or greater access to than ML Manager;
8 and/or information sought that is more appropriately obtained through an alternative
9 discovery device.

10 7. ML Manager's Answers to the Request for Production are not admissions or
11 acknowledgements that the Request for Production call for information that is relevant to
12 the subject matter of this action. Each Answer is without prejudice as to ML Manager's
13 right to contest at trial or any other subsequent proceeding in this action that an answer (or
14 the documents produced in response) to a Request for Production is inadmissible,
15 irrelevant or immaterial. Further, each Answer is without prejudice to, and does not
16 constitute a waiver of, any objection ML Manager may make to any future use of the
17 information given in any Answer or each document produced in response to any Request
18 for Production.

19 8. ML Manager will provide its Answers without prejudice to its right to
20 produce evidence of any subsequently discovered fact or facts that it may later recall or
21 discover. ML Manager further reserves the right to change, amend, or supplement any or
22 all of the matters contained in its Answers as additional facts are ascertained, analyses are
23 made, research is completed and contentions are made.

24 9. ML Manager objects to each of the Instructions and Definitions to the extent
25 that they are inconsistent with or enlarge upon the Arizona Rules of Civil Procedure, to
26 the extent they seek discovery beyond that permitted by the Arizona Rules of Civil
27 Procedure, and to the extent it requires additional information or action beyond that
28 necessary to properly respond to the Requests under the Arizona Rules of Civil Procedure.

1 10. ML Manager objects to the Requests as overlapping and redundant to the
2 extent that a single document or Answer may be responsive to many different requests.

3 11. The contents of these Objections and Answers are provisional and subject to
4 supplementation, amendment, explanation, change and amplification. Therefore, if any
5 part of these Objections and Answers is ever read to the jury, fairness will require that the
6 jury have this preliminary statement read to them or be told that this case was in the
7 preliminary stages of discovery.

8 **II. RESPONSES TO DOCUMENTS TO BE PRODUCED:**

9 1. All Documents relating in any way to the Grace Settlements, including,
10 without limitation, all analyses, reports, studies, evaluations or other Documents regarding
11 the reasonableness of the Grace Settlements and the payment of the Grace Entities'
12 attorneys fees pursuant to the Grace Settlements.

13 **Response: Objection, the request seeks confidential, attorney-client**
14 **privileged materials and/or materials protected by A.R.S. § 12-2238.**
15 **Notwithstanding this objection and subject to it, see attached documents bates**
16 **labeled MLG00001-02804; and MLG06650-06712.**

17 2. All Documents evidencing or relating to any Communications that ML
18 Manager, any of its board members, managers, or any other person or entity purporting to
19 act for or on its behalf had with any of the Grace Entities or any other person or entity
20 regarding the Grace Settlements.

21 **Response: Objection, the request seeks confidential and/or attorney client**
22 **privileged information. Notwithstanding this objection, please see the**
23 **correspondence attached hereto, Bates labeled ML02805 through ML06649.**

24 3. All minutes, agenda, notes, and/or other Documents evidencing or relating
25 to any ML Manager board meetings, conferences, discussions, votes, or other
26 Communications whether telephonic or otherwise relating in any way to the Grace
27 Settlements.

28 . . .

1 **Response: Objection as the request seeks confidential and/or attorney-client**
2 **privileged materials.**

3 4. All Documents and Communications created, obtained, used, relied upon,
4 references, or otherwise utilized by ML Manager in the Mediation, including, without
5 limitation, all briefs and other documents submitted in the Mediation by any party.

6 **Response: Objection. The request seeks production of materials protected by**
7 **A.R.S. § 12-2238.**

8 5. All exhibits that ML Manager intends to use at any evidentiary or other
9 hearing regarding the Grace Settlements.

10 **Response: ML Manager will indicate the exhibits it intends to use in its**
11 **section of the joint pretrial statement, draft of which has be previously submitted to**
12 **attorneys for defendants.**

13 DATED: June 30, 2010

FENNEMORE CRAIG, P.C.

14
15 By 

Cathy L. Reece

Keith L. Hendricks

Attorneys for ML Manager LLC

16
17
18 COPY hand-delivered
19 this 30th day of June, 2010, to:

20 Robert J. Miller
21 Bryce a Suzuki
22 Bryan Cave LLP
23 Suite 2200
24 Two N. Central Avenue
25 Phoenix, AZ 85004
26 Attorneys for the Rev Op Group

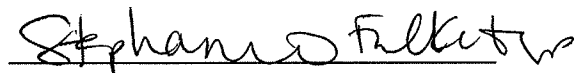
27
28 

EXHIBIT "C"

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10 Counsel for the Rev Op Group

11 **IN THE UNITED STATES BANKRUPTCY COURT**
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13 In re:

14 MORTGAGES LTD.,

15 Debtor

In Proceedings Under Chapter 11

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

**ATTORNEY'S CERTIFICATE OF
GOOD FAITH CONSULTATION**

Date of Hearing: 7/5/2010

Time of Hearing: 10:00 a.m.

16 Pursuant to Local Rule 9013-1(e), the undersigned attorney hereby certifies that,
17 after sincere efforts and consultation with counsel for ML Manager LLC, counsel were
18 unable to resolve the discovery dispute in this matter.

19 RESPECTFULLY SUBMITTED this 6th day of July, 2010.

20 **BRYAN CAVE LLP**

21 By: 

22 Robert J. Miller

23 Bryce A. Suzuki

24 Two North Central Ave. Suite 2200

25 Phoenix, Arizona 85004-440

26 Counsel for the Rev Op Group