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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

In Proceedings Under Chapter 11

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

**MOTION TO COMPEL PRODUCTION  
OF DOCUMENTS AND PRIVILEGE  
LOG RE: GRACE DOCUMENT  
PRODUCTION**

**Date of Hearing: 7/7/2010**

**Time of Hearing: 10:00 a.m.**

16 This Motion to Compel is filed by the Rev Op Group. The Rev Op Group hereby  
17 requests entry of an order compelling the ML Manager to: (i) produce all of the withheld  
18 documents referenced below; and (ii) produce a privilege log. In support of this Motion  
19 to Compel, the Rev Op Group submits as follows:

20 1. Tomorrow, the Court will hold an evidentiary hearing on the Grace  
21 settlements. The Court has reserved 2 hours for this evidentiary hearing.

22 2. Right after the Court set this matter for an evidentiary hearing, the Rev Op  
23 Group served a request for production of documents on the Rev Op Group ("RPD"). A  
24 true and correct of the RPD is attached hereto as Exhibit A.  
25  
26  
27  
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1           3.       On June 30, 2010, ML Manager delivered its response to the RPD. *See*  
2 Exhibit B. ML Manager also delivered data disks which contained the purportedly  
3 responsive documents.

4           4.       Pursuant to RPD No. 3, the Rev Op Group requested the following  
5 documents: “All minutes, agenda, notes, and/or other Documents evidencing or relating  
6 to any ML Manager board meetings, conferences, discussions, votes, or other  
7 Communications whether telephonic or otherwise relating in any way to the Grace  
8 Settlements.”

9           5.       The ML Manager did not produce any documents responsive to this request  
10 as the basis that all such documents are “confidential and/or attorney client privileged  
11 materials.” Notwithstanding this claim of confidentiality and privilege, the ML Manager  
12 did not provide a privilege log. ML Manager also claimed confidentiality/privilege as a  
13 basis for refusing to produce other categories of documents. *See* ML Manager Response,  
14 Nos. 1, 2, 4.

15           6.       Clearly, the documents evidencing ML Manager’s decision-making and  
16 voting process relative to the Grace settlements are relevant and important in the context  
17 of this evidentiary hearing. ML Manager has no basis to refuse turning over these  
18 documents. After written demand, including clarification that the Rev Op Group *is not*  
19 seeking production of any attorney notes, ML Manager has not produced the requested  
20 documents.

21           7.       The Court will also recall that the issue of ML Manager board approval was  
22 placed squarely at issue in this contested matter at the initial hearing on the Grace  
23 settlement motion. During that hearing, Grace’s counsel claimed that the ML Manager’s  
24 board approved the settlements with a Rev Op Group representative sitting on the board.<sup>1</sup>

25           8.       Counsel for the Rev Op Group has consulted with counsel for ML Manager  
26 in sincere efforts to resolve this matter. Counsel for ML Manager has not responded to

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27                           <sup>1</sup> Presumably, Grace’s counsel was referring to Mr. William Hawkins. This  
28 is a fact that will be disputed by the Rev Op Group.

1 these efforts. Pursuant to Local Rule 9013-1(e), attached hereto as Exhibit C is a  
2 statement of counsel certifying as much.

3 **WHEREFORE**, the Rev Op Group requests that the Court enter an order: (i)  
4 compelling the ML Manager to produce all documents requested in RPD No. 3; (ii)  
5 compelling ML Manager to produce a privilege log of all documents withheld from  
6 production based on alleged privilege and/or confidentiality; and (iii) granting the Rev  
7 Op Group any other and further relief as it deems just and proper under the circumstances  
8 presented herein.

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

10 **BRYAN CAVE LLP**

11  
12 By: /s/ RJM, #013334

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17 Counsel for the Rev Op Group

18 COPY of the foregoing served via  
19 email this 6th day of July, 2010, upon:

20 Cathy Reece, Esq.  
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28 /s/ Sally Erwin