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8 *Attorneys for Appellants*

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

11 **In re:**

12 **MORTGAGES LTD.,**

13 **Debtor.**

In Proceedings Under Chapter 11
(converted from Chapter 7)

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

NOTICE OF APPEAL TO DISTRICT
COURT

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15 Pursuant to 28 U.S.C. §158(a)(1), Soteria, LLC; Robert G. Furst, Trustee of The
16 Robert G. Furst & Associates Defined Benefit Pension Plan; Linda Mayne and Stephen
17 Mayne; Linda Mayne, Trustee of the Mayne and Company Defined Benefit Pension Plan
18 dated December 31, 2005; Linda A. Reeves, Trustee of The Linda Ann Reeves Trust dated
19 March 2, 2005; and John C. Vinson and Taeko Vinson, Trustees of the John Charles Vinson
20 Family Trust dated December 3, 1984 (collectively “Appellants”), hereby appeal the
21 Bankruptcy Court’s June 22, 2010, Order Denying Partitioning Owners’ Motion to Amend
22 Findings Under Rule 7052 and to Alter or Amend Judgment Under Rule 9023 (Exhibit 1
23 hereto, Docket No. 2790), together with the Bankruptcy Court’s May 28, 2010, Order
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1 Approving Motion to Sell Real Property Free and Clear of Lines, Encumbrances and
2 Interests (Exhibit 2 hereto, Docket No. 2783).

3 Pursuant to 28 U.S.C. § 158(c)(1)(A), Appellants elect to appeal directly to the
4 United States District Court For the District of Arizona.
5

6 The names of all parties to the judgment, order, or decree appealed from, and the
7 names, addresses, and telephone numbers of their respective attorneys, are as follows:
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- 9
10 • SOTERIA, LLC
11 PO Box 1009
12 Carefree, AZ 85377
(480) 488-2672
- 13 • ROBERT G. FURST, Trustee Of The Robert G. Furst & Associates Defined Benefit
14 Pension Plan
15 4201 North 57th Way
16 Phoenix, AZ 85018
(602) 377-3702
- 17 • MORRIS A. KAPLAN AND CAROLYN N. KAPLAN, Trustees Under The Second
18 Amendment And Restatement Of The Morris and Carolyn Kaplan Revocable Trust
19 Dated October 15, 1999
20 2930 N. Seventh Street
Phoenix, AZ 85014
(602) 264-9323
- 21 • LINDA MAYNE AND STEPHEN MAYNE, husband and wife; LINDA MAYNE,
22 Trustee Of The Mayne And Company Defined Benefit Pension Plan Dated
23 December 31, 2005, and any amendments thereto
24 107 Cypress Avenue
25 Kentfield, CA 94904
(415) 847-1346
26
27
28

- 1 • LINDA A. REEVES, Trustee Of The Linda Ann Reeves Trust Dated March 2, 2005,
2 and any amendments thereto
3 315 Carnation Avenue
4 Corona Del Mar, CA 92625
5 (602) 410-1555

- 6 • JOHN C. VINSON and TAEKO VINSON, Trustees of the John Charles Vinson
7 Family Trust dated December 3, 1984, and any amendments thereto
8 9865 S. Priest Drive, #101
9 Tempe, AZ 85284
10 (480) 820-6432

- 11 • KAREN E. LAMB, a/k/a KAREN CHOPRA, Trustee of The Karen Lamb Living
12 Trust dated February 26, 2007, and any amendments thereto
13 17295 Camino De Montecillo
14 Rancho Santa Fe, CA 92067
15 (858) 759-9959

- 16 • STEPHEN G. FRANKLIN and DONNA M. FRANKLIN, Trustees of the Franklin
17 Family Trust dated June 11, 2002, and any amendments thereto
18 166 Thomas Avenue, #4
19 Pacific Beach, CA 92109-4243
20 (858) 270-7139

- 21 • WILLIAM J. MILLER and SANDRA B. MILLER, Trustees of the Miller Family
22 Trust dated February 7, 2000, and any amendments thereto
23 12839 S. 34th Court
24 Phoenix, AZ 85044
25 (480) 893-2323

- 26 • JAN M. STERLING, Trustee of the Jan M. Sterling Living Trust dated January 4,
27 1995, and any amendments thereto
28 125 Fox Hollow Road
 Woodside, CA 84062
 (650) 533-8408

- 1 • KATHLEEN K. TOMASULO, Trustee of The Tomasulo Credit Shelter Irrevocable
2 Trust dated September 16, 1997, and any amendments thereto
3 4219 N. Virginia Road
4 Long Beach, CA 90807-2630
5 (563) 424-1937

- 6 • BERNARDO R. URQUIETA and KATHLEEN SMYTHE de URQUIETA, Trustees
7 of The Urquieta Smythe Family Trust dated December 5, 1990, and any amendments
8 thereto
9 2160 Lake Street
10 San Francisco, CA 94121-1212
11 (415) 752-2161

- 12 • JANE A. BARTELME (IRA Custodian: First Trust Company of Onaga)
13 11015 E. Mirasol Circle
14 Scottsdale, AZ 85255
15 (480) 664-1128

- 16 • JAYESH K. SHAH (IRA Custodian: First Trust Company of Onaga)
17 25274 La Loma Drive
18 Los Altos Hills, CA 94022-4514
19 (650) 948-8284

- 20 • ML MANAGER, LLC
21 Fennemore Craig, P.C.
22 Cathy L. Reece
23 Keith L. Hendricks
24 3003 N. Central Avenue, Suite 2600
25 Phoenix, AZ 85012
26 (602) 916-5343

1 DATED this 6th day of July, 2010.

2
3 **THOMAS SCHERN RICHARDSON, PLLC**

4 By /s/ Richard R. Thomas 010484
5 Richard R. Thomas
6 1640 South Stapley Drive, Suite 132
7 Mesa, AZ 85204
8 *Attorneys for Appellants*

9
10 Original electronically filed
11 this 6th day of July, 2010 with
12 the Clerk of the US Bankruptcy Court
13 and electronically delivered to all parties
14 and counsel of record

15 /s/ Ronnie Sue Taxin
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EXHIBIT 1

**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: June 22, 2010



1 FENNEMORE CRAIG, P.C.
Cathy L. Reece (005932)
2 Keith L. Hendricks (012750)
3003 N. Central Ave., Suite 2600
3 Phoenix, Arizona 85012
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RANDOLPH J. HAINES
U.S. Bankruptcy Judge

5 Attorneys for ML Manager LLC

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

9 In re
10 MORTGAGES LTD.,
11 Debtor.

Chapter 11
Case No. 2:08-bk-07465-RJH

**ORDER DENYING PARTITIONING
OWNERS' MOTION TO AMEND FINDINGS
UNDER RULE 7052 AND TO ALTER OR
AMEND JUDGMENT UNDER RULE 9023**

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14 The Partitioning Owners' having filed a Motion To Amend Findings Under Rule
15 7052 and To Alter or Amend Judgment Under Rule 9023 (Docket No. 2778) ("Motion to
16 Amend") concerning this Court's May 28, 2010 Order Approving Motion To Sell Real
17 Property Free and Clear of Liens, Claims Encumbrances and Interests (Docket No. 2770)
18 and the Adobe Meadows/VCB sale, and ML Manager LLC having filed a Response
19 (Docket No. 2783) asking the Court to deny the Motion to Amend promptly and without
20 hearing, and for good cause shown,

21 IT IS THEREFORE ORDERED THAT the Partitioning Owners' Motion To
22 Amend Findings Under Rule 7052 and To Alter or Amend Judgment Under Rule 9023
23 (Docket No. 2778) is hereby denied.

24 ORDERED, SIGNED AND DATED AS STATED ABOVE.

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26 2324868

FENNEMORE CRAIG, P.C.
PHOENIX

EXHIBIT 2

**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: May 27, 2010



1 FENNEMORE CRAIG, P.C.
Cathy L. Reece (005932)
2 Keith L. Hendricks (012750)
3003 N. Central Ave., Suite 2600
3 Phoenix, Arizona 85012
Telephone: (602) 916-5343
4 Facsimile: (602) 916-5543
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Randolph J. Haines

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

5 Attorneys for ML Manager LLC

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

9 In re
10 MORTGAGES LTD.,
11 Debtor.

Chapter 11

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

**ORDER APPROVING MOTION TO SELL
REAL PROPERTY FREE AND CLEAR OF
LIENS, CLAIMS, ENCUMBRANCES, AND
INTERESTS**

**Real Property located in Maricopa County, AZ
located at 902 N. Signal Butte Rd., Mesa, AZ
known as Adobe Meadows**

**Hearing Date: May 27, 2010
Hearing Time: 10:00 a.m.**

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17 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 2731)
18 requesting that the Court enter an order authorizing ML Manager as the manager for VCB
19 Loan LLC and the agent for 17 non-transferring pass-through investors to sell
20 approximately 37 acres of real property located in Maricopa County, AZ, located at 902
21 N. Signal Butte Rd., Mesa, Arizona, known as Adobe Meadows development which is
22 more specifically described in the Sale Agreement (the "Property") to Pinnacle Ridge
23 Holdings, LLC for the price and on the terms set forth in the Agreement of Sale and
24 Purchase and Escrow Instructions ("Sale Agreement") which was filed with this Court.
25 Among other things, the Sale Agreement provides for the purchase of approximately 37
26 acres for approximately \$1,616,000.00 by Pinnacle Ridge Holdings, LLC ("Purchaser").

1 A notice to creditors, interested parties and the 17 non-transferring pass-through investors
2 of the Motion and the hearing date was timely served. Two objections were filed. The
3 hearing was held on the Motion on May 27, 2010 at 10:00 a.m. in Phoenix and the Court
4 at the conclusion of the hearing made findings of fact and conclusions of law on the
5 record.

6 Upon consideration of the Motion, the objection and reply thereto, and statements
7 and arguments of counsel at the hearing; it appears to the Court that:

8 (a) This Court has jurisdiction over the issues presented in the Motion;

9 (b) The purchase price offered constitutes fair consideration for the Property;

10 (c) The Purchaser is a good faith purchaser;

11 (d) The investors in the VCB Loan LLC and the applicable MP Funds have
12 agreed by the applicable dollar vote to the sale terms;

13 (e) The ML Manager LLC has authority to enter into the Sale Agreement and to
14 sell the Property pursuant to the terms of the Sale Agreement and is authorized to proceed
15 with this sale and to execute all necessary documents to implement the sale;

16 (f) The liens, claims, encumbrances and interests shall attach to the proceeds of
17 the sale and the Property shall be transferred free and clear of liens, claims, encumbrances
18 and interests;

19 (g) The sale is supported by sound business judgment so that the ML Manager
20 shall be authorized to sell the Property in accordance with the terms and provisions of the
21 Sale Agreement.

22 IT IS THEREFORE ORDERED THAT:

23 (1) The Motion is granted and approved as set forth in this Order and the two
24 objections are overruled on the merits.

25 (2) ML Manager has authority to enter into the Sale Agreement and to
26 consummate the sale and is authorized to sell the Property pursuant to the terms of the

1 Sale Agreement. ML Manager is directed and authorized as the manager for VCB Loan
2 LLC and the agent for the 17 pass-through investors to execute any and all documents
3 needed to consummate the sale. To the extent that the title company requires a deed to be
4 executed by the 17 non-transferring pass-through investors, the non-transferring pass-
5 through investors are hereby directed and required to sign such deeds and in the event that
6 they do not timely execute such deeds, then ML Manager is expressly authorized to
7 execute them on their behalf and deliver the deeds to the title company.

8 (3) The sale and transfer of the Property to the Purchaser shall be free and clear
9 of all liens, claims, encumbrances and interests with such liens claims, encumbrances and
10 interests to attach to the proceeds.

11 (4) ML Manager is authorized to pay out of the sale proceeds all costs of sale,
12 including real property taxes, assessments, broker's fees, title insurance or other closing
13 costs and to pay out of the sale proceeds any liens or encumbrances on the Property owed
14 to the current exit lender pursuant to the Loan Agreement with the lender and create and
15 use any Permitted Reserves pursuant to the Loan Agreement.

16 (5) The Purchaser is a good faith purchaser for fair consideration of the
17 Property.

18 (6) The net sale proceeds attributable to the ownership percentage for the VCB
19 Loan LLC shall be transferred at closing to the ML Manager as the Manager for the VCB
20 Loan LLC and used and distributed pursuant its agreements, the Interborrower Agreement
21 and the Confirmation Order. The net sale proceeds attributable to the ownership
22 percentage for the non-transferring pass-through investors shall be transferred at closing
23 to ML Manager as their agent and shall be used and distributed pursuant to the applicable
24 agency agreements and the Confirmation Order.

25 ORDERED, SIGNED AND DATED AS STATED ABOVE.

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