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7 Attorneys for the Rev Op Group

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

10 In re:

11 MORTGAGES LTD.,

12 Debtor.

In Proceedings Under Chapter 11

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

**APPELLANTS' DESIGNATION OF  
RECORD AND STATEMENT OF  
ISSUES TO BE PRESENTED ON  
APPEAL**

Date of Hearing: N/A

Time of Hearing: N/A

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18 Having appealed from the Bankruptcy Court's *Order Approving the Motion to Approve*  
19 *Settlements With Grace Entities* dated July 12, 2010 (the "Order"), appellants AJ Chandler 25  
20 Acres, L.L.C., Bear Tooth Mountain Holdings, L.L.P., Yuval Caine and Mirit Caine, Evertson  
21 Oil Company, Inc., Ronald Kohner, Brett McFadden, Michael Johnson Investments II, L.L.C.,  
22 Morley Rosenfield, M.D. P.C. Restated Profit Sharing Plan, Pueblo Sereno Mobile Home Park,  
23 L.L.C., Queen Creek XVIII, L.L.C., Trine Holdings, L.L.C., William L. Hawkins Family L.L.P.,  
24 and L.L.J. Investments, LLC, as successor in interest to James C. Schneck Rev. Trust, Louis B.  
25 Murphey, and The Lonnie Joel Krueger Family Trust (collectively, the "Rev Op Group"),  
26 pursuant to Federal Rule of Bankruptcy Procedure 8006, hereby submit their designation of  
27 items to be included in the record on appeal and their statement of the issues to be presented on  
28 appeal.



1 COPY of the foregoing served via email  
2 this 3rd day of August, 2010, upon:

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/s/ Sally Erwin

**EXHIBIT "A"**

**DESIGNATIONS OF RECORD ON APPEAL**

**From Bankruptcy Case No. 2:08-bk-07465-RJH**

<b>DOCKET NO.</b>	<b>DATE ENTERED</b>	<b>DOCUMENT DESCRIPTION</b>
--	--	Copy of Bankruptcy Court Docket
1297	01/21/2009	Chapter 11 Plan The Official Committee of Investors' Plan of Reorganization Dated January 21, 2009 filed by Official Committee of Investors
1298	01/21/2009	Disclosure Statement in Support of The Official Committee of Investors' Plan of Reorganization Dated January 21, 2009
1466	03/12/2009	Notice of Filing of New or Changed Exhibits to the Investors Committee's Amended Disclosure Statement
1467	03/13/2009	Notice of Filing Redline Version of Investors Committee's First Amended Plan of Reorganization
1468	03/13/2009	First Amended Chapter 11 Plan The Official Committee of Investors' First Amended Plan of Reorganization dated March 12, 2009
1469	03/13/2009	Notice of Filing Redline Version of Investors Committee's Amended Disclosure Statement
1471	03/13/2009	Amended Disclosure Statement in Support of the Official Committee of Investors' First Amended Plan of Reorganization Dated March 12, 2009 Without Exhibits
1474	03/13/2009	Notice of Filing Exhibit 1 to Investors Committee's First Amended Plan of Reorganization and Exhibit E to Investors Committee's Amended Disclosure Statement
1479	03/16/2009	Minutes of Hearing held on 03/16/2009, Subject: HEARING ON DISCLOSURE STATEMENT FILED BY THE INVESTORS COMMITTEE
1484	03/18/2009	Notice of Lodging Proposed Order Notice of Lodging Forms of Ballots to Investors Committee's First Amended Plan of Reorganization and to Investors Committee's Amended Disclosure Statement
1489	03/24/2009	Notice of Lodging Redlined Versions of Investors Committee's First Amended Plan of Reorganization and Investors Committee's Amended Disclosure Statement and the Ballot for Classes 11A through 11G for General Unsecured Creditors
1493	03/24/2009	ORDER signed on 3/24/2009 (re: Docket # 1471, Amended Disclosure Statement)

DOCKET NO.	DATE ENTERED	DOCUMENT DESCRIPTION
1510	03/31/2009	Notice of Lodging Redlined Versions of Investors Committee's First Amended Plan of Reorganization and Investors Committee's Amended Disclosure Statement and Certain Ballots
1522	04/02/2009	Notice of Lodging Proposed Order Approving Investors Committee's Amended Disclosure Statement and Fixing Time for Returning Ballots for Acceptances or Rejections and Notice of Confirmation Hearing for Investors Committee's First Amended Plan of Reorganization Dated March 12, 2009
1523	04/03/2009	Motion to Set Hearing on Amended Disclosure Statement Filed By Investor's Committee and (2) Set Deadlines For Filing Objections Thereto
1527	04/03/2009	ORDER Approving Disclosure Statement and Setting Confirmation Hearing signed on 4/3/2009
1531	04/06/2009	Amended Disclosure Statement In Support of The Official Committee of Investors' First Amended Plan of Reorganization Dated March 12, 2009
1532	04/06/2009	The Official Committee of Investors' First Amended Plan of Reorganization Dated March 12, 2009
1649	05/05/2009	Joint Objection to OIC Chapter 11 Plan of Liquidation filed by Rev Op Group and Lewis Trust
1677	05/08/2009	Report of Ballots on Official Committee of Investors' First Amended Plan of Reorganization Dated March 12, 2009
1691	05/11/2009	Rev Op Group's Supplemental Plan Objection
1696	05/11/2009	Brief in Support of Official Committee of Investors' First Amended Plan of Reorganization and Reply to Objections
1713	05/12/2009	Debtor's Objection to Ballot Report of Voting on Official Committee of Investors' First Amended Plan of Reorganization Dated March 12, 2009
1719	05/12/2009	Minutes of Hearing held on 05/12/2009, Subject: PRETRIAL CONFERENCE ON CONFIRMATION OF INVESTORS COMMITTEE'S PLAN
1721	05/13/2009	Minutes of Hearing held on 05/13/2009, Subject: EVIDENTIARY HEARING ON CONFIRMATION OF INVESTORS COMMITTEE'S PLAN
1744	05/18/2009	Minutes of Hearing held on 05/18/2009, Subject: CONTINUED HEARING ON PLAN CONFIRMATION
1750	05/19/2009	Minutes of Hearing held on 05/19/2009, Subject: CONTINUED HEARING ON PLAN CONFIRMATION

DOCKET NO.	DATE ENTERED	DOCUMENT DESCRIPTION
1755	05/21/2009	Order Confirming Investors Committee's First Amended Plan of Reorganization Dated March 12, 2009
1807	06/16/2009	Notice of Filing Notice of Effective Date of Investors Committee's First Amended Plan of Reorganization Dated March 12, 2009 and Notice of Administrative Claims Bar Date
2050	08/06/2009	Emergency Motion to Extend Deadline for Pass-Through Investors to Transfer Their Fractional Interests in ML Notes and Deeds of Trust into Loan LLCs
2055	08/07/2009	Order Approving an Extension of the Deadline for Pass-Through Investors to Transfer Their Fractional Interests in Notes and Deeds of Trust Into the Loan LLCs
2136	08/27/2009	Transcript of Hearing or Trial on 5/18/2009
2158	09/08/2009	Transcript of Hearing or Trial on 5/19/2009
2168	09/14/2009	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 Deadline
2197	09/21/09	Order Approving an Extension of the Deadline for Pass-Through Investors to Transfer Their Fractional Interests in Notes and Deeds of Trust Into the Loan LLCs and Setting Hearing
2219	09/25/2009	Notice of Filing Notice of Filing Rev Op Group's Appendix of Mortgages Ltd. Investment Documents
2229	09/28/2009	Transcript of Hearing or Trial on 5/13/2009
2260	10/02/2009	The Lewis and Underwood Trusts' Joinder in Emergency Motion for Entry of Order Clarifying Chapter 11 Plan, Confirmation Order, and Other Matters Relevant to Transfer Decision of Pass-Through Investors
2265	10/02/2009	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 Decisions of Pass-Through Investors; and (II) Extending the Transfer Decision
2269	10/07/2009	Response to Motion/Application Filed by the Lewis Trust, Underwood Trust and Sternberg, and ML Manager's Supplement to the Response to the Objection to Rev Op Group's Emergency Motion
2275	10/09/2009	Sternberg Enterprises Profit Sharing Plan's Joinder in Rev Op Groups Emergency Motion for Order Clarifying Chapter 11 Plan
2277	10/09/2009	Robert Furst's Response to Rev-Op Group's Emergency Motion for Entry of Order: (I) Clarifying Chapter 11 Plan, Confirmation

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DOCKET NO.	DATE ENTERED	DOCUMENT DESCRIPTION
		Order, and Other Matters Relevant to Transfer Decision of Pass-Through Investors; and (II) Extending the Transfer Decision
2279	10/08/2009	Minutes of Hearing held on 10/08/2009, Subject: HEARING ON THE REV OP GROUP'S MOTION FOR ENTRY OF ORDER CLARIFYING CHAPTER 11 PLAN, CONFIRMATION ORDER
2323	10/22/2009	Memorandum Decision
2327	10/22/2009	ML Manager LLC's Emergency Motion to Amend the Court's October 21, 2009 Memorandum Decision
2338	10/28/2009	Order Granting ML Manager LLC's Emergency Motion and Amending the Court's October 21, 2009 Memorandum Decision
2343	10/28/2009	Robert Furst's Response to ML Manager LLC's Emergency Motion to Amend the Court's October 21, 2009 Memorandum Decision
2345	10/29/2009	Order Regarding Motion to Clarify
2352	10/30/2009	The Rev Op Group's Motion to Reconsider Amended Memorandum Decision and Order
2353	10/30/2009	Notice of Filing Declaration of Louis B. Murphey in Support of Motion to Reconsider Amended Decision and Order
2356	11/02/2009	Sternberg Enterprises Profit Sharing Plan's Motion to Reconsider the Courts October 21, 2009 Memorandum Decision [sic] as Amended
2369	11/05/2009	Order Denying Sternberg and Rev Op Group's Motions to Reconsider memorandum Decisions and Orders of October 21 and October 27
2743	05/18/2010	Motion to Approve Compromise/Settlement with Grace Entities
2744	05/18/2010	Emergency Motion to Accelerate Hearing and Shorten Notice Period on ML Manager's Motion to Approve Settlements with Grace Entities
2746	05/18/10	Notice of Hearing on ML Manager's Motion to Approve Settlements with Grace Entities
2747	05/18/10	Notice of Lodging Proposed Order Granting ML Manager LLC's Motion to Sell Real Property Free and Clear of Liens, Claims, Encumbrances, and Interests
2749	05/18/10	Order Granting Emergency Motion to Accelerate Hearing and Shorten Notice Period on ML Manager's Motion to Approve Settlements with Grace Entities

DOCKET NO.	DATE ENTERED	DOCUMENT DESCRIPTION
2761	05/26/10	Objection to ML Manager's Motion to Approve Settlements with Grace Entities
2762	05/26/10	Grace Entities' Joinder in ML Manager LLC's Motion to Approve Settlements with Grace Entities
2764	05/26/10	The William C. Lewis Trust's Reservation of Rights and Response to ML Manager's Motion to Approve Settlement with Grace Entities
2766	05/27/10	Reply in Support of Motion to Approve Settlements with Grace Entities
2794	06/24/10	Notice of Deposition of Donald Zelzenak
2795	06/24/10	Notice of Deposition of Jonathon Vento
2796	06/24/10	Notice of Withdrawal of Notices of Depositions of Donald Zelzenak and Jonathon Vento
2803	06/30/10	Joint Pretrial Statement re Contested Matter: Approval of Grace Entities Settlement Agreement
2805	07/06/10	Motion to Compel Production of Documents and Privilege Log re: Grace Document Production
2807	07/06/10	ML Manager's Response to the Rev Op Group's Motion to Compel
2809	07/07/10	Minute Entry re: Evidentiary hearing on ML Manager's Motion to Approve Settlements with Grace Entities
2815	07/07/10	Certificate of Service
2816	07/07/10	Notice of Filing Amendment to Settlement Agreements with the Grace Entities
2817	07/08/10	Minutes of Hearing held on 07/08/10, Subject: EVIDENTIARY HEARING ON ML MANAGER'S MOTION TO APPROVE SETTLEMENTS WITH GRACE ENTITIES
2820	07/08/10	Notice of Lodging Order Approving the Motion to Approve Settlements with Grace Entities
2821	07/09/10	Objection to ML Manager's Form of Order re: Motion to Approve Settlements with Grace Entities; Notice of Lodging Alternative Form of Order
2822	07/09/10	Response to Objection of Rev Op Group to ML Manager's Form of Order and Objection to Rev Op Group's Alternative Form of Order
2825	07/12/10	Order Granting Motion to Approve Compromise/Settlement with Grace Entities



DOCKET NO.	DATE ENTERED	DOCUMENT DESCRIPTION
--	--	Transcript of initial confirmation hearing held on 5/12/09
--	--	Transcripts of hearings which have not been added to the docket yet and/or to the extent necessary where only partial transcripts have been filed
--	--	Any other docket entries as necessary

**From Claims Register for Bankruptcy Case No. 2:08-bk-07465-RJH**

CLAIM NO.	DATE ENTERED	DOCUMENT DESCRIPTION
570	10/30/2008	Ronald L. Kohner's Proof of Claim
876	11/19/2008	AJ Chandler 25 Acres, LLC's Proof of Claim
878	11/19/2008	Bear Tooth Mountain Holdings, L.L.P.'s Proof of Claim
879	11/19/2008	Yuval Caine and Mirit Caine's Proof of Claim
887	11/19/2008	Evertson Oil Company, Inc.'s Proof of Claim
891	11/19/2008	Louis B. Murphey's Proof of Claim
892	11/19/2008	William L. Hawkins Family L.L.P.'s Proof of Claim
893	11/19/2008	Pueblo Sereno Mobile Home Park, L.L.C.'s Proof of Claim
894	11/19/2008	Queen Creek XVIII, L.L.C.'s Proof of Claim
895	11/19/2008	Morley Rosenfield, M.D. P.C. Restated Profit Sharing Plan's Proof of Claim
896	11/19/2008	Morley Rosenfield, M.D. P.C. Restated Profit Sharing Plan's Proof of Claim
898	11/19/2008	The James C. Schneck Revocable Trust's Proof of Claim
899	11/19/2008	The James C. Schneck Revocable Trust's Proof of Claim
902	11/19/2008	Trine Holdings, L.L.C.'s Proof of Claim
925	11/20/2008	The Lonnie Joel Krueger Family Trust's Proof of Claim
926	11/20/2008	Brett M. McFadden's Proof of Claim
927	11/20/2008	Michael Johnson Investments II, L.L.C.'s Proof of Claim