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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

**MOTION FOR ORDER APPROVING
SERVICE BY EMAIL OF NEWMAN LOAN
DISTRIBUTION, ACCOUNTING OF
AMOUNTS AND ALLOCATION
METHODOLOGY**

14 ML Manager LLC ("ML Manager"), requests that the Court enter an order
15 authorizing ML Manager to serve the Notice of Newman Loan Distribution, Accounting
16 of Amounts and Allocation Methodology by email upon the investors with email
17 addresses. As the Court is aware on June 30, 2010 the Court in its Minute Entry directed
18 the ML Manager to make the distribution to the investors in the Newman loan by
19 September 1, 2010 with an accounting of the charge back amounts and the methodology
20 as to how the amounts were determined. A hearing was set for September 21, 2010. The
21 Court also stated that ML Manager was to give "notice to other investors that may be in
22 the same situation" as the investors in the Newman Loan by September 1, 2010.

23 ML Manager in an abundance of caution has decided to provide the notice to all
24 investors since they could all be impacted by a decision of the Court in the Newman Loan
25 matter. Nothing in the Plan, the applicable documents or Bankruptcy Code requires that
26 this notice be provided. It is the Court that directed this notice. As the Court is aware there

1 are a large number of investors. ML Manager as the Manager of the Loan LLCs and the
2 MP Funds and as Agent for the Non-Transferring Pass Through Investors has been
3 communicating regularly with the investors by email since June 15, 2009. ML Manager
4 has already sent out by email 11 Newsletters on a blanket basis to all investors, has sent
5 out by email at least 15 communications to the pass-through investors about the transfers
6 into the Loan LLCs, and has sent out numerous emails to the investors in some of the
7 specific loans. Further the balloting of the Loan LLCs for Major Decisions has been
8 conducted by email. This is the standard method of communication to about 95% of the
9 investors. For those without email addresses ML Manager mails a hard copy of the email.
10 There are over 100 investors who receive the hard copies by mail. In addition ML
11 Manager has set up a website www.mtglltd.com where copies of all the newsletters,
12 communications, pleadings, documents and links are posted for the investors.

13 ML Manager proposes to send out the notice indicated above by email to all
14 investors with email addresses. ML Manager proposes to mail a hard copy to all investors
15 without email addresses. In addition to emailing the notice and mailing hard copies to
16 those without email addresses, ML Manager will post the notice on the website. Further as
17 to the investors in the Newman Loan and their counsel, ML Manager will serve a copy of
18 the notice by both mail and email (if there is an email address). This will save the ML
19 Manager a significant amount of money on postage, copying and personnel cost. Under
20 the circumstances, ML Manager believes that this form of service is appropriate and
21 prudent.

22 This is a matter which ML Manager believes can be entered by the Court on an ex
23 parte basis without notice and hearing. Nonetheless, ML Manager discussed it in open
24 Court with the Court and Mr. Miller, Morley Rosenfield's counsel (the Rev Op Investor in
25 the Newman Loan). Procedurally Mr. Miller indicated he had no objection to this method
26 of service. At the direction of the Court, ML Manager has uploaded an order approving

1 this Motion.

2 WHEREFORE, ML Manager LLC requests that the Court enter an order
3 authorizing and approving the service of the notice as indicated above, and for such other
4 and further relief as is just and proper under the circumstances.

5 DATED: August 27, 2010

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FENNEMORE CRAIG, P.C.

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By /s/ Cathy L. Reece
Cathy L. Reece
Keith L. Hendricks
Attorneys for ML Manager LLC

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12 Copy of the foregoing e-mailed
this day to:

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/s/ Gidget Kelsey-Bacon

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