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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

12 **NOTICE OF FILING SCHEDULES FOR**
13 **ALLOCATION MODEL UNDER SEAL AND**
14 **PURSUANT TO THE PROTECTIVE ORDER**

15 **Hearing Date: Sept. 21, 2010**
16 **Hearing Time: 1:30 p.m.**

17 NOTICE IS GIVEN THAT ML Manager LLC (“ML Manager”), pursuant to the
18 “Order To Allow Filing of Confidential Back-Up To Allocation Model Under Seal, To Set
19 Up Procedure For an In Camera Inspection of Confidential Documents, and For a
20 Protective Order” (Docket No. 2920), has filed the Schedules for the Allocation Model
21 under seal with the Clerk of the Court and provided the Court with a copy marked
22 Confidential. The Schedules are identified as Exhibit A in the “Omnibus Reply in Support
23 of ML Manager’s: (1) Notice of Lodging Allocation Model To Be Used With Regard To
24 The Disbursement of Proceeds To the Newman Loan Investors, (2) Notice That
25 Allocation Model Has General Applicability to All Investors, and (3) Motion to Approve
26 Allocation Model”. The Schedules consist of eleven separate “Exhibits” documenting the
Allocation Model. There are two separate sets of the Schedules and then a third
document, which is a recent update to Exhibit 10 to provide a breakdown of certain

1 assumptions with regard to the costs ML Manager believes should be allocated to the
2 401(k) Plan. Each page of the Schedules has been marked “Confidential”.

3 The first document set, which is Bate stamped ML-AM0001 through ML-
4 AM00014, is the Schedules of the Model assumptions which include 401(k) Plan as
5 participants in the cost allocation. There are 11 exhibit pages with this document. These
6 exhibits all assume that the 401(k) Plan is included as a participant. Exhibit 1 is the
7 Summary of Projected Payouts Based on Model Assumptions. Exhibit 2 is a summary of
8 the Distribution Model Allocation Steps. Exhibit 3 is the Projected Payout by Entity
9 based on Model Assumptions. Exhibit 4 is the Projected Payout to Loan LLCs by Entity
10 based on Model Assumptions. Exhibit 5 is Projected Payout to Pass-Through Investors by
11 Entity base on Model Assumptions. Exhibit 6 is Cash Flow Analysis. Exhibit 7 is
12 Summary of Exit Financing Costs. Exhibit 8 is General Costs – Shared by all Loans.
13 Exhibit 9 is Summary of Specific Costs. Exhibit 10-A is Estimated Cost and Expense
14 Allocations based on Model Assumptions. Exhibit 10-B is Loan LLC Estimated Cost
15 and Expense Allocations based on Model Assumptions. Exhibit 10-C is Pass-Through
16 and 401(k) Estimated Cost and Expense Allocations based on Model Assumptions.
17 Exhibit 11 is the Allocation of Loan Costs.

18 The second set, which is ML-AM0015 through ML-AM0028, are all the same
19 schedules as stated for the first set but excludes the 401(k) Plan as participants in the cost
20 allocations.

21 The third set of documents, which are ML-AM0057 through ML-AM 0060, is
22 simply a refinement to Exhibit 10-C. After the Exhibits were prepared, a request was
23 made to break out the assumptions in Exhibit 10-C between the Pass-Through Investors
24 and the 401(k) Plan. Accordingly, a new Exhibit 10 was created. Exhibit 10-A and 10-B
25 are the same, but the revised Exhibit 10-C just includes the Pass-Through Investors and
26 Exhibit 10-D just includes the 401(k) Plan.

1 DATED: September 17, 2010

FENNEMORE CRAIG, P.C.

2 By /s/ Keith L. Hendricks (012750)

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5 COPY of the foregoing e-mailed this
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