

**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: January 10, 2011



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11 Restated Profit Sharing Plan

Randolph J. Haines

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

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

17 In re:
18 MORTGAGES LTD.,
19 Debtor.

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

**STIPULATED ORDER REGARDING
ROSENFIELD'S MOTION FOR ENTRY
OF ORDER COMPELLING TURNOVER
OF FUNDS**

25 Morley Rosenfield as trustee of Morley Rosenfield, M.D. P.C. Restated Profit Sharing
26 Plan ("Rosenfield"), filed a Motion captioned: *Motion for Entry of an Order Compelling*
27 *Turnover of Funds Being Improperly Withheld by ML Manager* (the "Turnover Motion") dated
28 June 2, 2010 (Docket No. 2771). ML Manager LLC ("ML Manager") responded to the Turnover

1 Motion asserting, among other things, that it must determine the costs and expenses that must be
2 deducted from any distributions. At hearing on June 30, 2010, this Court ordered that the
3 distribution of loan proceeds be “made by September 1, 2010 with an accounting of the charge
4 back amounts and the methodology as to how the amounts were determined.” (Docket No.
5 2802) On September 1, 2010, ML Manager escrowed the distribution amount allegedly owed
6 to Rosenfield on the Newman Loan and filed its: (1) *Notice of Lodging Allocation Model to Be
7 Used with Regard to the Disbursement of the Proceeds to the Newman Loan Investors*, (2) *Notice
8 that Allocation Model Has General Applicability to all Investors*, and (3) *Motion to Approve
9 Allocation Model* (Docket No. 2913) (the “Allocation Motion”). The Allocation Motion
10 established a methodology for allocating costs and expenses to or against all distributions,
11 including distributions that were the subject of the Turnover Motion, and asserted, among other
12 things, an “Offset Claim” by ML Manager against the distributions to Rosenfield. Following a
13 hearing on September 21, 2010, this Court issued the minute entry at Docket No. 2959. This
14 Court also scheduled an evidentiary hearing on the Offset Claim, which hearing was ultimately
15 continued until January 11, 2011. In the interim, ML Manager asserted that additional loans
16 were resolved and on December 17, 2010, ML Manager filed its: (1) *Notice Of Intent To
17 Distribute Proceeds In Accordance With Allocation Model*, And (2) *Motion To Approve
18 Treatment Of Distribution Of Disputed Proceeds* (DE # 3017) (the “Distribution Motion”).
19 Through the Distribution Motion, ML Manager seeks an Order authorizing the distributions to
20 certain investors, including the distributions that are the subject of the Turnover Motion. ML
21 Manager and Rosenfield now agree that ML Manager’s position as set forth in the Distribution
22 Motion renders the current need for an evidentiary hearing under the Turnover Motion moot.
23 Depending on future developments, however, the parties all reserve their rights to assert any and
24 all claims, arguments or defenses with regard to the Offset Claim as asserted by ML Manager.
25 Accordingly, the parties agree that this Stipulated Order may be entered by the Court, and for
26 good cause shown,

27 IT IS HEREBY ORDERED AS FOLLOWS:
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1. As a result of prior consideration of the Turnover Motion, the Allocation Motion, the position taken by ML Manager in the Distribution Motion, and the current stipulation of the parties, the need for a further evidentiary hearing on the Turnover Motion is moot, and the evidentiary hearing scheduled for January 11, 2011 on the Turnover Motion is vacated without prejudice to any party requesting further consideration if necessary. The hearing scheduled for January 11, 2011 on the Distribution Motion, however, is not affected by this Order.

2. Any distributions or turn-over of money under the Turnover Motion shall be made pursuant to this Court's final determination of the Allocation Motion and the Distribution Motion, or agreement by the parties.

3. Until and unless determined by this Court in connection with the Allocation Motion, the Distribution Motion, or otherwise, all parties' claims, arguments and defenses with regard to the Offset Claim and other issues are reserved.

DATED AND ORDERED AS STATED ABOVE.

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