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1 Sternberg Enterprises Profit Sharing Plan  
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U.S. BANKRUPTC  
DISTRICT OF ARIZO

8 UNITED STATES BANKRUPTCY COURT  
9 DISTRICT OF ARIZONA

10 In Re: ) In Proceedings Under  
11 MORTGAGES LTD., ) Chapter 11  
12 Debtor. ) Case No. 2-08-bk-07465 RJH

13 STATEMENT OF POSITION REGARDING ML MANAGER'S NOTICE OF INTENT  
14 TO DISTRIBUTE PROCEEDS IN ACCORDANCE WITH ALLOCATION MODEL

15 Sternberg Enterprises Profit Sharing Plan ("Sternberg") is filing this Statement of  
16 Position to inform the Court of the status of negotiations with respect to the specific issues  
17 between Sternberg and ML Manager. Sternberg has no interest in the loans subject to ML  
18 Manager's proposed distribution.


19 At the September 21, 2010 hearing the Court recognized that Sternberg may be a  
20 potential exception to the general rule that all investors will share the costs on a fair, equitable,  
21 and non-discriminatory manner (Docket 2964 page 23). The Court suggested that the parties  
22 meet and if a status conference or evidentiary hearing is required one should be requested  
23 (Docket #2964 page 60).

24 Subsequently ML manager decided to recognize the termination of Sternberg's agency  
25 and pursuant to stipulation, orders were entered recognizing that the Agency Agreement between  
26 Sternberg and Mortgages Ltd, LLC was terminated effective February 7, 2010.

27 ML Manager has recently provided Sternberg with accounting and other information and  
28 agreed to provide additional requested accounting information. At Manager's request Sternberg

1 is preparing proposal that encompasses not only accounting matters but the resolution co-tenancy  
2 issues. Sternberg is hopeful all matters will be resolved. If the accounting issue is not resolved a  
3 request for a status conference or evidentiary hearing will be made.

4 DATED this 10<sup>th</sup> day of January, 2011

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6   
7 Sheldon Sternberg, Trustee  
Sternberg Enterprises Profit Sharing Plan

8 Copies of the foregoing via mail, e-mail  
9 this 10<sup>th</sup> day of January, 2011 upon

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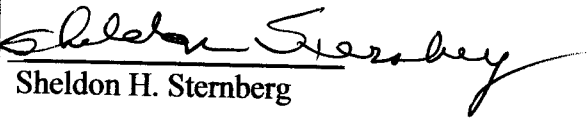
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