

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

**Minute Entry**

**Hearing Information:**

**Debtor:** MORTGAGES LTD.  
**Case Number:** 2:08-bk-07465-RJH                      **Chapter:** 11  
**Date / Time / Room:** TUESDAY, JANUARY 11, 2011 01:30 PM 6TH FLOOR #603  
**Bankruptcy Judge:** RANDOLPH J. HAINES  
**Courtroom Clerk:** JANET SMITH  
**Reporter / ECR:** SHERI FLETCHER

**Matters:**

- 1) EVIDENTIARY HEARING ON THE ROSENFIELD OBJECTION TO THE HOLDBACK  
R / M #: 2,771 / 0
  
- 2) ML MANAGER'S NOTICE OF INTENT TO DISTRIBUTE PROCEEDS IN ACCORDANCE WITH ALLOCATION  
MODEL AND MOTION TO APPROVE TREATMENT OF DISTRIBUTION OF DISPUTED PROCEEDS  
R / M #: 3,017 / 0

**Appearances:**

BRYCE A. SUZUKI, ATTORNEY FOR REV OP INVESTORS  
KEITH HENDRICKS, ATTORNEY FOR ML MANAGER  
MATTHEW MASON, ATTORNEY FOR ML LIQUIDATING TRUST  
ROBERT FURST

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(continue)... 2:08-bk-07465-RJH

TUESDAY, JANUARY 11, 2011 01:30 PM

**Proceedings:**

ITEM #1

Stipulation Settling Forthcoming

ITEM #2

Mr. Hendricks addressed the objections.

Mr. Suzuki reviewed his objection.

Mr. Mason reviewed his response.

Mr. Furst questioned how this motion will apply to him and amounts he was paid.

COURT: IT IS ORDERED GRANTING ML MANAGER'S MOTION IN ITS ENTIRETY. THERE SHOULD BE A WITHHOLDING FOR THE INSIDER ESCROW INCLUDING ALL PAYMENTS THAT WOULD OTHERWISE BE PAID TO ANY DEFENDANTS IN PENDING AVOIDANCE ACTIONS. THOSE AMOUNTS WILL BE WITHHELD SEGREGATED AND NOT SPENT. THERE SHOULD BE AN ESCROW AS TO THE FULL \$336,000.00 THAT ML MANAGER HAS ASKED FOR AS A HOLD BACK WITH RESPECT TO THE REV OP GROUP. THE REV OP GROUP WILL BE GIVEN AN OPPORTUNITY TO PURSUE THAT AS TO THE AMOUNT IN EXCESS OF THE \$90,000.00 ALREADY AWARDED. THE REV OP GROUP MAY SUBMIT A LEGAL MEMORANDUM AND SEPARATE ORAL ARGUMENT WILL BE SET. ON THE ISSUE OF WHETHER THE DEBTORS PRE-CONFIRMATION ADMINISTRATIVE LIABILITIES CAN BE TREATED AS GENERAL EXPENSES AND ALLOCATED GENERAL COSTS, THE COURT AGREES WITH ML MANAGER THAT RULING WAS ALREADY MADE ON THE MOTION FOR CLARIFICATION AND THEREFORE IS ON APPEAL AND THE COURT WILL NOT REVISIT THAT. THAT INCLUDES VTL COSTS, THE CENTERPOINT PRE-CONFIRMATION COSTS AND THE COURT DOES NOT FIND ANY ALLEGATION THAT THERE IS A MISALLOCATION OF CENTERPOINT POST CONFIRMATION FEE, EXPENSES, COSTS. THE COURT WILL SIGN A FORM OF ORDER WHEN IT IS UPLOADED BUT WILL EXPECT MR. HENDRICKS TO RUN IT PAST MR. SUZUKI PRIOR TO UPLOADING.

Mr. Hendricks requested the Court waive the automatic 14 day stay.

Mr. Suzuki requested 1 week to respond.

COURT: THE ORDER WILL BE STAYED UNTIL 8:00 AM ON MONDAY, JANUARY 24, 2011 UNLESS OTHERWISE AGREED.