

1 FENNEMORE CRAIG, P.C.
2 Cathy L. Reece (No. 005932)
3 Keith L. Hendricks (No. 012750)
4 Joshua T. Greer (No. 025508)
5 3003 North Central Avenue
6 Suite 2600
7 Phoenix, AZ 85012-2913
8 Telephone: (602) 916-5000
9 Email: creece@fclaw.com
10 Email: khendric@fclaw.com
11 Email: jgreer@fclaw.com

12 Counsel for ML Manager LLC

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re
MORTGAGES LTD.,
Debtor.

In Proceedings Under Chapter 11

Case No. 2:08-bk-07465-RJH

**ML MANAGER'S RESPONSE TO
STERNBERG'S MOTION FOR
CLARIFICATION AND PROPOSED
FORM OF ORDER**

Hearing Date:

Hearing Time:

On January 20, 2011, this Court approved ML Manager's distribution of funds pursuant to the allocation model (the "Distribution Order"). Stenberg Enterprises Profit Sharing Plan ("Stenberg") filed a motion for clarification seeking to clarify that ML Manager has accepted Stenberg's termination of the agency relationship that existed between Stenberg and ML Manager [Docket No. 3073]. Stenberg requested clarification that it was entitled to raise issues related to its share of costs in a separate evidentiary hearing. On February 11, 2011, Stenberg lodged a proposed form of order [Docket No. 3084].

ML Manager objects to the motion for clarification and the proposed order as these

1 documents are likely to lead to additional confusion over the status of the Distribution
2 Order. Sternberg admits that he had no interest in the Loans that were the subject of the
3 January 20, 2011, order and that Sternberg's issues were not discussed at the
4 January 11, 2011 hearing. Sternberg has not pointed to any evidence that ML Manager
5 intends to utilize the January 20, 2011, order to preclude Sternberg from resolving the
6 issues regarding his agency. Indeed, ML Manager and Sternberg are agreed to a
7 settlement to these very issues and are in the process of documenting that agreement. For
8 these reasons, ML Manager respectfully requests that the Court deny Sternberg's request
9 to clarify the Distribution Order.

10 DATED this 22nd day of February, 2011.

11 FENNEMORE CRAIG, P.C.

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13 By /s/ Keith L. Hendricks

14 Cathy L. Reece
15 Keith L. Hendricks
16 Joshua T. Greer
17 Counsel for ML Manager LLC

18 CERTIFICATE OF SERVICE:

19 I hereby certify that on February
20 22, 2011, I electronically
21 transmitted the attached document
22 to the Clerk's Office using the
23 CM/ECF system for filing and
24 transmittal of a Notice of
25 Electronic Filing to the CM/ECF
26 registrants.

COPY served via email this
22nd day of February, 2011:

Robert J. Miller
Bryce A. Suzuki
Bryan Cave, LLP
Two North Central Avenue, Suite 2200
Phoenix, AZ 85004

1 rjmiller@bryancave.com
2 bryce.suzuki@bryancave.com

3 /s/ L. Carol Smith
4 2395986

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