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FILED

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

Sternberg Enterprises Profit Sharing Plan
Sheldon H. Sternberg, Trustee
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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA**

<p>In Re:</p> <p>MORTGAGES LTD.,</p> <p style="text-align: center;">Debtor.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>In Proceedings Under Chapter 11</p> <p>Case No. 2-08-bk-07465 RJH</p> <p>REPLY TO ML MANAGER'S RESPONSE TO STERNBERG'S PROMOTION FOR CLARIFICATION AND PROPOSED ORDER</p>
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Sternberg Enterprises Profit Sharing Plan's ("Sternberg") Motion for Clarification simply requested that the Court supplement its Order Regarding Distribution of Proceeds dated January 20, 2011, to clarify that the Order was not intended to determine the issues related to the termination of the Sternberg agency as such issues remain reserved by the court for a future ruling.


Sternberg submitted an order that incorporated the Court's ruling at the September 21, 2010 hearing. The Court stated "with the potential exception of the 401 (K) and Sternberg the general rule will be that all investors will share the costs on a fair, equitable, and non-discriminatory manner". (Docket 2964 pager 23). One page 25, of the transcript the Court said "And I agree with you it's appropriate to carve out, at least for now the 401 (K) and Sternberg issues. "The Court suggested that the parties meet and if a status conference or evidentiary hearing is required one should be requested (Docket #2964page 60).

1 ML Manager objected to the Motion for Clarification and Proposed Order because those
2 documents are likely to lead to additional confusion over the status of the distribution Order² but
3 does not explain.1

4 ML Manager reasons that that Sternberg has provided no evidence that that ML Manager
5 intends to utilize the January 20, 2011 order to preclude Sternberg from resolving the issues
6 regarding the agency and represents that ML Manager and Sternberg are agreed to a settlement.
7 In fact Sternberg's proposed settlement agreement was rejected in part, and ML Manager has not
8 provided Sternberg with a counter proposal.

9 ML Manager misses the point. On September 21, 2010 the Court authorized the
10 litigation of the issues relating to the termination of the Sternberg agency should they not be
11 resolved. Nothing in the January 11, 2011 hearing changed that. The purpose of Sternberg's
12 motion is to make that clear.

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14 DATED this ^{23rd} ~~25th~~ day of February, 2011

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18 Sheldon Sternberg, Trustee
Sternberg Enterprises Profit Sharing Plan

19 SS -
20 Copies of the foregoing via mail, e-mail
this 25th day of February, 2011 upon

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27 1 ML Manager never served Sternberg with a copy of its Response to
28 Sternberg's Motion For Clarification and Proposed Form Of Order. Sternberg
was omitted from the CERVERTIFICATE OF SERVICE list and Sternberg was in fact
not served.

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