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6
7 IN THE UNITED STATES BANKRUPTCY COURT
8 FOR THE DISTRICT OF ARIZONA

9 In re
10 MORTGAGES LTD.,
11 Debtor.

Chapter 11

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

**RESPONSE TO REV OP GROUP
INVESTORS' OBJECTION TO SALE
ORDER LODGED BY ML MANAGER AND
OBJECTION TO REV OP GROUP
INVESTORS' FORM OF ORDER**

**Real Property located at the Northwest corner
of Tweedy Rd. and Howard Rd. in City of
Eloy, County of Pinal, Arizona**

**Hearing Date: July 16, 2012
Hearing Time: 2:30 p.m.**

17 ML Manager hereby responds to the Rev Op Group Objection (Docket No. 3538)
18 to the form of Order for the CGSR sale and requests that the Court overrule the Objection
19 and enter the form of Order submitted by ML Manager.

20 First, the form of Order submitted for the CGSR sale is substantially the same as
21 prior Sale Orders. There have been about 25 or more sale orders. The form has evolved in
22 some regards but most of it is the same. There have been about 20 objections by the Rev
23 Op Group that have all been overruled by this Court. There have been appeals of 4 sales to
24 the District Court by the Rev Op Group and all 4 sales have been affirmed. All of the sale
25 procedures use a motion format with statements on the record, and the standards,
26 including the use of best business judgment consistent with fiduciary duties, have been

1 affirmed. They have all withstood scrutiny by the appellate court and there is no reason to
2 change the form of order now.

3 Second, the provisions in the form of Order were requested in the Sale Motion.
4 Other than the fiduciary duty language, counsel did not discuss these concerns at the
5 hearing and counsel for ML Manager had no reason to remove the provisions or to know
6 they were objectionable. Since they have been approved in many prior orders they should
7 be included here.

8 Third, as the Court is well aware, buyers require title insurance to close a sale of
9 real property. That is a fact of life in Arizona. That is a requirement in every sale
10 agreement that has been brought to the Court in this case, including this sale agreement.
11 The sale orders are scrutinized by the title companies and this form of Order is the one
12 they have come to accept and with which they are comfortable. They also have followed
13 the appeals and the affirmation of the sales by the appeals court. There is no reason or
14 justification to now change the orders so drastically or to start sustaining aspects of the
15 objections to the sales by the Rev Op Group that have been approved by this Court in the
16 past and by the appeals court. ML Manager has been fortunate so far to have been able to
17 obtain title insurance for every sale but it is due to the many hours counsel has had to
18 spend with the title companies and the comfort they now have based on the language in
19 the Orders that have been approved by this Court and affirmed on appeal.

20 Last, the form of Order proposed by the Rev Op Group is a drastic deviation. If
21 the Court were inclined to use it then ML Manager requests a hearing on the form of
22 Order.

23 DATED: August 2, 2012

24 FENNEMORE CRAIG, P.C.

25 By /s/ Cathy L. Reece
26 Cathy L. Reece
Attorneys for ML Manager LLC

1 Copy of the foregoing e-mailed this
2nd day of August, 2012 to:

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6 /s/ Gidget Kelsey-Bacon

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