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12 Counsel for the Rev Op Investors

13 **IN THE UNITED STATES BANKRUPTCY COURT**  
14 **FOR THE DISTRICT OF ARIZONA**

15 In re:  
16 MORTGAGES LTD.,  
17 Debtor.

Chapter 11

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

**OBJECTION TO ML MANAGER'S MOTION  
TO APPROVE AMENDMENT TO SALE  
AGREEMENT PREVIOUSLY APPROVED**

**Real Property located at 3520 North 70<sup>th</sup> Street,  
Scottsdale, Arizona**

**Hearing Date: December 11, 2012**

**Hearing Time: 11:00 a.m.**

18  
19 AJ Chandler 25 Acres, L.L.C., Pueblo Sereno Mobile Home Park, L.L.C., and/or their  
20 successors and assigns (collectively, the "Rev Op Investors")<sup>1</sup> hereby file this Objection to ML  
21 Manager LLC's ("ML Manager") *Motion To Approve Amendment to Sale Agreement Previously*  
22 *Approved* [DE #3647] dated November 29, 2012 (the "Motion"). In further support of this  
23 Objection, the Rev Op Investors submit as follows:

24 1. Pursuant to the Motion, ML Manager seeks a comfort order approving a Second  
25 Amendment ("Amendment") to a Sale Agreement that the Court previously approved in a Sale  
26 Order dated September 4, 2012 [DE #3571].

27 \_\_\_\_\_  
28 <sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings set forth in the Motion.

1           2.       Through the Amendment, ML Manager has agreed to *finance* \$475,000 of the  
2 \$875,000 purchase price of the Property through a carry-back financing transaction, which is to  
3 be evidenced by a promissory note and first position deed of trust on the Property.<sup>2</sup>  
4 Conspicuously absent from the Motion, however, is any basis to support ML Manager's attempt  
5 to exceed the scope of its function as manager of the Loan LLCs and to begin financing real  
6 estate transactions, or any discussion as to whether the Rev Op Investors will receive fractional  
7 ownership interests in the note and deed of trust in exchange for the sale of their tenant-in-  
8 common ownership interests in the Property.

9           3.       The Rev Op Investors continue to object to the sale of their tenant-in-common  
10 ownership interests in the Property, and further object to ML Manager financing the sale  
11 transaction. Nothing under the confirmed plan or otherwise permits ML Manager to extend  
12 credit or finance the sales of real property.

13           4.       Furthermore, the Rev Op Investors object to the extent ML Manager purports to  
14 sell their tenant-in-common ownership interests in exchange for a note and deed of trust, but fail  
15 to give the Rev Op Investors a corresponding fractional interest in the note and deed of trust  
16 securing the carry-back financing.<sup>3</sup> ML Manager lacks any authority to sell the Rev Op  
17 Investors property in exchange for a promise to pay in which the Rev Op Investors will be given  
18 no interest.

19           5.       ML Manager also has not explored partition, which would be entirely practicable  
20 for this kind of property, and has not otherwise attempted to demonstrate by admissible evidence  
21 the efforts undertaken to maximize value for the investors ML Manager purports to serve.

22           6.       In further support of this Objection, the Rev Op Investors hereby incorporate by  
23 reference herein previous sale-motion objections filed by the Rev Op Investors and affiliated  
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25 <sup>2</sup>       The Rev Op Investors collectively hold a 8.776% interest in Loan No. 861706, and own a  
26 corresponding interest as tenants in common of the Property.

27 <sup>3</sup>       Additionally, the amendment attached to the Motion is titled a *second* amendment, which  
28 infers that there was a first amendment. The Rev Op Investors do not know the terms of any first  
amendment as that document (if it exists) has not been filed with the Court.

1 parties (and the arguments and authorities set forth therein, including lack of jurisdiction to  
2 approve the Motion) at the following Docket Entry numbers: DE #2499; DE #2504; DE #2878;  
3 DE #2881; DE #2965; DE #3003; DE #3095; DE #3153; DE #3185; DE #3187; DE #3262; DE  
4 #3307; DE #3327; DE #3343; DE #3380; DE #3428; DE #3429; DE #3524; DE #3555; DE  
5 #3613; and DE #3659.

6 7. The Rev Op Investors hereby reserve all of their rights with respect to the  
7 proposed sale of the Property. Various Rev Op Investors previously recorded terminations of  
8 agency that put prospective buyers on notice that any sale will be subject to the Rev Op  
9 Investors' interests.

10 WHEREFORE, the Rev Op Investors request that the Court enter an order denying the  
11 Motion and granting to the Rev Op Investors such other relief as it deems appropriate.

12 DATED this 7th day of December, 2012.

13 BRYAN CAVE LLP

14  
15 By: /s/ JAS, #026359

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COPY of the foregoing served via email  
this 7th day of December, 2012 upon:

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