

1 FENNEMORE CRAIG, P.C.
Cathy L. Reece (005932)
2 3003 North Central Ave., Ste. 2600
Phoenix, AZ 85012-2913
3 Telephone: (602) 916-5343
Facsimile: (602) 916-5543
4 Email: creece@fclaw.com

5
6 IN THE UNITED STATES BANKRUPTCY COURT
7 FOR THE DISTRICT OF ARIZONA

8 In re
9 MORTGAGES LTD.,
10 Debtor

Chapter 11

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

**REPLY TO PARKWAY BANK &
TRUST CO. OBJECTION TO MOTION
TO TRANSFER CASE ASSIGNMENT
OF 44 CP I LOAN LLC (2:12-BK-15286-
EWH) AND 44 CP II LOAN LLC (2:12-
BK-15287-CGC) TO THE HONORABLE
RANDOLPH J. HAINES PURSUANT TO
LOCAL RULE 1015-1(a)**

14 Debtors 44 CP I Loan LLC (“44 CP I”) and 44 CP II Loan LLC (“44 CP II,”
15 collectively “44 CP Entities”) hereby file their Reply to Parkway Bank & Trust Co.’s
16 Objection to Motion to Transfer Case Assignment of 44 CP I Loan, LLC (2:12-bk-14666-
17 EWH) and 44 CP II Loan, LLC (2:12-bk-14671-CGC). Parkway Bank & Trust Co.’s
18 (“Parkway”) objection does nothing to refute the facts supporting the transfer of the 44 CP
19 Entities cases to Judge Haines. Accordingly, the Motion to Transfer should be granted and
20 the 44 CP Entities should be transferred to Judge Haines.

21 Parkway goes to great lengths to discuss the supposed lack of assets held by the 44 CP
22 Entities. It even alleges that the bankruptcy filings by the 44 CP Entities were done in bad
23 faith. Regardless of Parkway’s procedurally improper and irrelevant allegations, the fact
24 remains that the 44 CP Entities do have assets that they are entitled to protect through the
25 filing of a bankruptcy petition. Should Parkway wish to seek dismissal of these cases it will
26

1 need to do so at the appropriate time and in the correct procedural manner. At which time,
2 the 44 CP Entities will defend any such motion. Parkway's allegations of bad faith filings do
3 not further the analysis of whether judicial economy and justice are promoted by having the
4 44 CP Entities' cases transferred to Judge Haines.

5 Here the 44 CP Entities are related parties to Mortgages, Ltd. and ML Manager LLC.
6 The 44 CP Entities are entities created by the confirmation of the Plan in the Mortgages, Ltd.
7 case and hold assets that were administered in the Mortgages, Ltd. estate. Further, ML
8 Manager, another entity created under the Plan in the Mortgages, Ltd. case is the manager of
9 the 44 CP Entities and the agent for all pass through investors in the same loans. In addition,
10 the 44 CP Entities are liable, along with the other Loan LLC's, as borrowers for their pro rata
11 portion of the exit financing and replacement loans obtained in the Mortgages, Ltd case. In
12 fact, this Court has already exercised jurisdiction over the 44 CP Entities by entering the
13 Order Approving the Motion to Approve Settlements with Grace Entities. Further, the Court
14 approved the allocation model which impacts and is binding on the 44 CP entities.

15 Nothing in the Objection contradicts these facts. Parkway simply states, in a
16 conclusory manner, that the 44 CP Entities are not related to Mortgages, Ltd and that it
17 would not be more efficient having a judge familiar with the creation and background of the
18 entities hear their cases. Accordingly, the 44 CP Entities request that this Court enter an
19 order transferring their cases to Judge Haines.

20 Dated this 27th day of July, 2012 FENNEMORE CRAIG, P.C.

21 By: /s/ Cathy L. Reece
22 Cathy L. Reece

23 COPY e-mailed mailed this 27th day of July, 2012, to:

24 Christopher Kaup
25 Tiffiany & Bosco
crk@tblaw.com

26 /s/ Gidget Kelsey-Bacon