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

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

In Proceedings Under Chapter 11  
Case No. 2:08-bk-07465-RJH

**STIPULATION TO VACATE  
EVIDENTIARY HEARING ON SECOND  
AND FOURTH DISTRIBUTION  
MOTIONS**

**Hearing Date: November 5, 2012**  
**Hearing Time: 8:30 a.m.**

18 This Stipulation is made by and among: (i) the parties known collectively as the Rev Op  
19 Investors, and (ii) ML Manager LLC (“ML Manager”). This Stipulation arises out of the  
20 evidentiary hearing this Court set with regard to the Second and Fourth Distribution Motions in  
21 this matter. *See* Docket Entry 3578. No other parties have sought discovery or participated in  
22 the preparation of a Joint Pre-trial Statement. As such, the Rev Op Investors and ML Manager  
23 are the only parties who preserved issues to be raised in the evidentiary hearing. The foregoing  
24 parties, having been engaged in discovery and analysis of the Allocation Model<sup>1</sup> with respect to  
25 the Second Distribution Motion and the Fourth Distribution Motion, and ML Manager having  
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27 <sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the  
28 *Motion to Authorize Distributions of Proceeds to Investors in Accordance with Allocation Model*  
[DE #3553] (the “Fourth Distribution Motion”).

1 closed additional property sales and desiring to file an additional or supplemental motion to  
2 include such loans in the Fourth Distribution, hereby stipulate and agree that the evidentiary  
3 hearing currently scheduled for November 5, 2012, should be vacated as provided herein.

4 WHEREFORE, the Parties hereby stipulate and agree as follows:

5 1. The hearing currently scheduled for November 5, 2012 shall be vacated. The  
6 Court may rule on the Second Distribution based on the previously submitted briefing.

7 2. With respect to the Second Distribution, the Rev Op Investors hereby withdraw  
8 their request for an evidentiary hearing on such issues.

9 3. The Rev Op Investors continue to object to the Second Distribution for the  
10 reasons stated in (i) their prior objections to the Allocation Model and the First Distribution,  
11 which matters are currently on appeal ("Prior Objections"), and (ii) their non-evidentiary  
12 objections to the Second Distribution ("Legal Objections"). All evidentiary objections, however,  
13 have been withdrawn. The Rev Op Investors reserve all rights with respect to all Prior  
14 Objections and Legal Objections, and do not withdraw or waive such objections or any legal  
15 arguments with respect to the Second Distribution, including their rights to appeal any order  
16 approving the Second Distribution.

17 4. With respect to the Fourth Distribution, the Rev Op Investors hereby withdraw  
18 their request for an evidentiary hearing on such issues, with the exception of the specific issue of  
19 whether the adjustments made to prior distributions have resulted or will result in a  
20 disproportional allocation of expenses (the "Adjustment Objections"). To the extent that a  
21 subsequent hearing is scheduled as described below, or in connection with any future motion to  
22 authorize distributions, the Rev Op Investors reserve the right to raise a legal argument and any  
23 evidentiary issues with respect to the Adjustment Objections.

24 5. The Rev Op Investors continue to object to the Fourth Distribution for the reasons  
25 stated above, including their Prior Objections and their Legal Objections to the Fourth  
26 Distribution. The Rev Op Investors reserve all rights with respect to their Prior Objections and  
27 their Legal Objections and do not withdraw or waive such objections or any legal arguments  
28

1 with respect to the Fourth Distribution, including their rights to appeal any order approving the  
2 Fourth Distribution.

3 6. ML Manager has recently closed or anticipates closing in the next four weeks the  
4 following sales or other recoveries: Sales associated with all or a portion of the real estate or  
5 other collateral associated with Loan 858506, Maryland Way; Loan 858406 Right Path; Loan  
6 859806 Right Path (*see collectively*, Docket Entry 3621); Loan 860506, Van Buren (*see* Docket  
7 Entry 3545); Loan 860606, McKinley (*see* Docket Entry 3544); Loan 861506, All State IX and  
8 Loan 859506, All State XVI (*see collectively* Docket Entry 3549); Loan 853106, Foothills  
9 (Sternberg purchase) (*see* Docket Entry 3581); Loan 857306, ABCDW short sale (De Jong-  
10 Auglin property) (*see* Docket Entry 3579); and Loan 861905 Tempe Land Company, bankruptcy  
11 distributions (the “Additional Loans”). As soon as such sales or other recoveries close, but no  
12 later than November 30, 2012, ML Manager may file a motion to seek approval for the  
13 distribution of revenues from these Additional Loans at the same time as it distributes the  
14 revenues in the Fourth Distribution.

15 7. The Rev Op Investors and any other investor who desires to review information  
16 with regard to the distribution of these Additional Loans who follow the procedures adopted by  
17 the Court through the respective protective orders, will then have twenty-one days after the filing  
18 of the motion to review the information and, in the event that there are disputed issues of  
19 material fact, may file a request to have specific disputed issues of fact considered at an  
20 evidentiary hearing.

21 8. A proposed form of order approving this stipulation is attached hereto as Exhibit  
22 “A.”

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1 DATED this 31st day of October, 2012.

2 BRYAN CAVE LLP

3  
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1 COPY of the foregoing served via email  
this 31st day of October, 2012 upon:

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18 /s/ Robyn L. Kerns  
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**EXHIBIT "A"**

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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

**ORDER APPROVING STIPULATION TO  
VACATE EVIDENTIARY HEARING ON  
SECOND AND FOURTH DISTRIBUTION  
MOTIONS**

**Hearing Date: November 5, 2012  
Hearing Time: 8:30 a.m.**

This matter came before the Court pursuant to the *Stipulation to Vacate Evidentiary Hearing on Second and Fourth Distribution Motions* (the “Stipulation”) by and between (i) the parties known collectively as the Rev Op Investors, and (ii) ML Manager LLC (“ML Manager”). Based on the Stipulation and the entire record before the Court, and good cause appearing therefor, the Court finds and orders as follows:

1. The Stipulation is hereby approved.
2. Pending before the Court is an evidentiary hearing this Court set with regard to the Second and Fourth Distribution Motions<sup>1</sup> in this matter. *See* Docket Entry 3578.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings set forth in the Stipulation.

1           3.       The Rev Op Investors and ML Manager are the only parties who preserved issues  
2 to be raised in the evidentiary hearing.

3           4.       The Rev Op Investors have withdrawn their request for an evidentiary hearing on  
4 the Second and Fourth Distribution Motions.

5           5.       The hearing currently scheduled for November 5, 2012 is hereby vacated.

6           6.       The Rev Op Investors continue to object to the Second Distribution for the  
7 reasons stated in (i) their prior objections to the Allocation Model and the First Distribution,  
8 which matters are currently on appeal (“Prior Objections”), and (ii) their non-evidentiary  
9 objections to the Second Distribution (“Legal Objections”). All evidentiary objections, however,  
10 have been withdrawn. The Rev Op Investors reserve all rights with respect to all Prior  
11 Objections and Legal Objections, and do not withdraw or waive such objections or any legal  
12 arguments with respect to the Second Distribution, including their rights to appeal any order  
13 approving the Second Distribution.

14           7.       With respect to the Fourth Distribution, the Rev Op Investors hereby withdraw  
15 their request for an evidentiary hearing on such issues, with the exception of the specific issue of  
16 whether the adjustments made to prior distributions have resulted or will result in a  
17 disproportional allocation of expenses (the “Adjustment Objections”). To the extent that a  
18 subsequent hearing is scheduled as described below, or in connection with any future motion to  
19 authorize distributions, the Rev Op Investors reserve the right to raise a legal argument and any  
20 evidentiary issues with respect to the Adjustment Objections.

21           8.       The Rev Op Investors continue to object to the Fourth Distribution for the reasons  
22 stated above, including their Prior Objections and their Legal Objections to the Fourth  
23 Distribution. The Rev Op Investors reserve all rights with respect to their Prior Objections and  
24 their Legal Objections and do not withdraw or waive such objections or any legal arguments  
25 with respect to the Fourth Distribution, including their rights to appeal any order approving the  
26 Fourth Distribution.

27           9.       The Court shall rule on the Second and Fourth Distributions Motions based on the  
28 previously submitted briefing.



