

1 Robert J. Miller, Esq. (#013334)  
2 Bryce A. Suzuki, Esq. (#022721)  
3 **BRYAN CAVE LLP**  
4 Two North Central Avenue, Suite 2200  
5 Phoenix, Arizona 85004-4406  
6 Telephone: (602) 364-7000  
7 Facsimile: (602) 364-7070  
8 Internet: [rjmiller@bryancave.com](mailto:rjmiller@bryancave.com)  
9 [bryce.suzuki@bryancave.com](mailto:bryce.suzuki@bryancave.com)  
10 Counsel for the Rev Op Group

Keith L. Hendricks, Esq. (#012750)  
**MOYES SELLERS & HENDRICKS**  
1850 North Central Avenue, Suite 1100  
Phoenix, Arizona 85004  
Telephone: (602) 604-2120  
Internet: [khendricks@law-msh.com](http://khendricks@law-msh.com)  
Counsel for ML Manager LLC

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

**STIPULATION FOR SUPPLEMENTAL ORDER  
GOVERNING THE EXCHANGE AND USE OF  
“HIGHLY CONFIDENTIAL” INFORMATION**

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14 ML Manager, LLC (“ML Manager”) on the one hand, and Bear Tooth Mountain  
15 Holdings, LLP, Cornerstone Realty and Development, Inc., Cornerstone Realty & Development,  
16 Inc. Defined Benefit Plan and Trust, William L. Hawkins Family LLP, AJ Chandler 25 Acres,  
17 LLC, Queen Creek XVIII, L.L.C., Pueblo Sereno Mobile Home Park, L.L.C., Michael Johnson  
18 Investments II, LLC, Evertson Oil Company, Inc., James C. Schneck Revocable Trust Dated  
19 October 1, 1999, Lonnie Joel Krueger Family Trust, Brett Michael McFadden, Morley  
20 Rosenfield, M.D. P.C. Restated Profit Sharing Plan, L.L.J. Investments, LLC, and Louis B.  
21 Murphey (collectively, the “Rev-Op Group”) on the other hand jointly stipulate that the Court  
22 can enter the Supplemental Order, attached as Exhibit “1” hereto, governing the exchange and  
23 use of “Highly Confidential” information.

24 Pending before the Court is an evidentiary hearing on November 5, 2012 wherein  
25 objections to the Second and Fourth Distributions will be considered (the “Evidentiary  
26 Hearing”). The distributions were or are contemplated to be made in accordance with the  
27 allocation model previously approved by the Court (the “Allocation Model”). In connection with  
28 the Allocation Model, ML Manager has retained an accounting firm to create spreadsheets and  
other formulas to allocate the costs and expenses among the various investors. The Allocation

1 Model contains, among other things, revenue projections regarding the potential sale price for  
2 various real property assets. The revenue projections are confidential and ML Manager and the  
3 investors would be prejudiced if they were disseminated in the open market. On September 2,  
4 2010, the Court entered a Protective Order [DE # 2920] governing the general production of  
5 information (the "Existing Protective Order") related to the Allocation Model. The Existing  
6 Protective Order allows for the inspection of the Allocation Model and revenue projections, but  
7 precludes the production of any document, without a redaction, of the revenue projections.

8 In order to prepare for the Evidentiary Hearing, the Rev-Op Group desires its attorneys  
9 and other professionals to have access to the unredacted revenue projections and an electronic  
10 version of the spreadsheets associated with the Allocation Model in native format. ML Manager  
11 has stipulated that counsel and professionals can have such access, but to better preserve the  
12 confidentiality of the information and to guard against inadvertent disclosure ML Manager  
13 believes that such access should be restricted solely to attorneys' eyes only (which would include  
14 experts and consultants). The Rev-Op Group has agreed.

15 Accordingly, the Rev-Op Group and ML Manager hereby stipulate that the Court should  
16 enter the attached Supplemental Protective Order allowing the production of the revenue  
17 projections as "Highly Confidential Information" but restricting access to attorneys' eyes only.  
18 This Supplemental Protective Order applies solely to ML Manager and the Rev-Op Group based  
19 on the agreements and assurances that they have provided to each other to maintain the  
20 confidentiality of the revenue projections.

21 DATED this 20<sup>th</sup> day of September, 2012.

22 MOYES SELLERS & HENDRICKS

BRYAN CAVE LLP

23  
24 By /s/ KLH w/permission by BAS  
Keith Hendricks, Esq.  
1850 North Central Avenue, Suite 1100  
25 Phoenix, Arizona 85004  
26 Counsel for ML Manager LLC

27 By /s/ BAS, #022721  
Robert J. Miller  
Bryce A. Suzuki  
Two North Central Avenue, Suite 2200  
Phoenix, AZ 85004-4406  
28 Counsel for the Rev Op Group

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**EXHIBIT "1"**

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

In re:

MORTGAGES LTD.,

Debtor.

Chapter 11

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

**SUPPLEMENTAL ORDER GOVERNING THE  
EXCHANGE AND USE OF "HIGHLY  
CONFIDENTIAL" INFORMATION**

On September 2, 2010, the Court entered a Protective Supplemental Order [DE # 2920] governing the general production of certain information (the "Existing Protective Order"). On the stipulation for entry of an order regarding confidentiality of documents and other information (the "Stipulation"), and the Court being advised that highly confidential information will be produced by various persons and entities in proceedings to include the proceedings, discovery and pleadings related to the hearing set for November 5, 2012 as set forth in the Order filed on September 11, 2012 [DE 3578] (the "Hearing"), and it appearing that supplemental procedures and relief to the Existing Protective Order is warranted, the Court enters this Supplemental Order governing the exchange and use of such information.

1. This Supplemental Order Governing the Exchange and Use of Confidential Information ("Supplemental Order") applies to ML Manager LLC ("ML Manager"), Bear Tooth Mountain Holdings, LLP, Cornerstone Realty and Development, Inc., Cornerstone Realty & Development, Inc. Defined Benefit Plan and Trust, William L. Hawkins Family LLP, AJ Chandler 25 Acres, LLC, Queen Creek XVIII, L.L.C., Pueblo Sereno Mobile Home Park, L.L.C., Michael Johnson Investments II, LLC, Evertson Oil Company, Inc., James C. Schneck Revocable Trust Dated October 1, 1999, Lonnie Joel Krueger Family Trust, Brett Michael

1 McFadden, Morley Rosenfield, M.D. P.C. Restated Profit Sharing Plan, L.L.J. Investments,  
2 LLC, and Louis B. Murphey and any other person or entity producing or providing documents or  
3 other information in connection with these proceedings.

4 2. This Supplemental Order shall govern all documents and other discovery  
5 materials and information designated as “Highly Confidential Information” and produced  
6 pursuant to any mandatory disclosure obligations or in response to any formal or informal  
7 discovery requests in these proceedings. This Supplemental Order shall govern, among other  
8 things, documents and information produced pursuant to Rules 26, 34 or 45 of the Federal Rules  
9 of Civil Procedure and Rules 2004, 9014 and 1018 of the Federal Rules of Bankruptcy  
10 Procedure, 2004 examination, deposition and/or trial transcripts, all information contained  
11 therein, and all copies, excerpts or summaries thereof.

12 3. A person or entity may designate certain materials and information as “Highly  
13 Confidential” under this Supplemental Order if the designating party reasonably believes that  
14 such materials and information (“Highly Confidential Information”) are so confidential that their  
15 dissemination should be limited to those persons described in paragraph 7 below. Highly  
16 Confidential Information shall be restricted as set forth in paragraph 7 below. All persons  
17 receiving Highly Confidential Information (but not Outside Counsel or those persons affiliated  
18 with the Court) shall be required to execute the undertaking attached hereto as Exhibit A  
19 (“Undertaking”) before or in conjunction with receiving or reviewing any Highly Confidential  
20 Information.

21 4. Highly Confidential Information may be used solely for purposes of these  
22 proceedings.

23 5. A person or entity may designate materials and information as Highly  
24 Confidential Information by affixing a legend substantially similar to “Highly Confidential”  
25 respectively, to each page of the document; provided that the inadvertent failure to designate  
26 materials or information as Highly Confidential Information at the time of production shall not  
27 constitute a waiver of such right, and such failure may be remedied by the producing party by  
28 notifying the receiving party of the proper designation, whereupon all materials so re-designated

1 shall be fully subject to the appropriate restrictions in this Supplemental Order. With regard to  
2 electronic documents, all documents produced in a native format may be designated as Highly  
3 Confidential Information by being produced with a written statement that the production is being  
4 made subject to the Highly Confidential designation. Any document produced in native format  
5 with such an accompanying written declaration shall be considered to be Highly Confidential  
6 Information subject to the terms of this Supplemental Order.

7 6. Any Rule 2004 examination, deposition, other testimony or hearing (or any part  
8 thereof) may be designated as Highly Confidential Information by (a) stating orally on the record  
9 of that examination, deposition, testimony or hearing that certain or all information or testimony  
10 therein is Highly Confidential Information; or (b) by written notice of such designation from  
11 counsel for a party to counsel for the other parties, if sent within three (3) days of receiving a  
12 written transcript or copy of the examination, deposition, other testimony or hearing.

13 7. Materials and information designated as “Highly Confidential” may be disclosed,  
14 summarized, described or otherwise communicated or made available by the receiving party in  
15 whole or in part only to Outside Counsel, to the Court and its employees (in which case such  
16 material shall be filed under seal), court reporters, and experts and consultants retained by  
17 Outside Counsel. Provided that, such experts and consultants (a) may use Highly Confidential  
18 Information solely in connection with the prosecution or defense of these proceedings, and (b)  
19 shall be required to execute the Undertaking attached hereto as Exhibit “A” before or in  
20 conjunction with reviewing any Highly Confidential Information. The parties agree to work  
21 together as necessary (as well as with any third party as may be applicable) to agree on further  
22 disclosure of Highly Confidential Information designated as “Highly Confidential Information”;  
23 provided however, that no disclosure shall be made to any other individuals in the absence of  
24 agreement by the producing party or an order from the Court. Nothing in this Supplemental  
25 Order shall prevent Outside Counsel from advising their clients about Outside Counsels’  
26 impressions, recommendations, strategies, or opinions formed in part based on a review of  
27 Highly Confidential Information, provided that Outside Counsel may not communicate Highly  
28 Confidential Information to clients.

1           8.       The parties will work together to limit the disclosure of any Highly Confidential  
2 Information at any public hearing, trial, or other proceeding in connection with these  
3 proceedings. The use of Highly Confidential Information will require special procedures to  
4 protect such information, especially any revenue projections contained in such information. As  
5 such, if a receiving party intends to disclose any Highly Confidential Information in such a  
6 setting, before making such disclosure, the receiving party shall (a) inform the producing party  
7 that it intends to disclose the Highly Confidential Information, and (b) cooperate with the  
8 producing party to limit, to the maximum extent possible, the amount of Highly Confidential  
9 Information that will be disclosed, if at all, including treatment of the hearing transcript and/or  
10 exhibits containing the Highly Confidential Information.

11           9.       All documents of any kind to be filed with the Court, including legal memoranda,  
12 expert reports and any attachments thereto, that contain, disclose, or summarize Highly  
13 Confidential Information shall be filed under seal in accordance with the applicable rules of this  
14 Court, and may not be disclosed in public court proceedings or otherwise without the prior  
15 approval of the producing party or the Court.

16           10.      Counsel for a party receiving Highly Confidential Information shall, upon written  
17 request from the producing party, provide copies of all Undertakings to counsel for the  
18 producing party within three (3) days of receiving such written request for same.

19           11.      Producing and/or receiving Highly Confidential Information or otherwise  
20 complying with the terms and conditions of this Supplemental Order shall not (a) constitute an  
21 admission that any Highly Confidential Information contains or reflects trade secrets or other  
22 private or confidential information, (b) prejudice in any way a party's right to object to the  
23 production of materials or information, (c) prevent the parties from agreeing to alter or waive  
24 the provisions herein with respect to any particular Highly Confidential Information, (d)  
25 prejudice in any way a party's right to object to the admissibility, authenticity or use of any  
26 Highly Confidential Information, or (e) prejudice in any way the rights of any party to seek  
27 further protection or a determination by the Court whether any material or information  
28 designated Highly Confidential Information should be subject to this Supplemental Order.

1           12.     Nothing herein shall impose any restrictions on the use or disclosure by any party  
2 of documents or information otherwise designated as Highly Confidential Information that have  
3 been obtained lawfully, independently and outside of these proceedings, where (a) such  
4 information or documents were or became generally available to the public other than as a result  
5 of a disclosure under this Supplemental Order; (b) the party can reasonably demonstrate that  
6 such information or documents were known to it, prior to disclosure under this Supplemental  
7 Order, on terms that do not restrict its further disclosure; or (c) such information or documents  
8 become available to the party on a non-confidential basis from a source other than disclosure  
9 under this Supplemental Order, provided that such source is not, to the knowledge of the  
10 receiving party, subject to any prohibition against transmitting such information.

11           13.     Nothing herein shall be construed as limiting in any way a party's use of its own  
12 Highly Confidential Information.

13           14.     Inadvertent disclosure of Highly Confidential Information that is protected from  
14 disclosure under attorney-client privilege, work-product immunity, and/or any other applicable  
15 privilege or immunity shall not constitute a waiver of, or an estoppel as to any claim of, such  
16 privilege or immunity. If a producing party at any time notifies a receiving party in writing that it  
17 has inadvertently produced such Highly Confidential Information, the receiving party shall return  
18 all copies of such Highly Confidential Information to the producing party within five (5) days of  
19 receipt of such notice, and shall not further use such items for any purpose unless authorized to  
20 do so by further order of the Court or agreement of the parties. The return of any Highly  
21 Confidential Information shall not in any way preclude a party from moving the Court for an  
22 order that (a) the Highly Confidential Information was never privileged or otherwise immune  
23 from disclosure and/or (b) that any applicable privilege or immunity has been waived by some  
24 act other than production of the Highly Confidential Information. Except as expressly set forth in  
25 this paragraph regarding return of inadvertently produced Highly Confidential Information which  
26 is also protected from disclosure, this Supplemental Order does not alter or affect the  
27 attorney/client privilege, work product protection, or any other applicable privilege.  
28

1           15.     Upon the closing of the bankruptcy case and any appeals thereof, the parties shall,  
2 upon request, return any Highly Confidential Information that had been produced (and all copies,  
3 summaries and excerpts therefrom), including third party documents, to the producing party or  
4 destroy all such Highly Confidential Information, at the receiving party's option. The receiving  
5 party will, upon request, provide verification to the producing party that such Highly  
6 Confidential Information has been destroyed.

7           16.     In the event that a subpoena, document request or public records request calls for  
8 production of Highly Confidential Information, the party receiving the subpoena or other request  
9 shall promptly notify counsel for the designating party of the subpoena or other request and shall  
10 cooperate with the designating party to prevent any disclosure to which the designating party has  
11 not consented.

12           17.     This Supplemental Order is entered solely for the purpose of facilitating the  
13 exchange of documents and information among parties to this proceeding without involving the  
14 Court unnecessarily in the process. Nothing in this Supplemental Order nor the production of any  
15 document or information pursuant to this Supplemental Order nor any proceeding pursuant to  
16 this Supplemental Order shall be deemed to have the effect of an admission or waiver by any  
17 party of any rights or privileges.

18                           **SIGNED AND ENTERED AS SET FORTH ABOVE.**

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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.

Chapter 11  
Case No. 2:08-bk-07465-RJH  
**ORDER GOVERNING THE EXCHANGE AND  
USE OF CONFIDENTIAL INFORMATION**

- I, \_\_\_\_\_, being duly sworn, state that:
1. My address is \_\_\_\_\_.
  2. My present employer is \_\_\_\_\_.
  3. My present occupation or job description is \_\_\_\_\_  
\_\_\_\_\_.
  4. I have received a copy of the Supplemental Order Governing the Exchange and Use of Confidential Information (the "Supplemental Order").
  5. I have carefully read and understand the provisions of the Supplemental Order.
  6. I will comply with all provisions of the Supplemental Order.
  7. I will hold in confidence, will not disclose to anyone not qualified under the Supplemental Order, and will use only for purposes of the Hearing (as defined in the Supplemental Order) any Highly Confidential Information (as defined in the Supplemental Order) which is disclosed to me.
  8. I will return all Highly Confidential Information which comes into my possession, and documents or things which I have received or prepared relating thereto, to counsel for the

BRYAN CAVE LLP  
TWO NORTH CENTRAL AVENUE, SUITE 2200  
PHOENIX, ARIZONA 85004-4406  
(602) 364-7000

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party by whom I am employed or retained at the conclusion of my retainer or at the final termination of the Hearing.

9. I hereby submit to the jurisdiction of the United States Bankruptcy Court for the District of Arizona for the purpose of enforcement of the Supplemental Order.

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
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