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From: Mortgages Info
Sent: Thursday, December 09, 2010 2:25 PM
To: Everybody
Subject: ML Manager LLC – Peachtree Partners Response to Tender Offer

ML MANAGER LLC
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December 9, 2010

To all members of MP122009 L.L.C, MP 062011 L.L.C., Mortgages LTD. Opportunity Funds MP11, L.L.C., MP12 L.L.C., MP13, L.L.C., MP14, L.L.C., MP15, L.L.C., MP16, L.L.C. and MP17 L.L.C (collectively, the “MP Funds”):

ML Manager LLC (“ML Manager”) is the manager of each of the MP Funds. This letter is written in response to a “Repurchase Agreement” tender offer made to you as a member of a MP Fund by Peachtree Partners dated November 25, 2010 (the “Offer”). We understand the Offer was mailed to all members of the MP Funds and constitutes an offering to purchase up to 20% of the outstanding membership interests in the MP Funds from the members on a first come, first serve basis. A member would sell 100% of its membership rights in an MP Fund, all its rights to distributions paid after November 25, 2010 by ML Manager, and all of its rights to any litigation proceeds, including any recovery in any class action lawsuit or any recovery from the ML Liquidating Trust, in exchange for payment of an amount equal to 3% of the original investment less an administrative fee of \$100 and less any distributions paid to a member after November 25, 2010. It appears that the purchaser would be “Peachtree Partners” or “Peachtree Mortgage” (the “Purchaser”). **As explained in detail in paragraph 3 below, Peachtree Partners is not a Member of any of the MP Funds and therefore cannot be recognized by ML Manager as a Permitted Transfer, and Peachtree Mortgage is only a Member of MP 17, L.L.C. and therefore can only be recognized by ML Manager for a Permitted Transfer for MP 17 L.L.C. Members, but not for any other MP Funds.**

ML Manager as Manager for each of the MP Funds is required by Regulation 14E under the Securities and Exchange Act of 1934 to notify you of ML Manager’s position with respect to the offer. As permitted under the law, **ML Manager has “no opinion” on whether you should take the Offer or not.** ML Manager urges you to consult your tax or financial advisor and attorney concerning the Offer before making a decision. However, ML Manager provides the following information and facts for your review as you consider your decision.

1. Valuation Information -- ML Manager reminds you that a valuation of membership interests in each of the MP Funds was prepared by Henry & Horne LLP and is contained on a web site set up by ML Manager. You received an email dated November 15, 2010 that explained how you could access that valuation. That Henry & Horne LLP valuation was made for certain tax planning purposes and estimates the value after a 35% non-liquidity discount for the sale of an individual one percent (1%) non-controlling interest in each MP Fund. The valuation does not represent the amount that a member might actually receive upon a sale of the property in which an MP Fund has an interest as a member of a Loan LLC. The Henry & Horne valuation does not include any possible recovery from any litigation source, such as the class action or any lawsuit brought by the ML Liquidating Trust.

2. What you would be selling -- It appears from the Offer that you are being asked to transfer (a) 100% of your membership interest in a MP Fund; (b) all your right to receive distributions from the MP Fund loans “paid” by ML Manager after November 25, 2010; and (c) all your right to receive proceeds from any litigation, including the class action, the suits brought by the ML Liquidating Trust or any suits brought by ML Manager. As for (a) above concerning your membership interest, that appears to be clear cut. You would transfer 100% of your membership interest in all MP Funds. You would keep nothing and would not retain any rights in the MP Funds. As for (b) above concerning distributions paid by ML Manager after November 25, 2010, this issue is understandable but there is no information in the Offer to help you make an assessment of what you are giving up. As you know, ML Manager has been working since June 15, 2009 when it started, to foreclose on and sell the properties in an orderly fashion. As reported in the newsletters you regularly receive from ML Manager, and as you know from the many ballots asking for your vote, ML Manager has sold and received sale proceeds from certain properties, such as Chateaux on Central, Osborn III (Ten Wine Lofts), City Lofts, and Zacher Missouri. Other sales have been approved but have not closed. ML Manager is holding proceeds for the MP Funds that it hoped to distribute at the end of 2010 or beginning of 2011 depending on the resolution of the allocation model with the Court and Objectors. The distributions have not been “paid” by ML Manager prior to November 25, 2010, even though ML Manager holds the proceeds. As a result you will be giving up distributions that would be made from proceeds that the ML Manager already holds for the MP Funds from these 4 sales. As for (c) above concerning the right to receive litigation proceeds, there is a pending class action lawsuit filed on behalf of the investors, including investors in the MP Funds, which is pending in the United States District Court for the District of Arizona. The ML Liquidating Trust has provided information for you in its newsletters. In addition, the ML Liquidating Trust has filed on your behalf a lawsuit against the accountants that worked with Mortgages Ltd. prior to the bankruptcy and has a tolling agreement with the law firms that worked with Mortgages Ltd. prior to the bankruptcy so that it can still file that lawsuit if a settlement is not reached. If you transfer your interest you also are being asked to transfer your right to receive any proceeds from any litigation.

3. Only Permitted Transfers are Allowed -- ML Manager reminds you that under Article IX of each of the Amended and Restated Operating Agreements for each MP Fund that only certain specified transfers are permitted (“Permitted Transfers”) and any transfer which is not a Permitted Transfer is prohibited and is null and void and of no force and effect. A Permitted Transfer is defined as a transfer “of all or any portion of the Member's Interests to (a) a Family Member, (b) a trust created for the benefit of the Member or a Family Member, (c) to the transferor's administrator or trustee to whom such Interests are transferred upon death or involuntarily by operation of law, (d) to a Secured Lender upon foreclose of a loan to such Member by the Secured Lender, (e) to any entity controlled by a Member or Members or (f) to another Member.” Based on the facts as we know them, the Peachtree Partners is not a Member of any MP Funds and Peachtree Mortgage is a Member of only MP 17, L.L.C. Peachtree Partners does not qualify to be a Permitted Transfer for any MP Fund and cannot be recognized by ML Manager under the current Operating Agreements. Peachtree Mortgage may only be a Permitted Transfer for MP 17, L.L.C. We are not sure where that leaves all the investors, but it may require ML Manager to send you the K1s, to continue to solicit your vote on Major Decisions and to make the distributions to you or to seek further documentation or a court order. Under the current documents ML Manager may not be able to recognize any transfer other than a Permitted Transfer.

4. Further Limitations -- Even if the Purchaser of your interest meets the requirements of a Permitted Transfer, Section 9.3(d) of each Amended and Restated Operating Agreement of the MP Funds provides that “No Transfer of Interest shall be made without the written consent of the Manager if such Transfer could result in . . . (iii) 25% or more of all Interests being held by "benefit plan investors" (as defined in U.S. Department of Labor Regulations Section 2510.3-101(f)(2))”. ML Manager in that scenario would become a plan fiduciary and it is not willing to take on that type of responsibility. Based on our conversations with the Purchaser, it is possible that the proposed Purchaser may be a benefit plan investor. While MP122009 L.L.C and MP 062011 L.L.C. were allowed by the old Mortgages Ltd. to exceed the 25% limit, none of the other MP Funds are now or will be allowed to exceed the 25% limit and no additional benefit plan investors will be

permitted to become members of MP122009 L.L.C. or MP062011 L.L.C. As a result, to the extent the Purchaser turns out to be a benefit plan, then Purchaser will not be allowed to purchase any membership interests in an MP Fund that would cause the benefit plan investors to exceed 25% of all the interests. Until the Purchaser knows which investors are going to accept the Offer this calculation cannot be run.

5. Your personal decision -- ML Manager realizes that this is a personal decision that you will have to make on an individual basis based on your own personal financial circumstances and needs. ML Manager cannot make this decision for you. As the manager of the MP Funds and as the Agent for the other investors, ML Manager is trying to exercise its best business judgment so as to maximize the amount to be distributed to each investor. However, as has been explained before, ML Manager is trying to complete its collections and sales of all loans and properties and to make payment to all investors in a 3 to 5 years period. At this point we are 18 months into this period. This is one of the factors which you will have to take into account as you make your personal decision. **ML Manager urges you to consult your tax or financial advisor and attorney concerning the Offer before making a decision.**

6. Additional Information Which has Come to our Attention -- ML Manager has no obligation to conduct and has not attempted to conduct due diligence on Peachtree Partners or Peachtree Mortgage, but some information has come to our attention and therefore we are disclosing it to you. It has come to our attention that Peachtree Partners, Ira Gaines (the principal of Peachtree Mortgage), and one of Ira Gaines' previous companies IG Holdings, Inc. have SEC Orders entered against them for SEC violations for tender offers. The Peachtree Partners proceeding is No. 3-9981 and located at Release No. 41760. The Ira Gaines complaint is located at Release No. 17703 and the Agreed Final Judgment is located at Release No. 18535. The IG Holdings proceeding is No. 3-9980 and is located at Release No. 41759 and is referenced in Release No. 18535. If you want to review them, they can be found by going to www.sec.gov and entering their names in the litigation search. Again **ML Manager urges you to consult your tax or financial advisor and attorney concerning the Offer before you make a decision.**

Regards,
Elliott Pollack, Chair
ML Manager LLC Board