

1065

SEE ATTACHED FORM 8082 FOR AAR PER IRC SEC 6227(C)(1)

U.S. Return of Partnership Income

OMB No. 1545-0099

2009

Form Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning _____, ending _____

Partnership information section including Principal business activity (INVESTMENTS), Principal product or service (MORTGAGES), Business code number (523900), Name of partnership (MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC), Address (14050 N 83RD AVE STE. 180, PEORIA, AZ 85381), and Employer Identification number.

Check applicable boxes section (G, H, I, J) for return type, accounting method, and attachments.

Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Main income and deduction table with 22 rows. Includes Income (lines 1-8) and Deductions (lines 9-21) sections, leading to Ordinary business income (loss) on line 22.

Signature section for general partner or limited liability company member manager, including date and IRS discussion consent.

Preparer information section including Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, EIN, and Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Form 1065 (2009)

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

- 9 a Check all methods used for valuing closing inventory:
- (i) Cost as described in Regulations section 1.471-3
 - (ii) Lower of cost or market as described in Regulations section 1.471-4
 - (iii) Other (specify method used and attach explanation) ▶ _____
- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
- If "Yes," attach explanation.

Schedule B Other Information

- | | | Yes | No |
|---|---|-----|----|
| 1 | What type of entity is filing this return? Check the applicable box: | | |
| a | <input type="checkbox"/> Domestic general partnership | | |
| b | <input type="checkbox"/> Domestic limited partnership | | |
| c | <input checked="" type="checkbox"/> Domestic limited liability company | | |
| d | <input type="checkbox"/> Domestic limited liability partnership | | |
| e | <input type="checkbox"/> Foreign partnership | | |
| f | <input type="checkbox"/> Other ▶ _____ | | |
| 2 | At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? | | X |
| 3 | At the end of the tax year: | | |
| a | Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership | | X |
| b | Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership | | X |
| 4 | At the end of the tax year, did the partnership: | | |
| a | Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below | | X |

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

- b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below
- | (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Maximum Percentage Owned in Profit, Loss, or Capital |
|--------------------|--|----------------------|------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6 Does the partnership satisfy all four of the following conditions?		
a The partnership's total receipts for the tax year were less than \$250,000.		
b The partnership's total assets at the end of the tax year were less than \$ 1 million.		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d The partnership is not filing and is not required to file Schedule M-3		X
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2009, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.		X
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year)	<input type="checkbox"/>	
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	▶ ML MANAGER LLC	Identifying number of TMP	▶ [REDACTED]
If the TMP is an entity, name of TMP representative	▶ [REDACTED]	Phone number of TMP	▶
Address of designated TMP	▶ 14050 N 83RD AVE STE. 180 PEORIA, AZ 85381		

Schedule K Partners' Distributive Share Items		Total amount		
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	0.	
	2 Net rental real estate income (loss) (attach Form 8825)	2		
	3 a Other gross rental income (loss)	3a		
	b Expenses from other rental activities (attach statement)	3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c		
	4 Guaranteed payments	4		
	5 Interest income	5		
	6 Dividends: a Ordinary dividends	6a		
	b Qualified dividends	6b		
	7 Royalties	7		
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8		
9 a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a			
	b Collectibles (28%) gain (loss)	9b		
	c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10			
11 Other Income (loss) (see instructions) Type ▶	11			
Deductions	12 Section 179 deduction (attach Form 4562)	12		
	13 a Contributions	13a		
	b Investment interest expense	13b		
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)		
d Other deductions (see instructions) Type ▶	13d			
Self-Employment	14 a Net earnings (loss) from self-employment	14a	0.	
	b Gross farming or fishing income	14b		
	c Gross nonfarm income	14c		
Credits	15 a Low-income housing credit (section 42(j)(5))	15a		
	b Low-income housing credit (other)	15b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c		
	d Other rental real estate credits (see instructions) Type ▶	15d		
	e Other rental credits (see instructions) Type ▶	15e		
	f Other credits (see instructions) Type ▶	15f		
Foreign Transactions	16 a Name of country or U.S. possession ▶			
	b Gross income from all sources	16b		
	c Gross income sourced at partner level	16c		
	Foreign gross income sourced at partnership level			
	d Passive category ▶ e General category ▶ f Other ▶	16f		
	Deductions allocated and apportioned at partner level			
	g Interest expense ▶ h Other ▶	16h		
	Deductions allocated and apportioned at partnership level to foreign source income			
	i Passive category ▶ j General category ▶ k Other ▶	16k		
	l Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l		
m Reduction in taxes available for credit (attach statement)	16m			
n Other foreign tax information (attach statement)				
Alternative Minimum Tax (AMT) Items	17 a Post-1986 depreciation adjustment	17a		
	b Adjusted gain or loss	17b		
	c Depletion (other than oil and gas)	17c		
	d Oil, gas, and geothermal properties - gross income	17d		
	e Oil, gas, and geothermal properties - deductions	17e		
	f Other AMT items (attach statement)	17f		
Other Information	18 a Tax-exempt interest income	18a		
	b Other tax-exempt income	18b		
	c Nondeductible expenses	18c		
	19 a Distributions of cash and marketable securities	19a		
	b Distributions of other property	19b		
	20 a Investment income	20a		
b Investment expenses	20b			
c Other items and amounts (attach statement)				

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1	0.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners							

Schedule L Balance Sheets per Books

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach statement)				
7 Mortgage and real estate loans				
8 Other investments (attach statement)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach statement)				
14 Total assets		0.		0.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach statement)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach statement)				
21 Partners' capital accounts				
22 Total liabilities and capital		0.		0.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	0.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	0.
5 Add lines 1 through 4	0.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year		6 Distributions: a Cash	
2 Capital contributed: a Cash		b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books			
4 Other increases (itemize):		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Balance at end of year. Subtract line 8 from line 5	



FOOTNOTES

STATEMENT 1

AMENDED FORM 1065 FILED WITH FORM 8082 ADMIN ADJ REQUEST

Notice of Inconsistent Treatment or Administrative Adjustment Request (AAR)

(For use by partners, S corporation shareholders, estate and domestic trust beneficiaries,
 foreign trust owners and beneficiaries, REMIC residual interest holders, and TMPs)
 ▶ See separate instructions.

OMB No. 1545-0790

Attachment
 Sequence No. **84**

Name(s) shown on return MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC	Identifying number [REDACTED]
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Part I General Information

1 Check boxes that apply: (a) Notice of inconsistent treatment (b) Administrative adjustment request (AAR)

2 If you are a tax matters partner (TMP) filing an AAR on behalf of the pass-through entity, are you requesting substituted return treatment? (see instructions) Yes No

3 Identify type of pass-through entity:
 (a) Partnership (b) Electing large partnership (c) S corporation (d) Estate (e) Trust (f) REMIC

4 Employer Identification number of pass-through entity
[REDACTED]

6 Tax shelter registration number (if applicable) of pass-through entity
NOT APPLICABLE

5 Name, address, and ZIP code of pass-through entity
**ASA IX LOAN LLC
 14050 N 83RD AVE STE. 180
 PEORIA, AZ 85381**

7 Internal Revenue Service Center where pass-through entity filed its return
OGDEN, UT

8 Tax year of pass-through entity **01/01/09 to 12/31/09**

9 Your tax year **01/01/09 to 12/31/09**

Part II Inconsistent or Administrative Adjustment Request (AAR) Items

(a) Description of inconsistent or administrative adjustment request (AAR) items (see instructions)	(b) Inconsistency is in, or AAR is to correct (check boxes that apply)		(c) Amount as shown on Schedule K-1, Schedule Q, or similar statement, a foreign trust statement or your return, whichever applies (see instructions)	(d) Amount you are reporting	(e) Difference between (c) and (d)
	Amount of item	Treatment of item			
10 LONG TERM CAPITAL LOSS		X	-682,856.	0.	682,856.
11 OTHER INCOME(LOSS) DISTRIBUTIONS OF CASH AND		X	0.	-12761861.	-12761861.
12 MARKETABLE SECURITIES	X		173,159.	136,381.	-36,778.
13					

Part III Explanations-Enter the Part II item number before each explanation. If more space is needed, continue your explanations on another page.

ITEM 10 EXPLANATION:
 SCHEDULE K BOX 9A: SEE FORM 8082 STATEMENT ATTACHED

ITEM 11 EXPLANATION:
 SCHEDULE K BOX 11: SEE FORM 8082 STATEMENT ATTACHED

ITEM 12 EXPLANATION:
 SCHEDULE K BOX 19A: SEE FORM 8082 STATEMENT ATTACHED

MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC
██████████

STATEMENT 1
FORM 8082 NOTICE OF INCONSISTENT ADJUSTMENT OR
ADMINISTRATIVE ADJUSTMENT REQUEST (AAR)

FOR THE YEAR ENDED DECEMBER 31, 2009

ITEM 10 EXPLANATION: SCHEDULE K, BOX 9A
TO REFLECT CHANGE FROM LONG-TERM CAPITAL LOSS OF (\$682,856), WHICH PREVIOUSLY WAS REFLECTED
ON A LOWER TIER PARTNERSHIP AMENDED K-1, TO A THEFT LOSS DEDUCTION PURSUANT TO
REV. PROC. 2009-20 AS MODIFIED BY REV. PROC. 2011-58.

ITEM 11 EXPLANATION: SCHEDULE K, BOX 11 *

- (1) TO REFLECT THEFT LOSS DEDUCTION PURSUANT TO REV. PROC. 2009-20 AS MODIFIED BY REV. PROC. 2011-58
IN THE AMOUNT OF (\$12,775,643).
- (2) TO REFLECT CHANGE OF BASIS OF PROPERTY IN LOWER TIER PARTNERSHIP DUE TO THE RECALCULATION OF
REALIZED GAIN ON FORECLOSURE AS A FUTURE RECOVERY IN THE AMOUNT OF \$13,782.

ITEM 12 EXPLANATION: SCHEDULE K, BOX 19A

- (1) TO REFLECT DECREASE IN PARTNER TRANSFERS OF CAPITAL AS MODIFIED BY THE CHANGES LISTED
FOR BOX 9A AND BOX 11.
- (2) TO REFLECT CHANGES DUE TO DETERMINATION OF PARTNER TRANSFERS OF CAPITAL BASED UPON ACTUAL
DATES PER TAXPAYER RECORDS.

* SEE FORM 4684 APPENDIX A PURSUANT TO REV. PROC. 2009-20 AS MODIFIED BY REV. PROC. 2011-58

Mortgages LTD. Opportunity Fund MP12 LLC

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Statement 2, 1 of 2

Form 8082

Detail of Changes to Treatment of Error from Lower-Tier Partnerships

ASA IX Loan LLC

██████████

14050 N 83RD AVE STE. 180

PEORIA, AZ 85381

	Original Amended
Reported as Capital	
	Sales Price 4,868,850
	Cost Basis 17,295,662
	Gain (Loss) (12,426,812)
Mortgages LTD. Opportunity Fund MP12 LLC Ownership %	2.1857120%
Mortgages LTD. Opportunity Fund MP12 LLC Capital Loss per 2009 K-1	(271,614)
	As Reported on Form 8082
Remaining 25% of Cost Basis	Sales Price 4,868,850
Gain on Foreclosure Treated as Theft Loss Future Recoveries under Rev. Proc. 2009-20	Cost Basis 4,323,915
	Gain (Loss) 544,935
Mortgages LTD. Opportunity Fund MP12 LLC Ownership %	2.1857120%
Mortgages LTD. Opportunity Fund MP12's Gain on Foreclosure Treated as Theft Loss Future Recoveries Under Rev. Proc. 2009-20	11,911

ASA XVI Loan LLC

██████████

14050 N 83RD AVE STE. 180

PEORIA, AZ 85381

	Original Amended
Reported as Capital	
	Sales Price 4,815,471
	Cost Basis 18,889,442
	Gain (Loss) (14,073,971)
Mortgages LTD. Opportunity Fund MP12 LLC Ownership %	2.7694825%
Mortgages LTD. Opportunity Fund MP12 LLC Capital Loss per 2009 K-1	(389,776)
	As Reported on Form 8082
Remaining 25% of Cost Basis	Sales Price 4,815,471
Gain on Foreclosure Treated as Theft Loss Future Recoveries under Rev. Proc. 2009-20	Cost Basis 4,722,360
	Gain (Loss) 93,111
Mortgages LTD. Opportunity Fund MP12 LLC Ownership %	2.7694825%
Mortgages LTD. Opportunity Fund MP12 LLC's Gain on Foreclosure Treated as Theft Loss Future Recoveries Under Rev. Proc. 2009-20	2,579

Mortgages LTD. Opportunity Fund MP12 LLC

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Statement 2, 2 of 2

Form 8082

Detail of Changes to Treatment of Error from Lower-Tier Partnerships

VCB Loan LLC

██████████

14050 N 83RD AVE STE. 180

PEORIA, AZ 85381

	Original Amended
	Sales Price 1,063,454
	Cost Basis <u>4,738,337</u>
Reported as Capital	Gain (Loss) <u>(3,674,883)</u>
Mortgages LTD. Opportunity Fund MP12 LLC Ownership %	0.5841378%
Mortgages LTD. Opportunity Fund MP12 LLC Capital Loss per 2009 K-1	<u>(21,466)</u>
	As Reported on Form 8082
	Sales Price 1,063,454
	Cost Basis <u>1,184,584</u>
Gain on Foreclosure Treated as Theft Loss Future Recoveries under Rev. Proc. 2009-20	Gain (Loss) <u>(121,130)</u>
Mortgages LTD. Opportunity Fund MP12 LLC Ownership %	0.5841378%
Mortgages LTD. Opportunity Fund MP12 LLC's Gain on Foreclosure Treated as Theft Loss Future Recoveries Under Rev. Proc. 2009-20	<u>(708)</u>
Total 2009 Long Term Capital Loss Reversed in Part II, Line 10	<u>(682,857)</u>
Total 2009 Gain on Foreclosure Treated as Theft Loss Future Recoveries Under Rev. Proc. 2009-20 Reported in Part II, Line 11	<u>13,781</u>

REVENUE PROCEDURE 2009-20

Form 4684 (2009)

Attachment Sequence No. 26

Page 2

Name(s) shown on tax return. Do not enter name and identifying number if shown on page 1.

Identifying number

MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC

[REDACTED]

SECTION B - Business and Income-Producing Property

Part I Casualty or Theft Gain or Loss (Use a separate Part I for each casualty or theft.)

23 Description of properties (show type, location, and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft.

- Property A _____
- Property B _____
- Property C _____
- Property D _____

CASUALTY NUMBER	1	Properties				
		A	B	C	D	
24	Cost or adjusted basis of each property	24				
25	Insurance or other reimbursement (whether or not you filed a claim). <i>Note: If line 24 is more than line 25, skip line 26.</i>	25				
26	Gain from casualty or theft. If line 25 is more than line 24, enter the difference here and on line 33 or line 38, column (c), except as provided in the instructions for line 37. Also, skip lines 27 through 31 for that column. See the instructions for line 4 if line 25 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year	26				
27	Fair market value before casualty or theft	27				
28	Fair market value after casualty or theft	28				
29	Subtract line 28 from line 27	29				
30	Enter the smaller of line 24 or line 29. <i>Note: If the property was totally destroyed by casualty or lost from theft, enter on line 30 the amount from line 24.</i>	30				
31	Subtract line 25 from line 30. If zero or less, enter -0-	31				
32	Casualty or theft loss. Add the amounts on line 31. Enter the total here and on line 33 or line 38 (see instructions)	32				12,761,861.

Part II Summary of Gains and Losses (from separate Parts I)

(a) Identify casualty or theft	(b) Losses from casualties or thefts		(c) Gains from casualties or thefts includible in income
	(i) Trade, business, rental or royalty property	(ii) Income-producing and employee property	

Casualty or Theft of Property Held One Year or Less

33		()	()	
34	Totals. Add the amounts on line 33	34	()	()
35	Combine line 34, columns (b)(i) and (c). Enter the net gain or (loss) here and on Form 4797, line 14. If Form 4797 is not otherwise required, see instructions	35		
36	Enter the amount from line 34, column (b)(ii) here. Individuals, enter the amount from income-producing property on Schedule A (Form 1040), line 28, or Form 1040NR, Schedule A, line 16, and enter the amount from property used as an employee on Schedule A (Form 1040), line 23, or Form 1040NR, Schedule A, line 11. Estates and trusts, partnerships, and S corporations, see instructions	36		

Casualty or Theft of Property Held More Than One Year

37	Casualty or theft gains from Form 4797, line 32	37		
38	CASUALTY NUMBER 1 SEE REV. PROC. 2009-20 STMT ATTACHED	()	(12761861.)	
39	Total losses. Add amounts on line 38, columns (b)(i) and (b)(ii)	39	()	(12761861.)
40	Total gains. Add lines 37 and 38, column (c)	40		
41	Add amounts on line 39, columns (b)(i) and (b)(ii)	41		-12,761,861.
42	If the loss on line 41 is more than the gain on line 40: a Combine line 39, column (b)(i) and line 40, and enter the net gain or (loss) here. Partnerships (except electing large partnerships) and S corporations, see the note below. All others, enter this amount on Form 4797, line 14. If Form 4797 is not otherwise required, see instructions b Enter the amount from line 39, column (b)(ii) here. Individuals, enter the amount from income-producing property on Schedule A (Form 1040), line 28, or Form 1040NR, Schedule A, line 16, and enter the amount from property used as an employee on Schedule A (Form 1040), line 23, or Form 1040NR, Schedule A, line 11. Estates and trusts, enter on the "Other deductions" line of your tax return. Partnerships (except electing large partnerships) and S corporations, see the note below. Electing large partnerships, enter on Form 1065-B, Part II, line 11	42a		
		42b		12,761,861.
43	If the loss on line 41 is less than or equal to the gain on line 40, combine lines 40 and 41 and enter here. Partnerships (except electing large partnerships), see the note below. All others, enter this amount on Form 4797, line 3	43		

*Note: Partnerships, enter the amount from line 42a, 42b, or line 43 on Form 1065, Schedule K, line 11.
S corporations, enter the amount from line 42a or 42b on Form 1120S, Schedule K, line 10.*

**Statement by Taxpayer Using the Procedures in Rev. Proc. 2009-20 to Determine
a Theft Loss Deduction Related to a Fraudulent Investment Arrangement**

Part I. Identification

1. Name of Taxpayer MORTGAGES LTD. OPPORTUNITY FUND MP12 LL
 2. Taxpayer Identification Number [REDACTED]

Part II. Computation of deduction

(See Rev. Proc. 2009-20 for the definitions of the terms used in this worksheet.)

Line	Computation of Deductible Theft Loss Pursuant to Rev. Proc. 2009-20	
1	Initial investment	4,720,938.
2	Plus: Subsequent investments	16,836,278.
3	Plus: Income reported in prior years	1,784,564.
4	Less: Withdrawals	(6,307,589.)
5	Total qualified investments (combine lines 1 through 4)	17,034,191.
6	Percentage of qualified investment (95% of line 5 for investors with no potential third-party recovery, 75% of line 5 for investors with potential third-party recovery)	12,775,643.
7	Actual recovery	13,782.
8	Potential insurance/SIPC recovery	0.
9	Total recoveries (add lines 7 and 8)	(13,782.)
10	Deductible theft loss (line 6 minus line 9)	12,761,861.

Part III. Required statements and declarations

1. I am claiming a theft loss deduction pursuant to Rev. Proc. 2009-20 from a specified fraudulent arrangement conducted by the following individual or entity (provide the name, address, and taxpayer identification number (if known)).

MORTGAGES LTD SECURITIES, LLC
, PHOENIX, AZ

2. I have written documentation to support the amounts reported in Part II of this document.

3. I am a qualified investor as defined in § 4.03 of Rev. Proc. 2009-20.

4. If I have determined the amount of my theft loss deduction under § 5.02(1)(a) of Rev. Proc. 2009-20, I declare that I have not pursued and do not intend to pursue any potential third-party recovery, as that term is defined in § 4.10 of Rev. Proc. 2009-20.

5. If I have already filed a return or amended return that does not satisfy the conditions in § 6.02 of Rev. Proc 2009-20, I agree to all adjustments or actions that are necessary to comply with those conditions. The tax year or years for which I filed the return(s) or amended return(s) and the date(s) on which they were filed are as follows:

NONE HAVE BEEN FILED.

Part IV. Signature

I make the following agreements and declarations:

1. I agree to comply with the conditions and agreements set forth in Rev. Proc. 2009-20 and this document.

2. Under penalties of perjury, I declare that the information provided in Parts I-III of this document is, to the best of my knowledge and belief, true, correct and complete.

Your signature here _____ Date signed: _____
 Your spouse's signature here _____ Date signed: _____

Corporate Name ML MORTGAGES, LLC
 Corporate Officer's signature [REDACTED]
 Title COO
 Date signed 4/5/12
 Entity Name MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC
 S-corporation, Partnership, Limited Liability Company, Trust

Entity Officer's signature _____
 Date signed _____

Signature of executor _____
 Date signed _____

Statement Regarding AAR

This administrative adjustment request is a combination of four main adjustments:

- (1) The claim by the partnership of a theft loss pursuant to Rev. Proc. 2009-20 as modified by Rev. Proc. 2011-58. This is an AAR for MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC as source partnership, filed by the TMP of that partnership pursuant to Section 6227(c)(2).
- (2) The adjustment by the partnership of a prior loss allocated to it by ASA IX Loan LLC. This is an AAR for MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC as partner of ASA IX Loan LLC pursuant to Section 6227(a).
- (3) The adjustment by the partnership of a prior loss allocated to it by ASA XVI Loan LLC. This is an AAR for MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC as partner of ASA XVI Loan LLC pursuant to Section 6227(a).
- (4) The adjustment by the partnership of a prior loss allocated to it by VCB Loan LLC. This is an AAR for MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC as partner of VSB Loan LLC pursuant to Section 6227(a).

These four claims are related in that ASA IX Loan LLC, ASA XVI Loan LLC and VCB Loan LLC, in which MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC is a partner, previously foreclosed on property and allocated the loss on such property, in part, to MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC. However, the theft loss of MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC (permitted retroactively by Rev. Proc. 2011-58) would reduce the basis of these foreclosed properties such that prior losses are not accurate and must be corrected. They are also corrected by this AAR so losses are not duplicated.

Schedule K-1 (Form 1065)

2009

Final K-1 [X] Amended K-1 OMB No. 1545-0099

Department of the Treasury Internal Revenue Service

For calendar year 2009, or tax year beginning ending

Partner's Share of Income, Deductions, Credits, etc.

See separate instructions.

Part I Information About the Partnership
A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC
14050 N 83RD AVE STE. 180
PEORIA, AZ 85381
C IRS Center where partnership filed return
OGDEN, UT
D Check if this is a publicly traded partnership (PTP)
Part II Information About the Partner
E Partner's identifying number
000-00-0001
F Partner's name, address, city, state, and ZIP code
SEE ATTACHED FORM 8082 FOR AAR PLEASE
SEE PDF DOCUMENT WITH PARTNER DATA
PEORIA, AZ 85381
G General partner or LLC member-manager [X] Limited partner or other LLC member
H Domestic partner [X] Foreign partner
I What type of entity is this partner? INDIVIDUAL
J Partner's share of profit, loss, and capital:
Beginning Ending
Profit 0.0000000% 0.0000000%
Loss 0.0000000% 0.0000000%
Capital 0.0000000% 0.0000000%
K Partner's share of liabilities at year end:
Nonrecourse \$
Qualified nonrecourse financing \$
Recourse \$ 0.
L Partner's capital account analysis:
Beginning capital account \$
Capital contributed during the year \$
Current year increase (decrease) \$
Withdrawals & distributions \$()
Ending capital account \$ 0.
[X] Tax basis [] GAAP [] Section 704(b) book
[] Other (explain)
M Did the partner contribute property with a built-in gain or loss?
[] Yes [X] No
If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 2 columns: Item description and Amount.
1 Ordinary business income (loss) 0.
2 Net rental real estate income (loss)
3 Other net rental income (loss)
4 Guaranteed payments
5 Interest income
6a Ordinary dividends
6b Qualified dividends
7 Royalties
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss)
9b Collectibles (28%) gain (loss)
9c Unrecaptured sec 1250 gain
10 Net section 1231 gain (loss)
11 Other income (loss)
12 Section 179 deduction
13 Other deductions
14 Self-employment earnings (loss) A 0.

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)

2009

Final K-1 Amended K-1 OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax
year beginning _____
ending _____

**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
MORTGAGES LTD. OPPORTUNITY FUND MP12 LLC
14050 N 83RD AVE STE. 180
PEORIA, AZ 85381

C IRS Center where partnership filed return
OGDEN, UT

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
000-00-0001

F Partner's name, address, city, state, and ZIP code
SEE ATTACHED FORM 8082 FOR AAR PLEASE
SEE PDF DOCUMENT WITH PARTNER DATA
PEORIA, AZ 85381

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL

J Partner's share of profit, loss, and capital:

	Beginning	Ending
Profit	0.0000000%	0.0000000%
Loss	0.0000000%	0.0000000%
Capital	0.0000000%	0.0000000%

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ 0.

L Partner's capital account analysis:

Beginning capital account \$ _____

Capital contributed during the year \$ _____

Current year increase (decrease) \$ _____

Withdrawals & distributions \$(_____)

Ending capital account \$ 0.

Tax basis GAAP Section 704(b) book

Other (explain)

M Did the partner contribute property with a built-in gain or loss?
 Yes No

If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss) 0.	15 Credits
2 Net rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	17 Alternative min tax (AMT) items
6b Qualified dividends	
7 Royalties	18 Tax-exempt income and nondeductible expenses
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	19 Distributions
9c Unrecaptured sec 1250 gain	20 Other information
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss) A 0.	

*See attached statement for additional information.

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