

ML MANAGER LLC

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ML MANAGER LLC NEWSLETTER #35

Dear Investors:

The following are the significant events that have occurred since our last newsletter.

Theft Loss Information

WE APOLOGIZE IN ADVANCE BUT THE FOLLOWING INFORMATION BY NECESSITY IS EXTREMELY TECHNICAL AND COMPLEX DUE TO THE NATURE OF THE ISSUES INVOLVED. AS WITH ALL OF OUR COMMUNICATIONS RELATING TO THE THEFT LOSS ISSUES WE STRONGLY ENCOURAGE EACH INVESTOR TO PROVIDE THE INFORMATION BELOW TO COMPETENT TAX ADVISORS.

The IRS has informally indicated that investors in the nine MP Funds who have not previously filed claims for refunds based on 2009 theft losses have until October 15, 2014 to do so because (i) each of the MP Funds filed a Form 872-P that extended the statute of limitations for tax assessments under IRC Section 6229 until April 1, 2014, and (ii) IRC Section 6227(b)(2) gives taxpayers six months after the extended tax assessment date within which they can file a request for an administrative adjustment (to claim a refund). Administrative adjustment requests are generally made by filing a Form 8082 with a taxpayer's amended tax return. Deadlines for refund claims by entities may differ from those that are applicable to individuals.

The IRS has also informally indicated (based on its interpretation of IRC Sections 6227(d) and 6228(b)(2)), that any MP Fund investor who has already filed a claim for a refund based on 2009 theft losses may be permitted to bring a civil action to compel the IRS to make the refund only if the investor included a properly-completed Form 8082 with the investor's tax return on which the refund was claimed. Civil actions with respect to refund claims generally must be brought no later than two years after the filing of the tax return on which the refund was claimed. Civil actions that are not brought within the two-year period are barred. As a precautionary measure, each of the MP Funds executed a Form 9248 (which was also executed by the IRS) to extend the time within which ML Manager LLC ("ML Manager"), as tax matters partner of the MP Funds, could bring proceedings with respect to refund claims for the 2009 tax year. The Form 9248 did not extend the time periods for civil actions by the MP Fund investors to compel the IRS to make refunds.

ANY STATEMENTS MADE OR INFORMATION PROVIDED BY THE IRS ON AN INFORMAL BASIS IS NOT BINDING ON THE IRS AND SHOULD NOT BE RELIED ON BY INVESTORS, ABSENT INDEPENDENT VERIFICATION OF SUCH MATTERS BY INVESTORS AND THEIR TAX ADVISORS. THE FOREGOING SUMMARY IS BEING PROVIDED TO INVESTORS FOR INFORMATIONAL PURPOSES ONLY. ML MANAGER LLC HAS NOT MADE AN INDEPENDENT INVESTIGATION OR EVALUATION OF THE MATTERS DESCRIBED ABOVE AND IS NOT ADVISING INVESTORS WITH RESPECT TO SUCH MATTERS.

MP Fund investors who have filed refund claims based on 2009 theft losses and who have not yet received refunds should consult with their tax advisors to determine whether additional filings (such as filing of a Form 8082 or a supplemental amended tax return) or other actions (such as filing a civil action to compel a refund) are necessary to preserve their rights to receive such refunds, and, in particular, whether any such filings or actions are required before October 15, 2014.

This update is being provided because October 15, 2014 may be a deadline for action by investors. Other deadlines (e.g., the timing for civil actions to compel refunds) will vary based on investors' individual circumstances. Investors should consult their own tax advisors regarding all potentially applicable deadlines. ML Manager does not currently expect to provide further updates or information regarding refunds with respect to 2009 theft losses and will not be monitoring or reporting to investors on any future potential deadlines.

THE MATTERS SET FORTH ABOVE ARE BOTH TECHNICAL AND COMPLEX. INVESTORS SHOULD CONSULT WITH COMPETENT TAX ADVISORS TO (i) TO DETERMINE WHETHER THEY MAY BE ENTITLED TO FILE AMENDED TAX RETURNS CLAIMING THEFT LOSSES THEY HAVE NOT PREVIOUSLY REPORTED; (ii) MAKE SURE THAT ANY THEFT LOSSES THEY PREVIOUSLY REPORTED HAVE BEEN PROPERLY REPORTED; (iii) DETERMINE WHETHER THEY NEED TO MAKE ADDITIONAL FILINGS OR TAKE FURTHER ACTION TO PRESERVE THEIR RIGHTS TO RECEIVE REFUNDS BASED ON 2009 THEFT LOSSES; AND (iv) DETERMINE AND MONITOR ALL APPLICABLE DEADLINES.

Distributions

At this time the only funds available for distribution are the proceeds from the Vistoso I sale described below. The closing for a portion of Vistoso II, as described below, is scheduled for August 5th. We anticipate that the next distribution will likely occur after the Vistoso II funds are available to distribute.

Vistoso I (Loan 857406)

The sale of the remaining 26 acre parcel was consummated on June 16th for a price of \$4,900,000 to Mattamy Homes. All of the property securing this loan has now been sold.

Vistoso II (Loan 858006)

We previously entered into a sale agreement for this unimproved property in Oro Valley, Arizona, with Mattamy Homes, but the buyer elected to exercise its right to cancel the sale. Subsequently, we entered into a new sale agreement with Mattamy Homes to purchase an approximately 92 acre portion of the property for a price of \$8.7 million. The sale is subject to the affirmative vote of the members of VP II Loan LLC and the

Bankruptcy Court. The hearing is scheduled for July 9, 2014 at 1:30. The buyer has deposited \$500,000 of non-refundable earnest money into escrow and the closing is scheduled for August 5, 2014. We continue to market the remaining properties.

Rightpath II (Loan 859806)

As reported previously, we have entered into a sale agreement for the approximately 60 acre unimproved property in far west Phoenix, just north of the Dodgers/White Sox spring training facilities, for the price of \$4,440,000, with Bela Flor Communities. The buyer has encountered some difficulties with the rezoning process and it is uncertain whether or not this sale will close. Additionally, we continue to work to eliminate or amend a significant land use restriction that was previously recorded against an additional parcel containing approximately 16.7 acres. The property probably cannot be sold unless and until this land use restriction is eliminated or significantly modified.

Vanderbilt Farms, L.L.C (Loan No. 859606)

We have entered into a sale agreement for this property containing approximately 115 acres located in Queen Creek, Arizona, for a price of \$12,731,606.96 with Equity National Real Property Investments, LLC. The sale is subject to the affirmative vote of the members of VF I Loan LLC and the approval of the Bankruptcy Court. The hearing is scheduled for July 9, 2014 at 1:30. The closing is scheduled for December 29, 2014, but the buyer has encountered difficulties with the zoning process and has asked for an extension of time. It is uncertain at this time whether or not this sale will proceed.

Central & Monroe (Loan 858606)

As reported previously, a settlement agreement was signed to resolve the litigation with the mechanic lienholders that affect this property by the payment of \$2 million out of the sales proceeds to the mechanic lienholders. Additionally, a settlement agreement was signed with Fidelity Title Insurance Company to facilitate the settlement with the mechanic lienholders. Both of the settlement agreements were approved by the investors in C&M Loan LLC and the Bankruptcy Court. The mechanic lienholders complied with the requirements of the settlement agreement and the bulk of the \$2M was released to them. The litigation to recover the \$2 million from Fidelity Title continues and until the litigation is resolved, it is unknown whether or not there will ultimately be funds to distribute to investors.

HH20 (Loan 858305)

We continue our efforts to market this property for sale.

Updating Account Information.

Many investors have changed their addresses, phone numbers, and e-mail addresses. Please make sure that our records reflect your current information. In order to update your information it is necessary to complete an account change request form. These forms can be obtained by contacting us at mortgagesinfo@mtgltd.com.

If you have any questions, you may contact our office at 623-234-9560 or via email at mortgagesinfo@mtgltd.com. It is much more efficient for us to respond to written questions and we ask whenever possible, please communicate with us via email. Also, please also feel free to contact Karen Epstein at 480-948-6777.

Thank you for your support of our efforts.

Best Regards,

Elliott Pollack

Chairman