

ML MANAGER LLC

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April 15, 2013

ML MANAGER LLC NEWSLETTER #29

Dear Investors:

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

Fifth Distribution of Cash

We are working on the next distribution of cash to investors. The loans that are involved in the next distribution are McKinley Lofts, 4633 Van Buren, All State IX, All State XVI, Foothills Plaza, Maryland Way, Rightpath I and II, ABCDW II, CGSR, Osborn III, Vistoso I, 70th Street, Rodeo Ranch, Cottonwood Parking and Tempe Land. The proceeds of the settlements with the 401K plan and all of the Wolfswinkel borrowers and guarantors will also be included in the distribution. Please note that a few of these loans will not have sufficient sales proceeds to make distributions to investors. Also, the repayment of the replacement loans will continue. We will make the distribution as soon as possible after we receive the approval of the Bankruptcy Court. A hearing to approve the distribution is scheduled for 1:30 pm on May 9, 2013. Objections to the distribution are due by May 2, 2013. We anticipate distributing approximately \$28 million dollars, including sales proceeds and repayments of the replacement loans.

We have completed our annual update of the actual revenues, expenses and budget and have incorporated it into the Cost Allocation Model. After reviewing actual expenses to date and considering the relevant circumstances, the future budget was increased to provide for items, such as increased legal/litigation costs and costs of investor distributions.

Theft Losses

Our tax advisors had a productive meeting with the IRS on April 8th to discuss issues relating to the theft loss. The IRS is auditing the returns of the MP Funds to insure proper application of the theft losses. The Phoenix office of the IRS will be conducting the audits. While the issues are complicated and the audit will take some time, one of the primary concerns expressed by the IRS was to verify that duplicative losses were not claimed for both the theft loss and the losses recognized upon the foreclosures of the properties. The IRS has requested additional information from our advisors, which we are in the process of providing. We will update you further as the process continues.

HH20 (Loan 858305)

The sale of the approximately 31,616 square feet of property to Pinal County was consummated on March 14, 2013 for a price of \$56,000.

Rodeo Ranch (Loan 857906)

The sale of the remaining 17 finished lots in this subdivision in Casa Grande, Arizona was consummated on March 29, 2013 for a price of \$306,000.

Cottonwood Parking (Loan 853705)

The judgment against the borrower and guarantors of this loan was sold to MBR Land I, LLC on March 21, 2013 for the price of \$6.25M. The sale of the judgment received the affirmative vote of the members of CP Loan LLC and the approval of the Bankruptcy Court.

Rightpath II (Loan 859806)

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. The sale agreement received the affirmative vote of the members of RLD II Loan LLC and the approval of the Bankruptcy Court. If the buyer proceeds with the sale, the closing is scheduled for November 8, 2013. We signed a sale agreement for the approximately 16 acre unimproved property located just west of the Dodgers/White Sox spring training facilities, however, the buyer terminated the escrow during its feasibility period.

ABCDW, LLC (Loan 850206)

A sale agreement was signed for the approximately 9,500 acres in southern Pinal County, for a price of \$4,753,500. The sale will be a short sale. The sale agreement received the affirmative vote of the members of ABCDW I Loan LLC and the approval of the Bankruptcy Court. The closing is scheduled for April 29, 2013.

ABCDW, LLC (Loan 861206)

We have entered into a Sale Agreement for this property consisting of approximately 4,000 acres located on the edge of Sierra Vista, Arizona for a price of \$4.9M. This sale will be a short sale. The sale agreement received the affirmative vote of the members of ABCDW III Loan LLC and the approval of the Bankruptcy Court. The Exit Lender has exercised its right to compete so the ultimate sales price and buyer have not yet been determined, but the price will be no less than \$4.9M.

Town Lake (Loan 861305)

We have selected a new purchaser for this property located in Tempe, Arizona near the Tempe Town Lake. We are in the process of finalizing the sale agreement. The sale agreement would be subject to the affirmative vote of the members of TLDP Loan LLC and the approval of the Bankruptcy Court.

Central & Monroe (Loan 858606)

We are reviewing several offers received for this property and expect to select a potential purchaser shortly. We are also attempting to settle the dispute with the general contractors and other lienholders regarding the title to the property. Any sale would be subject to the affirmative vote of the members of C&M Loan LLC and the approval of the Bankruptcy Court.

PDG Los Arcos (Loan 859305) and National Retail (Loan 860905)

A settlement has been reached with the borrowers and Richard and Molly Sodja regarding their obligations under the guarantees. Under the terms of the settlement agreement they are stipulating to a judgment in the amount of \$43,538,333, but are allowed three years to pay us \$15,000,000 to obtain a release from the judgment. We are receiving a partial assignment of proceeds from a significant lawsuit that could provide the means to pay the \$15M. The borrowers and the Sodjas agree to pay \$2,500 each month until the judgment is released. The settlement agreement is subject to the affirmative vote of the members of PDG LA Loan LLC and NRDP Loan LLC and the approval of the Bankruptcy Court.

300 E. Camelback (Loans 794502 and 794402)

We were unsuccessful in obtaining Bankruptcy Court approval of the sale of these two notes secured by property located in central Phoenix. Trustees sales have been scheduled for May 1, 2013 for both deeds of trust. The ML Manager Board is analyzing several issues regarding the potential sale of the notes or the property. Any sale would be subject to the affirmative vote of the members of 300 EC Loan LLC and the approval of the Bankruptcy Court.

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@mtgltld.com.

Remaining Properties.

The following are the other properties that remain unsold:

Rightpath Limited Development Group, LLC (Loan 858406)

The remaining property consists of approximately 5 acres of unimproved property on the south side of Glendale Avenue, near the Glendale airport. This property is currently being marketed by Arizona Commercial Real Estate.

Vistoso Partners, LLC (Loan 857406)

The remaining 26 acre parcel is planned for medium to high density development. It is located in Oro Valley, Arizona. This property is being marketed by Land Advisors Organization from their Tucson office. Several offers have been received and a potential purchaser shortly is expected to be selected shortly. This would be a short sale.

Vistoso Partners, LLC (Loan 858006)

This unimproved property in Oro Valley, Arizona consists of several single family residential parcels. We are analyzing a land exchange involving this property as described in the approved Settlement Agreement with the borrower and guarantors.

HH20 (Loan 858305)

This property is approximately 13 acres located in Pinal County. This property is being marketed by Arizona Commercial Real Estate.

Maximum Management (Loan 7465S6)

This is a loan that is currently performing. The loan matures in 2018.

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

This property is approximately 115 acres located in Queen Creek, Arizona. This property is being marketed by Nathan and Associates.

Bisontown (Loan 852806)

The remaining property consists of a small parking parcel.

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