

ML MANAGER LLC
530 E. McDowell Road, Suite 107-601
Phoenix, AZ 85004

July 16, 2019

ML MANAGER LLC NEWSLETTER #48

Dear Investors:

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

Rightpath II (Loan 859806)

We have entered into a sale agreement for the remaining 16.7 acres of this property with EMC Management, LLC, an affiliate of Empire Group, a prominent local developer, for a price of \$3,340,000. The property will require an amendment to the General Plan and rezoning to permit residential development. The buyer has been given 60 days to complete its due diligence. The sale is subject to the affirmative vote of the members of RLD II Loan LLC and the Bankruptcy Court, which would be sought after the completion of the due diligence period. If the buyer elects to proceed after the 60-day due diligence period, it will have two 6 month periods, plus two 30-day extensions, to obtain rezoning and final site plan approval. The closing would occur during Fall 2020.

Next Distribution

The timing of the next distribution is unknown at this time. Events that could trigger a distribution include the sale of the Rightpath II property described above, the wind up of ML Servicing's business, and the resolution of the Centerpoint or Osborn III litigation described below. It may be many months before another distribution is made.

ML Servicing Wind Up

Our sister organization, ML Servicing, is in the process of winding up their operations, including preparing final accounting. They intend to seek Bankruptcy Court approval of their wind up and will pay all remaining funds to ML Manager at such time as Bankruptcy Court approval is granted. The timing of the wind up is not yet known and it is unknown at this time how much money will be paid to ML Manager.

Centerpoint Litigation

The litigation against Fidelity National Title Insurance Company ("Fidelity") and Commonwealth Land Title Insurance Company ("Commonwealth") continues to move forward. Due to adverse summary judgment rulings by the Court relating to the claims against Fidelity, those rulings will now have to be reviewed and reversed by the Arizona Court of Appeals before proceeding further on those claims. With regard to the claims for bad faith against Commonwealth, a two-week jury trial has been scheduled beginning on December 2, 2019.

Osborn III Litigation

We obtained a final judgment against Fidelity National Title in the amount of \$1,750,000 and attorneys' fees and costs in the amount of \$827,229. Interest on both of these amounts is accruing at 5.25% per annum. The interest on the \$1,750,000 has been accruing since December 2011, and the interest on the attorneys' fees and costs has been accruing since November 2017. Fidelity declined to pay the judgment, and has appealed. We are defending their appeal, and have cross-appealed as to certain issues. We participated in a court sponsored settlement process on September 24, 2018, but that was unsuccessful. All appellate briefing is complete, and we are waiting to hear the date for oral argument on the appeal and cross-appeal.

Final Reconciliation and Distribution

When the remaining property has been sold and the ongoing litigation resolved, we will perform a final reconciliation and make a final distribution. It is not possible to know when this will occur at this time, but it appears that the Centerpoint litigation may continue for a few more years. We cannot perform a final reconciliation and distribution until this litigation is resolved. Depending upon the outcome of the Centerpoint litigation, it is possible that significant amounts could be distributed to the investors. We are seeking tens of millions of dollars from Fidelity National Title, but the outcome of the litigation remains uncertain.

Mainstar (formerly know as First Trust of Onaga) Accounts

As a reminder to those investors holding IRA or Roth IRA accounts with Mainstar, you were previously notified that Mainstar is no longer willing to serve as the custodian of those accounts. Many of you have not yet transferred your accounts to a new custodian and you need to do so. Mainstar has indicated that any future distribution checks sent to them will not be deposited, but will instead be rejected and returned to ML Manager. IRA and Roth IRA accounts are governed by complex federal regulations and there are rules and consequences to closing, transferring and opening IRA and Roth IRA accounts. You should consult your tax and financial advisors for assistance with this situation. ML Manager cannot and will not advise you about how to deal with your IRA and Roth IRA accounts. Because the Mortgages Ltd. assets are interests in loans, not stocks, bonds or other more readily marketed securities, many security companies will not serve as custodians for IRAs that will hold Mortgages Ltd. assets. It is completely in your discretion as to with whom you choose to open IRA or Roth IRA accounts or whether or not you choose to open an IRA or Roth IRA account at all. Many of our investors have had difficulty in finding companies that are willing to accept Mortgages Ltd. investments. If you need further assistance, please feel free to contact our representatives using the contact information below.

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