

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

December 19, 2019

ML MANAGER LLC NEWSLETTER #49

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 completed its due diligence. The sale is subject to the affirmative vote of the members of RLD II Loan LLC and the Bankruptcy Court, which we are currently seeking. The Closing Date is scheduled for August 27, 2020, however, the Buyer has the right to extend the Closing Date with two 30-day extensions.

**Centerpoint Litigation**

The litigation against Fidelity National Title Insurance Company (“Fidelity”) and Commonwealth Land Title Insurance Company (“Commonwealth”) continues to move forward. Earlier adverse summary judgment rulings by the Court relating to the claims against Fidelity will have to be reviewed and reversed by the Arizona Court of Appeals before proceeding further on those claims. A jury trial on our claims for bad faith against Commonwealth concluded on December 11, 2019. The jury determined that Commonwealth did act in bad faith and awarded us a judgment of \$5,000,000. While this is a good initial result, both sides will be filing appeals and it will take significant additional time before a final conclusion is reached.

**Osborn III Litigation**

We obtained a final judgment against Fidelity National Title in the amount of \$1,750,000, plus 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. Arguments to the Court of Appeals were made on October 15, 2019 and we are awaiting rulings from the Court. It is uncertain when the Court will render its decision.

### **ML Servicing Wind Up**

Our sister organizations ML Servicing and ML Litigation Trust are just about finished with their final accounting review and remaining administrative details and will be filing a motion in the first quarter of 2020 for a bankruptcy court order allowing them to administratively dissolve the corporation and trust and to disburse the remaining funds on hand to ML Manager after notice and hearing and approval by the bankruptcy court.

### **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 above. It may be many months before another distribution is made.

### **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 millions of dollars from Fidelity National Title and Commonwealth Land Title, but the outcome of the litigation remains uncertain.

### **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](mailto:mortgagesinfo@mtgltd.com).

**If you have any questions, you may contact our office at 623-234-9560 or via email at [mortgagesinfo@mtgltd.com](mailto: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