

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

December 2, 2020

ML MANAGER LLC NEWSLETTER #50

Dear Investors:

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

Rightpath II (Loan 859806)

The sale of this 16.7 acre property was consummated on September 28, 2020. The purchaser was EMC Management, LLC, an affiliate of Empire Group, at a gross price of \$3,340,000. This was the last parcel of property in the ML Manager portfolio.

Next Distribution

At their recent board meeting, the ML Manager Board voted to make a distribution of \$3,000,000. The distribution will be made in early next year.

Centerpoint Litigation

The Centerpoint litigation against Fidelity National Title Insurance Company (“Fidelity”) and Commonwealth Land Title Insurance Company (“Commonwealth”) continues to move forward. We suffered earlier adverse rulings by the Court relating to the claims against Fidelity. We hope these adverse rulings will be reviewed and reversed by the Arizona Court of Appeals so that we can proceed with our claims. Last year, a jury awarded us a judgment of \$5,000,000 against Commonwealth for acting in bad faith. Subsequently, the Court awarded us approximately \$7.3 million for our attorneys’ fees, and awarded Fidelity approximately \$4 million for their attorneys’ fees. 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 and any funds are received.

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. We have been waiting more than one year for the Court to make its ruling. We hope that the ruling will be issued soon, but the actual timing remains unknown.

ML Servicing Wind Up

The motion to terminate our sister organizations, ML Liquidating Trust and ML Servicing Co. Inc., and to allow their final distribution was approved by the Bankruptcy Court on August 21, 2020. ML Manager was not terminated and continues in effect. As a part of the process terminating the sister organizations, ML Manager has received \$983,348.32 from ML Servicing for use pursuant to the Interborrower Agreement. ML Manager also received \$431,382.95 from ML Servicing which represents (i) amounts held by ML Servicing for certain distributions relating to Radical Bunny's interest in 3 MP Funds that is to be shared 50/50 between Radical Bunny and the Allowed Unsecured Claimants pursuant to the Plan of Reorganization and Confirmation Order, and (ii) amounts held by ML Servicing for certain distributions relating to Radical Bunny's interest to 2 other MP Funds that are owned solely by Radical Bunny. The Bankruptcy Court also approved an exhibit attached to the motion listing the amount of each Allowed Unsecured Claim and their applicable percentage of all Allowed Unsecured Claims. The Bankruptcy Court ordered that the distributions (including all future distributions) to be made to the Allowed Unsecured Claimants based upon its 50% interest in Radical Bunny's interest in 3 MP Funds will be made in the percentages set forth in the exhibit attached to the motion. ML Manager anticipates making the distributions to Radical Bunny and the Allowed Unsecured Claimants as a part of the next distribution.

Final Reconciliation and Distribution

When the remaining business of ML Manager has been completed, we will perform a final reconciliation and make a final distribution. We are working on a process that will facilitate the continuation of the Centerpoint litigation, but allow ML Manager to complete the rest of its business and reduce expenses. ML Manager has additional funds that it intends to distribute when its business is completed. Depending upon the outcome of the Centerpoint litigation, it is possible that eventually significant additional 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.

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