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9 Trustee of the ML Liquidating Trust

10 **IN THE UNITED STATES BANKRUPTCY COURT**
11 **FOR THE DISTRICT OF ARIZONA**

12 In re:

13 MORTGAGES, Ltd.,
14 Debtor.

15 In Proceedings Under Chapter 11

16 Case No.: 2:08-bk-07465-RJH

17 **NOTICE TO CLAIMANTS**
18 **LISTED ON EXHIBIT J TO ML**
19 **LIQUIDATING TRUST'S**
20 **OMNIBUS OBJECTION TO**
21 **CLAIMS AND MOTION TO**
22 **EXPUNGE, REDUCE OR**
23 **RECLASSIFY SUCH CLAIMS**
24 **AND**
25 **NOTICE OF BAR DATE TO**
26 **RESPOND TO OMNIBUS**
27 **OBJECTION**

19 **NOTICE IS HEREBY GIVEN** that Kevin T. O'Halloran, ("Liquidating Trustee"), as
20 Trustee of the ML Liquidating Trust, (the "ML Liquidating Trust"), has filed that certain "*ML*
21 *Liquidating Trust's Omnibus Objection To Claims And Motion To Expunge, Reduce Or Reclassify*
22 *Such Claims*" (the "Omnibus Objection") [Docket No. 2306]¹, as amended by that certain "*First*
23 *Amendment To The ML Liquidating Trust's Omnibus Objection To Claims And Motion To Expunge,*
24 *Reduce Or Reclassify Such Claims*" (the "First Amendment") [Docket No. 2375]. **Your proof(s) of**

26 _____
27 ¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Omnibus
Objection.

1 **claim may be disallowed, reclassified, reduced and/or otherwise affected as a result of the**
2 **Omnibus Objection, as amended; therefore, you should read this Notice carefully.**

3
4 In the Omnibus Objection, the Liquidating Trustee objects to each of the Disputed Claims
5 listed on Exhibits A through K for one or more of the following reasons: (i) such Disputed Claim is
6 improperly classified, (ii) the amount of such Disputed Claim is overstated, (iii) such Disputed Claim
7 is a duplicate claim filed by the same Claimant in the same amount as another claim filed by that
8 Claimant, and/or (iv) Debtor has defenses to such Disputed Claim. Further, in the Omnibus
9 Objection, the Liquidating Trustee requests that the Court enter an Order (a) disallowing in their
10 entirety and expunging duplicative Claims, (b) reclassifying the status of those Disputed Claims that
11 were originally filed as either “secured” or “unknown” to the status of an Unsecured Claim, (c)
12 reducing the amount of those Disputed Claims believed to be overstated to the amount reflected on
13 the Debtor’s Books and Records, and (d) disallowing in their entirety and expunging those Disputed
14 Claims filed by insiders of Debtor, certain borrowers and other non-investors.

15
16 **The Disputed Claims listed on Exhibit J to the Omnibus Objection, as amended by the**
17 **First Amendment, were filed by the Claimants listed on Exhibit J. The Liquidating Trustee**
18 **objects to the Disputed Claims listed in on Exhibit J to the Omnibus Objection, as amended by**
19 **the First Amendment. It is the Liquidating Trustee’s belief that substantive defenses exist as to**
20 **each Disputed Claim listed on Exhibit J; and, consequently, the Debtor has no liability with**
21 **respect to such Disputed Claims. Such substantive defenses are listed under the column titled**
22 **“Reason for Objection” on Exhibit J to the Omnibus Objection, as amended. As a result, the**
23 **Liquidating Trustee is requesting in the Omnibus Objection that the Court enter an Order**
24 **disallowing in their entirety for all purposes and expunging all Claims listed on Exhibit J to the**
25 **Omnibus Objection, as amended by the First Amendment.**
26
27

1 **FURTHER NOTICE IS HEREBY GIVEN** pursuant to Local Rule 3007-1 that if you
2 disagree with the Omnibus Objection, as amended, you or your attorney **must** file a response
3 (“Response”), in writing, with the United States Bankruptcy Court for the District of Arizona, 230
4 North 1st Avenue, Phoenix, Arizona, 85003, and serve a copy of your Response on counsel for the
5 ML Liquidating Trust named below, within fifteen (15) days from the date of service of this Notice
6 (“Response Deadline”):
7

8 William Scott Jenkins
9 MYERS & JENKINS, P.C.
10 One East Camelback Road, Suite 500
11 Phoenix, AZ 85012
12 Email: wsj@mjlegal.com
13 Counsel for the Kevin T. O’Halloran,
14 Trustee of the ML Liquidating Trust

15 The ML Liquidating Trustee suggests that your Response contain the following:

- 16 (i) A caption setting forth the name of the Court, the name of the Debtors, the case
17 number and the title of the Omnibus Objection to which the Response is directed;
- 18 (ii) The name of the Claimant and description of the bases for the amount and status of the
19 proof of claim;
- 20 (iii) A concise statement setting forth the reasons why the Court should not sustain the
21 Omnibus Objection, including, but not limited to, the specific factual and/or legal bases upon which
22 the Claimant relies in opposing the Omnibus Objection;
- 23 (iv) Any documentation or other evidence of the claim upon which the claimant will rely in
24 opposing the Omnibus Objection at the Hearing;
- 25 (v) A declaration of a person with personal knowledge of the relevant facts that support
26 the Response to the extent the Response makes factual allegations;
27

1 (vi) The name(s), address(es), telephone number(s) and facsimile number(s) of the
2 person(s) (who may be the Claimant and/or the Claimant’s legal representative) to whom counsel for
3 the ML Liquidating Trust should serve any reply to the Response; and

4 (vii) To facilitate a resolution of the Omnibus Objection, the name(s), address(es),
5 telephone number(s) and facsimile number(s) of the person(s) (who may be the Claimant and/or the
6 Claimant’s legal representative) who possess the authority to reconcile, settle, or otherwise resolve
7 the Omnibus Objection on the Claimant’s behalf.
8

9 **FURTHER NOTICE IS HEREBY GIVEN** that if you file and serve a Response to the
10 Omnibus Objection on or prior to the Response Deadline, the Liquidating Trustee will request a date
11 from the Court on which a hearing (the “Hearing”) on the Omnibus Objection will be held in the
12 United States Bankruptcy Court for the District of Arizona, 230 North 1st Avenue, Phoenix, Arizona,
13 85003. The Liquidating Trustee will serve you with Notice of Hearing Date at least thirty (30) days
14 prior to such hearing date. Only those Responses timely filed and received by the Court and the ML
15 Liquidating Trust’s attorneys on or before the Response Deadline will be considered by the Court at
16 the Hearing.
17

18 **If you fail to respond in accordance with this Notice, the Court may grant the relief**
19 **requested in the Omnibus Objection, as amended by the First Amendment, without further**
20 **notice or hearing.**
21

22 If you agree with the Omnibus Objection to your claim(s), you do not need to take any action
23 or file a Response to the Omnibus Objection.

24 **PLEASE TAKE FURTHER NOTICE** that the ML Liquidating Trust’s personnel will be
25 available to discuss factual questions you may have regarding the ML Liquidating Trust’s objection
26 to your proof of claim. To facilitate such a discussion, you may call or email Erica Jacob at (623)
27

1 234-9569 or ejacob@mtgltd.com. Any legal questions, however, will be referred to the ML
2 Liquidating Trust's attorneys. Be advised that ML Liquidating Trust's counsel will not be able to
3 give you legal counsel or advice. In this regard, you are encouraged to consult with your own
4 personal counsel. When you contact the ML Liquidating Trust, please have your proof(s) of claim
5 available. **Speaking with ML Liquidating Trust's personnel or the ML Liquidating Trust's**
6 **attorneys regarding the Omnibus Objection will not satisfy or eliminate the requirement that**
7 **you must file a Response before the Response Deadline if you disagree with the Omnibus**
8 **Objection, as amended.**

9
10 **PLEASE TAKE FURTHER NOTICE** that nothing in this Notice or the accompanying
11 Omnibus Objection or First Amendment constitutes a waiver of the ML Liquidating Trust's right to
12 assert any claims, counterclaims, rights of offset or recoupment, preference actions, fraudulent-
13 transfer actions, or any other bankruptcy claims against you. The ML Liquidating Trust also reserves
14 the right to assert additional objections to your proof(s) of claim.
15

16 If the Books and Records of the Debtor show you have more than one Claim, or if you filed
17 more than one proof of claim, you may receive separate Notices for different Claims.

18 A true and exact copy of the Omnibus Objection and First Amendment has been forwarded to
19 each Claimant listed on Exhibit J to the Omnibus Objection and First Amendment and/or to such
20 Claimant's counsel on the date set forth below.
21

22 DATED: November 9, 2009.

23 **MYERS & JENKINS, P.C.**

24
25 By /s/ William Scott Jenkins
26 William Scott Jenkins
27 Jill M. Hulsizer
Attorneys for Kevin T. O'Halloran,
Trustee of the ML Liquidating Trust