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Bruce S. Sobel
7446 East Journey Lane
Scottsdale, AZ 85255
(480) 585-7580
Email: drbruce@cox.net

Pro Per on behalf of Bruce S. Sobel, as Trustee of the Fiber One Trust
dated March 9, 2000 and Debbie Sobel and Bruce Sobel

FILED
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CLERK
U.S. BANKRUPTCY
DISTRICT OF ARIZONA

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

IN RE:)	In Proceedings Under Chapter 11
)	
MORTGAGES, LTD.,)	Case No.: 2:08-bk-07465-RJH
)	
DEBTOR.)	Response to ML Liquidating Trust's
)	Omnibus Objection to Claims and
)	Motion to Expunge, Reduce or
)	Reclassify Such Claims

Bruce S. Sobel, as Trustee of the Fiber One Trust dated March 9, 2000 ("Fiber One") and on behalf of Bruce Sobel and Debbie Sobel, husband and wife (collectively, "Sobel"), hereby responds to the Omnibus Objection to Claims and Motion to Expunge, Reduce or Reclassify Such Claims (the "Objection" or "Motion") filed by Kevin T. O'Halloran (the "Liquidating Trustee" or "Trustee") as Trustee of the ML Liquidating Trust ("Liquidating Trust") with respect to the claims filed by Fiber One and Sobel in connection with the above captioned Chapter 11 Bankruptcy Case (the "Case") for the reasons set forth in the Memorandum of Points and Authorities set forth below, all documents filed with the Court in connection with this Response and oral arguments that may be presented at the hearing on the Liquidating Trustee's Motion.

MEMORANDUM OF POINTS AND AUTHORITIES.

I. Background.

Fiber One and Sobel (sometimes hereinafter collectively referred to as "Claimants") are investors of Debtor. Claimants previously timely filed their respective claims in this Case on or about November 14, 2008 (the "Claims").

1 In Section III.B.C of its Motion, Trustee has classified certain claims filed by investors of the
2 Debtor as "Disputed Claims" because they purportedly duplicate other filed claims in the Case (the
3 "Duplicate Claims"). The Trustee has set forth these alleged Duplicate Claims on Exhibit C of its
4 Motion. Trustee has alleged that the Claims filed by Fiber One (Claim No. 1708, Investor Code SO35
5 in the amount of \$280,958) is duplicative of Claim No. 1357, filed by Sobel (Investor Code No. SO03)
6 in the amount of \$618,557.47 and that the Claim filed by Sobel should be a Surviving Claim and that the
7 Claim filed by Fiber One should be characterized as the nonsurviving claim and be disallowed in its
8 entirety for all purposes and expunged.

9 II. Trustee's Assertion with Respect to Claimants' Claims Is Erroneous.

10 The Claims filed by Fiber One and Sobel are two separate and distinct claims and are not
11 duplicative. Fiber One and Sobel are separate investors. Fiber One is a trust (the "Trust"), the settlor
12 and trustee of which is Bruce S. Sobel ("Bruce"). The Trust holds Bruce's sole and separate property.

13 The Claim asserted by Sobel in the amount of \$618,557.47 constitutes a claim by Bruce and
14 Debbie Sobel with respect to their community property. This Claim does not include the Claim filed by
15 the Trust since the Trust's Claim solely relates to Bruce's sole and separate property held in the Trust.

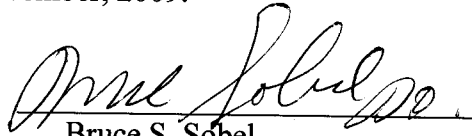
16 Exhibit A is an investment statement dated December 9, 2008 received by Fiber One from
17 Debtor reflecting its investment of \$280,958 in Mortgages, Ltd. Opportunity Fund MP14 L.L.C.
18 ("MP14"); which supports Fiber One's claim for \$280,958. Each tax year, Fiber One received a
19 Schedule K-1 from Debtor reflecting its income relating to MP14. A copy of the Schedule K-1 received
20 by Fiber One for calendar year 2008 is attached hereto as Exhibit B.

21 Exhibit C is an investment statement dated December 9, 2008 received by Sobel from Debtor
22 reflecting their investment of \$618,557.47 in MP14; MP122009 L.L.C. ("MP09"); and MP062011
23 L.L.C. ("MP11"); which supports Sobel's claim of \$618,557.47. Each year, Sobel received Schedule
24 K-1s from Debtor reflecting their income from MP14, MP09 and MP11. Copies of the Schedules K-1
25 received by Sobel for calendar year 2008 are attached as Exhibit D.

1 The fact that Fiber One had a separate investor number (SO35) than Sobel (SO03), that Fiber
2 One and Sobel each received separate investor statements (both in the amount of their respective
3 Claims), as well as separate Schedule K-1s reflecting their respective income from their separate
4 investments with Debtor constitutes irrefutable proof that Trustee is mistaken with respect to its
5 assertion that the Claim by Fiber One is duplicative of the Claim by Sobel.

6 For the forgoing reasons, Claimants, Fiber One and Sobel respectfully request that the Court
7 deny Trustee's request to reduce and/or reclassify Fiber One's Claim (Claim No. 1708) as nonsurviving
8 and the Court enter its order that both Claim No. 1708 filed by Fiber One and Claim No. 1357 filed by
9 Sobel shall constitute surviving claims and grant such other and further relief as is just and proper.

10 DATED this 11 day of November, 2009.

11 

12 Bruce S. Sobel

13 7446 East Journey Lane

14 Scottsdale, AZ 85255

15 (480) 585-7580

16 Pro Per on behalf of Bruce S. Sobel, as Trustee of the
17 Fiber One Trust dated March 9, 2000 and Bruce and
18 Debbie Sobel

19 ORIGINAL of the foregoing ^{delivered} mailed
20 this 12th day of November, 2009 to:

21 Clerk of the U.S. Bankruptcy Court
22 230 N. First Ave, Suite 101
23 Phoenix, AZ 85003

24 COPY of the foregoing mailed this
25 12th day of November, 2009 to:

26 William Scott Jenkins
27 Jill M. Hulsizer
28 Myers & Jenkins, P.C.
29 One East Camelback, Suite 500
30 Phoenix, AZ 85012
31 Attorneys for Trustee

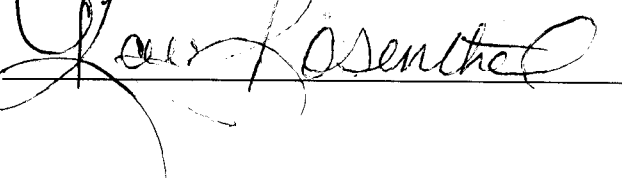




Exhibit A

Revised Statement of Account

4455 E. Camelback Road • Phoenix AZ 85018 • (602) 277-5626

The portfolio amounts shown on this statement do not represent that such amounts could be readily liquidated at such values. Rather, the information provided in this statement is simply to track certain account activity. The amounts expressed herein do not take into account current and future financial trends which may affect future results. Future results are subject to risks and other factors that may cause the performance of your investment to be materially different from the amounts expressed herein.

Please promptly report any inaccuracy or discrepancy in your account. Your failure to do so may result in the inability to amend an error. Please address all communications to Mortgages Ltd. Securities in writing. Any oral communications should be re-confirmed in writing to further protect your rights.

Bruce S. Sobel, Trustee of The Fiber One Trust dated March 9, 2000, and any amendments thereto
 7446 E. Journey Ln.
 Scottsdale, AZ 85255

view your portfolio on-line at
www.mtg ltd.com

Account: 8035
 Statement Date: 12/09/2008
 Reporting Period: 11/01/2008 - 11/30/2008

Total Portfolio: \$280,958.00
Your Interest Paid: \$2,163.35

To: Investor: For more information, please refer to your 1099-DIV or 1041 for 2008 information.

Current Portfolio Summary

Product	Yield	Maturity Date	Beginning Balance	Purchases	Sales	Interest Paid	Other	Ending Balance
MP14 - Mortgages Ltd. Opportunity Fund MP14 L.L.C.	2.421%	12/31/2030	\$280,958.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280,958.00
			\$280,958.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280,958.00

Periodic Activity (11/01/2008 - 11/30/2008)

Date	Description	Amount	Balance
11/01/2008	Beginning Balance	\$280,958.00	\$280,958.00
	Ending Balance		\$280,958.00



Schedule K-1 (Form 1065)

2008

Department of the Treasury Internal Revenue Service

For calendar year 2008, or tax year beginning _____, 2008 ending _____, 20____

Final K-1 Amended K-1

OMB No. 1545-0099

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP code
Mortgages Ltd. Opportunity Fund MP14, LLC
4455 E Camelback Rd
Phoenix, AZ 85018
C IRS Center where partnership filed return
Ogden
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP code
Bruce S. Sobel, Trustee of The Fiber One Trust dated March 9,
7446 E. Journey Ln.
Scottsdale, AZ 85255

G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner

I What type of entity is this partner? Trust

J Partner's share of profit, loss, and capital (see instructions):
Table with columns: Beginning, Ending, Various %
Profit, Loss, Capital

K Partner's share of liabilities at year end:
Nonrecourse
Qualified nonrecourse financing
Recourse

L Partner's capital account analysis:
Beginning capital account
Capital contributed during the year
Current year increase (decrease)
Withdrawals & distributions
Ending capital account

Tax basis GAAP Section 704(b) book
Other (explain)

Part III Table with columns: Line number, Description, Amount, Column number, Description
1 Ordinary business income (loss) 15 Credits
2 Net rental real estate income (loss)
3 Other net rental income (loss) 16 Foreign transactions
4 Guaranteed payments
5 Interest income 13,936
6a Ordinary dividends
6b Qualified dividends
7 Royalties
8 Net short-term capital gain (loss)
9a Net long-term capital gain (loss) 17 Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)
9c Unrecaptured section 1250 gain
10 Net section 1231 gain (loss) 18 Tax-exempt income and nondeductible expenses
11 Other income (loss)
12 Section 179 deduction 19 Distributions A 16,012
13 Other deductions 49 20 Other information
H 49
K 474 A 13,936
B 474
14 Self-employment earnings (loss)

*See attached statement for additional information.

For IRS Use Only



Exhibit C

Revised Statement of Account

4455 E. Camelback Road • Phoenix AZ 85010 • (602) 277-5020

The portfolio amounts shown on this statement do not represent that such amounts could be readily liquidated at such values. Rather, the information provided in this statement is simply to track certain account activity. The amounts expressed herein do not take into account current and future market events which may affect future results. Future results are subject to risks and other factors that may cause the performance of your investment to be materially different from the amounts expressed herein.

Please promptly report any inaccuracy or discrepancy in your account. Your failure to do so may result in the inability to amend an error. Please address all communications to Mortgages Ltd. Securities in writing. Any oral communications should be re-confirmed in writing to further protect your rights.

Bruce Sobel and Debbie Sobel
7446 E. Journey Ln.
Scottsdale, AZ 85255

view your portfolio on-line at
www.mtg ltd.com

Account	5009
Statement Date	12/01/2008
Statement Period	
Period Begin	11/01/2008
Period End	11/30/2008
Total Portfolio:	
\$618,557.47	
YTD Interest Paid:	
\$6,132.77	
<small>YTD Interest Paid may not reflect actual cash interest for the period. Please refer to your mortgage or K-1 for more information.</small>	

Current Portfolio Summary

Product	Yield	Maturity Date	Beginning Balance	Purchases	Sales	Interest Paid	Other	Ending Balance
MP09 - MP122009 L.L.C., an Arizona limited liability company	0.488%	12/01/2009	\$207,956.87	\$0.00	\$0.00	\$0.00	\$0.00	\$207,956.87
MP10 - MP062011 L.L.C., an Arizona limited liability company	0.245%	06/01/2011	\$105,237.08	\$0.00	\$0.00	\$0.00	\$0.00	\$105,237.08
MP14 - Mortgages Ltd. Opportunity Fund MP14 L.L.C.	2.631%	12/31/2030	\$305,363.52	\$0.00	\$0.00	\$0.00	\$0.00	\$305,363.52
			\$618,557.47	\$0.00	\$0.00	\$0.00	\$0.00	\$618,557.47

Periodic Activity (11/01/2008 - 11/30/2008)

Activity Date	Reference No.	Description	Amount	Net Change
11/01/2008		Beginning Balance	\$207,956.87	\$207,956.87
		Ending Balance		\$207,956.87
11/01/2008		Beginning Balance	\$105,237.08	\$105,237.08
		Ending Balance		\$105,237.08
11/01/2008		Beginning Balance	\$305,363.52	\$305,363.52
		Ending Balance		\$305,363.52



Schedule K-1
(Form 1065)

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20____

Final K-1 Amended K-1

OMB No. 1545-0099

**Partner's Share of Income, Deductions,
Credits, etc.** ▶ See back of form and separate instructions.

Part I Information on the Partnership

A Partnership's employer identification number
██████████

B Partnership's name, address, city, state, and ZIP code
Mortgages Ltd. Opportunity Fund MP14, LLC
4455 E Camelback Rd
Phoenix, AZ 85018

C IRS Center where partnership filed return
Ogden

D Check if this is a publicly traded partnership (PTP)

Part II Information on the Partner

E Partner's identifying number
██████████

F Partner's name, address, city, state, and ZIP code
Bruce Sobel and Debbie Sobel
7446 E. Journey Ln.
Scottsdale, AZ 85255

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	Various %	Various %
Loss	Various %	Various %
Capital	2.634500 %	2.573100 %

K Partner's share of liabilities at year end:

Nonrecourse \$ 966

Qualified nonrecourse financing \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account	\$ <u>294,506</u>
Capital contributed during the year	\$ <u>13,654</u>
Current year increase (decrease)	\$ <u>14,579</u>
Withdrawals & distributions	\$ <u>(17,403)</u>
Ending capital account	\$ <u>305,336</u>

Tax basis GAAP Section 704(b) book
 Other (explain)

Part III			
1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income	15,146	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction	A	17,403
13	Other deductions	52	
H			
K		515	A 15,146
			B 515
14	Self-employment earnings (loss)		

*See attached statement for additional information.

For IRS Use Only

**Schedule K-1
(Form 1065)**

Department of the Treasury
Internal Revenue Service

08

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

Final K-1 Amended K-1

OMB No. 1545-0099

**Partner's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
MP 122009 LLC
4455 E. Camelback Road
Phoenix, AZ 85018

C IRS Center where partnership filed return
Ogden

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
Bruce Sobel and Debbie Sobel
7446 E. Journey Ln.
Scottsdale, AZ 85255

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital (see instructions):

	Beginning		Ending	
	Various %		Various %	
Profit				
Loss	Various %		Various %	
Capital	0.430707 %		0.442822 %	

K Partner's share of liabilities at year end:

Nonrecourse \$ 792

Qualified nonrecourse financing \$

Recourse \$

L Partner's capital account analysis:

Beginning capital account	\$ 200,966
Capital contributed during the year	\$ 8,738
Current year increase (decrease)	\$ 8,668
Withdrawals & distributions	\$ (10,566)
Ending capital account	\$ 207,806

Tax basis GAAP Section 704(b) book
 Other (explain)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items		
1 Ordinary business income (loss)	15	Credits
2 Net rental real estate income (loss)		
3 Other net rental income (loss)	16	Foreign transactions
4 Guaranteed payments		
5 Interest income	9,045	
6a Ordinary dividends		
6b Qualified dividends		
7 Royalties		
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)		
9c Unrecaptured section 1250 gain		
10 Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11 Other income (loss)		
12 Section 179 deduction	A	Distributions 10,566
13 Other deductions	35	
H		
K	342	A Other information 9,045
		B 342
14 Self-employment earnings (loss)		

*See attached statement for additional information.

For IRS Use Only

Schedule K-1
(Form 1065)

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20____

Final K-1 Amended K-1

OMB No. 1545-0099

**Partner's Share of Income, Deductions,
Credits, etc.** ▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
MP062011 LLC
4455 E. Camelback Rd.
Phoenix, AZ 85018

C IRS Center where partnership filed return
Ogden

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
Bruce Sobel and Debbie Sobel
7446 E. Journey Ln.
Scottsdale, AZ 85255

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	Various %	Various %
Loss	Various %	Various %
Capital	0.221000 %	0.227100 %

K Partner's share of liabilities at year end:

Nonrecourse	\$ 399
Qualified nonrecourse financing	\$
Recourse	\$

L Partner's capital account analysis:

Beginning capital account	\$ 101,614
Capital contributed during the year	\$ 4,528
Current year increase (decrease)	\$ 4,425
Withdrawals & distributions	\$ (5,503)
Ending capital account	\$ 105,064

Tax basis GAAP Section 704(b) book
 Other (explain)

Part III			
1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income	4,616	
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
H		18	
K		173	
14	Self-employment earnings (loss)		
		19	Distributions
		A	5,503
		20	Other information
		A	4,616
		B	173

*See attached statement for additional information.

For IRS Use Only