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8 **IN THE UNITED STATES BANKRUPTCY COURT**
9 **FOR THE DISTRICT OF ARIZONA**

10 In re

11 MORTGAGES LTD.,

12 Debtor.

Chapter 11

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

**MCA FINANCIAL GROUP,
LTD.'S MOTION (1) FOR NEW
TRIAL PURSUANT TO FRCP
59(a)(2); (2) TO ALTER OR
AMEND A JUDGMENT
PURSUANT TO FRCP 59(e); (3)
FOR RELIEF FROM JUDGMENT
OR ORDER PURSUANT TO
FRCP 60(b)(1); AND/OR (4) FOR
RELIEF FROM JUDGMENT OR
ORDER PURSUANT TO FRCP
60(b)(6)**

20
21 MCA Financial Group, Ltd. (hereafter "MCA"), appearing by and through
22 its counsel undersigned Burch & Cracchiolo, P.A., hereby moves this Court for
23 relief from the Order Granting in Part and Denying in Part the Final Fee
24 Application of MCA entered on February 17, 2010 (Dkt. 2656) (hereafter
25 "Order") upon the grounds that only \$2,590.00 in time entries were related to
26 the Southwest Value Partner's DIP Financing for which compensation was

1 disallowed and that, after deducting \$2,590.00 for the time entries related to
2 the Southwest Value Partner's DIP Financing, there is still \$22,370.00 in other
3 services unrelated to the Southwest Value Partner's DIP Financing in the
4 category of "Debtor in Possession Financing" for which MCA should be entitled
5 to compensation but which, because of confusion¹, were not allowed by the
6 Court when competing orders were submitted and that said Order was based
7 upon errors of fact and law giving rise to manifest injustice as follows:

9 1. For the grant of a motion for new trial, including, but not limited to,
10 the amendment of the Order entered herein or the making of new findings and
11 conclusions and directing the entry of a new judgment pursuant to FRCP 59(a);

13 2. For the grant of a motion to alter or amend the Order pursuant to
14 FRCP 59(e);

15 3. For the grant of a motion for relief from the Order pursuant to
16 FRCP 60(b)(1); and/or

17 4. For the grant of a motion for relief from the Order pursuant to
18 FRCP 60(b)(6).

19
20 This Motion is based upon the record herein, the Unsworn Declaration of
21 _____

22 ¹ The Investor's Committee has erroneously and misleadingly stated that
23 Morris Aaron testified that all the time from and after July 1, 2008, was spent on
24 the Southwest Value Partners DIP Financing (Dckt. 2648, Objection to Form of
25 Order Lodged by MCA Financial Group, Ltd. Relating to MCA's Final Fee
26 Application, p. 1, 1. 22-26). What Mr. Aaron testified to was that only \$2,590.00
in time entries were related to the Southwest Value Partners DIP Financing and
that there was an additional \$22,370.00 in time entries unrelated to Southwest
Value Partners DIP Financing. The disallowance of this \$22,370.00 in time entries
unrelated to the Southwest Value Partners DIP Financing is "manifestly unjust"
and is the subject of this Motion.

1 Morris C. Aaron under Penalty of Perjury annexed hereto as Exhibit "1" and
2 incorporated by this reference (hereafter "Aaron Declaration") and the
3 Memorandum of Points and Authorities contained herein. The form of Order
4 which should be entered upon the granting of this Motion is annexed hereto as
5 Exhibit "2" and Incorporated by this reference (hereafter "Corrected Order"). It
6 restores the \$22,730.00 in other services unrelated to the Southwest Value
7 Partner's DIP Financing to the amount of the allowed fee award.
8

9 **WHEREFORE**, MCA respectfully requests that this Court enter its Order
10 as follows:

11 A. Granting the motion for new trial, including, but not limited to, the
12 amendment of the Order to add back the \$22,370.00 in other services
13 unrelated to the Southwest Value Partner's DIP Financing or the making of
14 new findings and conclusions and directing the entry of a new judgment
15 pursuant to FRCP 59(a) in the form of the Corrected Order;
16

17 B. Granting the motion to alter or amend the Order pursuant to FRCP
18 59(e) consistent with the relief requested in Paragraph A above which is
19 incorporated by this reference as if fully set forth herein;
20

21 C. Granting the motion for relief from the Order pursuant to FRCP
22 60(b)(1) consistent with the relief requested in Paragraph A above which is
23 incorporated by this reference as if fully set forth herein;
24

25 D. Granting the motion for relief from the Order pursuant to FRCP
26 60(b)(6) consistent with the relief requested in Paragraph A above which is

1 incorporated by this reference as if fully set forth herein; and/or

2 E. Granting such other and further relief as the Court deems just and
3 proper.

4 DATED this 1st day of March, 2010.

5
6 BURCH & CRACCHIOLO, P.A.

7
8 By: /s/ Howard C. Meyers #005007
9 Howard C. Meyers, of Counsel
10 Andrew Abraham
11 702 E. Osborn Road, Suite 200
12 P.O. Box 16882
13 Phoenix, AZ 85011
14 Attorneys for MCA Financial Group, Ltd.

15
16 **MEMORANDUM OF POINTS AND AUTHORITIES**

17 **I. FACTUAL PREDICATES SERVING AS GROUND FOR RELIEF**

18 1. Only \$2,590.00 in time entries were related to the Southwest
19 Value Partner's DIP Financing in connection with the Final Fee Application of
20 MCA Financial Group, Ltd. as Financial Advisor to Debtor (Dkt. 517), the reply
21 in support thereof (Dkt. 930) and the Final Fee Application of MCA Financial
22 Group, Ltd. (Dkt. 1953) (collectively referred to herein as the "Application").

23 2. After deducting \$2,590.00 for the time entries related to the
24 Southwest Value Partner's DIP Financing, there is still \$22,370.00 in other
25 services unrelated to the Southwest Value Partner's DIP Financing in the
26 category of "Debtor in Possession Financing" which constituted reasonable
and necessary services which should have been allowed as benefit was

1 conferred upon the estate including, but not limited to, facilitating the ultimate
2 closing of DIP financing from Straterra as well as providing services either
3 requested by the Investor's Committee or received by the Investor's Committee
4 and other services as well (Aaron Declaration).
5

6 3. The Court's Findings were contained in the Order signed on
7 January 20, 2010, (Dkt. 2604) (hereafter "Findings"). A fair reading of the
8 Findings is that the disallowance of time and fees was intended to be limited to
9 the \$2,590.00 for the time entries related to the Southwest Value Partner's DIP
10 Financing and that the Court did not intend to disallow the \$22,730.00 in other
11 services unrelated to the Southwest Value Partner's DIP Financing.
12

13 4. MCA respectfully believes that the Investor's Committee led the
14 Court to erroneously confuse the limited \$2,590.00 in time entries which were
15 related to the Southwest Value Partner's DIP Financing for which no
16 compensation was allowed with the \$22,370.00 in other services unrelated to
17 the Southwest Value Partner's DIP Financing for which compensation to MCA
18 is just and proper.
19

20 5. MCA is requesting that the Court's Order be amended or altered
21 to grant MCA the additional \$22,370.00 in fees for other services unrelated to
22 the Southwest Value Partner's DIP Financing in the category of "Debtor in
23 Possession Financing".
24

25 6. The factual basis for this Motion is more fully set forth in the
26 Aaron Declaration annexed hereto and incorporated by this reference.

1 7. While Counsel to the Investor Committee seems to be strongly
2 objecting to MCA's fees on DIP Financing and almost argues that all of MCA's
3 work was worth little to nothing, the fact remains that the Southwest Value
4 Partner's DIP Financing and other proposals obtained by MCA were at a much
5 lower cost and less burdensome to the Debtor than the highly expensive Exit
6 Financing put in place and that the Investor Committee Counsel cannot say the
7 Debtor or the estate is in fact better off today than had it obtained the
8 Southwest Value Partner's DIP loan. At all times material herein, the Debtor
9 had a clear and absolutely essential need for DIP financing. MCA worked on
10 behalf of the Debtor to vet the market for the best available terms for such
11 financing and did so in a professional and cost effective manner that provided
12 benefit to the Debtor's estate in the form Straterra DIP Financing which was
13 achieved using MCA's work product and the foundation MCA's work product
14 provided for the Debtor and the pool of potential DIP lenders. All parties in
15 interest, including the Investors Committee, concurred that DIP financing was
16 absolutely necessary. Thus, it is inequitable and leads to a manifestly unjust
17 result when MCA has been deprived of an allowance for the additional
18 \$22,370.00 in fees for other services unrelated to the Southwest Value
19 Partner's DIP Financing in the category of "Debtor in Possession Financing".
20 MCA provided value and expertise to the Debtor and its estate by performing
21 these services and is thus entitled to be compensated for these services in the
22 full amount of \$22,370.00 for this work.

1 **III CONCLUSION**

2 MCA is entitled to the relief requested herein. The proper form of Order
3 with regard to the Court's Findings is annexed hereto as Exhibit "2" and
4 incorporated by this reference.
5

6 Dated this 1st day of March, 2010.

7 BURCH & CRACCHIOLO, P.A.
8 By: /s/ Howard C. Meyers #005007
9 Howard C. Meyers, of Counsel
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11 702 E. Osborn Road, Suite 200
12 P.O. Box 16882
13 Phoenix, AZ 85011
14 Attorneys for MCA Financial Group, Ltd.
15 Phoenix, AZ 85011
16 Attorneys for MCA Financial Group, Ltd.

17 ORIGINAL Electronically filed
18 with the United States Bankruptcy
19 Court for the District of Arizona
20 this 1st day of March, 2010.

21 Copy of the foregoing mailed
22 and emailed this 1st day
23 of March, 2010, to:

24 Keith L. Hendricks
25 Cathy L. Reece
26 Fennemore Craig, P.C.
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.....

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21 /s/Becky Chesley

22
23
24
25
26

EXHIBIT "1"

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10 Attorneys for MCA Financial Group, Ltd.

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

13 In re:

14 **MORTGAGES LTD.,**
15 **Debtor.**

16 In Proceedings Under Chapter 11
17 Case No. 2:08-bk-07465-RJH

18 **UNSWORN DECLARATION OF**
19 **MORRIS C. AARON UNDER**
20 **PENALTY OF PERJURY**

21 Pursuant to 28 U.S.C. § 1746, I, Morris C. Aaron, declare under penalty
22 of perjury:

23 1. I am an adult over the age of eighteen (18) years old and make this
24 declaration of my own personal knowledge and would so testify to the contents
25 hereof.

26 2. I am the of the President of MCA Financial Group, Ltd., an Arizona
27 corporation (hereafter "MCA") which served as the initial financial advisor to
28 Mortgages, Ltd. (Hereafter "DIP").

1 The time entries reflected in Exhibit "A" annexed hereto and
2 incorporated by this reference reflect that only \$2,590.00 in time entries were related
3 to the Southwest Value Partner's ("SVP") DIP Financing. MCA is not seeking
4 compensation for any work related to the SVP DIP Financing.

1 4. However, there is a substantial body of work in the category of "Debtor
2 in Possession Financing" sought by MCA in its Final Fee Application that had nothing
3 to do with the SVP DIP Financing and for which the services provided were
4 reasonable and necessary and conferred benefit upon the DIP estate. This body of
5 work was utilized by the DIP and the financial advisor succeeding MCA to close upon
6 DIP Financing from a lender other than SVP. In addition, some of this work was
7 specifically requested by the Investor Committee or its counsel or involved
8 responding, informing and consulting with the Investor Committee or its counsel.

9 5. An annotated Spreadsheet which I prepared which is substantially
10 identical to the spreadsheet admitted into evidence save for the comments I inserted
11 based upon my own personal knowledge reflecting the detail related to the services
12 provided by MCA to the DIP is annexed hereto as Exhibit "B" and incorporated by this
13 reference (hereafter "Annotated Spreadsheet").

14 6. The Annotated Spreadsheet reflects that, after deducting \$2,590.00
15 for the time entries related to the SVP DIP Financing, there is still \$22,370.00 in
16 other services unrelated to the SVP DIP Financing in the category of "Debtor in
17 Possession Financing."

18 7. This \$22,730.00 in other services unrelated to the SVP DIP Financing
19 was fully supported by DIP's President and CEO at the time and a member of the
20 DIP's Board of Directors.

21 8. DIP was out of cash for operations and construction funding and
22 required DIP Financing which was achieved by means of the Straterra DIP Loan
23 which was obtained using information and work product developed by MCA and
24 provided to Straterra directly by MCA with consent from the DIP.

25 9. MCA obtained multiple DIP loan proposals from various lenders creating
26 a competitive bidding environment and providing alternative solutions to the Debtor
27 at lower costs and on more favorable terms. The DIP selected the SVP DIP Loan as
28 its terms and conditions were more empirically favorable than the other proposals and

1 not because the SVP DIP Loan favored MCA.

2 10. MCA was the first financial advisor in this Chapter 11 case and
3 supported work product requests, financial analysis and other information and work
4 product from, among others, Radical Bunny, the Investor Committee, the Coles
5 Estate lawyers and the secured lenders (such as Artimis and others as examples).

6 11. The work product prepared by MCA in the area of DIP Financing was in
7 fact, used and relied upon by Straterra in its due diligence process. Straterra's DIP
8 loan was approved and funded by September 2008. I personally met with Mr.
9 Feldheim (the then Debtor representative) and Mr. Doug Smith (Straterra's principal)
10 after the termination of MCA's employment and shared with Mr. Feldheim and Mr.
11 Smith MCA's work product on real estate valuations, information on terms and
12 conditions of DIP loan term sheets, MCA's information on Centerpoint and other
13 construction projects and cash flow forecasts for operations. MCA did not bill nor
14 seek reimbursement for this work. This was important to the timely and successful
15 completion of the Straterra loan.

16 12. MCA has sub-categorized each of its post July 1, 2008 "Debtor In
17 Possession Financing" time entries (as contained in its Fee Application and submitted
18 into evidence in the fee hearing) into ten (10) sub-categories to provide the Court with
19 insight to the limited \$2,590.00 scope for the time entries related to the SVP DIP
20 Financing in comparison to the \$22,730.00 in other services unrelated to the SVP DIP
21 Financing. The Annotated Spreadsheet reflects this.

22 13. The only subcategories in which time related to the SVP DIP Financing
23 is reflected (See Exhibit "A" attached hereto) totaling \$2,590.00 are as follows:

24 A. Subcategory 1: \$2,065 - "SWVP Meetings": time specifically
25 related to meetings to finalize the SVP DIP Term Sheet for
26 submission to the court for hearing. The SVP term sheet was
27 mostly completed in June 2008 as evidenced by only 5.9 hours of
28 time during the entire period from July 1, 2008 through July 18,

1 2008 and entries that state, "Meeting with SVP to work on term
2 sheet and complete term sheet"; and

3 B. Subcategory 3: \$525.00 - "Work on DIP Financing
4 correspondence" 1.5 hours on July 8, 2008, for "Work on DIP
5 Financing including calls with MSD Capital, SVP and other firms
6 interested in proposing."

7 14. The total amount of the billings under Subcategory 3 "Work on DIP
8 Financing - correspondence" were \$5,915.00 which, after deducting the \$525.00
9 July 8, 2008, entry connected in part to SVP, leaves a balance of \$5,390.00 in non-
10 SVP related time entries. The balance of fees in this category relate to
11 correspondence.

12 15. The following is a summary of the other subcategories, all of which are
13 essentially unrelated to the SVP DIP financing and which involved dealings on behalf
14 of the DIP with multitude of prospective lenders other than Southwest Value Partners:

15 A. Subcategory 2: \$2,135 - Attend Court Hearings: MCA attended
16 6.1 hours of hearings. The hearings covered many topics
17 including Trustee issues, Debtor operations, Requests from
18 Investor Committee for payment of interest to investors,
19 etc... Little to no time was spent on DIP financing other than to
20 update the court as to process and progress.

21 B. Subcategory 3: \$5,390.00 in non-SVP related time entries - Work
22 on DIP Financing (Non SVP) and correspondence with lenders:
23 This sub-category captures the time and effort soliciting financing
24 proposals from multiple lenders in order to ensure that the final
25 DIP proposal chosen by the Debtor was the best available
26 alternative. \$1,925 of the time contained in the subcategory was
27 work performed by Mr. Bierman of MCA. Mr. Bierman did not
28 work on the SVP DIP loan during this process. It is undisputed

1 that the Debtor required DIP Financing and this effort was the first
2 effort by the Debtor to obtain such financing.

3 C. Subcategory 4: \$840 -- Correspondence with J. Smith, J. Elwell,
4 ML Board: Meetings to discuss DIP Financing and, "Other
5 issues" as requested by J. Smith.

6 D. Subcategory 5: \$2,170 -- Meeting with Centerpoint principals on
7 settlement & financing: This subcategory is not directly related to
8 DIP Financing but more to the settlement agreement that MCA
9 and the DIP were able to negotiate with Avenue Communities and
10 its principals on the Centerpoint matter. Centerpoint was the
11 single largest loan in the DIP's portfolio and required significant
12 time and effort to preserve value.

13 E. Subcategory 6: \$2,730 - Investor Committee Meetings/
14 Correspondence: Responding to requests from Investor
15 Committee, providing full disclosure on DIP financing process,
16 construction funding needs of Debtor's financed projects.
17 Meetings with Investor Committee representatives and counsel
18 including Ms. Reece from Fennimore Craig.

19 F. Subcategory 7: \$350 - Meeting with Existing Secured Lenders:
20 Includes time meeting with existing secured lenders of the
21 Debtor on its loan and possible DIP financing from Artimis.

22 G. Subcategory 8: \$945 - Meeting with Radical Bunny
23 representatives: Meeting with Tom Hirsch, principal for Radical
24 Bunny and his counsel, Tony Freeman, to discuss DIP
25 Financing and other matters unrelated to DIP financing.
26 Radical Bunny had suggested a DIP Lender from Utah that it
27 had requested MCA contact. MCA did contact this lender as
28 part of its analysis of DIP financing but determined that the cost

1 of such financing was in excess of other options.

2 H. Subcategory 9: \$2,030 - Investor Committee & Radical Bunny
3 Meetings: Various calls on July 11, 2008 to discuss the various
4 DIP Financing options available to the Debtor and obtain
5 feedback and comments from the Investor Committee and
6 Radical Bunny. Follow up calls with potential lenders to
7 continue to negotiate the terms based on feedback from
8 Investor Committee and Radical Bunny professionals and
9 participants.

10 I. Subcategory 10: \$5,780 - Work on financial model for DIP Loan
11 for Investor Committee: Most of the time in this sub-category
12 was performed by a Director level staff at MCA at the direct
13 request of Cathy Reece as counsel to the Investor Committee
14 to compare the various DIP loan alternatives in a single
15 financial model. The MCA staff person had no discussions with
16 SVP but did include the SVP proposal in the analysis.

17 16. MCA's fees related to SVP DIP Financing were in fact limited to
18 \$2,590 during the Post July 1, 2008 period and most of the effort of MCA reflected
19 by the \$22,730.00 in other services unrelated to the SVP DIP Financing was
20 related to obtaining a fairly priced and financially feasible DIP Loan to meet the
21 operating needs of the Debtor, and the construction financing needs of the
22 Debtor's largest assets - loans receivable from Centerpoint, Hotel Monroe and
23 other partially completed projects.

24 17. The time entries demonstrate that MCA worked with professionals
25 from Radical Bunny, the Coles Estate, the Investor Committee and existing
26 secured lenders to include all such parties in the process and to cost effectively
27 provide information and analysis to a Debtor whose CEO and Sole Shareholder
28 passed away only 28 days prior to this time period leaving behind a \$950 million

1 loan portfolio and approximately 45 employees - but no cash reserves.

2 18. The Debtor obtained DIP financing just weeks after MCA's departure
3 from the Debtor. MCA's work, time and effort benefitted the Debtor as the due
4 diligence materials (including asset valuations, reports on property construction
5 status, cash budgets, cost reductions, to name a few) for the actual DIP loan that
6 was approved was assisted by Mr. Aaron and Mr. Bierman of MCA. MCA did not
7 bill nor receive compensation for this post termination time spent assisting the
8 Debtor and Straterra.

9 I declare under penalty of perjury that the foregoing is true and correct.

10 Executed in the United States of America on this 28 day of February,
11 2010.

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13 

14 _____
Morris C. Aaron

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EXHIBIT "A"

Mortgages Ltd. - Detailed Time Entries

Date	Person	Hours	Code	Description	Total	MCA	KB	DH
					Fees			
7/1/2008	MCA	0.8	1	Work on DIP with Schlossberg's group.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/2/2008	MCA	1.8	1	Work on DIP with Schlossberg's group.	\$ 630.00	\$ 630.00	\$ -	\$ -
7/9/2008	MCA	2.3	1	Meeting with SVP to work on term sheet and complete term sheet.	\$ 805.00	\$ 805.00	\$ -	\$ -
7/14/2008	MCA	1.0	1	Meeting with Sarver and Schlossberg to finalize DIP Term sheet.	\$ 350.00	\$ 350.00	\$ -	\$ -
					\$ 2,065.00	\$ 2,065.00	\$ -	\$ -
7/8/2008	MCA	1.5	3	Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing.	\$ 525.00	\$ 525.00	\$ -	\$ -

EXHIBIT “B”

Date	Person	Hours	Description	Fees	Total	Comments
7/1/2008	MCA	0.8	1. Work on DIP with Schlossberg's group	\$ 280.00	\$ 280.00	SWVP Related
7/2/2008	MCA	1.8	1. Work on DIP with Schlossberg's group	\$ 350.00	\$ 350.00	SWVP Related
7/9/2008	MCA	2.3	1. Meeting with SVP to work on term sheet and complete term sheet	\$ 805.00	\$ 805.00	SWVP Related
7/14/2008	MCA	1.0	1. Meeting with Saver and Schlossberg to finalize DIP Term sheet	\$ 350.00	\$ 2,065.00	SWVP Related
7/17/2008	MCA	4.1	2. Attend court hearing on Trustee motion and DIP motion	\$ 1,435.00	\$ 1,435.00	Trustee motion was unrelated to DIP financing. Discussion of terms from various lenders presented. Only part of this hearing addressed DIP financing. Other issues which required MCA for Budget discussion were covered.
7/9/2008	MCA	2.0	2. Attend court hearing on DIP and other matters	\$ 700.00	\$ 2,135.00	
7/12/2008	KB	0.4	3. Review and respond to various emails re DIP financing	\$ 140.00	\$ 140.00	
7/14/2008	MCA	0.8	3. Call with Coug and MSD on DIP	\$ 280.00	\$ 280.00	K. Bierman did not work on the SWVP DIP financing
7/14/2008	MCA	2.1	3. Work on DIP financing term sheets and calls with lenders	\$ 735.00	\$ 735.00	Non SVP - multiple lenders referenced in this entry
7/5/2008	MCA	0.8	3. Work on DIP with Mountain Funding	\$ 280.00	\$ 280.00	Mountain Funding
7/6/2008	MCA	2.0	3. Work on DIP document review and analysis	\$ 700.00	\$ 700.00	Reviewing various lender terms and proposals
7/12/2008	MCA	2.7	3. Meeting with MSD representatives, S. Coug and D. Vixar re DIP financing. Review term sheet	\$ 945.00	\$ 945.00	MSD (Michael S. Dell)
7/9/2008	MCA	1.5	3. Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing	\$ 525.00	\$ 525.00	Majority of this entry is not SWVP but it is included
7/8/2008	KB	0.5	3. Discuss status of DIP financing with M. Aaron. Review email regarding same	\$ 175.00	\$ 175.00	K. Bierman did not work on the SWVP DIP financing
7/8/2008	KB	0.3	3. Call with Clemency re: DIP	\$ 105.00	\$ 105.00	K. Bierman did not work on the SWVP DIP financing
7/8/2008	KB	0.6	3. Call with prospective lender W. Utz	\$ 210.00	\$ 210.00	W. Utz - RB referral
7/11/2008	KB	0.7	3. Review DIP proposal	\$ 245.00	\$ 245.00	K. Bierman did not work on the SWVP DIP financing
7/12/2008	KB	0.2	3. Review lender listing	\$ 70.00	\$ 70.00	References various lenders
7/12/2008	KB	0.3	3. Review email from M. Aaron	\$ 105.00	\$ 105.00	K. Bierman did not work on SWVP DIP financing
7/13/2008	MCA	1.5	3. Work on DIP financing. E mail information to prospective lender and calls with Martin	\$ 525.00	\$ 525.00	References "prospective" lender -- not SWVP
7/16/2008	KB	0.7	3. Review and respond to various emails re DIP financing	\$ 245.00	\$ 245.00	K. Bierman did not work on the SWVP DIP financing
7/16/2008	KB	0.3	3. Call with C. Johnson re DIP financing	\$ 105.00	\$ 105.00	K. Bierman did not work on the SWVP DIP financing
7/16/2008	KB	0.4	3. Meeting with representative from JSS re DIP financing and cash needs	\$ 140.00	\$ 140.00	K. Bierman did not work on the SWVP DIP financing
7/17/2008	KB	0.4	3. Review and respond to emails re DIP financing	\$ 140.00	\$ 140.00	K. Bierman did not work on the SWVP DIP financing
7/17/2008	KB	0.3	3. Review and respond to emails re DIP financing	\$ 105.00	\$ 105.00	References
7/17/2008	KB	0.4	3. Call with prospective lender	\$ 140.00	\$ 140.00	"prospective" lenders
7/22/2008	MCA	0.3	4. Call with Jerome on DIP and other issues	\$ 105.00	\$ 105.00	Jerome Elwell was counsel to the estate beneficiary. No relation to SWVP
7/15/2008	MCA	2.1	4. Meetings at company to discuss DIP financing and planning for hearing. C.J. Morhett and Martin.	\$ 735.00	\$ 840.00	Discussed various options on DIP including SWVP and included counsel and Martin.
7/3/2008	MCA	3.1	5. Meeting with Losch and Snyder on Centerpoint to discuss financing and terms.	\$ 1,085.00	\$ 1,085.00	No direct relation to SWVP DIP. Seeking settlement with Centerpoint and evaluating best lending option for Centerpoint situation
7/9/2008	MCA	0.8	5. Call with Losch and Deters on Centerpoint. Work on Centerpoint term sheet	\$ 280.00	\$ 280.00	No direct relation to SWVP DIP. Seeking settlement with Centerpoint and evaluating best lending option for Centerpoint situation
7/11/2008	KB	0.6	5. Review Centerpoint proposal	\$ 210.00	\$ 210.00	No direct relation to SWVP DIP. Seeking settlement with Centerpoint and evaluating best lending option for Centerpoint situation
7/15/2008	MCA	1.3	5. Call with Losch and Doug from MSD re DIP financing	\$ 455.00	\$ 455.00	No direct relation to SWVP DIP. Seeking settlement with Centerpoint and evaluating best lending option for Centerpoint situation
7/16/2008	MCA	0.4	5. Calls with Losch re status of process.	\$ 140.00	\$ 140.00	No direct relation to SWVP DIP. Seeking settlement with Centerpoint and evaluating best lending option for Centerpoint situation
7/14/2008	MCA	1.5	6. Meeting with E. Potack on DIP and other issues	\$ 525.00	\$ 525.00	Responding, informing and consulting with investor committee
7/6/2008	MCA	1.2	6. Call with S. Coug and provide information to C. Recc on DIP and related matters	\$ 420.00	\$ 420.00	Responding, informing and consulting with investor committee
7/15/2008	MCA	1.7	6. Work with Counsel on pleadings and DIP issues. Calls with investor group	\$ 595.00	\$ 595.00	Responding, informing and consulting with investor committee

responding, informing and consulting with investor committee

EXHIBIT “2”

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re

MORTGAGES LTD.,

Debtor.

Chapter 11

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

**ORDER GRANTING THE FINAL
FEE APPLICATION OF MCA
FINANCIAL GROUP, LTD.**

The Court having considered the Final Fee Application of MCA Financial Group, Ltd. as Financial Advisor to Debtor (Dkt. 517), the reply in support thereof (Dkt. 930) (collectively, the "Application"), and the Final Fee Application of MCA Financial Group, Ltd. (Dkt. 1953) (collectively referred to herein as the "Application"), the various objections to the Application, including those filed by Radical Bunny, L.L.C. (Dkt. 586). the Ad Hoc Committee of Investors in the Value-to-Loan Opportunity Fund I, L.L.C. (Dkt. 684), and the Liquidating Trust of Mortgages Ltd. (Dkt. 2083) (collectively, the "Objections"), and all of the submissions relating to the Application, and the evidence presented at the hearing held before this Court on January 12, 2010 (Dkt. 2594), and pursuant to this Court's January 20, 2010, Order Granting in Part and Denying in Part

1 Final Fee Application of MCA Financial Group, Ltd. (Dkt. 2604) (the "January 20
2 Order"): and good cause appearing,

3
4 IT IS HEREBY ORDERED that the MCA Application be, and it hereby is, granted
5 in its entirety in the amount of \$119,541.25 which sum is determined by the Court by
6 taking the \$122,131.25 requested by MCA in the Application and reducing it by the sum
7 of \$2,590.00 as reflected in Exhibit "A" attached hereto and incorporated by this reference
8 which represents the disallowed portion of the amount sought by MCA for work on the
9 Southwest Value Partners DIP financing after July 1, 2008, which entries are as contained
10 in the trial exhibit annexed hereto as Exhibit "B" and incorporated by this reference.
11

12 IT IS FURTHER ORDERED that the interim compensation of \$95,868.61
13 previously paid to MCA from the retainer on held by MCA be, and it hereby is, confirmed
14 and ratified and that there is a balance of \$23,672.64 due and owing to MCA as and for its
15 allowed administrative claim for professional services rendered in this case.
16

17 SIGNED AND DATED ABOVE BY THE
18 HONORABLE RANDOLPH J. HAINES,
19 UNITED STATES BANKRUPTCY JUDGE
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EXHIBIT "A"

Mortgages Ltd. - Detailed Time Entries

Date	Person	Hours	Code	Description	Total Fees	MCA	KB	DH
7/1/2008	MCA	0.8	1	Work on DIP with Schlossberg's group.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/2/2008	MCA	1.8	1	Work on DIP with Schlossberg's group.	\$ 630.00	\$ 630.00	\$ -	\$ -
7/9/2008	MCA	2.3	1	Meeting with SVP to work on term sheet and complete term sheet.	\$ 805.00	\$ 805.00	\$ -	\$ -
7/14/2008	MCA	1.0	1	Meeting with Sarver and Schlossberg to finalize DIP Term sheet.	\$ 350.00	\$ 350.00	\$ -	\$ -
					\$ 2,065.00	\$ 2,065.00	\$ -	\$ -
7/8/2008	MCA	1.5	3	Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing.	\$ 525.00	\$ 525.00	\$ -	\$ -

EXHIBIT “B”

Mortgages Ltd. - Detailed Time Entries

Date	Person	Hours	Code	Description	Total Fees	MCA	KB	DH
7/1/2008	MCA	0.8	1	Work on DIP with Schlossberg's group.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/2/2008	MCA	1.8	1	Work on DIP with Schlossberg's group.	\$ 630.00	\$ 630.00	\$ -	\$ -
7/9/2008	MCA	2.3	1	Meeting with SVP to work on term sheet and complete term sheet.	\$ 805.00	\$ 805.00	\$ -	\$ -
7/14/2008	MCA	1.0	1	Meeting with Sarver and Schlossberg to finalize DIP Term sheet.	\$ 350.00	\$ 350.00	\$ -	\$ -
					\$ 2,065.00	\$ 2,065.00	\$ -	\$ -
7/1/2008	MCA	4.1	2	Attend court hearing on Trustee motion and DIP motion.	\$ 1,435.00	\$ 1,435.00	\$ -	\$ -
7/9/2008	MCA	2.0	2	Attend court hearing on DIP and other matters.	\$ 700.00	\$ 700.00	\$ -	\$ -
					\$ 2,135.00	\$ 2,135.00	\$ -	\$ -
7/1/2008	KB	0.4	3	Review and respond to various emails re: DIP financing.	\$ 140.00	\$ -	\$ 140.00	\$ -
7/4/2008	MCA	0.8	3	Call with Couig and MSD on DIP.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/4/2008	MCA	2.1	3	Work on DIP financing term sheets and calls with lenders.	\$ 735.00	\$ 735.00	\$ -	\$ -
7/5/2008	MCA	0.8	3	Work on DIP with Mountain Funding.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/6/2008	MCA	2.0	3	Work on DIP document review and analysis.	\$ 700.00	\$ 700.00	\$ -	\$ -
7/7/2008	MCA	2.7	3	Meeting with MSD representatives, S. Couig and D. Vixar re: DIP financing. Review term sheet.	\$ 945.00	\$ 945.00	\$ -	\$ -
7/8/2008	MCA	1.5	3	Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing.	\$ 525.00	\$ 525.00	\$ -	\$ -
7/8/2008	KB	0.5	3	Discuss status of DIP financing with M. Aaron. Review email regarding same.	\$ 175.00	\$ -	\$ 175.00	\$ -
7/8/2008	KB	0.3	3	Call with Clemency re: DIP.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/8/2008	KB	0.6	3	Call with prospective lender W. Utz.	\$ 210.00	\$ -	\$ 210.00	\$ -
7/11/2008	KB	0.7	3	Review DIP proposal.	\$ 245.00	\$ -	\$ 245.00	\$ -
7/12/2008	KB	0.2	3	Review lender listing.	\$ 70.00	\$ -	\$ 70.00	\$ -
7/12/2008	KB	0.3	3	Review email from M. Aaron.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/13/2008	MCA	1.5	3	Work on DIP financing. E mail information to prospective lender and calls with Martini.	\$ 525.00	\$ 525.00	\$ -	\$ -
7/16/2008	KB	0.7	3	Review and respond to various emails re: DIP financing.	\$ 245.00	\$ -	\$ 245.00	\$ -
7/16/2008	KB	0.3	3	Call with C. Johnson re: DIP financing.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/16/2008	KB	0.4	3	Meeting with representative from JSS re: DIP financing and cash needs.	\$ 140.00	\$ -	\$ 140.00	\$ -
7/17/2008	KB	0.4	3	Review and respond to emails re: DIP financing.	\$ 140.00	\$ -	\$ 140.00	\$ -
7/17/2008	KB	0.3	3	Review and respond to emails re: DIP financing.	\$ 105.00	\$ -	\$ 105.00	\$ -
7/17/2008	KB	0.4	3	Call with prospective lender.	\$ 140.00	\$ -	\$ 140.00	\$ -
					\$ 5,915.00	\$ 3,990.00	\$ 1,925.00	\$ -
7/2/2008	MCA	0.3	4	Call with Jerome on DIP and other issues.	\$ 105.00	\$ 105.00	\$ -	\$ -
7/15/2008	MCA	2.1	4	Meetings at company to discuss DIP financing and planning for hearing. CJ, Monheit and Martini.	\$ 735.00	\$ 735.00	\$ -	\$ -

Mortgages Ltd. - Detailed Time Entries

Date	Person	Hours	Code	Description	Total	MCA	KB	DH
					Fees			
					\$ 840.00	\$ 840.00	\$ -	\$ -
7/3/2008	MCA	3.1	5	Meeting with Losch and Snider on Centerpoint to discuss financing and terms.	\$ 1,085.00	\$ 1,085.00	\$ -	\$ -
7/9/2008	MCA	0.8	5	Call with Losch and Dewers on Centerpoint. Work on Centerpoint term sheet.	\$ 280.00	\$ 280.00	\$ -	\$ -
7/11/2008	KB	0.6	5	Review Centerpoint proposal.	\$ 210.00	\$ -	\$ 210.00	\$ -
7/15/2008	MCA	1.3	5	Call with Losch and Doug from MSD re: DIP financing.	\$ 455.00	\$ 455.00	\$ -	\$ -
7/16/2008	MCA	0.4	5	Calls with Losch re: status of process.	\$ 140.00	\$ 140.00	\$ -	\$ -
					\$ 2,170.00	\$ 1,960.00	\$ 210.00	\$ -
7/14/2008	MCA	1.5	6	Meeting with E. Pollack on DIP and other issues.	\$ 525.00	\$ 525.00	\$ -	\$ -
7/16/2008	MCA	1.2	6	Call with S. Couig and provide information to C. Reece on DIP and related matters.	\$ 420.00	\$ 420.00	\$ -	\$ -
7/15/2008	MCA	1.7	6	Work with Counsel on pleadings and DIP issues. Calls with investor group.	\$ 595.00	\$ 595.00	\$ -	\$ -
7/15/2008	MCA	1.0	6	Meeting with investors re: possible dip financing for specific projects.	\$ 350.00	\$ 350.00	\$ -	\$ -
7/16/2008	MCA	2.4	6	Calls with C. Reece, E. McDonough, B. Schlossberg and other parties re: DIP financing and discussed open items. Meetings with Everett, CJ, Olsen and Martini re: same.	\$ 840.00	\$ 840.00	\$ -	\$ -
					\$ 2,730.00	\$ 2,730.00	\$ -	\$ -
7/7/2008	MCA	1.0	7	Meeting with B. Portigal re: Artemis loan and DIP financing.	\$ 350.00	\$ 350.00	\$ -	\$ -
7/7/2008	MCA	2.3	8	Meeting with Hirsch and Freeman to review DIP financing, status of ML and other related matters.	\$ 805.00	\$ 805.00	\$ -	\$ -
7/14/2008	MCA	0.4	8	Emails to Freeman and work on DIP.	\$ 140.00	\$ 140.00	\$ -	\$ -
					\$ 945.00	\$ 945.00	\$ -	\$ -
7/11/2008	MCA	5.8	9	Work on DIP financing including calls with MSD Capital, SVP and other firms interested in proposing. Calls with Investor Committee and RB representatives.	\$ 2,030.00	\$ 2,030.00	\$ -	\$ -
7/11/2008	DH	0.4	10	Met with M. Aaron to discuss and set out the work plan related to the DIP Loan Analysis.	\$ 100.00	\$ -	\$ -	\$ 100.00
7/11/2008	DH	11.1	10	Prepared the DIP Loan Analysis.	\$ 2,775.00	\$ -	\$ -	\$ 2,775.00
7/12/2008	MCA	3.8	10	Work on DIP financing financial models, terms and issues. Discuss with Hulke.	\$ 1,330.00	\$ 1,330.00	\$ -	\$ -

