

ML LIQUIDATING TRUST
Newsletter No. 4
April 19, 2010

Real Estate

Since our last newsletter (January 29, 2010) the Bankruptcy Court has approved the sale of the Chateaux property and the transaction has been closed and funded. The sale price was \$7 million, of which approximately \$1.1 million was received into the Trust, \$2.1 million was paid to ML Managers, \$264,000 was placed into escrow pending resolution of an issue regarding expenses paid by Mortgages Ltd and ML Trust, \$115,000 was used to pay brokers' commissions and real estate taxes, and \$3.4 million was placed into escrow pending resolution of a claims dispute between contractors working on the development prior to the bankruptcy filing and the Trust and ML Managers.

The River Run property is for sale and is listed with the Phoenix office of UGL-Equis (who were also the listing brokers on the Chateaux property). This property consists largely of residential lots around a golf course in Eager, AZ.

Litigation

As noted in prior Newsletters, one of the primary tasks of the Trust is to evaluate possible claims against third parties for any wrongdoing or malpractice. We continue to evaluate such claims. Furthermore, we have received communications from law firms (working with some of your fellow Mortgages Ltd investors) who have indicated their intention of filing lawsuits (for the ultimate benefit of all independent investors). We understand that more information will be forthcoming shortly.

Fee Applications

As you know from previous communications, the Trust was burdened with almost \$14 million in claims by professionals for fees incurred during the bankruptcy. Those claims are almost completely satisfied (or in the case of Radical Bunny, funded pending resolution of our appeal). The Trust is involved in one remaining dispute with the law firm of Greenberg Traurig and settlement discussions with representatives from that firm are ongoing.

Website

In order to provide you with additional information, the Trust (and ML Servicing) has arranged for the old website (<http://www.MtgLtd.com>) to be updated. It will have information on the "old" bankruptcy, as well as the ML Managers and ML Servicing activities. We hope that you will find this helpful. We welcome suggestions that would provide you with a better service from the website.

As more information becomes available we will update you in due course.

Sincerely,
ML Liquidating Trust Board