

ML LIQUIDATING TRUST

NEWSLETTER

December 12, 2016

Dear Trust Beneficiaries,

In our continuing effort to keep you apprised of the efforts of the ML Liquidating Trust and ML Servicing, Co., Inc., this is the latest information, and our fourteenth newsletter.

The ML Liquidating Trust continues to focus on litigation to recover funds on behalf of our Trust beneficiaries. As reported in our previous Newsletters, the ML Trust had two pending litigation matters: the preference claim against the Forte Family Revocable Trust which is now over, and the claim against Greenberg Traurig, the former attorneys of Mortgages Ltd.

Forte Preference Claim

The ML Liquidating Trust pursued a preference claim in the amount of \$1,250,000 against Craig and Lauri Forte as Trustees of the Forte Family Revocable Living Trust. The Fortes filed a Motion to Dismiss and Judge Haines ruled in their favor. The ML Trust appealed the ruling to Federal District Court, but the court refused to overturn Judge Haines. Based on the recommendation of legal counsel, the ML Trust appealed the ruling again, this time to the 9th Circuit Court of Appeals. On May 9, 2016, the 9th Circuit ruled against our appeal in the Forte preference matter. With the latest adverse ruling and based on the advice of our legal counsel, the ML Trust decided to not appeal the case further and the matter is now over.

Greenberg Traurig

Our case against Greenberg Traurig is continuing. As mentioned previously, our attorneys filed three separate Motions for Summary Judgment (“MSJ”) against Greenberg Traurig on August 3, 2015. Thereafter Greenberg filed one MSJ against the ML Trust and we filed a fourth MSJ. (MSJ’s are pre-trial motions a party may file to settle specific questions of fact or law). The Judge denied all of the MSJ’s filed by both Greenberg and the ML Trust, leaving the issues to be decided at trial. Discovery in the case is ongoing and extensive expert reports have been filed by both sides. Based on the advice of our lawyers, who are paid on a contingent basis, the ML Board is continuing to vigorously pursue litigation against Greenberg.

Mayer Hoffman McCann and CBIZ

As mentioned in prior newsletters, the Trust’s lawsuits against Mayer Hoffman McCann (“MHM”) and CBIZ relating to the accounting malpractice claims were settled nearly two years ago. MHM was required to make monthly payments for three years and has made all of the payments to date. The final payment is due in December of 2017.

Going Forward After more than seven years of work and resolution of countless issues, the ML Trust Board is now focused on the final task of pursuing litigation against Greenberg Traurig. It is impossible to predict when the litigation will end, but the Board is well positioned to pursue this claim for as long as

necessary. Upon resolution of this final claim, the ML Trust Board will have completed its Bankruptcy Court assignment and will file the necessary documents with the Court to close out our responsibilities.

All previous newsletters may be found on our website <http://www.mtgld.com/webs/MLSNews>.

Richard C. Shaw
Chair
ML Liquidating Trust Board

Matthew R. Hartley
Trustee
ML Liquidating Trust