

ML MANAGER LLC
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October 6, 2010

Dear Investors:

Last week we sent you our Newsletter #12, which updated you on various issues. In particular we wanted to make you aware of the status of the potential tax deduction relating to potentially fraudulent activities at Mortgages Ltd. This matter could have significant financial consequences to many investors and we once again urge each of you to seek professional tax advice to guide you in your decision making. You can access the information in our Newsletter #12, if necessary, by visiting our web page at www.mtg ltd.com, clicking on the ML Manager LLC Newsletter tab and then clicking on Newsletter #12 posted on September 29.

The Board of ML Manager LLC, who are all investors in Mortgages Ltd., believes that there is a need to reiterate the warning that the Mortgages Ltd. investors need to be aware that there may be some people or entities that are seeking to take advantage of them. Unfortunately, it has become an all too common phenomenon that victims or people who have suffered significant losses become the target for unscrupulous operators. State and Federal authorities have consistently warned people about things such as mortgages scams, debt relief scams, and tax relief scams. In fact, the FTC just issued a press release where it announced a “major law enforcement action against a national tax relief scam ... that allegedly bilked consumers out of more than \$60 million by falsely claiming it can lower people’s tax debts.” (<http://www.ftc.gov/opa/2010/10/atr.shtm>) A common thread in most of these questionable enterprises is that they target people who may feel desperate or have suffered great losses.

Recently, the ML Manager LLC Board has become aware that one or more organizations have been mass mailing Mortgages Ltd. investors making claims that they can help us get tax refunds. Please be aware that we do not have any information about these companies or the services being offered. We did not provide these companies with the contact information of any investors and are not recommending the use of these companies. We do, however, highly recommend that you consult with your own tax and legal advisors. The ML Manager LLC Board believes that all investors should be wary of such solicitations and should consult with your own professionals about such matters and thoroughly investigate any person or company soliciting your business in connection with Mortgages Ltd. There are significant issues that are involved with the appropriate tax treatments for all our investments. Individual circumstances vary. The ML Manager LLC Board encourages all investors to be careful about giving any money to anyone as a result of an unsolicited mass-mailing.

If you have any questions, do not hesitate to contact Karen Epstein at 480-948-6777 or kme818@cox.net or Erica Jacob at ejacob@mtg ltd.com or 623-234-9569 for further assistance.

Best Regards,

Elliott Pollack
Chairman, ML Manager LLC Board