

ML MANAGER LLC
530 E. McDowell Road, Suite 107-601
Phoenix, AZ 85004

December 13, 2024

ML MANAGER LLC NEWSLETTER #55

Dear Investors:

The following significant events occurred since our last newsletter.

Osborn III Litigation

A mediation with Fidelity National Title Company occurred on September 6, 2024, and Fidelity agreed to pay \$3,800,000 to settle the litigation. The final settlement was subsequently approved by the Bankruptcy Court and the Osborn III investors. The funds from Fidelity have been received. Some of the funds will be used to pay attorney's fees and operating expenses, and the balance will be distributed to investors in accordance with the Inter-borrower Agreement, Confirmation Order, Plan, Allocation Model, and other orders entered by the Court. The funds will be distributed by the end of the month.

Centerpoint Litigation

In 2023, the Arizona Court of Appeals ruled in our favor in our lawsuit against Commonwealth Land Title Insurance Company ("Commonwealth"). The Court affirmed our \$5MM judgment against Commonwealth for acting in bad faith and awarded us contract damages in the amount of \$10MM. The Court also directed the trial court to hold a limited trial to determine Commonwealth's liability for punitive damages. Commonwealth petitioned the Arizona Supreme Court to review the decisions of the Court of Appeals, and the Arizona Supreme Court accepted the appeal. Briefs were filed by both sides, and a hearing was held on September 24, 2024, before the Supreme Court. It is unknown when the Supreme Court will issue a decision, but it likely will be several months from now.

Reduction of Ongoing Costs

Centerpoint II Loan LLC ("Centerpoint II") continues in litigation with Commonwealth and is the only remaining Loan LLC engaged in any significant activity. In addition to Centerpoint II, ML Manager is the manager of 57 separate entities, including the Loan LLCs and the MP Funds. These entities have no ongoing activities, but their existence requires annual accounting and the preparation and filing of annual tax returns. Significant expenses are incurred in connection with these activities. To avoid these significant expenses going forward, ML Manager proposes to dissolve 47 of the Loan LLCs and merge the 9 MP Funds into a single MP Fund. It is expected that any proceeds from the resolution of the Centerpoint litigation will ultimately be available to most investors. The dissolution of the Loan LLCs will be accomplished in a manner that

allows each investor to maintain the same financial interest as they held prior to the dissolution. In other words, the economic interests of each investor will remain unchanged. However, each economic interest will be held directly by each investor instead of as a member of a Loan LLC. Similarly, members of the MP Funds will continue to hold the exact same economic interests but will instead be members of the one remaining MP Fund.

ML Manager desires to complete the proposed actions by the end of 2024 so that cost savings can begin in 2025. ML Manager submitted ballots to all affected investors and is seeking Bankruptcy Court approval of the proposed dissolutions and merger. If the dissolutions are approved, the investors will no longer receive annual K1s but instead will receive form 1099s in any year in which funds are distributed to the investors. Members of the remaining MP Fund would receive one K1 annually. A hearing before the Bankruptcy Court is scheduled for December 19. If the investors and the Court approve the proposal, the dissolutions and mergers will be effective as of December 31, 2024.

Account Information.

Many investors have changed their addresses, phone numbers, and e-mail addresses. Please make sure our records reflect your current information. To update your information, it is necessary to complete an account change request form. These forms can be obtained by contacting us at mortgagesinfo@mtgltd.com.

If you have any questions, you may contact our office at 623-234-9560 or via email at mortgagesinfo@mtgltd.com. It is much more efficient for us to respond to written questions, and we ask that whenever possible, please communicate with us via email. Also, please feel free to contact Karen Epstein 480-688-1521.

Thank you for your support of our efforts.

Best Regards,

Elliott Pollack
Chairman