

**Exhibit 1 to Investors Committee's First Amended Plan of
Reorganization Dated March 12, 2009 Regarding Causes of Action and
Avoidance Actions and Targets**
and
**Exhibit E to Investors Committee's Amended Disclosure
Statement**

This Exhibit 1 (which is incorporated into Section 4.3 of the Plan and into certain definitions in the Plan) and Exhibit E to the Amended Disclosure Statement (collectively the "Exhibit") are non-exclusive lists and attempt to identify certain Persons against whom the Debtor, may have Causes of Action or Avoidance Actions, but against whom the Debtor has or has not commenced legal proceedings because the Causes of Action Avoidance Actions with respect to such Persons are not fully developed either factually or legally. Investigations concerning potentially responsible parties are ongoing, and additional Persons and Causes of Action and Avoidance Actions may be identified in the future, as facts are developed. This Exhibit is therefore not a complete list of all Causes of Action and Avoidance Actions that the Debtor may have. Accordingly, no Person may rely on the fact that the Plan, Disclosure Statement and accompanying exhibits and schedules do not identify a particular Person, Avoidance Action or Cause of Action, and the fact that such particular Person Avoidance Action or Cause of Action is not identified in the Plan, Disclosure Statement and the accompanying exhibits or schedules does not constitute a waiver of any Avoidance Action or Cause of Action by the Debtor or the Liquidating Trust or the ML Manager LLC or the Loan LLCs or the holders of fractional interests in the ML Loan Documents, ML Notes and ML Deeds of Trust. The Debtor for itself and for the benefit of the Liquidating Trust, the ML Manager LLC, the Loan LLCs or the holders of fractional interests in the ML Loan Documents, ML Notes and ML Deeds of Trust expressly reserve and retain all Avoidance Actions and Causes of Action.

Further, any and all rights, claims, causes of action, counterclaims, offsets, recoupment, defenses, demands and other legal rights, power and authority which relate to the ML Notes, ML Deeds of Trust and the ML Loan Documents owned in fractional interests by the Debtor, the Investors or the MP Funds, shall be owned by the owners and holders of the ML Loan Documents, ML Notes and ML Deeds of Trust and shall not be transferred to the Liquidation Trust. For example, the legal right to pursue an enforcement action on the promissory note on a project or on the guaranty on a loan or to pursue the foreclosure on the collateral shall continue to be the sole right of the holders of the note and shall not be transferred to the Liquidation Trust, but to the ML Manager LLC, the Loan LLCs or the Investors who continue to own fractional interests in the ML Loan Documents, ML Notes and ML Deeds of Trust.

The Debtor, and therefore the Liquidating Trust, or the ML Manager or Loan LLCs or the holders of fractional interests in the ML Loan Documents, ML Notes and ML Deeds of Trust, may have Causes of Action or Avoidance Actions, including but not limited to, under state, federal or local law, for such theories as breach of contract, breach of

fiduciary duty, breach of agency, breach of duty of loyalty, breach of duty of good faith and fair dealing, breach of trust, malpractice, negligence, negligent or intentional misrepresentation, fraud, conversion, unjust enrichment, violations of securities laws, conspiracy to defraud or violate securities laws, fraudulent schemes or practices, deceit or manipulation in fiduciary capacity or in connection with sales of securities, fraudulent transfer, aiding and abetting the breach of a fiduciary duty, aiding and abetting fraudulent practices, schemes, devices or other tort liability, aiding and abetting fraud, negligence or violation of securities laws by churning, failure to supervise or monitor the account, unsuitability of investment or risk, or failure to supervise the representative, broker or agent, violation of the anti money laundering laws or suspicious activities laws or aiding or abetting such violations, violating securities laws or aiding or abetting such violations, operation or facilitation of an illegal scheme or aiding or abetting such scheme, securities fraud in violation of ARS Section 44-1991, control person liability under ARS Section 44-1999, common law fraud, and professional negligence, against any and all Person, including the following Persons, their predecessors, successors, assigns and affiliated parties or entities, officers, directors, employees, brokers, representatives and agents:

Mortgages Ltd. Commercial Capital, LLC
Mortgages Ltd. Insurance LLC
Mortgages Ltd. Investments, LLC
Mortgages Ltd. Securities, LLC
Mortgages Ltd. Title Agency, LLC
SM Revocable Trust dated 12/22/1994
SM Coles LLC
Scott Coles Probate estate
Chicago Title Insurance Company
Fidelity National Title Insurance Company
LandAmerica/Lawyers Title Insurance Company
First American Title Insurance Company
Thomas Title and Escrow
Security Title Agency
Magnus Title Agency
Camelback Title
Radical Bunny LLC
Hirsch & Shah CPAs LLC
Tom Hirsch
Tom Hirsch & Co.
Hirsch Shah
Irwin Union Bank
Irwin Bank & Trust
Mayer Hoffman McCann, P.C.
Greenberg Traurig, LLP
Stinson Morrison Hecker, LLP
Zwillinger, Georgelos and Greek, P.C.
Arizona Bank & Trust

Mid First Bank
Stratera Portofolio Advisors
Artemis Realty Capital
Robert Kant
John Clemency
Chuck Lane
Jennings Strouss & Salmon
MCA Financial Group Ltd.
Barry Monheit
Christine Zahedi
Michael Denning
Todd Brown
Jeffrey A. Newman
James J. Cordello
R. Alan Zeigler
Richard M. Feldheim
George E. Everette
Christopher J. Olson
Nechelle E. Wimmer
Eva Yang
Joseph Lee
James Kaplan
Ashla Kinnaman
Ryan Walter
Veronica Sas
Laura Martini
Philip J. Sollomi, Jr.
Ann H. Flaherty
Neal Churney
Robert Gibney
Deborah A. Waitkus
Robert Furst
Value-to-Loan Opportunity Fund 1, LLC
MP022000 LLC
MP102000 LLC
MP052001 LLC
MP012002 LLC
MP092004 LLC
MP062003 LLC
MP032004 LLC
MP052005 LLC
Westchester Fire Insurance Co.
Lloyd's of London Underwriters
Associated International Insurance Co.
Colonial Surety
Mortgages Ltd. 401k Plan

Cooley Enterprises LLC
Mark D. Svejda
Gust Rosenfeld PLC
Kirk A. McCarville PC
Francine Coles and her trusts and affiliates
FMC Revocable Trust
Ashley Coles and her trusts and affiliates
Abacus Project Management Inc.
Robert Porter Construction Co.
Michael Peloquin
Zacher Corporation
Mummy 8, LLC
Southwest Value Partners
Mortgages Ltd. Defined Benefit Plan
FTI Consulting
Ken Losch
David Dewar
Tempe Land Company
Engelman Berger
Thomas Law Firm PC
Fleet Fisher Engineering Inc.
Deutsche Bank
Alliance Bank
M&I Bank
4455 CAM-PAC LLC
Secured Capital Management Co. LLC
St Paul Travelers
Raymond Chess law firm
Diesta Kiesling
Sheila Touhey
Manny Alemany
Sam Tang
Bobby Barnes
Jake Grover
Jeff Brandon
Chris Welsch
Lyons Valuation
Dave Lyons
Joseph J. Blake & Associates
Davis Valuation Group
Appraisal Solutions Inc.
Montandon Farley RE-AD Group Inc.
CB Richard Ellis
Tim Love
Cushman Wakefield
Carolyn Goldman

All the parties listed in the Debtor's Schedules of Assets and Liabilities and Statement of Affairs, including, but not limited to, Exhibit 3 to the Statement of Affairs.

In addition the ML Manager LLC or the Loan LLCs or the Investors which hold fractional interests in ML Loan Documents, ML Notes and ML Deeds of Trust may have Causes of Actions or Avoidance Actions against the following Borrowers, Guarantors and related parties:

Panwebster Holdings, LLC
Ganem Esperanza Holdings, LLC
Central Arizona Land Planners, LLC
Jonathan B. Webster
Robert B. Ganem and Nancy Mejia Ganem
Chuck Sorenson and Stephanie E. Sorenson
Jeffrey Lipton and Shelley Lipton
MK Custom Residential Construction , LLC
Michael J. Peloquin and Kay M. Peloquin
4633 E. Van Buren, L.L.C.
GP Properties Carefree Cave Creek, L.L.C.
GP Central Avenue, L.L.C.
Resort Mansions 1, L.L.C.
G.P. McKinley, L.L.C.
McKinley Lofts, L.L.C.
Downtown Community Builders Limited Partnership
Troon Peak Resort Properties Limited Partnership
City Lofts, L.L.C.
Resort Mansions 2, L.L.C.
Metropolitan Lofts, LLC
Lyon's Valuation Service
GP Second Street, L.L.C.
Community Builders, L.L.C.
Northern 120, L.L.C.
Citrus 278, L.L.C.
Stephen A. Kohner and Patricia L. Kohner
SAK Family Limited Partnership
SAK Investments, L.L.C.
Peoria 145, L.L.C.
Happy Valley 160, L.L.C.
Peoria 180, L.L.C.
Northern 40 West, L.L.C.
Kohner Properties, L.L.C.
44th & Camelback, LLC
Vento Investments, LLC
Zeltor, LLC
Jonathon Vento and Lori Vento
Donald Zeleznak & Shirley Zeleznak

Jonathon J. Vento and Lori Vento, Trustees of the Vento
Family Trust dated April 25, 2003
Donald J. Zeleznak and Shirley A. Zeleznak as Trustees
of the Zeleznak Revocable Trust dated December 6, 2001
44th & Camelback Investors, LLC
44th & Camelback Holdings, LLC
Z-Don, Inc.
RJZ Associates L.L.C.
Ryan Zeleznak
Grace Monroe, LLC
Osborn Condominiums, LLC
Osborn Lofts Investors, LLC
70th Street Investors, LLC
70th Street Holdings, LLC
Osborn III Partners, LLC
Portales Place Property, LLC
Portales Place Developers, LLC
Portales Lofts, LLC
Central & Monroe, LLC
70th Street Property, LLC
ABCDW, L.L.C.
Torrey Pines Development, L.L.C.
Riggs/Queen Creek 480, L.L.C.
Ellsworth Road 160, LLC
Vanderbilt Farms, L.L.C.
Ashton A. Wolfswinkel
Brandon D. Wolfswinkel
Kevin Peterson
Peterson Properties & Management, Inc.
Vintage Farms, L.L.C.
Stone Canyon, L.L.C.
Vistoso Partners, L.L.C.
Kevin P., L.L.C.
Irvine Land Partners, L.L.C.
Bisontown L.L.C.
Gary L. Martinson
Mirage Homes Communities, L.L.C.
Foothills Plaza IV, L.L.C.
Apex Property Solutions, L.L.C.
Douglas A Dragoo and Elizabeth Dragoo
Riverfront Commons, L.L.C.
Cottonwood Parking, Inc.
GLM Enterprises, L.L.C.
Glen D. Morrison and Laura A. Morrison
Glen D. Morrison and Laura A. Morrison, as
Trustees of the Glen and Laura Morrison Revocable

Living Trust dated April 30, 2003
Robert Gibney and Associates
Arizona Commercial Land Acquisitions I, LLC
Elizabeth May Real Estate, LLC
C Thomas Cummings
Pamela Cummings
All State Associates of Pinal XVI, LLC
Turtle Creek Vista Associates, LLC
Chesapeake Mill Associates, LLC
All State Land Advisors, LLC
ASL Advisors, Inc.
Turtle Creek Vista Group, Inc.
Chesapeake Mill Group, Inc.
All State Associates of Pinal IX, LLC
The Zacker Development Company, L.L.C.
Richard C. Zacker II
Kristin C. Zacker
Roosevelt Gateway LLC
Roosevelt Gateway II, LLC
University & Ash, LLC
Charles L. LaMar and Charles Austin LaMar
Kimberly L. LaMar
The LaMar Family trust U/a/d December 9, 2005
John W. Mackey and Annette Mackey
Douglas L. Kowallis
Kay N. Kowallis
Justin Charles LaMar
LaMar Holdings, LLC
Kowallis, Mackey & LaMar Southwest Development, LLC
VCB Properties, LLC
Eric Capranica and Julie Capranica
Ecco Holdings, L.L.C.
Mountain View 26, L.L.C.
SOJAC I, LLC
Dale M. Jenson and Vicki S. Jenson
Bradley N. Yonover and Sarah Yonover
Joseph Pinsonneault and Caylee Pinsonneault
Tempe Land Company, LLC
Kenneth Losch
David C. Dewar
Graystar Investments, LLC
Kingston Capital Co., LLC
Rodeo Ranch Estates, LLC
Cozy Holdings, LLC
Arthur Duane Cozart and Margie Cozart
Bryan M. Moody and Julie R. Moody

Conley Wolfswinkel
HH20, LLC
HH20 Management, LLC
C.I. Development Group, LLC
C.I. Holdings Group, LLC
Jason Matthew Savell and Kristina Maria Savell
Eric A. Faas and Cheryl M. Faas
Rightpath Limited Development Group, LLC
Hendon MLB Development, LLC
Banovac Properties, LLC
Rightpath Holdings, LLC
Daniel L. Hendon
Rick L. Burton
Robert C. Banovac
Rick L. Burton, Family Trustee and \RTaymond Rodriquez, Independent
Trustee of the RLB 2006 Irrevocable Trust dated August 10, 2006
Robert C. Banovac, Settlor and Trustee of the Robert Banovac Trust dated March 9, 1998
Rightpath Limited, a Nevada corporation
Rightpath Limited, LLC
Daniel L. Hendon, as Trustee of the Daniel L. Hendon Family Trust
dated February 28, 2006
Glendale Aviation, LLC
Glendale Jet Center, LLC
Maryland Way Partners, LLC
PDG Los Arcos, L.L.C.
Richard Sodja
Molly L. Sodja
National Retail Partners I, LLC
Richard Sodja, Jr. and Molly Sodja
Trent Schelkopf
Town Lake Development Partners, LLC
Valhalla Development Group, LLC
Tod Decker
Scott L. Wilson
Tiffany Wilson
Michael E. Earl
Sherie L. Earl
Paul D. Winslow
CDIG, L.L.C.
JW Maricopa Holdings, LLC
TCB Property Management, LLC
CGSR, LLC
Chuck Sorenson and Stephanie Sorenson
Michael G. Berkner
Jon Webster
James T. and Linda L. Hurst

GMI Financial Group, Inc.
Tim E. Alder
Darlene Alder
43rd Avenue & Olney, LLC
S H Land Holdings, LLC
Power 15, LLC
McLellan 13, LLC
C Randall Suggs

In addition, the Plan Proponent attaches the Debtor's list which it prepared and attached to its Disclosure Statement and incorporates that list by reference herein.

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Non-Exclusive List of Retained Causes of Action

Notes:

1. Except as expressly provided for in Article -- of the Plan, nothing contained in the Plan, this Schedule or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtor or the Reorganized Debtor may have or that the Reorganized Debtor may choose to assert on behalf of its Estate under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation, (i) any and all Causes of Action or Claims against any person or entity, to the extent such person or entity asserts a cross-claim, counterclaim and/or claim for setoff that seeks affirmative relief against the Debtor, the Reorganized Debtor, its officers, directors or representatives or (ii) the turnover of any property of the Debtor's Estate.
2. Except as set forth in Article -- of the Plan, nothing contained in the Plan, this Schedule or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or Causes of Action that the Debtor had prior to the Petition Date or the Effective Date against or with respect to any Claim left Unimpaired by the Plan. The Reorganized Debtor shall have, retain, reserve and be entitled to assert all such rights and Causes of Action as fully as if the Chapter 11 Case had not been commenced, and the Reorganized Debtor's legal and equitable rights respecting any Claim left unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Case had not been commenced.
3. No preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable, or other) or laches will apply to the Debtor or the Reorganized Debtor's Claims or Causes of Action upon or after the Confirmation Date or Effective Date of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except where such Claims or Causes of Action have been expressly released in the Plan or other Final Order.
4. Any Entity that has incurred an obligation to the Debtor (whether on account of services, purchase or sale of goods or otherwise), received services from the Debtor or a transfer of money or property of the Debtor, transacted business with the Debtor or leased equipment or property from the Debtor should assume that such obligation, transfer or transaction may be reviewed by the Debtor or the Reorganized Debtor, and may, if appropriate, be the subject of an action after the

1 Effective Date, whether or not (a) such Entity has filed a proof of Claim against
2 the Debtor in the Chapter 11 Case, (b) such claimant's proof of Claim has been
3 objected to, (c) such claimant's Claim was included in the Debtor's Schedules or
4 (d) such claimant's scheduled Claim has been objected to by the Debtor or has
been identified by the Debtor as a Disputed Claim, a Contingent Claim or an
Unliquidated Claim.

- 5 5. The categories and particular Causes of Action listed below are indicative but are
6 in no way exclusive of the Causes of Action retained by the Debtor.
- 7 6. The Debtor remains free, subject to the terms of the Plan, to supplement and
8 amend this Schedule.

9 **Certain Categories of Retained Causes of Action**

10 Below is a list of indicative categories of Causes of Action that the Debtor and the
Reorganized Debtor retains. This list is non-exclusive.

- 11 • Causes of Action for refunds, payments, penalties or fees and/or other tax matters.
- 12 • Causes of Action for payments, overpayments, setoffs, indemnities and/or failure
13 to meet lease, contract, note, deposit, regulatory and/or tax obligations.
- 14 • Causes of Action for payments, overpayments, setoffs, indemnities and/or failure
15 to meet benefit- and/or employee-related obligations, including those related to
pension coverage, benefits and other calculations.
- 16 • Causes of Action for attorneys fees, litigation costs, indemnities, restitution, cross-
17 claims and counter claims related to existing or potential litigations.
- 18 • Causes of Action against utilities, vendors and/or suppliers of services and/or
19 goods, travel or other agencies and/or other parties for wrongful or improper
20 termination or suspension of services and/or supply of goods and/or failure to meet
other contractual, indemnity or regulatory obligations, including actions involving
21 contracts or categories of contracts listed on the Schedules to the Plan.
- 22 • Causes of action against professionals who provided services to the Debtor and its
23 affiliates before the Relief Date.
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1 **Certain Specific Retained Causes of Action**

2 Below is a list of indicative particular Causes of Action that the Debtor and the
3 Reorganized Debtor retain. This list is non-exclusive.

Matter Name/Cause of Action	Description
4 5 2:08-ap-00780-RJH 6 National Retail Development Partners I, 7 LLC v. Maness et al	Claims for non-payment of amounts owing on a note; breach of contract; breach of guaranty
8 9 2:08-ap-00781-RJH 10 PDG Los Arcos, LLC v. Adams et al	Claims for non-payment of amounts owing on a note; breach of contract; breach of guaranty
11 12 2:08-ap-00831-RJH 13 Mortgages Ltd. v. PDG Los Arcos, 14 LLC et al	Claims for non-payment of amounts owing on a note; breach of contract; breach of guaranty
15 16 2:08-ap-00832-RJH 17 MORTGAGES LTD v. National Retail 18 Development Partners I, LLC et al	Claims for non-payment of amounts owing on a note; breach of contract; breach of guaranty
19 20 2:08-ap-00881-RJH 21 Mortgages Ltd., et al v. Dragoo et al	Breach of contract, breach of guaranty;
22 23 2:08-ap-00920-RJH 24 Gould Evans Associates L.C. v. 25 Mortgages Ltd.. et al	Mechanics' lien claim (Centerpoint project); foreclosure action
26 27 2:08-ap-00957-RJH 28 Mortgages Ltd.. v. Vento et al	Breach of contract, breach of guaranty
29 30 2:09-ap-00037-RJH 31 Mortgages Ltd. et al v. Vento et al	Breach of contract, breach of guaranty

Matter Name/Cause of Action	Description
2:09-ap-00042-RJH Mortgages Ltd. et al v. Vento et al	Breach of contract, breach of guaranty
S M Coles, LLC	Claims, including fraudulent transfers and receipt of preferential payments
SMC Revocable Trust	Claims, including fraudulent transfers and receipt of preferential payments
Greenburg Trauig	Claims, including fraudulent transfers and receipt of preferential payments
MCA Financial Group	Claims, including fraudulent transfers and receipt of preferential payments
Insiders of the Debtor	Claims, including fraudulent transfers and receipt of preferential payments
Tom Hirsch	Claims, including professional negligence and indemnity
Investors who received redemptions	Claims, including fraudulent transfers and receipt of preferential payments. Specifically, there was approximately \$1,400,000 paid to redemption recipients within 90 days prior to the Petition Date, and there was approximately \$44,200,000 paid to redemption recipients within 1 year prior to the Petition Date.
Life insurance beneficiaries	Claims, including fraudulent transfers and receipt of preferential payments

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Matter Name/Cause of Action	Description
Preference Litigation	Claims to recover non-redemption transfers made to non-insider transferees within 90 days of the Petition Date