

IT IS HEREBY ADJUDGED
and DECREED this is SO
ORDERED.

The party obtaining this order is responsible for
noticing it pursuant to Local Rule 9022-1.

Dated: August 28, 2008



Randolph J. Haines

RANDOLPH J. HAINES
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:

Mortgages Ltd.,

Debtor.

Chapter 11 Proceedings

Case No. 2:08-bk-07465-RJH

**AMENDED INTERIM ORDER
CONCERNING PAYMENT OF
INTEREST COLLECTED FROM
BORROWERS TO INVESTORS**

The parties at the hearing held on August 21, 2008 at 1:20 p.m., having reached an interim agreement as set forth herein for the commencement of interest payments to certain Investors; and this Interim Order having been executed and agreed to by counsel for the parties, and for good cause appearing,

IT IS HEREBY ORDERED that, as to all interest payments received on or after June 20, 2008 in the above referenced case as payments on loans received by Debtor for Borrowers, the Debtor from such Borrower interest payments shall pay to the pass-through investors and the mortgage pools (which then shall only be passed through to their investors) ("Investors"), their appropriate fractional interest in the Borrower interest payments from such Borrower loans as such Borrower payments are received. Until further order of this Court, Debtor shall not pay any payments of principal due on account of such Investors' ownership interest in any Borrower payments, shall not make any payments to the Value-To-Loan Fund or investors in the Value-To-Loan Fund, shall process, but hold in escrow and not

1 pay, any insiders of the Debtor who are or were officers (other than Chris Olson, George
2 Everette and Nechelle Wimmer, Ron Anatole and Ann Flaherty and their related trusts or
3 entities), directors shareholders of the Debtor or spouses, relatives, trusts or other entities
4 that may have been formed on behalf of, associated with or otherwise related to such
5 insiders, and shall continue to hold the principal portion of such Borrower payments in the
6 appropriate Borrower segregated account and not disburse them at this time. This Interim
7 Order is without prejudice to the parties raising or asserting any and all issues, arguments,
8 claims and defenses relating to payment of such interest payments and the parties reserve any
9 and all issues, arguments, claims and defenses they may have (including but not limited to
10 setoff and recoupment) and that the parties shall use their best efforts to promptly resolve
11 these issues; provided however, that the Investors who receive such interest payments shall
12 not be asked to repay in cash such interest payments in the event that such payment is
13 determined to be incorrect or improper, with relief for such incorrect or improper payments
14 being restricted to setoffs and/or recoupments against any other claims asserted by the
15 Investor.

16 This Interim Order shall not constitute the law of the case, have collateral estoppel
17 effect, or constitute in any manner a judicial determination on any legal issue, including but
18 not limited to issues regarding the interests of the Investors, the Debtor or the bankruptcy
19 estate in any funds distributed under this Order, the entitlement of any party to those funds,
20 the ownership or characterization of any notes, deeds of trust, assignments, endorsements or
21 other documents executed in connection therewith, whether or not such interests or rights to
22 payment are property of the estate, or any other factual or legal basis under which payments
23 to Investors under this Interim Order have been authorized. Nothing in this paragraph affects
24 those provisions above providing that the Investors shall have no obligation to repay in cash
25 the interest payments received pursuant to this Order.

1 The Debtor shall provide to the Investors Committee and the Official Committee of
2 Unsecured Creditors (a) monthly reports indicating, for the prior thirty (30) day period, (1)
3 the total amount of interest received by the Debtor; (2) the total amount of payments made to
4 investors under this Order; (3) the total number of investors paid under this Order; and (4) the
5 loans with respect to which such payments were made. The Debtor shall also maintain
6 internal records as to the identity of each recipient of payments made under this Order, the
7 date and amount of such payments, the loans to which such payments relate, and the type of
8 investment held by each recipient. This information shall be available by mutual consent or
9 by further order of the Court.

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11 **ORDERED, DATED AND SIGNED AS ABOVE.**
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