

Newsletter of the Official Committee of Investors of Mortgages Ltd.

April 7, 2009—Newsletter #22

The members of the Official Investors Committee want to let you know about the current events regarding the bankruptcy of the Debtor Mortgages Ltd. (“Debtor”). The Committee has been extremely active since the last newsletter trying to move this bankruptcy to a conclusion.

1. COURT APPROVES COMMITTEE’S AMENDED DISCLOSURE STATEMENT. On March 24, 2009 the Court entered an order indicating what additional changes need to be made in the Committee’s Disclosure Statement and the ballots and indicated what objections he was sustaining so that additional information could be added. The Court overruled all other objections to the Committee’s Disclosure Statement. On March 31, 2009, the Committee filed its redline versions reflecting those changes and on April 2, 2009 the Committee lodged an Order with the Court. On April 3, the Debtor requested a hearing and an opportunity to object further. Later in the day on April 3, 2009, the Court overruled this request and the need for any more objections or any more hearings and APPROVED the Committee’s Amended Disclosure Statement. A copy of the Order Approving the Committee’s Disclosure Statement dated April 3, 2009 is posted on the website. Go to www.fclaw.com/mortgages-ltd-investors. Also posted on the website are the Committee’s Approved Amended Disclosure Statement and all Exhibits A through T and the First Amended Plan and Exhibit 1

2. WHAT NOW? This is the beginning of the Second Step in this Process. You will receive in the mail from the Investors Committee a “**Solicitation Package**” which has been approved by the Court. The Solicitation Packages are being mailed on April 8, 2009 using the Debtor’s Master Mailing List. You may be on the Debtor’s Master Mailing List more than once so don’t be surprised if you receive more than one or only one Solicitation Package. This is a function of the list of the Debtor which was filed with the Court. We have not attempted to clean up the list but have left it “as is” so we can not be criticized for missing someone or tampering with the mailing.

In the **Solicitation Package** will be a copy of the Court’s Order Approving the Committee’s Disclosure Statement containing all the important dates. Look at these important dates. There will also be a copy of each of the Ballots. Some apply to you and others do not. Hold on to all of them until you have looked at the whole package. Rather than mail you a 4-inch stack of paper, the Court allowed us to put all the documents on a CD and mail you a **CD in your Solicitation Package**. This saved us about \$30,000 to \$40,000 of printing and mailing costs. We have tried to make the CD user friendly. There is an index at the start of the CD listing all documents on the CD. Also we have bookmarked the documents so there is an index on the left side of the screen where you can click on each document and instantly retrieve the document without having to scroll through many pages.

3. QUESTIONS? ATTEND ONE OF THE IN-PERSON Q&A SESSIONS. The Committee will be having several “in-person” question and answer sessions for investors. We will walk through the Plan and the key issues and answer

questions. Also we will explain the Ballots and answer questions about the voting. There will be four meetings held during the first two weeks of the Solicitation Period so that you have plenty of time to read the materials, ask questions and give careful thought to your vote. If an additional meeting is needed due to the response, we will set it and let you know. The meetings currently scheduled are:

Thursday April 16 at 1:00 p.m.

Thursday April 16 at 6:00 p.m.

Friday April 17 at 2:30 p.m.

Tuesday April 21 at 10 a.m.

Tuesday April 21 at 1 p.m.

Wednesday April 22 at 1:00 p.m.

Wednesday April 22 at 6 p.m.

The meetings will all be held in the **Lower Level Auditorium at 3003 N. Central Avenue**, Phoenix, where the Fennemore Craig PC Law Offices are located. Email Terri at tvink@fclaw.com to let her know what session you will be attending. Space is limited to 150 seats per session so make a reservation.

4. YOUR VOTE FOR THE COMMITTEE'S PLAN. The Committee can now solicit your support and your vote in favor of and for its First Amended Plan. Your Solicitation Package has a copy of all of the Ballots. Some apply to you and others do not apply to you. Look these over and locate the ones that apply to you. If you need extra copies or have mislaid your Ballot then contact clevine@fclaw.com or go to our website to print one off. **The Ballots must be received by 5 p.m. on May 5, 2009.** You can mail it, hand deliver it, overnight it or fax it. It has to be **received** by 5 p.m. on May 5, 2009 or it will not be counted. The address and fax number are on the Ballot itself. Also there is a self-addressed envelop in your Solicitation Package with the correct name and address for mailing. Note that the Ballot does not go to Fennemore Craig, P.C., but goes to Ed McDonough at Alvarez & Marsal, the Committee's Financial Advisor who will count and tally all Ballots. If you have questions about the Ballot, plan to attend one of the in-person sessions and ask your questions.

5. DEBTOR'S DISCLOSURE STATEMENT RESCHEDULED FOR APRIL 20, 2009. The Debtor filed its own Plan and Disclosure Statement on March 4, 2009 which was originally set for hearing for April 6, 2009. On March 30, 2009, the Committee filed an Objection, which is posted on the website. The Unsecured Creditors Committee and Robert Furst both filed objections as well. Their objections to the Debtor's Disclosure Statement have also been posted on the website. The Debtor rescheduled the hearing to April 20, 2009 at 2:30 p.m. **Remember no one (not even the Debtor) can solicit your vote for or against the Debtor's Plan until after the adequacy of the Debtor's Disclosure Statement has been approved by the Court.**