

Newsletter of the Official Committee of Investors of Mortgages Ltd.

May 22, 2009—Newsletter #28

GOOD NEWS!!!

COURT CONFIRMS INVESTORS COMMITTEE'S PLAN

On May 20, 2009, the Bankruptcy Court entered its Order Confirming the Investors Committee's Plan of Reorganization Dated March 12, 2009. The Ballots sent in by investors **OVERWHELMINGLY ACCEPTED** the Investors Committee's Plan. The Bankruptcy Judge commented at the end of the 4-day Confirmation Hearing that he had never had a case with such a high voter turnout. It obviously impressed him. Further, while we started out with 16 objections to the Plan and a few classes rejecting the Plan, by the time we reached the end of the 4 days of Confirmation hearing, we were able to settle with almost everyone, including the VTL committee, the Grace Entities, the dissenting Rev Op investors, and Radical Bunny. All these groups changed their votes and accepted the Plan and withdrew their objections. The Debtor left as the lead objector finally withdrew its objection. The Court then approved the Investors Committee's Plan as a consensual Plan. With the Order being signed May 20, 2009, the Committee's professionals immediately have turned to transitional issues and are focusing on the closing of the financing and consummation of the Plan. We hope to close by June 8, 2009. The Board of Managers (on the Loan LLC side) and the Trust Board on the Liquidating Trust side will have some preliminary meetings next week to get ready for the turnover of the business upon the closing and will be ready to take over at the closing.

BROAD INVESTOR SUPPORT

As for the vote tally, the investors in the MP Funds (the blue ballot for those who remember) voted in number 973 to accept and 133 to reject and in dollars \$332 million to accept and \$40 million to reject. That is an overwhelming accepting vote of 88% in number and 89% in dollar of those actually voting (and 83% of the total MP Fund investors who could vote). As for the Non-Revolving Opportunity Pass-Through Investors (the yellow ballot), 334 voted to accept and 52 voted to reject and \$110 million voted their dollars to accept and \$22 million voted to reject. That is an overwhelming accepting vote of 86% in number and 83% in dollars of those actually voting. The green ballots had the same high acceptance.

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As we go through the next two weeks we will let you know how things are progressing. We will post various items on the website next week, such as the Court's Order Confirming the Investors Committee's Plan, the Ballot Report and the Confirmation brief. Meanwhile if you have questions, feel free to contact Karen Epstein and Sheldon Epstein, M.D. at kme818@cox.net; Bruce Buckley at bbuckley@cox.net; or Joe Baldino at j.baldino@msn.com.