

Westchester Fire Insurance Company, ) No. CV 11-0456-PHX-SMM  
 Plaintiffs, )  
 v. ) **JUDGMENT**  
 ML Liquidating Trust et al., )  
 Defendants. )

Pursuant to the parties' Stipulation for Entry of Judgment filed by the attorneys for all parties having been named or having intervened herein, except those parties previously defaulted, and it appearing that the Motion To Intervene/Objection To Settlement and Motion To Stay Mediation filed by William Lewis, et al. (Doc. 116) having been withdrawn by formal Notice dated February 27, 2012 (Doc. 117), and it appearing that all parties now claiming or asserting a right to the funds herein having joined in this Stipulation for allocation and distribution of the funds held by this court, and for good cause appearing,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that the \$3,740,870 (“the Interpleaded Funds”) interpleaded and deposited by Westchester Fire Insurance Company (Doc. 69) from the Directors & Officers (“D&O”) section of Mortgages Ltd.'s Business and Management Indemnity Policy No. BMI20047145 ("the Policy") shall be allocated and disbursed forthwith as follows:

1. Defendants Robert Facciola, The Robert Maurice Facciola Trust dated December 2, 1994, Honeylou C. Reznik, The Morris Reznik and Honeylou C. Reznik Trust, Jewel Box Loan Company, Inc., Jewel Box, Inc., H-M Investments, LLC, Fred C. Hagel and

1 Jacqueline M. Hagel Revocable Trust dated March 15, 1995, and Judith A. Baker (“the  
2 Facciola group”) will receive one-million four-hundred twenty-three thousand and  
3 eight-hundred seventy dollars (\$1,423,870) plus 38% of the interest that has accrued on the  
4 principal amount of \$3,740,870, as described below. The Clerk will forthwith make a check  
5 in this amount jointly payable to “Bonnett, Fairbourn, Friedman & Balint, PC and Tiffany  
6 & Bosco, PA, in trust.” The check shall be delivered to Francis J. Balint, Bonnett, Fairbourn,  
7 Friedman & Balint, PC, 2901 N. Central Avenue, Suite #1000, Phoenix, AZ 85012.

8 2. Defendants Joseph L. Baldino, Helen M. Baldino, Baldino Family Revocable  
9 Living Trust Dated May 26, 1994, Helen M. Baldino And Joseph L. Baldino Meridian  
10 Financial Corporation Profit Sharing Plan and Retirement Trust, Eva Sperber-Porter,  
11 Baseline & Val Vista Associates, LP, and Litchfield Road Associates, LP (“the Baldino  
12 group”) will receive one-million one-hundred-and-fifty-thousand dollars (\$1,150,000) plus  
13 31% of the interest that has accrued on the principal amount of \$3,740,870, as described  
14 below. The Clerk will forthwith make a check in this amount payable to “Gordon Silver  
15 Trust Account.” The check shall be delivered to Ronald Warnicke, Gordon Silver, One East  
16 Washington Street, Suite 400, Phoenix, AZ 85004.

17 3. Defendant Victims Recovery, LLC will receive seven-hundred thousand dollars  
18 (\$700,000) plus 19% of the interest that has accrued on the principal amount of \$3,740,870,  
19 as described below. The Clerk will forthwith make a check payable to “Victims Recovery,  
20 LLC” in the amount of five-hundred and thirty-thousand dollars (\$530,000) plus the accrued  
21 interest, and the Clerk will forthwith make a check payable in the amount of one-hundred and  
22 seventy-thousand (\$170,000) dollars to “Zeitlin & Zeitlin, P.C. as Trustee for Victims  
23 Recovery.” Both checks shall be delivered to Dale S. Zeitlin, 5050 N. 40th Street, Suite 330,  
24 Phoenix, AZ 85018.

25 4. Defendants Michael Denning, Todd Brown, and Manuel Alemany (“the  
26 Denning, Brown, and Alemany group”) will receive three-hundred-and-seventeen-thousand  
27 dollars (\$317,000) plus 8% of the interest that has accrued on the principal amount of  
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1 \$3,740,870, as described below. The Clerk will forthwith make a check in this amount  
2 payable to the “Roshka DeWulf & Patten PLC IOLTA Account.” The check shall be  
3 delivered to Jeffrey Gardner, Roshka DeWulf & Patten, PLC, One Arizona Center, 400 East  
4 Van Buren St., Suite 800, Phoenix, AZ 85004.

5 5. Defendant Robert Furst (“Furst”) will receive one-hundred-and-fifty-thousand  
6 dollars (\$150,000) plus 4% of the interest that has accrued on the principal amount of  
7 \$3,740,870, as described below. The Clerk will forthwith make a check in this amount  
8 payable to “Robert G. Furst.” The check shall be delivered to Robert Furst, 4201 North 57th  
9 Way, Phoenix, Arizona 85018.

10 To the extent the Interpleaded Funds have accrued any interest, it is further  
11 **ORDERED, ADJUDGED AND DECREED** that such interest shall be distributed to the  
12 Facciola group, the Baldino group, Victims Recovery, the Denning, Brown, and Alemany  
13 group, and Furst on a pro rata basis in accordance with their respective percentages of the  
14 total Interpleaded Funds.

15 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants  
16 Ryan Walter, Phillip Sollomi, Jr., the Estate of Scott M. Coles, SMC Revocable Trust Dated  
17 December 22, 1994, Yi Yang, George Everette, and Ashley Coles shall, each and every one  
18 of them, receive no amount of the Interpleaded Funds.

19 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the above  
20 allocations represent the total amount of insurance proceeds available to each of the  
21 Defendants under the D&O section of the Westchester Policy that is the subject of this  
22 litigation.

23 **IT IS FURTHER ORDERED, ADJUDGED, and DECREED** that Westchester has  
24 fully and in good faith satisfied all of its obligations to Defendants and its insureds under the  
25 D&O section of the Policy.

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