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11 **UNITED STATES BANKRUPTCY COURT**
 12 **DISTRICT OF NEVADA**

13 In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR
 Chapter 11

14 In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

15 In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

16 In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

17 In re:
 USA SECURITIES, LLC,
 Debtor.

**NOTICE OF HEARING OF MOTION
 FOR ORDER SCHEDULING AN
 AUCTION FOR THE SALE OF CERTAIN
 ASSETS, APPOINTING SPCP GROUP,
 LLC, AS LEAD BIDDER, AND
 APPROVING BID PROCEDURES AND
 PROTECTIONS
 (AFFECTS ALL DEBTORS)**

20 Affects:
 All Debtors
 USA Commercial Mortgage Company
 USA Securities, LLC
 USA Capital Realty Advisors, LLC
 USA Capital Diversified Trust Deed Fund, LLC
 USA Capital First Trust Deed Fund, LLC

Date: October 19, 2006
 Time: 9:30 a.m.

25 NOTICE IS HEREBY GIVEN that a Motion For Order Scheduling An Auction For The
 26 Sale of Certain Assets, Appointing SPCP Group, LLC, As Lead Bidder, And Approving Bid
 27 Procedures And Protections (the "Motion") was filed by Schwartzer & McPherson Law Firm,
 28 attorneys for USA Commercial Mortgage Company, USA Securities, LLC, USA Capital Realty

1 Advisors, LLC, USA Capital Diversified Trust Deed Fund, LLC, and USA Capital First Trust
2 Deed Fund, LLC, the Debtors and Debtors-in-Possession (collectively, the “Debtors”). The
3 Debtors request that the Court set a hearing for October 19, 2006 (or no later than October 26,
4 2006 in any event) and enter an order granting the Motion and:

5 1. Approving the Bid Procedures (attached to the Motion as Exhibit A) and
6 thereby authorizing the Debtors, among other things, to: (i) establish minimum
7 qualifications for potential bidders to participate in an auction process for the sale of USA
8 Capital First Trust Deed Fund’s (“FTD Fund”) ownership interest as a direct lender in 47
9 specifically identified loans, for a proposed purchase price of \$46.5 million, subject to
10 certain adjustments and conditions as stated in the Offer Letter (which is attached as
11 Exhibit B to the Motion), and USA Commercial Mortgage’s servicing rights in 80
12 specifically identified loans, including rights to collect servicing fees and other fees as
13 specified in the Offer Letter, for a proposed purchase price of one-half of the first \$1
14 million in servicing fees to be collected by the purchaser, as well as certain upside sharing
15 and other consideration, as more specifically described in the Offer Letter (the “Property”),
16 (ii) conduct an in-Court auction to obtain the highest and best offer for the Property, and
17 (iii) determine, along with the Official Committee of Unsecured Creditors of USA
18 Commercial Mortgage and the Official Committee of Equity Security Holders of USA
19 Capital First Trust Deed Fund, LLC, the highest and otherwise best bid for the Property
20 (the “Successful Bid”).

21 2. Approving SPCP Group, LLC as the “stalking horse” bidder for the Property,
22 and authorizing the Debtors to pay to the SPCP Group, LLC: (i) a break-up fee in the
23 amount of \$1.5 million (the “Break-Up Fee”), payable under certain circumstances as more
24 particularly detailed in the Offer Letter and summarized in the Motion, which Break-Up
25 Fee shall be reduced by the amount of the Expense Reimbursement (see as follows)
26 actually paid to the SPCP Group, LLC, and (ii) an expense reimbursement which shall be
27 limited to a maximum amount of actual and reasonable expenses incurred by SPCP Group,
28 LLC not to exceed \$500,000 (the “Expense Reimbursement”), payable under certain
circumstances as more particularly detailed in the Offer Letter.

3. Scheduling an auction (the “Auction”) in accordance with the Bid Procedures in
order to identify the “Successful Bid” and the “Next Highest Bid” (as defined in the Bid
Procedures) for the Property and approving the form of sale notice for the Auction.

Any Opposition must be filed pursuant to Local Rule 9014(d)(1).

Local Rule 9014(d)(1): “Oppositions to a motion must be filed and service
must be completed on the movant no later than fifteen (15) days after the
motion is served except as provided by LR 3007(b) and LR 9006. If the
hearing has been set on less than fifteen (15) days’ notice, the opposition
must be filed no later than five (5) business days before the hearing, unless
the court orders otherwise. The opposition must set forth all relevant facts
and any relevant legal authority. An opposition must be supported by
affidavits or declarations that conform to the provisions of subsection (c)
of this rule.”

1 If you object to the relief requested, you *must* file a WRITTEN response to this pleading
2 with the court. You *must* also serve your written response on the person who sent you this notice.

3 If you do not file a written response with the court, or if you do not serve your written
4 response on the person who sent you this notice, then:

- 5 • The court may *refuse to allow you to speak* at the scheduled hearing; and
- 6 • The court may *rule against you* without formally calling the matter at the
7 hearing.

8 A copy of the Motion may be obtained by accessing BMC Group, Inc.'s website at
9 www.bmcgroup.com/usacmc, by accessing PACER through the United States Bankruptcy Court
10 website for Nevada at www.nvb.uscourts.gov, by contacting BMC Group at telephone: (888) 909-
11 0100, or by contacting the office of the Debtor's counsel, Ray Quinney & Nebeker P.C.,
12 telephone: (801) 532-1500 or fax: (801) 532-7543.

13 NOTICE IS FURTHER GIVEN that the hearing on the Motion may be continued without
14 further notice.

15 NOTICE IS FURTHER GIVEN that the hearing on the Motion will be held before a
16 United States Bankruptcy Judge, in the Foley Federal Building, 300 Las Vegas Boulevard South,
17 3rd Floor, Las Vegas, Nevada on October 19, 2006 at 9:30 a.m.

18 DATED: September 26, 2006

19 /s/ Jeanette E. McPherson

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25 and

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