

January 2009

Report to Direct Lenders – Placer County Land Speculators, LLC

Dear Direct Lenders:

This is the last regular letter you will receive from the USACM Liquidating Trust as servicer for the Placer 1 and Placer 2 Direct Loans.

Receiver. Elli M.A. Mills was appointed Receiver for the Placer 1 Loan. Here are contact information for the receiver and Paul Pascuzzi, his lawyer.

Elli M.A. Mills
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Foreclosure. On December 22, 2008, Mr. Mills as Receiver directed the conclusion of the foreclosure sale, with a credit bid of \$8,404,030. There were no other bidders and title to the property has been taken in the names of the Placer 1 Lenders, with the Receiver continuing as Receiver for the property.

Placer 2. With respect to the Placer 2 Lenders, foreclosure of the Placer 1 lien extinguished the Placer 2 lien. The sole remaining source of repayment for the Placer 2 Lenders is a claim on the personal guaranty of Thomas Hantges and Joseph Milanowski, which the Trust filed in the personal bankruptcy cases of Hantges and Milanowski in Nevada. There is no time frame at this point for resolution of claims against Hantges and Milanowski, and no way to estimate the possibility of a distribution on those claims.

Statements. The Trust prepared statements for each of the Lenders through December 22, 2008, the date of the foreclosure. This letter accompanies those monthly statements to each of the Lenders.

Balances Due from Borrower. No payments were received from the Borrower, so that the unpaid balances as of the foreclosure date the same, except that interest, default interest and late fees continued to accrue. For your information, the Note balances as of December 22 were as follows before the foreclosure:

	Placer 1	Placer 2
Principal	\$31,500,000.00	\$6,500,000.00
Interest	\$8,449,234.57	\$2,221,895.97
Default Interest	\$5,089,737.92	\$557,701.35
Late Fees	\$323,536.22	\$87,878.93
Total	\$45,362,508.71	\$9,367,476.25

Future Reporting. The Receiver is now responsible for dealing with the Property and attempting to provide a recovery for the Placer 1 Lenders from the holding and eventual disposition of the Property. There is no reason for the Trust as servicer to continue to provide statements or otherwise act with respect to the Placer 1 or 2 Loans, except with respect to the proofs of claim filed by the Trust against Hantges and Milanowski for their guaranties. Accordingly, unless and until there is a resolution of the proof of claim on the guaranty, the Trust will not send you any further statements, and will not send you any further monthly reports. However, the Trust will continue to maintain its website and reports to the Placer Lenders are available on that website, for your use.

A number of you have asked whether you can take a bad debt deduction or fraud loss on your tax returns with respect to the Placer 1 and Placer 2 Loans. With respect to proof of a loss, the proof of foreclosure provided in our periodic correspondence, available on the website, the complaint seeking appointment of the Receiver, the Order appointing the Receiver, and the Receiver's email notice of the completion of the foreclosure sale should provide proof of loss.

With respect to either tax advice or "proof" of fraud perpetrated by the principals of USA Commercial Mortgage Company, the Trust cannot provide you either with tax advice or with formal "proof" at this time. There are certainly numerous allegations of fraud that the Trust has made in its complaints in the United States Bankruptcy Court and the United States District Court in the District of Nevada. None of those complaints specifically address the Placer Loan. And to repeat, perhaps more importantly, the Trust is not in a position to provide you with tax advice.

For More Information. As always, if you have any questions about your statement or about the Loans, please feel free to contact the Trust at the following contact information:

Dated: Wednesday, January 21, 2009.

USACM Liquidating Trust

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