

Friday, April 20, 2007

Dear Investors:

As you know, the bankruptcy court confirmed the Debtors' Third Amended Joint Plan of Reorganization. On March 12, 2007, the Plan became effective. Under the Plan, servicing of the Placer Vineyards 1 and 2 loans were transferred to the USACM Liquidating Trust as of April 11, 2007, after USA Commercial Mortgage Company withdrew its motion to delay the transfer and sell the servicing rights to a third party.

According to the USACM books, the outstanding balances of the loans as of March 21, 2007 are as follows:

As of 3/21/07

Placer Vineyards	
Principal	31,500,000.00
Regular Interest	5,873,461.97
Default Interest	3,544,274.38
Late Fees	201,812.87
Other Fees	-
Total	41,119,549.22
Per Diem (Regular)	12,882.96
Per Diem (Default)	7,729.77
Placer Vineyards 2nd	
Principal	6,500,000.00
Regular Interest	1,509,722.39
Default Interest	379,657.93
Late Fees	54,305.03
Other Fees	-
Total	8,443,685.34
Per Diem (Regular)	3,526.96
Per Diem (Default)	881.74

These amounts are exclusive of servicing fees.

The borrower – Placer County Land Investors, LLC – says it is trying to refinance these loans, but that Joseph Milanowski, through USA Investment Partners, LLC (“USAIP”), which is the 88% member of the LLC, has prevented the refinancing efforts. The borrower’s manager – Robert Russell, the borrower and others filed a lawsuit in the United States District Court in the Central District of California, Eastern Division (Riverside), No. EDCV07-0343 SGL (JCRx). With the consent of USAIP, the court appointed Mr. Richard Block from Colorado as the temporary receiver for USAIP, without advance notice to the USACM Trust and reorganized USA Capital Diversified Trust Deed Fund, LLC. Immediately upon learning of the appointment of the receiver, the USACM Trust and the Diversified Trust Deed Fund asked the California District Court to allow us and other creditors to file an involuntary bankruptcy petition against USAIP in Nevada. At a hearing on April

4, 2007, the California District Court granted the USACM Trust and Diversified Trust Deed Fund's motion to modify the temporary restraining order that prevented the filing of an involuntary bankruptcy against USAIP. USACM Trust, the Diversified Trust Deed Fund, and a third petitioning creditor filed the involuntary bankruptcy against USAIP in the Bankruptcy Court in Las Vegas that afternoon.

The Bankruptcy Court granted an emergency motion for the appointment of an interim trustee for USAIP at an April 5th hearing and the U.S. Trustee has appointed Lisa M. Poulin, of Corporate Reorganization Partners, as the interim trustee. Ms. Poulin has sought to employ the firm of Gordon & Silver as counsel to represent her, subject to Bankruptcy Court approval. The involuntary bankruptcy filing will impact the borrower's repayment of your loans.

The Bankruptcy Court scheduled a hearing on pending matters in the USAIP involuntary case on April 27, 2007 at 9:30 a.m. We will report to you after this hearing. Meanwhile, if you are aware of any parties that might be interested in refinancing of the first two loans to repay them, please refer those parties to the USACM Trust (gberman@dsi.biz).

USA Commercial Mortgage Company Geoffrey L. Berman, Trustee, USACM
Liquidating Trust