

June 2008

Report to Direct Lenders – Placer County Land Speculators, LLC – 1ST Lien

Dear Direct Lenders:

This letter is written to the holders of the Placer 1 Loan. A copy is being sent to the holders of the Placer 2 Loan for information purposes only.

This letter supplements the USACM Liquidating Trust's prior reports, all of which are available on the Trust's website at: <http://usacmcucc.bmcgroup.com.default.aspx>.

There have been no payments made on the Placer 1 or 2 Loans.

Placer 1 Loan	As of 5/31/2008
Principal	\$ 31,500,000.00
Regular Interest	\$ 11,961,957.91
Default Interest	\$ 7,197,371.94
Late Fees on Interest	\$ 598,097.90
Late Fees on Principal	\$1,575,000.00
Other Fees	
Total	\$ 52,832,427.75

Status of Foreclosure Sale

As the Trust has explained regularly this year, the Trust is seeking to foreclose the lien securing repayment of the Placer 1 Direct Lenders. Until shortly before the sale was first scheduled, no Placer 1 Lender objection had been received by the Trust. First Donna Cangelosi and her FDH Management entity, and now several Placer 2 Lenders and entities called the Board of Directors of Placer Vineyards 1st Lenders, LLC and the Board of Directors of Placer Vineyards 2nd Lenders, LLC have objected to the foreclosure sale. A number of Placer 1 Lenders have either purported to terminate their consent to the foreclosure or to object to the foreclosure as a result of the efforts of these groups.. Because even one holdout may jeopardize the ability of the rest of the lenders to direct a foreclosure, the Trust has directed that the foreclosure sale be continued to July 23, 2008.

Dismissal of Bankruptcy Filing

On Tuesday, April 8, 2008, an entity calling itself “Placer Vineyards 2nd Lenders, LLC”, a Nevada limited liability company, filed a chapter 11 bankruptcy case in Reno, Nevada, Case No. 08-50546-gwz. The lawyer for this entity said that the owners of the entity are some of the owners of the Placer 2 Loan, and that the purpose of the bankruptcy filing was to stop the foreclosure sale through the automatic stay of bankruptcy. The lawyer who filed the bankruptcy case then asked the bankruptcy court for permission to withdraw. Since an entity like a limited liability company can not represent itself in bankruptcy, on April 22 the United States Trustee asked the bankruptcy court to dismiss the case unless a new lawyer was hired. A hearing was scheduled on May 14 with notice to all of the persons that the LLC had identified as its members. No one appeared to represent the LLC at the hearing on May 14 and the bankruptcy court dismissed the bankruptcy case.

“Proposal”

From time to time over the past several months, Donna Cangelosi, Roy Hibdon, Morris Mansell, and others, have indicated they that believe a proposal can be made for Placer 2 Lenders to fund carrying costs of the property after foreclosure. They also believe that Placer 1 Lenders and Placer 2 Lenders should agree to form a limited liability entity to hold the property and conduct business. Whenever the foreclosure sale has been imminent, they have asked for more time to make a firm proposal. The Trust has advised Mr. Hibdon and now a lawyer claiming to represent the Board of Directors of Placer Vineyards 1st Lenders, LLC and the Board of Directors of Placer Vineyards 2nd Lenders, LLC that they are free to make a real offer, which offer needs to include a payment for current property taxes, development costs and the Trust’s servicer advance, for the Placer 1 Lenders to consider. No such proposal has yet been received. A copy of a letter from Mr. Clouser, who also represents Mr. Hibdon in various matters, is attached for your information. Please note that no Placer 1 Lender would be bound to such a proposal without that Lender’s express agreement. The Trust does not recommend this alternative.

Receivership

In the current environment, the Placer 1 lien may not be foreclosed due to Placer 1 Lender holdouts. A proposal for the compromise of the Placer 1 Loan, or resale of the Property after foreclosure can not be accomplished without the consent of all 300+ Lenders. Only a court can resolve the deadlock in a case where every direct lender is a party, receiving notice, and with an opportunity to make her views heard. Accordingly, the Trust is preparing a complaint to be filed in California state court to obtain either a

receiver with authority to direct foreclosure, or a judicial foreclosure of the Placer 1 Lien. The receiver would naturally remain in control if the property is acquired via foreclosure.

The receivership order would protect against actions against the Property or its owners. The receivership case would be brought with each Placer 1 Lender identified as a party, and each Lender receiving notice in the receivership case. The proposal to retain a receiver would be public, with information circulated to all the Lenders. The Trust will ask that the court order the receiver not make any recommendation without prior consultation with the Placer 1 Lenders, absent a true emergency. The receivership court, not any individual Lender or group of Lenders, and not the Trust as servicing agent, would approve the receiver's appointment or compensation, and any recommendations of the receiver with respect to borrowing to pay carrying costs or ultimately, the sale of the Property. The Trust is forwarding proposals for potential receivers to a group of Lenders for their input before the receivership action is filed, and welcomes additional proposals.

We will continue to provide you with monthly reports and welcome your periodic attention to the website for interim developments.

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:

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