

September 2008

Report to Direct Lenders – Placer County Land Speculators, LLC

Dear Direct Lenders:

To begin with, please note that the Borrower has not made any payment on either the Placer 1 or Placer 2 loans. Therefore, unpaid principal remains unchanged, and unpaid interest and unpaid default interest and fees have increased over the last report provided to you.

With this letter, enclosed please find on behalf of the USACM Liquidating Trust:

- Your monthly statement
- Complaint filed in the United States District Court for the District of Nevada, No. 2:08-cv-01276-KJD-RJJ

As the Trust's prior letters explained, the Trustee cannot proceed with foreclosure of the Placer 1 Deed of Trust because not all of the Placer 1 Lenders agree. Nor can the Trust take another action recommended by some Lenders, for example, transferring the Placer 1 loan interest into a new entity without all Lenders' consent and full disclosure. This Complaint seeks to have a receiver appointed for the Court to review a recommendation whether to foreclose the Deed of Trust securing repayment of the Placer 1 loan or not. The Complaint does not seek money relief from you; does not seek to take away the Lender's interest in the loan; and is the best alternative the Trust can come up with to collect the loan. The Placer 2 Lenders are identified in the complaint as they collectively own the Placer 2 Note and Deed of Trust.

- Summons
- Notice of a Lawsuit and Request to Waive Service of a Summons
- Waiver of the Service of Summons

Every person identified in a complaint must receive notice. There are a couple of traditional ways to provide notice. One is to have a process server bring a copy of the summons, complaint and other documents filed in the case to each defendant's residence or place of business. Since the Lenders live across the country, that would be very

expensive. Instead, we ask you to waive the service of the summons, sign the form attached called “Waiver of the Service of Summons” and return it in the enclosed postage-prepaid envelope. Your response would then be due 60 days from the date of this Notice.

If you do not agree to waive service of the summons, and if the Trust has to have a process server hired to serve the summons and complaint to you at your residence or place of business, the additional costs will be sought by the Trust from the net proceeds received, so that expense will effectively come out of all Placer 1 Lenders’ pockets.

- Motion for the Appointment of a Receiver

This is the motion that asks the Court to appoint the receiver to make a recommendation concerning foreclosure of the Placer 1 Loan. If the Property is foreclosed and if the Placer 1 Lenders are the successful buyers at foreclosure, then the motion asks the Court to have the receiver continue to control the Property for the benefit of Placer 1 Lenders. You will notice that the motion asks the Court to direct the receiver not to make a recommendation (absent an emergency) except with the approval of at least 51% of the beneficial interests in the Placer 1 Loan.

You are free to take action in this case, including opposing the relief requested. By agreeing to waive service of the summons, you are not agreeing to the relief requested in the complaint. Instead, you are just agreeing to let the process begin relatively expeditiously and with much less expense. Please discuss this matter with your personal legal advisor.

A declaration and a number of exhibits were filed with the receiver motion. Those and copies of the papers filed in the case will be posted on the USACM Trust website.

Finally, the foreclosure sale has been rescheduled to Monday, December 22, 2008 at 10:00 a.m.

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:

USACM Liquidating Trust

Geoffrey L. Berman, Trustee

Matthew P. Sorenson

Email: gberman@dsi.biz

msorenson@dsi.biz

Development Specialists, Inc.

333 South Grand Avenue, Suite 4070

Los Angeles, California 90071-1544

Facsimile: (213) 617-2718

Telephone: (213) 617-2717

Lewis And Roca LLP

Rob Charles

Susan M. Freeman

Email: RCharles@LRLaw.com

3993 Howard Hughes Parkway, Suite 600

Las Vegas, Nevada 89169-5996

Facsimile: (702) 949-8321

Telephone: (702) 949-8320

Attorneys for the USACM Liquidating
Trust