

November 2008

Report to Direct Lenders – Placer County Land Speculators, LLC

Dear Direct Lenders:

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. Here is the current balance of the Placer Loans:

As of 10/31/2008	Placer 1 Loan	Placer 2 Loan
Principal	\$31,500,000.00	\$6,500,000.00
Regular Interest	\$14,336,205.61	\$3,897,156.99
Default Interest	\$8,612,573.65	\$975,392.52
Late Fees on Interest	\$716,810.28	\$194,857.85
Late Fees on Principal	\$1,575,000.00	\$325,000.00
Other Fees		
Total	\$56,740,589.53	\$11,892,407.36

Status of Foreclosure Sale

The foreclosure sale has been continued to Monday, December 22, 2008 in Placer County.

Receivership Action

As you know, the USACM Liquidating Trust filed a Complaint in the United States District Court for the District of Nevada, No. 2:08-cv-01276-KJD-RJJ. This action seeks the appointment of a receiver for the Placer 1 Loan and, if a foreclosure occurs, for the property owned by the Placer 1 Lenders. The USACM Trust filed a motion to appoint a receiver, which the district court set for hearing on December 3, 2008 at 9:00 a.m. before District Judge Dawson. Each of you should have received notice of the hearing in the mail, along with copies of the papers filed in the case. Copies are available without charge from the USACM Trust's website.

Many of you have executed and returned the Waiver of Service of the summons and complaint, in order to avoid the USACM Trust incurring the expense and you the inconvenience of service of process through a process server. If you have not returned the Waiver, we again request that you please do so. If you need another copy of the Waiver, please go the USACM Trust website, click on the Placer Vineyards link, and you can obtain the form for your execution and return.

You all should have received information about the four prospective receiver candidates. Two of the candidates have withdrawn their names, leaving only John Paxton and Eli Mills as proposed candidates. You are free to express your views, including appearing in the district court action, with respect to the appropriateness of the appointment of a receiver, or as to the particular receiver candidates.

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

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