

December 2007

Report to Direct Lenders – Placer County Land Speculators, LLC

Dear Direct Lenders:

This letter supplements the prior reports of the USACM Liquidating Trust as servicer of your Loans.

Balances Due from Borrower. No payments have been received from the Borrower, so that the unpaid balances as of the end of November are the same, except that interest, default interest and late fees continue to accrue. For your information, the Note balances as of December 1 were as follows:

	Placer 1	Placer 2
Principal	\$31,500,000.00	\$6,500,000.00
Interest	\$ 9,299,860.81	\$2,459,958.52
Default Interest	\$ 5,600,113.68	\$ 617,216.96
Late Fees	<u>\$ 365,629.06</u>	<u>\$ 99,625.43</u>
Total	\$46,765,603.55	\$9,676,800.91

Response to USACM Trust's Requests. In our November letter, which some of you received well after we hoped due to delays in the mailing, we indicated that the Trust was seeking your consent to make a servicing advance of \$50,000 as an installment of the past due sums owed to the Placer Vineyards Owners Group. Most, but not all of the responding lenders, approved this request. However, after we made this request, the Trust received notice of a members meeting of the Placer Vineyards Development Group LLC on November 8, 2007, and then a copy of an invoice from that Development Group to Placer County Land Investors for the 2008 Capital Call Requirement requesting payment of an additional \$52,718.04 by December 15, 2007. We have concluded that the USACM Trust is not in a position to be able to advance the sums requested by the Development Group on an ongoing basis, and accordingly did not advance the \$50,000 past due installment.

Our letter also requested the Direct Lenders' consent to an agreement with the Trustee of USA Investment Partners, LLC to a limited surcharge in the event of a bankruptcy filing by Borrower to facilitate a sale. The majority of the responding lenders objected to the request for a surcharge, and the Trustee withdraws that request.

Status of Foreclosure. The Trust hired Mark Gorton of McDonough, Holland & Allen P.C. in Sacramento to represent the Trust in foreclosing the lien held by the Direct Lenders in the Placer 1 Loan. With Mr. Gorton's assistance, the Trustee retained Alliance Default Services, a division of Alliance Title, in Sacramento, California, to serve as the substitute trustee under the Deed of Trust. A Declaration of Default and Demand for Sale were recorded on December 3 and 4, 2007, the latter at Document No. 2007-0114236, Official Records of Placer County, California. The substitute trustee served the Notice of Default as required by California law.

The Foreclosure Sale may occur 21 days after the 3 months after the recording of the Notice of Default. The estimated foreclosure sale date is therefore March 24, 2008.

Hantges and Milanowski Proofs of Claim. The Trust has prepared and filed proofs of claim against Thomas Hantges and Joseph Milanowski upon their guarantee of the Placer 1 and Placer 2 Loans. These proofs of claim were timely filed by the Trust as servicer on behalf of the Direct Lenders.

Upcoming Steps. The Trustee intends to propose the alternatives for either a sale of the property at the foreclosure sale to a third party buyer; or a vehicle for the Direct Lenders to take the property back at the foreclosure sale, hold it, pay the carrying costs, and resell the property in due course. Those alternatives are being discussed and we will forward a proposal to you in January with a suggestion for a meeting in February.

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: Thursday, December 13, 2007.

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