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8 **UNITED STATES DISTRICT COURT**
9 **DISTRICT OF NEVADA**

10 USACM LIQUIDATING TRUST,

Civil Action No. 2:08-cv-01276-KJD-RJJ

11 Plaintiff,

12 v.

13 PLACER COUNTY LAND
14 SPECULATORS, LLC, aka PLACER
COUNTY LAND INVESTORS, LLC; et
al,

15 Defendants

16 **NOTICE OF SUPPLEMENTAL DISCLOSURE OF QUALIFICATIONS OF RECEIVER**
17 **ELLI M. A. MILLS AND REQUEST FOR ORDER AFFIRMING APPOINTMENT**

18 Notice is given that the Elli M. A. Mills, the Court Appointed Receiver herein has filed a
19 Supplemental Disclosure of Qualifications of Receiver and Request for Order Affirming
20 Appointment (“Supplemental Disclosure”).

21 A copy of the Supplemental Disclosure is available without charge from the website of
22 USACM Liquidating Trust (<http://usacmcucc.bmcgroup.com>) or from the undersigned. In
23 addition, a copy can be obtained at the receiver’s counsel’s website, www.ffwplaw.com, by
24 clicking on the “Cases” link, entering the email address at the login prompt of
25 cases@ffwplaw.com, and the password, “password” then clicking on the Placer Vineyards folder.

26 In summary, the Supplemental Disclosure requests the following relief:

27 Elli M. A. Mills, duly appointed receiver in the above referenced matter by order filed
28 December 16, 2008, (the “Receiver”) hereby supplements his statement of qualifications and

1 disclosures as follows:

2 1. On December 15, 2008, the Receiver filed his Verified Statement of Proposed
3 Receiver Elli M. A. Mills disclosing all connections, if any, with the parties in interest in this
4 matter.

5 2. On December 16, 2008, the Court entered the Order Appointing Receiver
6 approving the appointment of Mr. Mills as Receiver.

7 3. The Receiver files this supplemental disclosure and request for order affirming his
8 appointment due to subsequent developments that the Receiver believes should be disclosed.

9 4. Mr. Mills has been approached by Mr. Dan Kehl to perform real estate consulting
10 for him and other members of his family with respect to loans, other than the Placer 1 Owners'
11 property, that they made on investments presented by the USA Commercial Mortgage Trust.

12 5. Mr. Dan Kehl is not an investor in the Placer 1 Owners' property, but other family
13 members and associates of his are.

14 6. The work that Mr. Kehl has asked Mr. Mills to perform consists of evaluating their
15 real estate investments and consult with the various investors to delineate their options and
16 appropriate strategic alternatives. None of that work involves the Placer 1 Owners' property or
17 the Kehl family interest in the Placer 1 Owners property.

18 7. Mr. Kehl is aware that Mr. Mills is the Receiver of the Placer 1 Owners' property
19 in this matter and cannot and will not perform any function with respect to that property for him
20 or other members of his family other than those functions which fall into Mr. Mills'
21 responsibilities as Receiver which he provides for any Placer 1 Owner.

22 8. Mr. Mills does not believe that there is or will be any conflict with Mr. Mills'
23 duties as Receiver for the Placer 1 Owners by accepting this engagement for Mr. Kehl and the
24 Kehl family. However, Mr. Mills believes that it is appropriate and necessary for him to disclose
25 this potential engagement to all of the Owners of Placer 1 and the Court, with appropriate
26 opportunity for any party in interest to file an objection with the Court, if they so wish.

27 9. Local Rule 66-7, entitled, "PERSONS PROHIBITED FROM ACTING AS
28 RECEIVERS" states as follows:

1 Except as otherwise allowed by statute or ordered by the court, no party in
2 interest, attorney, accountant, employee or representative of a party in
interest shall be appointed as a receiver or employed by the receiver.

3 10. Local Rule 66-7 prohibits a representative of any party in interest with respect to
4 the subject matter of the receivership from acting as receiver. Mr. Mills is not the representative
5 of any party in interest with respect to this receivership. Thus, Mr. Mills' prospective
6 employment by the Kehls in a separate and unrelated matter does not violate Local Rule 66-7.

7 11. Mr. Mills requests that the Court issue an order affirming the Receiver's
8 appointment in the form submitted herewith without a hearing unless requested by a party in
9 interest within 10 days after service of this pleading, i.e., May 18, 2009.

10 The Receiver respectfully requests the Court to reaffirm his employment, and for such
11 other and further relief as the Court deems just.

12 NOTICE IS FURTHER GIVEN that if you do not want the Court to grant the relief
13 sought in the Supplemental Disclosure, or if you want the court to consider your views on the
14 Motion, then you must file an opposition with the Court, and serve a copy on the undersigned ***no***
15 ***later than 10 days*** after service of this Notice. Failure to file a timely response may be deemed a
16 consent to the relief requested in the Motion.

17 Dated: May 6, 2009

18 FELDERSTEIN FITZGERALD
19 WILLOUGHBY & PASCUZZI LLP

20 By: /s/ Paul J. Pascuzzi
21 PAUL J. PASCUZZI
Attorneys for Elli M. A. Mills, Receiver

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