

RESPONSES TO FREQUENTLY ASKED QUESTIONS

What is chapter 11:

Chapter 11 is a legal mechanism for court-supervised reorganization or restructuring of a company's obligations. Chapter 11 provides a way for companies to address their financial issues in order to become a viable entity, while continuing day-to-day operations.

How long will the company be in chapter 11?

The companies will work to emerge from chapter 11 business reorganization as soon as possible. Given the complexity of this situation, it is difficult to determine when the companies will emerge.

Do companies ever emerge from chapter 11?

Yes. Many companies, including K-Mart, Continental Airlines, Texaco, Macy's, Amerco, Inc. (U-Haul), and The Southland Corp (7-Eleven) have successfully reorganized under chapter 11.

How did the Official Committee of Unsecured Creditors of USA Commercial Mortgage Company get appointed?

Members of the Official Committee of Unsecured Creditors of USA Commercial Mortgage Company were appointed by the Office of the United States Trustee, an arm of the Department of Justice.

Who are the members of the Official Committee of Unsecured Creditors of USA Commercial Mortgage Company?

Members are some of the largest unsecured creditors of USA Commercial Mortgage Company, who have volunteered to participate on the Unsecured Creditors Committee of USA Commercial Mortgage Company. Committee Members do not receive any compensation for serving on the Unsecured Creditors Committee and have volunteered their time to be members of the Unsecured Creditors Committee.

Who does the Official Committee of Unsecured Creditors of USA Commercial Mortgage Company represent?

The Official Committee of Unsecured Creditors of USA Commercial Mortgage Company, commonly known as the "Unsecured Creditors Committee," represents the collective interests of creditors who hold unsecured claims against USA Commercial Mortgage. To the extent any individual unsecured creditors of USA Commercial Mortgage Company needs or desires legal representation regarding individual issues, the individual must retain independent counsel.

What about the other committees appointed in these cases?

In addition to the Unsecured Creditors Committee, the Office of the United States Trustee appointed three other committees in these cases as follows:

- Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC, commonly known as the "Diversified Trust Deed Committee," to represent the collective interests of all investors in USA Capital Diversified Trust Deed Fund, LLC;

- Official Committee of Executory Contract Rights through USA Commercial Mortgage Company, commonly known as the "Direct Lender Committee," to represent the collective interests of those persons or entities, which through the services of USA Commercial Mortgage Company, lent money directly to borrowers and are direct participants in loans. The Direct Lender Committee has established its own website at www.usadirectlenders.com; and
- Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund to represent the collective interests of all investors in USA Capital First Trust Deed Fund, LLC. The Equity Security Holders of USA Capital First Trust Deed Fund has established its own website at <http://usacapftdf.bmcgroup.com>.