

United States Bankruptcy Court
District of Nevada

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): USA Commercial Mortgage Company
Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): FKA USA Capital
All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec./Complete EIN or other Tax ID No. (if more than one, state all): 88-0244801
Last four digits of Soc. Sec./Complete EIN or other Tax ID No. (if more than one, state all):
Street Address of Debtor (No. & Street, City, and State): 4484 South Pecos Road Las Vegas, NV
Street Address of Joint Debtor (No. & Street, City, and State):
County of Residence or of the Principal Place of Business: Clark
County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):
Mailing Address of Joint Debtor (if different from street address):
Location of Principal Assets of Business Debtor (if different from street address above):

Type of Debtor (Form of Organization) (Check one box)
Nature of Business (Check all applicable boxes.)
Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)
Nature of Debts (Check one box)

Filing Fee (Check one box)
Chapter 11 Debtors
Check one box:
Check if:

Statistical/Administrative Information
THIS SPACE IS FOR COURT USE ONLY
Debtor estimates that funds will be available for distribution to unsecured creditors.
Estimated Number of Creditors
Estimated Assets
Estimated Debts



**Voluntary Petition**

*(This page must be completed and filed in every case)*

Name of Debtor(s):

**USA Commercial Mortgage Company**

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by §342(b) of the Bankruptcy Code.  
I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** \_\_\_\_\_  
Signature of Debtor

**X** \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by §1515 of title 11 are attached.

Pursuant to §1511 of title 11, United States Code, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

**X** \_\_\_\_\_  
Signature of Foreign Representative

\_\_\_\_\_  
Printed Name of Foreign Representative

\_\_\_\_\_  
Date

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

**X** \_\_\_\_\_  
Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.*

**Signature of Attorney**

**X** /s/ Lenard E. Schwartz  
Signature of Attorney for Debtor(s)

Lenard E. Schwartz  
Printed Name of Attorney for Debtor(s)

Schwartz & McPherson Law Firm  
Firm Name

2850 South Jones Boulevard, Suite 1  
Las Vegas, NV 89146

\_\_\_\_\_  
Address

(702) 228-7590 Fax: (702) 892-0122  
Telephone Number

April 13, 2006  
Date

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.  
The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** /s/ Joseph D. Milanowski  
Signature of Authorized Individual

Joseph D. Milanowski  
Printed Name of Authorized Individual

President  
Title of Authorized Individual

April 13, 2006  
Date

**ACTION BY WRITTEN CONSENT**  
**OF**  
**THE BOARD OF DIRECTORS**  
**OF**  
**USA COMMERCIAL MORTGAGE COMPANY**

(April 13, 2006)

The undersigned directors, who constitute all of the current members of the board of directors (the "Board") of USA COMMERCIAL MORTGAGE COMPANY, a Nevada corporation (the "Company"), acting in accordance with applicable provisions of the laws of Nevada and of the Articles of Incorporation, as amended, and the Bylaws, as amended, of the Company, hereby adopt the following resolutions by written consent respecting the Company.

**RECITALS**

The Board believes that it is in the best interest of the Company to evaluate restructuring options and to vest the President of the Company with all rights, powers, and authority necessary and appropriate for restructuring the Company, including but not limited to filing a petition for relief under Chapter 11 of the U.S. Bankruptcy Code, if the President deems it appropriate; and

The Board believes that it is in the best interest of the Company to engage such restructuring professionals as are necessary or appropriate to assist in the restructuring of the Company, and to approve and ratify the Company's recent engagement of Mesirow Financial Interim Management, LLC ("Mesirow") and Ray Quinney & Nebeker P.C. ("RQN") for that purpose; and

The Board believes that in the event a Chapter 11 bankruptcy petition is filed by the Company, it would be in the best interest of the Company immediately to appoint a new, independent President of the Company to manage and carry out the restructuring of the Company, and that Thomas J. Allison ("Allison"), who is an officer of Mesirow, is well qualified to serve as the new President of the Company, and to appoint RQN as general bankruptcy counsel for the Company; and

The Board believes that in the event a Chapter 11 bankruptcy petition is filed by the Company, it would be in the best interest of the Company immediately to obtain insurance ("D&O Insurance") to protect the directors and officers of the Company from liability in connection with their service on behalf of the Company.

## RESOLUTIONS AND ACTIONS

WHEREFORE, IT IS HEREBY RESOLVED AND RATIFIED that the current President of the Company is and was authorized to engage Mesirov as a consultant and RQN as legal counsel to assist the Company in evaluating the restructuring options of the Company, to assist in preparing the Company for a possible bankruptcy filing, and to serve as the Company's general restructuring consultant and general bankruptcy counsel, respectively, in the event of a Chapter 11 filing; and

IT IS HEREBY FURTHER RESOLVED that the President of the Company is authorized, in the event he deems it appropriate in his sole discretion, to sign and file on behalf of the Company a petition for relief under Chapter 11 of the U.S. Bankruptcy Code, as well as all related papers that are necessary or appropriate in connection with the bankruptcy petition, and to obtain D&O Insurance; and

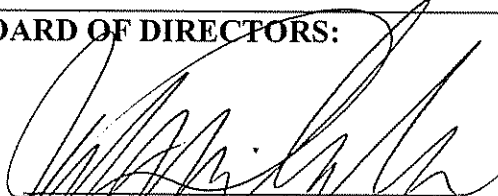

IT IS HEREBY FURTHER RESOLVED in the event a Chapter 11 bankruptcy petition is filed for the Company, all current officers of the Company shall be removed and replaced with Allison, who shall then serve as President, Vice President, and Secretary of the Company; and

IT IS HEREBY FURTHER RESOLVED that, upon the filing of a Chapter 11 bankruptcy petition respecting the Company, Allison as the new President of the Company shall possess all management authority, powers, rights, and duties of and for the Company to the fullest extent permitted by law and shall exercise such authority, powers, rights and duties as Allison deems appropriate in his sole discretion to the fullest extent permitted by law, subject only to retention by the Board of the right to remove and replace Allison for cause and upon 30 days' written notice to Mesirov and Allison; and

IT IS HEREBY FURTHER RESOLVED that, without limiting the scope of the authority, powers, and duties granted and delegated to Allison as the new President upon the filing of a Chapter 11 petition for the Company, as set forth above, on and after the date of such a filing Allison shall be authorized to take all actions and to make all decisions as he deems appropriate in his sole discretion respecting all matters addressed in applicable Nevada statutes and in the Articles of Incorporation, as amended, and the Bylaws, as amended, of the Company, excepting only the removal of Allison for cause upon 30 days' notice, which power is reserved for the Board as set forth above; and

IT IS HEREBY FURTHER RESOLVED that, effective immediately, the Articles of Incorporation and the Bylaws of the Company are amended, to the extent necessary, to be consistent with the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned, who are all of the members of the Board of the Company, execute this Action by Written Consent on April 13, 2006.

<p><b>BOARD OF DIRECTORS:</b></p>  <p>Joseph D. Milanowski, Director</p>  <p>Mark L. Olson, Director</p>	
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**United States Bankruptcy Court  
District of Nevada**

In re **USA Commercial Mortgage Company**  
Debtor(s)

Case No. \_\_\_\_\_  
Chapter **11**

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, indicate that by stating "a minor child" and do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
<b>Bunch, Dell 1909 Red Robin Court Las Vegas, NV 89134</b>	<b>Bunch, Dell 1909 Red Robin Court Las Vegas, NV 89134</b>			<b>10,500,000.00</b>
<b>Peterson, Michael c/o John F. O'Reilly O'Reilly Law Group, LLC 325 South Maryland Parkway Las Vegas, NV 89101</b>	<b>Peterson, Michael c/o John F. O'Reilly O'Reilly Law Group, LLC Las Vegas, NV 89101</b>			<b>1,500,000.00</b>
<b>Nevada State Bank P.O. Box 990 Las Vegas, NV 89125-0990</b>	<b>Nevada State Bank P.O. Box 990 Las Vegas, NV 89125-0990</b>			<b>300,000.00</b>
<b>Paris Line LLC 4759 Illustrious Street Las Vegas, NV 89147</b>	<b>Paris Line LLC 4759 Illustrious Street Las Vegas, NV 89147</b>			<b>236,823.00</b>
<b>Pecos Professional Park 4484 South Pecos Park Las Vegas, NV 89121</b>	<b>Pecos Professional Park 4484 South Pecos Park Las Vegas, NV 89121</b>			<b>181,081.05</b>
<b>Wells Fargo Bank MAC T5601-012 P.O. Box 659700 San Antonio, TX 78286-0700</b>	<b>Wells Fargo Bank MAC T5601-012 P.O. Box 659700 San Antonio, TX 78286-0700</b>			<b>150,292.00</b>
<b>Annee of Paris Coiffures, Inc. 8049 Pinncale Peak Las Vegas, NV 89113</b>	<b>Annee of Paris Coiffures, Inc. 8049 Pinncale Peak Las Vegas, NV 89113</b>			<b>136,116.00</b>
<b>Haspinov, LLC 4484 South Pecos Rd. Las Vegas, NV 89121</b>	<b>Haspinov, LLC 4484 South Pecos Rd. Las Vegas, NV 89121</b>			<b>107,022.16</b>
<b>Bank of America P.O. Box 30750 Los Angeles, CA 90030-0750</b>	<b>Bank of America P.O. Box 30750 Los Angeles, CA 90030-0750</b>			<b>100,000.00</b>
<b>USA Commercial Real Estate Group 4484 South Pecos Rd Las Vegas, NV 89121</b>	<b>USA Commerical Real Estate Group 4484 South Pecos Rd Las Vegas, NV 89121</b>			<b>51,869.00</b>
<b>Citibank P.O. Box 26901 San Francisco, CA 94126</b>	<b>Citibank P.O. Box 26901 San Francisco, CA 94126</b>			<b>50,000.00</b>

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**  
(Continuation Sheet)

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
<b>U.S. Bank P.O. Box 790179 Saint Louis, MO 63179-0179</b>	<b>U.S. Bank P.O. Box 790179 Saint Louis, MO 63179-0179</b>			<b>46,766.00</b>
<b>Goolde Patterson Ales &amp; Day 4496 So. Pecos Rd. Las Vegas, NV 89121</b>	<b>Goolde Patterson Ales &amp; Day 4496 So. Pecos Rd. Las Vegas, NV 89121</b>			<b>46,462.83</b>
<b>Nevada Department of Taxation P.O. Box 52674 Phoenix, AZ 85072-2674</b>	<b>Nevada Department of Taxation P.O. Box 52674 Phoenix, AZ 85072-2674</b>			<b>40,941.67</b>
<b>Advanced Information Systems 4270 Cameron Street, Suite #1 Las Vegas, NV 89121</b>	<b>Kathryn Tschopik Advanced Information Systems 4270 Cameron Street, Suite #1 Las Vegas, NV 89121</b>			<b>32,427.50</b>
<b>Scotsman Publishing, Inc. P.O. Box 692 Bothell, WA 98041-0692</b>	<b>Scotsman Publishing, Inc. P.O. Box 692 Bothell, WA 98041-0692</b>			<b>24,147.00</b>
<b>RD Advertising 3230 E. Flamingo Road, #8-532 Las Vegas, NV 89121</b>	<b>RD Advertising 3230 E. Flamingo Road, #8-532 Las Vegas, NV 89121</b>			<b>24,053.71</b>
<b>West Coast Life Insurance Company P.O. Box 11407 Birmingham, AL 35246-0078</b>	<b>Richard Foster West Coast Life Insurance Company P.O. Box 11407 Birmingham, AL 35246-0078</b>			<b>24,020.00</b>
<b>Russell AD Development Group, LLC P.O. Box 28216 Scottsdale, AZ 85255</b>	<b>Russell AD Development Group, LLC P.O. Box 28216 Scottsdale, AZ 85255</b>			<b>21,000.00</b>
<b>Special Order Systems 575 Menlo Drive, Suite 4 Rocklin, CA 95765</b>	<b>Special Order Systems 575 Menlo Drive, Suite 4 Rocklin, CA 95765</b>			<b>18,210.81</b>

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date April 13, 2006Signature /s/ Joseph D. Milanowski  
**Joseph D. Milanowski**  
**President**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.