

USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC
Robert G. Worthen, Chairman of the Board

December 15, 2008

Dear USA Capital Diversified Trust Deed Fund, LLC Investor:

I write on behalf of the Board of Directors DTDF to tell you that while DTDF was hoping to make a distribution to investors prior to year-end from the proceeds of litigation against and settlements with third parties, it will be unable to do so. Finalizing the settlements and receiving the funds has taken longer than expected, but we are optimistic that the settlements will be finalized, and that funds will be received in the first quarter of 2009. If funds are received as anticipated, DTDF will promptly make a distribution to investors. Please keep in mind a distribution is entirely dependent on DTDF receiving funds.

DTDF has sent periodic status reports to investors, and plans to send the next one when a distribution is made. As it is very expensive to communicate with our professionals, who bill hourly fees, I ask that you contact me instead. I am pleased to receive your phone calls, and will answer questions about our status to the best of my ability. My personal cell phone number is (702) 239-4222. Also, you may send us inquiries at diversifiedfund@orrick.com.

DTDF continues to focus on the recovery of assets and the investigation and prosecution of causes of action against potential recovery targets. We continue to ask for your patience, and want to assure you that the Board and the DTDF professionals are giving our best efforts to obtain the best possible recovery for you.

Best Regards,
Robert G. Worthen
Chairman of the Board