

SOLICITATION PROCEDURES

1. The record date for purposes of determining the creditors and equity interest holders entitled to receive a Solicitation Package (defined below) and to vote on the Plan shall be **November 6, 2006** (the “Voting Record Date”).

2. The following holders of claims and equity interests (or the transferee of such claims or interests as of the Voting Record Date pursuant to Fed. R. Bankr. P. 3001(e)) shall receive solicitation packages and may be entitled to vote on the Plan:

(a) holders of claims appearing on the Debtors’ bankruptcy schedules (“Schedules”) filed with the Court to the extent such claims are not scheduled as disputed, contingent, or unliquidated;

(b) creditors who have filed a proof of claim on or before the Voting Record Date to the extent no objection to the claim has been filed with the Court;

(c) direct lenders who appear in the Debtors’ accounting records as of the Voting Record Date as a lender on one or more of the loans serviced by USACM (“Direct Lenders”);

(d) holders of equity interests appearing on the Debtors’ lists of equity security holders that were deemed to have been filed with the Court pursuant to a prior order of the Court;

(e) holders of equity interests who file a proof of interest on or before the Voting Record Date to the extent no objection to the equity interest has been filed with the Court; and

(f) creditors and equity interest holders who are not listed in the Schedules (or whose claims are listed as disputed, contingent or unliquidated) and who do not have a proof of claim or proof of interest on file by the Voting Record Date, but who file a proof of claim or proof of interest on or before the initial Claims Bar Date of November 13, 2006, will receive a solicitation package. The Debtors are allowed additional time to provide packages to these parties and they will be served as soon as reasonably possible.

3. The voting deadline for receipt of ballots (“Ballots”) accepting or rejecting the Plan shall be **DECEMBER 11, 2006 AT 4:00 P.M. PREVAILING PACIFIC TIME** (the “Voting Deadline”). The Debtors may extend the Voting Deadline without further order of the Court, but notice of any such extension shall be provided to voting creditors and interest holders. A Ballot will not be counted as a vote to accept or reject the Plan unless it is properly executed,

completed and delivered by (a) first class mail, (b) overnight courier, (c) personal delivery, or (d) facsimile, so that it is actually received by the Debtors’ Solicitation Agent, BMC Group, Inc. (the “Solicitation Agent”) at the appropriate address listed below by no later than the Voting

Deadline:

<p><u>Regular Mail:</u></p> <p>BMC Group Attn: USACM Solicitation Agent PO Box 911 El Segundo, CA 90245-0911</p>	<p><u>Hand Delivery or Overnight Courier:</u></p> <p>BMC Group Attn: USACM Solicitation Agent 1330 E. Franklin Ave. El Segundo, CA 90245</p>
<p><u>Facsimile:</u></p> <p>BMC Group Attn: USACM Solicitation Agent Fax No. : (866) 904-4778</p>	

Ballots delivered to BMC by facsimile must be sent only to the fax number given immediately above. Ballots sent to any other fax number, including any fax number maintained by the Debtors, Debtors’ counsel, the Committees’ counsel, or any other professional in this case, or by any other electronic means, WILL NOT BE ACCEPTED.

4. Copies of the following materials shall constitute the “Solicitation Package”:
 - (a) a notice of the hearing indicating the time, date, and place at which the Court will consider confirmation of the Plan and of the deadline for filing objections to such confirmation (“Notice of Confirmation Hearing”);
 - (b) the Debtors’ Disclosure Statement relating to the Plan (the “Disclosure Statement”), as it may be approved by the Court (with all exhibits thereto, including the Plan, and any other supplements or amendments which may be filed with the Bankruptcy Court);
 - (c) any supplemental solicitation materials the Debtors or Committees may file with the Court or that the Court may order to be distributed;
 - (d) the Court’s order approving the Disclosure Statement (without exhibits);

- (e) Ballot(s) with voting instructions;
- (f) a pre-addressed, return envelope;
- (g) a “Notice of Non-Voting Status with Respect to Unimpaired Claims Deemed to Accept the Plan;” and
- (h) a “Notice of Non-Voting Status with Respect to Impaired Classes Deemed to Reject the Plan.”

5. The Debtors shall serve items (a) through (d) in paragraph 4 above, by United States mail, first class, postage prepaid, on the most current Limited Mailing Matrix on file with the Court as of the Voting Record Date.

6. The Debtors shall solicit the votes of creditors and equity interest holders by serving items (a) through (f) in paragraph 4 above by mail on those persons listed in paragraph 2 above (except as provided below).

7. The Debtors shall serve the Solicitation Package by first-class mail by no later than **November 20, 2006** (except as provided in paragraph 2(f) above) on the parties and in the manner described herein.

8. In accordance with section 1124 of the Bankruptcy Code, classes A-1, A-2, A-3, B-1, B-2, B-3, B-4, C-1, C-2, C-3, C-4, D-1, D-2, D-3, E-1, E-2, and E-3 under the Plan are unimpaired by the Plan and therefore, under section 1126(f) of the Bankruptcy Code, holders of claims in such classes are presumed to have accepted the Plan and their votes will not be solicited. The Debtors will mail to such holders items (a) and (g) in paragraph 4 above.

9. Under the Plan, holders of claims in classes A-6 and A-7, and holders of equity interests in classes D-5 and E-5, are not entitled to receive or retain any property on account of such interests and, in accordance with section 1126(g) of the Bankruptcy Code, are impaired by the Plan and deemed to have rejected the Plan. Accordingly, their votes will not be solicited. The Debtors will mail to such holders items (a) and (h) in paragraph 4 above.

10. The items listed in paragraph 4 above (other than Ballots) can be obtained by accessing the Debtors' website at usacapitalcorp.com or the Solicitation Agent's website at www.bmcgroup.com/usacmc, or by contacting the Solicitation Agent in writing at BMC Group, Attn: USACM Solicitation Agent, 1330 E. Franklin Avenue, El Segundo, CA 90245, or via e-mail at usacmc@bmcgroup.com, or by calling (888) 909-0100.¹

11. In tabulating votes, the following hierarchy shall be used to determine the amount associated with each creditor's or equity interest holder's vote:

For Creditors

(a) The claim amount contained in a proof of claim, provided however, that creditors who timely filed proofs of claim in unliquidated, contingent, unknown or blank amounts and that are not the subject of an objection filed before the voting on the Plan, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and will count as Ballots for claims in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code.

(b) The claim amount listed in the Debtors' Schedules, provided that such claim is not scheduled as contingent, disputed or unliquidated and has not been paid prior to the voting on the Plan.

(c) As to Direct Lenders who submit a Ballot for Class A-5 under the Plan, such Ballot will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and will count as a claim in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code.

For Equity Holders

(d) The equity holder's asserted interest deemed, pursuant to a Court Order, to be listed on the Debtors' Schedules, unless the equity holders' interest has filed a proof of interest on or before the Voting Record Date asserting an interest in a different amount, in which case the proof of interest amount will be counted.

¹ Copies of Ballots will not be available on the websites. Voting creditors or interest holders must contact the Solicitation Agent directly in writing or by telephone if they need a replacement Ballot.

The amounts established pursuant to this section shall be deemed to be controlling for voting purposes only, and shall not constitute the allowed amount of any claim or interest (if any) for distribution purposes.

12. The following voting procedures and standard assumptions shall be used in tabulating ballots:

- (a) No Ballot should be delivered to any of the Debtors, their agents (other than the Solicitation Agent), or the Debtors' financial or legal advisors. Any such Ballots will not be counted.
- (b) The Solicitation Agent shall date-stamp all Ballots immediately upon receipt. The Solicitation Agent shall retain the original Ballots together with an electronic copy of the same for a period of one (1) year after the Effective Date of the Plan, unless otherwise ordered by the Court.
- (c) Creditors must vote all of their claims or equity interests within a particular Plan class either to accept or reject the Plan and may not split their vote. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted.
- (d) If a Ballot is executed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of corporations, or others acting in a fiduciary or representative capacity on a creditor's or Beneficial Holder's behalf, such person or persons shall indicate such capacity when executing the Ballot, and, if necessary, will be required or requested by either the applicable Nominee or its agent, the Solicitation Agent, the Debtors, or the Court, to provide proper evidence to the requesting party to so act on behalf of such claimant or Beneficial Holder.
- (e) The Debtors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, provided however, that any such waivers will be documented in the Voting Report.
- (f) Neither the Debtors, nor any other person or entity, shall be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will they incur any liability for failure to provide such notification.
- (g) Unless waived or otherwise ordered by the Bankruptcy Court, any defects or irregularities in connection with receipt of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted.

- (h) In the event a designation of vote is requested by a party-in-interest under section 1126(e) of the Bankruptcy Code, such vote will be counted by the Debtors as ordered by the Court, after notice and a hearing in accordance with section 1126(e).
- (i) Subject to any contrary order of the Court, the Debtors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided however, that any such rejections will be documented in the Voting Report.
- (j) A Ballot cast by a holder that cannot be identified as a holder of a claim or interest entitled to vote in a class as provided in the Plan and for the amount specified on such Ballot, shall not be counted unless such Ballot is submitted with respect to a claim for which a motion under Fed. R. Bankr. P. 3018 has been filed.
- (k) If a claim has been estimated or otherwise allowed for voting purposes by final order of the Court, such claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution.
- (l) Except as otherwise provided herein, unless the Ballot furnished is submitted timely on or prior to the Voting Deadline, the Debtors shall treat the Ballot as invalid and such Ballot will not be counted with respect to confirmation of the Plan.
- (m) The method of delivery of Ballots sent to the Solicitation Agent is at the election and risk of the voting creditor or equity holder, but, except as otherwise provided in the Disclosure Statement, such delivery will be deemed made only when the original executed Ballot (or facsimile thereof transmitted as set forth in paragraph 3 above) is actually received by the Solicitation Agent on or before the Voting Deadline.
- (n) An original executed Ballot is required to be returned by one of the methods set forth in paragraph 3 above (i.e., by mail, hand delivery, overnight courier, or facsimile transmission). A Ballot delivered to the Solicitation Agent by e-mail or any other electronic means will not be valid and therefore not counted.
- (o) If an objection to a claim or interest is filed with the Court by the Debtors or Committees by the voting deadline, the Ballot of the holder of such Disputed Claim or Interest will not be counted.
- (p) If multiple Ballots are received prior to the Voting Deadline from the same creditor with respect to the same claim or equity interest, the last timely

received properly executed Ballot will be deemed to reflect that voter's intent and will supersede and revoke all such other Ballots.

- (q) The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the creditor or interest holder; (ii) any Ballot cast by a person or entity that does not hold a claim or interest in a class that is entitled to vote on the Plan; (iii) any Ballot cast for a claim scheduled as unliquidated, contingent or disputed for which no proof of claim or proof of interest was timely filed; (iv) any Ballot that does not indicate either a vote to accept the Plan or a vote to reject the Plan; (v) any Ballot that votes to both accept and reject the Plan; and (vi) any unsigned Ballot.
- (r) The Debtors shall file by noon, December 18, 2006, a Voting Report with the Bankruptcy Court which will detail the tabulation of Ballots cast for or against the Plan. The Voting Report will also detail any defective, irregular or otherwise invalid Ballots that were waived or not waived by the Debtors and therefore counted or not counted.

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