

1 full on the date the Plan becomes effective, except as otherwise agreed or ordered. While it is not
2 known what the total of such claims will be for each Debtor, the Debtors are expected to file
3 Monthly Operating Reports on or about November 20, 2006, which will list accrued professional
4 fees from the beginning of the case through October 31, 2006.

5 **Secured Claims** (i.e., claims of any creditors secured by assets of any Debtor) will either
6 receive a return of their collateral or shall be paid in full on or before the later of (i) sixty (60) days
7 after the effective date, or (ii) fifteen (15) business days after the date the Secured Claim becomes
8 an Allowed Claim. Secured Tax Claims will receive the payment option.

9 **Direct Lenders** will retain their rights as lenders under their various loan documents and
10 loan servicing agreements. The Plan contemplates a sale of the loan servicing agreements (except
11 for certain loans in which DTDF is the sole or primary lenders). When the Plan becomes
12 effective, the purchaser of those assets will service the loans according to the terms of the loan
13 servicing agreements. In addition, the Plan provides a compromise under which the Direct
14 Lenders will be released by USACM, FTDF, USA Realty, and USA Securities from all claims,
15 other than what is provided for in the Plan, including but not limited to claims to seek additional
16 payments from Lenders to finance this case (surcharge), claims to have their interests in loans
17 recharacterized and shared pro rata with other investors and creditors in these cases
18 (recharacterization of Direct Lender loans), and the collection of prepetition accrued annual loan
19 servicing fees under the loan servicing agreements but unpaid on the effective date. This means
20 that after the Plan is confirmed, except for recovery of Prepaid Interest which will likely be
21 collected from the Borrowers or through netting, or offsets to claims, Direct Lenders will not be
22 subject to further litigation and will be retaining their interests in all of their loans and receiving
23 monthly distributions of all amounts collected on their loans. The "Prepaid Interest" is principal
24 and interest remitted by USACM to Direct Lenders prior to April 13, 2006 which had not been
25 paid by the underlying Borrower. In exchange for this release of claims, Direct Lenders will
26 acknowledge and agree that Prepaid Interest constitutes an asset of the USACM Estate and that
27 some of the funds already held back from distributions during the pendency of the Bankruptcy
28 case will be retained by USACM principally to pay a portion of the fees of the Direct Lenders

1 Committee, among other considerations.

2 **Priority Claims** (generally certain tax claims and employee claims, with an extensive list
3 provided in section 507 of the Bankruptcy Code) shall receive payment in full.

4 **Unsecured Claims** are, generally, claims against any of the Debtors which are not secured
5 by collateral nor given any priority or administrative status under the Bankruptcy Code.

6 **Unsecured Claims against USACM** shall receive a beneficial interest in a liquidating
7 trust and eventually be paid a pro rata distribution of net amounts recovered from a variety of
8 sources, including: (1) a portion of the purchase price paid by the asset purchaser and certain
9 collections on purchased loans made after confirmation by the purchaser, both as a result of the
10 Asset Sale; (2) USACM's share of any overbid at the Asset Sale; (3) cash collected from servicing
11 fees, exit fees, success fees, default interest and other amounts contractually due to USACM
12 pursuant to various loans; (4) Prepaid Interest; and (5) litigation recoveries, including potential
13 litigation against prior management. These assets will be used to pay the administrative costs of
14 the Bankruptcy, to fund litigation, including litigation against prior management, and to make
15 distributions to creditors in the case as trust beneficiaries. Certain of these assets may also be
16 subject to claims of DTDF, and DTDF also asserts a large unsecured claim against USACM. If
17 USACM and DTDF are unable to agree on such matters as the amount of that claim and the
18 method of sharing in recoveries from certain assets, those matters will be determined by the
19 Bankruptcy Court.

20 **Unsecured Claims against FTDF** will be paid in full from loan recoveries and proceeds
21 of the asset sale. It is anticipated that such funds will be available for distribution when the Plan
22 becomes effective. Holders of Unsecured Claims against FTDF will receive interest from the date
23 of the Bankruptcy as provided in the Plan.

24 **Unsecured Claims against DTDF** will be paid from loan recoveries and other DTDF
25 assets. It is currently unknown whether there will be any such claims and, if there are unsecured
26 claims allowed by the Court against DTDF, it is unknown whether there will be sufficient cash to
27 pay these claims immediately; however, holders of Unsecured Claims against DTDF will also
28 receive interest from the date of the Bankruptcy when they are paid, as provided in the Plan.

1 **FTDF Investors** shall receive a pro rata distribution from all loan recoveries, proceeds
2 from the asset sale, and its claim against USACM after payment of all claims, administrative
3 expenses, and settlement payments to DTDF. In settling all disputes between FTDF and DTDF,
4 FTDF will pay to DTDF (among other things): (i) a payment of \$500,000 to \$1,000,000
5 (depending on the amount received at auction), which is subject to repayment by DTDF under
6 certain conditions set forth in the Plan; and (ii) a transfer of all proceeds of FTDF's unsecured
7 claim against USACM until DTDF investors reach a certain recovery threshold. In addition,
8 FTDF will pay \$125,000 per month of the combined Debtors' chapter 11 professional fees and
9 expenses.

10 **DTDF Investors** shall receive a pro rata share of the amounts remaining after payment of
11 all creditors of DTDF from loan recoveries, from proceeds of litigation, and from DTDF's claim
12 against USACM. DTDF asserts significant claims against various Insiders and Affiliates (both
13 defined in Section 101 of the Bankruptcy Code), including USACM. As discussed above, FTDF
14 will contribute \$500,000 to \$1,000,000 to DTDF, which is subject to repayment by DTDF, but
15 only if DTDF Investors achieve a recovery on par with FTDF Investors. This sum will assist with
16 the payment of claims asserted against DTDF and the creation of a litigation fund for recovery of
17 additional assets and assertion of causes of action.

18 **Unsecured Creditors of USA Realty** will receive a pro rata distribution of available funds
19 after liquidation of this estate. The Funds will not be charged a management fee by Realty
20 following the Bankruptcy filing, and any such amounts which have been paid since the
21 Bankruptcy filing (which were immediately passed through to USACM) will be returned to the
22 Funds.

23 **Unsecured Creditors of USA Securities** will receive a pro rata distribution of available
24 funds after liquidation of this estate.

25 **Equity Holders (other than DTDF Investors and FTDF Investors)** and other insider
26 creditors shall receive no payment under the Plan.

27 Please note that, if confirmed, the provisions of the Plan will be binding on all of the
28 parties described above and that, if you have problems with any provision of the Plan that applies

1 to you, you must file a timely objection with the Bankruptcy Court or any objection you could
2 have asserted may be deemed waived. As explained in the Disclosure Statement and Plan, many
3 parties will also have the right to vote on the Plan. Votes are counted by groups of parties voting
4 together, which are designated as Classes in the Plan. An affirmative vote of a Class will have a
5 certain binding effect on all parties in that Class.

6 This Plan has been heavily negotiated by the Debtors and the four Committees (the
7 USACM Unsecured Creditor Committee, the DTDF Committee, the FTDF Committee and the
8 Direct Lender Committee). **The Debtors and each of the Committees supports confirmation**
9 **of this Plan and urge you to vote to accept the Plan.**

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