

An Important Message From the First Trust Deed Committee

We previously reported that the three investor committees had agreed to work together and appoint a single law firm to represent all three committees on all matters where their interests do not conflict. Unfortunately, the Official Committee of Holders Of Executory Contract Rights Through USA Commercial Mortgage Company, who represent the interests of the direct lenders, recently informed the other two committees that it did not want to continue with this joint representation in light of potential conflicts. Based on this decision, all three committees have now decided to engage their own separate counsel.

The Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC is pleased to report that it has retained Stutman, Treister & Glatt as its special bankruptcy counsel and Shea & Carlyon as its local bankruptcy counsel. This arrangement is subject to Court approval at a hearing scheduled for June 5, 2006. We look forward to working with these firms to protect the interests of all investors who have invested in USA Capital First Trust Deed Fund, LLC.