



USAM 1 Fund

EXECUTIVE SALES SUMMARY

9/1/2008

COMPANY OVERVIEW

USAM 1 Fund ("USAM or the Company") is a unique commercial real estate portfolio lender with a veteran team of mortgage banking professionals. Management has vast experience in Mortgage Lending, Land Development and Commercial Real Estate, and significant contacts due to its previous banking, investment banking and real estate endeavors. Our objective is to continue to build a high yield, investment grade commercial loan portfolio where our customers "pay-as-agreed."

USAM specializes in unconventional financing where timing, complexity, and attention to circumstances are critical. As a direct lender, we fund non-conforming commercial real estate transactions, which may be defined as loans that require expedited processing or that do not generally qualify for conventional bank financing resulting from either borrower characteristics or property type. Whether dealing with a client attempting to solve a short-term commercial financing issue, an entrepreneur looking for first-project funding or a seasoned residential developer searching for additional equity, we match our partner's vision with creative, innovative financing solutions.

The Company is partnership-oriented, aligning our interests with the borrower and the project goal. USAM makes investment decisions based on people, plan and project – in that order. We pay special attention to evaluating the potential of new strategic financial partnerships.

We do not tell our partners how to run a project. What we do – and do actively – is give our partners the comfort of knowing that by finding creative ways to make their transaction happen, they have the support and financial backing they need to succeed.

Operating predominantly in Texas and California, we focus on originating loans and funding projects currently underserved in four main categories:

- Commercial Bridge Financing – improved commercial and investment residential real estate scenarios
- Construction / Development Financing – interim commercial, mezzanine financing & JV Partnerships
- Discounted Notes – purchase of existing promissory notes secured by real estate
- Distressed Assets – we combine our expertise with yours to purchase undervalued real estate assets

USAM is a sister company to USA Mortgage Funding, LLC. Located in Austin and founded in 1997 by Steve Dallas and Jack Lieberman, USA Mortgage is a mortgage brokerage that has been recognized as one of the top lenders in Texas by the Austin Business Journal. Mr. Lieberman is one the nation's leading originators as mentioned by Mortgage Originator Magazine.

THE ISSUE

Non-conforming commercial lenders do not generally operate a platform with unrestricted funding and direct underwriting control. At present, the non-conforming commercial lending industry is extremely fragmented with few industry leaders. These commercial lenders generally operate in specific geographic areas, have disjointed funding platforms with limited price competition - yet face the inefficient fact they must match specific loans with private investor funds. Funding via the private investor business model generally attracts lower quality deals, promotes portfolio turnover and is economically inefficient. However, these lenders continue to do the most important thing – lend money at appropriate loan-to-values.

Conversely, conforming residential & commercial real estate lenders experience incredible price competition with unrestricted funding for qualified transactions. However with the recent sub-prime lending upheaval and liquidity setback, builders, developers and commercial property owners are now experiencing severe inefficiencies in loan pricing, lender processing and procurement of capital.

Non-conforming lenders most often fund through private investor consortiums. Private Investor Capital Structures are limited by:

- Geographic reach and regional focus
- Transaction speed
- Pricing flexibility
- Loan size
- Financial leverage, and ultimately
- Profitability

In some instances, non-conforming commercial real estate transactions are funded via banks or Wall Street syndications generally limited by:

- Borrower qualification
- Property qualification
- Property-type performance
- Mortgage security performance,
- Yields in other asset classes, and ultimately
- Profitability

The Issue is to build a non-conforming commercial lending platform with institutional backing that is able to react quickly to market-conditions and borrower needs.

With this approach, Investment-quality loans may be originated at high yields, low loan to values and with little loss in asset quality.

THE OPPORTUNITY

Exploit the niche. Build a unique non-conforming commercial real estate lending platform with institutional funding and underwriting control. With no investors to convince or time delays due to insufficient funding, the Company's direct funding platform will excel in competing against inadequately capitalized and ill-equipped firms. Concentrate lending activities in areas mainly serviced by companies funding with private investor consortiums, rather than life insurance companies, banks or Wall Street syndications. Operate in those geographic areas favorable to the Company due to superior market knowledge, strong legal dynamics and real estate market forces.

Further, develop strategic financial partnerships with select customers and make investment decisions based on common sense – one deal at a time.

Opportunity Attributes:

- Lending – react to unique requests
- Delegated Underwriting – quick decision-making
- Efficient Funding – institutional backing
- Protection - good loan to values
- Property – excellent assets

LENDING PHILOSOPHY

We are Value Builders and Asset Obsessed. We underwrite one transaction-at-a-time. While conventional commercial loan reviews include project income, borrower credit and the property valuation, we underwrite overall project integrity.

Conversely, the USAM underwriting triangle is concerned most with borrower integrity, project vision and property valuation - in that order. We carefully examine a property's valuation and its upside potential.

Our goal is to build a valuable loan portfolio with strong repeat clientele one brick at a time. More simply, we do this by funding transactions where we feel comfortable as project principals:

- Is the subject property one we would like to own
- Do we believe in the property's value
- Is there a precise asset recovery path
- Do we believe in the project plan and its upside
- Do we believe our client has integrity, and ultimately
- Will this be a profitable asset for our portfolio

USAM LENDING PROGRAM

Each USAM loan has its own set of unique circumstances due to borrower, property type, project type and required speed to close. We are a short term commercial real estate lender making loans to clients looking to:

- Exploit an opportunity
- Maintain an existing property value, or
- Execute a "highest and best use" plan

Once convinced of the project and its integrity, we determine the required plan and necessary steps to close. We review every possible means to make the transaction and protect USAM security. Whether requiring personal guarantees, cross collateralization of other property or other credit enhancements, our goal is to make the loan and protect the USAM portfolio. Further, all USAM loans are unanimously approved by Executive Committee Members - Jack Lieberman, Steve Dallas & Jeff Macartney.

USAM Lending Parameters

- **Loan Size** – from \$500,000 - \$10 million
- **Locations** – California, Texas & case-by-case basis
- **Collateral** – commercial & investment residential
- **Rates** – From 9.99% / USAM Average - 12.50%
- **Terms** – 1st or 2nd mortgages; 30 yr amortized due in 1 year - possible one year extension
- **Max LTV** – generally 70%
- **Appraisals** – require USAM approved appraisal
- **Flexible CLTV** – cross collateralization, other assets, income & personal guarantees
- **Review Fee** – from \$2,500 to \$10,000
- **LOI Fee** - \$2,500 due at signing of LOI toward closing
- **Repayment** – must exhibit precise plan

Loans Requirements - \$100,000 to \$750,000

- Executive Committee Approval
- Construction Loans – vendor reviews & draws
- Minimum Fee - \$5,000
- USAM Appraisal

Loans Requirements - \$750,000 to \$2,000,000

- Executive Committee Approval
- Non-Refundable LOI & Review Fee - \$2,500
- Onsite Property Inspection
- USAM Appraisal

Loan Requirements - \$2 Million to \$20 Million

- Executive Committee Approval & Investor Approval
- Non-Refundable LOI & Review Fee - \$5,000 - \$25,000
- Onsite Property Inspection
- USAM Appraisal

Mezzanine & Equity Requirements

- Case-by-case basis
- Fee Services Agreement - \$5,000 - \$25,000
- Onsite Property Inspection
- USAM Appraisal

ORIGINATION STRATEGY

The Company's extensive mortgage banking experience provides a wealth of origination contacts. As such, we believe originating non-conforming commercial loans will be the easiest part of the equation and anticipate the need to originate 3 - 4 loans for each transaction funded.

Initially, USAM will originate using its vast network of commercial real estate contacts, retail contacts from our USA Mortgage affiliate, mortgage brokers and word of mouth.

While we will accept mortgage broker packages, the Company's goal is to originate the lion's share of its loans via retail originations, including but not limited to:

- Accounting & Legal Contacts
- Senior staff contacts and referrals
- USA Mortgage affiliate referrals
- Commercial Real Estate Brokers, and
- DLG's proprietary email and voice "touch-campaign"

COMPETITOR PROFILE

Non-conforming commercial lenders and their capabilities vary widely throughout the U.S. In general, Company competitors are regionally focused, fund using private

investor funding and are thinly capitalized. A detailed competitor profile package is available upon request.

SENIOR MANAGEMENT

Jack Lieberman, CEO. Jack is the majority owner of DLG. With over 21 years experience in mortgage banking, Jack founded USA Mortgage Funding in 1997 and has been responsible for the management of a firm funding in excess of \$350 million annually.

In 1991, Jack founded First Rate Financial managing a mortgage brokerage originating in excess of \$250 million annually. From 1996 to 2000, Jack was a Director and Principal in DV Capital and was responsible for Mergers & Acquisitions and managing Lakeway Partners one of Austin's largest land developments. Since 2000, Jack has been extensively involved in managing USA Mortgage Funding, managing private funding activities and his personal real estate investments.

Jack's commercial real estate projects include: Lakeway Plaza, Oak Hill Centre, Four Seasons, McAllen, 290 Warehouse-park, Friedrich Lane, 11 AAA storage facilities, Springdale multifamily & the Vintage Villas Hotel. Land developments include: Verde Vista, Bee Creek Estates, Lakehurst Vista & Dripping Springs. US land holdings include: 750 acres in Martindale, 3000 acres in Edward County & 300 lots in Tahitian Village. International land holdings include: Costa Rica – Lake Arenal, Lavender Heights, The Dunn Inn and a rock quarry and he also owns a 25,000 acre site in Mexico.

Approved with the Texas Real Estate Commission, Jack teaches Sales, Prospecting and Contracts with the Austin Institute for Realtors. Jack attended Cal State Northridge in 1978 where he focused on Business Accounting and received his license in Certified Financial Planning from the University of San Francisco in 1988.

Steve Dallas, President. Mr. Dallas has an extensive background in finance, lending, raising capital and business operations. He has built a multitude of businesses from the ground up and enjoys the challenge of bringing new ideas to market. With nearly 30 years of mortgage banking experience, Steve brings experience in mortgage originations, loan administration & servicing, investor accounting and management of senior staff.

In 1981, Steve co-founded First Franklin Financial Corporation, a mortgage firm he led from 4 employees to one funding in excess of \$8 billion annually. Today, First Franklin is a subsidiary of Merrill Lynch Bank & Trust Co., employs over 2000 people and serves more than 35,000 mortgage brokers nationwide. In 1996, Steve partnered with Dong Ah Construction (Korea) to purchase a 2200-acre Austin-based development from a Ross Perot Company. The property was successfully developed, entitled and sold to Credit Suisse First Boston in 1998. In 1998, Steve partnered with Lehman Brothers to found United Capital Leasing Corporation, a nationwide small-ticket equipment lender, where he grew the firm from 10 employees to over 125. Several other endeavors included: Executive Builders – custom home building; The Harvest Group – sub prime auto lending, USA Capital – equipment finance & Lakeway Real Estate Company – real estate brokerage.

Steve graduated from Wittenberg University in 1979 with degrees in Economics & Business, was a member of the Tiger's national championship football team and a national fraternity.

Joe Stafford, Business Development. Mr. Stafford has a widespread background in real estate acquisition and development. With over 24 years of commercial real estate experience, Joe began selling new home and lot subdivisions in Arizona in 1983. By 1985, Joe had begun to purchase tracts of land that he would subdivide and then sell in small retail parcels. In 1992, Joe moved to Boise, Idaho, where he became the sole owner of Pacific Development, Inc., and really began to hone his real estate development skills.

In 2003, Joe developed a 750,000 sq foot retail and commercial site in Meridian, Idaho, and began acquiring land in Round Rock, Texas. By the summer of 2004, Joe had accumulated 600 contiguous acres in Round Rock and moved his family to Austin. After successfully entitling Round Rock in 2005, Joe sold his property to a large developer for \$15 million. In 2006, Joe sold his Meridian, Idaho, property to a major retail developer for \$12 million.

Joe's current projects include a 9,764 acre tract of land in Calhoun County, Texas, and a 190 acre tract in Dripping Springs, Texas. Joe has accumulated a vast network of real estate sales and investor contacts and is excited about his new opportunity with DLG.

Victor Gruber, Investor Relations. Victor graduated in 1983 from UCIFAS Dominican Republic as a Medical Doctor, and from 1984 to 1988 held a variety of post-graduate positions. In 1988, Victor co-founded and was Executive Director of National Medical School Review. NMSR did a complete study establishing the concepts that were most difficult to understand, hence the easiest to write questions about and the most frequently tested. Based on this study, Victor developed review programs for medical students studying their licensing examinations. Subsequently using the same concepts, NMSR used their licensing board prep programs and developed specialty board examination review for practicing physicians. NMSR trained over 25,000 student-physicians in 11 years and with revenues exceeding \$12 million annually when they sold to the Washington post in 1999.

In 2001, Victor began purchasing real estate for investment and developed a 29-unit condo conversion project which he successfully sold. Victor's current holdings include commercial-office, commercial-retail, warehouse, mini-storage, apartments and a hunting ranch. Victor and Jack Lieberman have several international real estate interests, including a Costa Rican hotel and property in Mexico.

An avid investor in other circles as well, Victor has his own racehorse, jet and is a golf enthusiast. Victor resides in Orange County with his two children.

Dan Avnery, Senior Analyst. Dan screens potential loans and presents to Steve and Jack if the deal makes sense. He writes Term Sheets and Executive Summaries when loans are considered acceptable and speeds up the underwriting process by communicating with the brokers and borrowers. Dan is also a licensed real estate salesperson in Texas and has over a year of real estate experience. Dan is currently an undergraduate student in the Business Honors Program at The University of Texas at Austin and expects to graduate in May 2009 with a degree in Real Estate Finance.

Roselea Payne, Loan Administration. Roselea heads Loan Administration and Servicing at USAM and is responsible for the billing, servicing, collecting, and investor reporting of all USAM loans.

Roselea began her career in Human Resources and was HR Manager with Baxter-Travenol Labs from 1963 to 1979, HR Director with Metropolitan Insurance from 1979 to 1981 and HR Director with The Lakeway Company from 1981 to 1997. Since 1997, Roselea has been the Manager of Lakeway Property Management Company and the Controller and HR Director for USA Mortgage Funding.

Roselea has been responsible for the property management of numerous Homeowner & Property Owners Associations, hundreds of residential units, all of Toll Brothers Construction Company's Austin-based real estate interests, as well as several office buildings and shopping centers. Roselea attended Southwest Missouri State.

BOARD OF ADVISORS

Bill Dallas. Bill is owner of Dallas Capital Management and a dedicated entrepreneur. In 1981, he co-founded First Franklin, and served as its Chairman, CEO and Chairman Emeritus until 2003. Bill's leadership built First Franklin into one of the nation's largest residential lenders and turned the value from the sale of First Franklin into Dallas Capital.

Dallas Capital is the private investment firm and family office for Dallas family holdings. Bill Dallas and Dallas Capital was a founding investor in two California Independent Banks - Heritage Bank of Commerce and California Oaks State Bank. Mr. Dallas also invested in Ownit Mortgage, MindBox, Sysdome, and Factual Data all respected providers of financial services. Today, he is Chairman/Broker for Diversified Capital and on the Board of Directors of LoanCity mortgage. In 2001, Dallas Capital partnered with Bill Freeman and Fox to launch FOX SPORTS GRILL, 2004 Hot Concept of the Year.

Mr. Dallas is trustee for Mary-Kate and Ashley Olsen and is Chairman of the Board of Managers for Dualstar Entertainment Group LLC. He earned a Bachelor of Liberal Arts degree, Magna cum Laude, from Bowling Green State University in 1977. Bill earned his Juris Doctor degree from Santa Clara University School of Law in 1987. He is the recipient of 2002 BGSU Accomplished Graduate Award and holds the coveted CMB (Certified Mortgage Banker) designation, the highest in the real estate finance business. Bill and Scott Hamilton are championing the next generation of entrepreneurs at Dallas/Hamilton Center for Entrepreneurial Leadership at Bowling Green State University. He is a Founder and Grand Patron of "Alliance for the Arts" in Thousand Oaks and is founder and Board member of Oaks Christian School in Westlake Village.

James Robertson. Jim graduated from the University Of Texas School Of Law in 1968 and began his law practice in Houston with the firm of Dyche, Wheat, Thornton & Wright in 1969. The main focus of his law practice has been real estate law where he has represented title companies and served as a fee attorney, represented and participated as a real estate developer of both residential and commercial properties, and represented mortgage bankers and brokers. His current practice is limited to the representation of mortgage lenders. Mr. Robertson is licensed to practice in the state of Texas, various federal courts, and the U.S. Supreme Court.

Jay Southworth. Jay is co-founder of Independence Title Company and is a life long resident of Austin, Texas. He began his title career with Austin Title Company in 1981 and stepped into a management role in 1985. Jay served as Executive Vice-President and General Manager beginning in 1990 and was named President in 1999. He is now Chairman/CEO of Independence Title Company, which was established in February 2005 by Jay and partner, Brian Pitman. Because of his vast knowledge and understanding of all facets of the business, he is considered to be one of the top title executives among his peers.

Independence Title Company is an independently owned title Company that specializes in both commercial and residential transactions. ITC currently has 22 closing offices which are located within Greater Austin - Round Rock, Georgetown, Liberty Hill, Lago Vista, Hutto, Dripping Springs, San Marcos - New Braunfels, San Antonio, and Houston. It is comprised of many of the most experienced and knowledgeable title professionals in the industry and places a strong emphasis on providing their customers with the best service possible. ITC is supported by 12 national underwriters and is licensed in 8 Texas counties. In less than 3 years, Independence Title Company has become the top title Company in overall market share for Travis, Williamson, and Hays Counties.

Everett L. Anschutz, Jr. Everett graduated from the University Of Texas School Of Law in 1967. His experience includes preparation of residential and construction loan documents, negotiation and preparation of contracts for sale of whole loans and servicing transfers, due diligence review of servicing portfolios, the handling of foreclosures and bankruptcies, advice on a wide range of regulatory compliance issues on state and national levels, litigation and dispute resolution. Everett has served as general counsel to the Texas Association of Mortgage Brokers for the last three years.

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