

**WILLIAM D. BROWN, RECEIVER
AMERIFIRST FUNDING INC. et al
12221 MERIT DRIVE, SUITE 1400
DALLAS, TEXAS 75251**

April 29, 2009

Dear Investor:

Due to recent inquiries regarding the status of the receivership we are providing this update.

Much of the investor's money was used to fund a used car business including five used car lots and a finance operation. The Receivership Estate presently has 122 performing used car notes with an unpaid principle balance of about \$628,247. These notes have maturity dates extending into June 2011. Due to the lack of credit worthiness of the borrowers, these notes have a very limited market, that is, prospective purchasers interested in buying the entire portfolio. We found two prospective buyers, both of which offered a fraction of the outstanding principle balance and insisted the Estate guarantee the payment of any defaulting notes. This latter requirement meant the Estate would be liable for the full life of the notes and we found this alternative to be unacceptable.

In the alternative, the Estate could continue to collect the car note payments and repossess the cars collateralizing any defaulted notes. Repossessed cars are sold at auction. So long as the borrowers are making timely payments, the Estate must accept them until the notes mature. As stated above, this could be as late as June 2011. We routinely encourage the borrowers to pay off their loans early, but as you can imagine this rarely happens.

The Estate has five pieces of real estate currently for sale, including the 58 acres on the island of Roatan, Honduras. The house on Lakewood Blvd. is presently under contract for \$785,000. All real estate sales require Court approval which has been taking about 60 days. We have a buyer interested in the Garland Road property and hope to have a contract for sale within a week. Upon the closing of either of these properties, the proceeds will be distributed to the investors in the same ratio as the other two distributions. The Estate cannot be closed until all the real estate is sold. Current economic conditions make it impossible to predict when that will occur.

The Estate also has three lawsuits pending, in which two the Estate is the Plaintiff seeking damages. At this point I cannot estimate when these matters will be resolved.

Regards,

William D. Brown