

**WILLIAM D. BROWN, RECEIVER
AMERIFIRST FUNDING, INC. et al
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July 13, 2010

RE: Status Update

Dear Investor:

The Estate continues to collect payments on approximately twenty car notes. The collection process has been scaled back to reflect the reduction in volume and minimize expenses. We continue to offer inducements to encourage the debtors to pay off their notes early.

The Estate continues to collect monthly note payments on a timely basis from the sale of the Garland Road property. The note has a \$1,278,000 million balloon payment due in November 2011.

The Estate is in negotiations to sell 46 acres of the Roatan, Honduras property for \$395,000. This parcel is undevelopable on the side of a steep hill. The Secured Capital Trust Receiver (State of Florida) is entitled to 38% of the net (after Amerifirst recovers its costs related to the Roatan Property) proceeds. The Estate still has about 11 acres, contiguous to the beach listed for \$1,000,000. The Estate is also under contract to sell the 34 acres in East Texas for approximately \$100,000. The Estate has not received any offers on the residential lot in the Dallas area, which is listed for \$125,000.

Jeffrey Bruteyn was convicted on all nine counts of securities fraud and has appealed. His new attorney has been granted a continuance on Bruteyn's sentencing, which was set for July 23, 2010. The new sentencing date has not yet been set.

Dennis Bowden's criminal trial has been set for December 6, 2010.

The litigation that has been previously mentioned, including against Lloyds of London, a local car dealer and a Dallas law firm are all still pending. The amount of recovery, if any, remains unknown.

The Receivership presently has liquid assets in the amount of \$2,692,237 as of May 31, 2010.