

Amerifirst Funding, Inc.
Receivership Update
November 4, 2011

I wanted to provide all of you with an update regarding the status of the Receivership as we begin our efforts to wind it down.

1. We have substantially finished collections on all performing car notes from American Eagle Acceptance. We have approximately five remaining notes which are in bankruptcy. We periodically receive small payments from various Bankruptcy Trustees who exercise control over these notes.
2. The criminal trial for Dennis Bowden (the primary party in Amerifirst Funding, Inc.) is scheduled for December 12, 2011. I have been subpoenaed, along with two of my staff, to provide testimony on behalf of the government regarding the operations of Amerifirst prior to the institution of the Receivership.
3. Jeffrey Bruteyn was convicted on nine counts of securities fraud in April 2010 and sentenced to 25 years in the federal prison. He is appealing his conviction.
4. We have a pending lawsuit against the seller of three portfolios of subprime auto notes for sales made in early 2007, prior to the establishment of the Receivership. Discovery is currently ongoing in this case and we anticipate a trial in Spring/Summer 2012.
5. There is a lawsuit pending against the law firm that Amerifirst Funding employed during the sale of the securities which many of you purchased. The lawsuit makes claims of legal malpractice and is scheduled for trial on May 21, 2012.

Once these outstanding matters are resolved, I will request that the Court close the Receivership. In connection with the closing of the Receivership, I will make a final distribution of the remaining Receivership funds to the investors. This final distribution, like all others, will be done in accordance with the instructions of the Court.