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Special Litigation Counsel for USA Capital Diversified Trust Deed Fund, LLC	Counsel for USACM Liquidating Trust
	ES DISTRICT COURT T OF NEVADA
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC, Plaintiff,	CASE NO. 2:09-CV-01946-RLH-LRL Bankruptcy No. BK-S-06-01725-LBR Adversary No. 08-01132-LBR
v. STANLEY E. FULTON, Defendant.	JOINT STATUS REPORT AND SECOND REQUEST TO EXTEND DEADLINE TO CLOSE CASE
Plaintiff USA Capital Diversified 7	 Frust Deed Fund, LLC ("DTDF") and Defendant

Stanley E. Fulton ("Fulton", collectively with DTDF the "Parties") hereby file this Joint Status Report and Second Request to Extend Deadline to Close Case ("Status Report") and state as follows:

1. At the hearing on June 23, 2010, the Parties advised the Court that a settlement had been reached in principal and that the Parties were continuing to negotiate the final terms of the settlement and anticipated filing a motion to approve the proposed compromise in the Bankruptcy Court for hearing in July. As a result of these representations at the June 23, 2010 hearing, the Court established a deadline of July 30, 2010, to file the necessary pleadings to close this case (the "Dismissal Deadline").

2. On July 28, 2010, the Parties filed a Joint Status Report and Request to Extend Deadline to Close Case, requesting that the Dismissal Deadline be extended to August 31, 2010. The Court granted that request in an order entered on July 30, 2010.

3. The Parties have executed the settlement agreement, which (together with all of its exhibits) is attached hereto as Exhibit "A." However, negotiations have taken longer than originally anticipated regarding the Rule 9019 motion necessary to obtain approval of the compromise from the Bankruptcy Court. The Rule 9019 motion has now been filed, and DTDF has requested an expedited hearing on that motion. Accordingly, the Parties request that the Court extend the Dismissal Deadline to September 30, 2010.

Dated: August 31, 2010

DIAMOND MCCARTHY LLP

By: <u>/s/Eric D. Madden</u> Allan B. Diamond, TX 05801800 (pro hac vice) Eric D. Madden, TX 24013079 (pro hac vice) Michael J. Yoder, TX 24056572 (pro hac vice) 909 Fannin, Suite 1500 Houston, Texas 77010 (713) 333-5100 (telephone) (713) 333-5199 (facsimile)

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Attorneys for Defendant Stanley E. Fulton

<u>ORDER</u>

It is hereby ORDERED that the Parties shall file the necessary documents to close this proceeding by no later than September 30, 2010.

The Honorable Roger L. Hunt Chief United States District Judge

Dated: September 1, 2010