

EXHIBIT “6”
(Liquidation Analysis)

FIRST MAGNUS FINANCIAL CORPORATION
LIQUIDATION ANALYSIS

Asset Class:

Assets Subject to Repurchase Agreements:

UBS Real Estate Securities, Inc. (1)

Washington Mutual Bank - Syndicated Repurchase Line (1)

-Permanent/Regular Loans

-Construction Loans

Washington Mutual Bank - Commercial Paper Conduit (1)

-Permanent/Regular Loans (4)

-Construction - Regular (4)

Washington Mutual Bank - Flex Line (1)(4)

Merrill Lynch Bank USA (1)

Total Assets Subject to Repurchase Agreements:

Assets Subject to Security Agreements:

Countrywide Warehouse Lending (1)

Countrywide Home Loans, Inc. (1)

Total Assets Subject to Security Agreements:

Total Assets Subject to Repurchase/Security Agreements:

	Book Value	9/30/2007 Estimated Fair Market Value (2)	Percent Reduction FMV to LV	9/30/2007 Estimated Liquidation Value (3)
\$	11,644,810	\$ 5,135,472	-32.3%	\$ 3,475,610
Washington Mutual Bank - Syndicated Repurchase Line (1)				
-Permanent/Regular Loans	17,954,452	3,299,145	-32%	2,232,812
-Construction Loans	16,431,225	4,742,058	-32%	3,209,354
	34,385,677	8,041,203	-32%	5,442,166
Washington Mutual Bank - Commercial Paper Conduit (1)				
-Permanent/Regular Loans (4)	22,677,228	0	0%	0
-Construction - Regular (4)	683,645	0	0%	0
	23,360,873	0	0%	0
Washington Mutual Bank - Flex Line (1)(4)	17,042,697	0	0%	0
Merrill Lynch Bank USA (1)	18,417,212	4,154,443	-100%	0
Total Assets Subject to Repurchase Agreements:	104,851,269	17,331,118		8,917,776
Assets Subject to Security Agreements:				
Countrywide Warehouse Lending (1)	13,915,421	2,723,192	-32%	1,843,015
Countrywide Home Loans, Inc. (1)	3,019,606	2,617,715	-32%	1,771,630
Total Assets Subject to Security Agreements:	16,935,028	5,340,906	-32%	3,614,645
Total Assets Subject to Repurchase/Security Agreements:	\$ 121,786,297	\$ 22,672,024	-45%	\$ 12,532,421

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	9/30/2007 Book Value	9/30/2007 Estimated Fair Market Value (2)	Percent Reduction FMV to LV	9/30/2007 Estimated Liquidation Value (3)
Assets Not Subject to Security Agreements:				
-REO & Construction Loans (6)	\$ 14,812,657	\$ 5,393,850	0%	\$ 5,393,850
-Regular Notes - 1st trust deeds	17,555,606	12,687,423	-38%	7,900,023
-Regular Notes - 2nd trust deeds	17,253,746	4,063,495	-52%	1,935,556
-Regular Notes, REO, other	711,300	640,170	-44%	355,650
	50,333,309	22,784,937	-32%	15,585,078
-Cash On Hand (7)	823,936	823,936	0%	823,936
-Vacant Land	930,000	1,520,000	0%	1,520,000
-Nonqualified Investment Trust	677,129	677,129	0%	677,129
-Accounts Receivable (8)	1,000,000	600,000	0%	200,000
-51% Interest in JV (8)	0	0	0%	0
-Loan Tracker & intellectual property (8)	0	0	0%	0
-Furniture and Fixtures (8)	0	0	0%	0
	3,431,064	3,621,064	-11%	3,221,064
	53,764,373	26,406,002	-29%	18,806,143
Total Assets Not Subject to Security Agreements:				
	(3,477,764)			(1,987,106)
Cost associated with liquidation	(792,180)			(564,184)
Liquidating Trustee Fees	44,808,081			28,787,274
Total	\$ 175,550,670	\$ 44,808,081	-36%	\$ 28,787,274

	Total Claim Per Class	Estimated Recovery - FMV	Percent Recovery	Estimated Recovery - LV	Percent Recovery
Creditors:					
<u>Unsecured Priority Claims: (5)</u>					
Administrative Claims	\$ 802,566	\$ 802,566	100%	\$ 802,566	100%
Priority Wage Claims	11,324,106	11,324,106	100%	11,324,106	100%
Un-cashed Payroll Checks	210,000	210,000	100%	210,000	100%
Employee Benefit Claims	903,063	903,063	100%	903,063	100%
Property Taxes Due Pima County	5,207	5,207	100%	5,207	100%
	13,244,942	13,244,942	100%	13,244,942	100%
<u>Unsecured Non Priority Claims: (5)</u>					
Wage Claims Greater Than \$10,000	998,677	524,384	53%	258,218	26%
Un-cashed Payroll Checks Greater Than \$10,000	90,000	47,257	53%	23,270	26%
Accounts and Notes Payable	21,735,729	11,412,977	53%	5,619,982	26%
Notes Payable to Officers (9)	2,700,000	1,417,714	53%	698,111	26%
First Magnus Capital, Inc (10)	10,000,000	5,250,791	53%	2,585,596	26%
First Magnus Capital, Inc	24,586,803	12,910,017	53%	6,357,155	26%
Unknown deficiency / other claims (11)	-	-	-	-	-
	60,111,209	31,563,140	53%	15,542,332	26%
<u>Subordinated Unsecured Debts: (5)</u>					
Thomas W. Sultivan, Sr. Revocable Trust	20,000,000	0	0%	0	0%
Total Claims / Recoveries:	\$ 93,356,151	\$ 44,808,081	48%	\$ 28,787,274	31%

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LIQUIDATION ANALYSIS

Notes to Liquidation Analysis:

- (1) Represents the Debtor's book value of its equity interest in the respective line of credit / repurchase agreement and has been derived from the books and records of the company as of approximately September 20, 2007 by taking the difference between the note amounts receivable and the amount due to each lender.
- (2) Estimated fair market value has been derived by determining the company's equity in the notes assuming these notes are sold into the secondary markets to either institutional buyers or private investors with transaction dates occurring over the next 6-12 months and final closing occurring within 45 days thereafter. Included in the estimate of fair market value are both equity in the notes and any cash collateral that existed as of the petition date in the Debtor's over/(under) account with each particular lender less reductions for estimated accrued but unpaid interest on the line of credit / repurchase agreements, real estate taxes and insurance premiums received by the debtor but not paid to the respective parties.
- (3) Estimated liquidation value is Debtor's estimate of net proceeds to be received assuming all assets are sold within the next 60 days and finalized no more than 30 days thereafter. The discount between fair market value and liquidation value reflects current market conditions, composition and condition of debtor's assets, time limitations imposed by the liquidation and the higher returns required by the type of investors able to purchase the assets within the shortened time frame. Also relevant to the value received is the quality of the underlying loan documentation which will likely be impaired due to the Debtor's likely inability to complete full loan packages in a shortened period of time with limited resources.
- (4) Per terms of a proposed settlement agreement, Washington Mutual will "take back" the notes pursuant to their repurchase agreement at par and release any claim on any notes.
- (5) Claim amounts have been derived from the Debtor's Schedules of Liabilities as filed with the Court. The amount and validity of the Debtor's unsecured claims as set forth on the Debtor's Schedules have not been verified nor allowed by the Court but are believed to be an accurate reflection of the claims. This Liquidation Analysis assumes pari passu treatment of all Unsecured Non Priority Claims, except for subordinated claims as set forth herein, though final treatment of such claims is subject to final approval of the Debtor's Plan and Disclosure Statement.
- (6) Reflects the current sale amount from Summit Capital of \$5,393,850 for REO and construction loans. REO and Construction loans each have a book value of \$6,855,900 and \$7,956,757, respectively.
- (7) Reflects the current unencumbered cash available to the Debtor. In addition, the debtor maintains a separate DIP account referred to as the "DIP Holding Cash Account". The balance in the DIP Holding Cash Account at September 30, 2007 was approximately \$4,469,098. Various creditors have claimed a security interest or some other form of interest in this cash. The total amount of claims is unknown at this time. To the extent such claims are not substantiated, the unencumbered cash will be available to creditors.
- (8) The value is unknown at this time.
- (9) Notes Payable to Officers represents amounts funded to Debtor prior to the petition date pursuant to repurchase agreements by two officers of the Debtor. Subsequent to the filing date, the mortgage notes underlying the repurchase agreements were sold by the Debtor to third parties with the proceeds going to the Debtor with the consent of the officers. Accordingly, the Notes Payable to Officers has been classified unsecured claims payable by the Debtor.
- (10) Note payable from the Debtor to First Magnus Capital, Inc. that was funded to the Debtor in August 2007 prior to the filing of the bankruptcy. The Debtor's Schedule F - Creditors Holding Unsecured Nonpriority Claims will be amended to reflect this liability.
- (11) There are potential contract rejection claims, secured creditor / repo lender deficiency claims and other unknown claims that may arise in this matter that cannot be estimated at this time.