Ketel Thorstenson, LLP
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EXHIBIT Staff 40 2

May 7, 2007

Keith Senger
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre SD 57501-5070

Dear Keith:

You have asked for my professional opinion about the value of the 35 American Finance Corp shares currently held by the PUC, and also what a reasonable course of action might be. The information you provided was highly limited, and as such, I am unable to provide any definitive answer as to value. I presume that you could provide additional data, but for the practicality of this relatively small matter.

You can consider this analysis as a "top side calculation" given the facts that you have provided. The financial statement provided only covers the first quarter of 2007. It is internally prepared, and as such, the accuracy of the statement should be viewed with high levels of skepticism. However, assuming the statement is accurate, I provide the following observations:

1. The loan portfolio is performing very well. The interest income as a percentage of the unreserved loans was 18.2% annualized for the first quarter of 2007.

2. Without the loan write-off in the first quarter of $81,695 (which appears unusual), AFC had $71,629 of profits or an annualized return on assets of 9.6%. As a comparison, a very strong bank would return about 2% of assets. The annualized return on equity is approximately 15.9%, which is in-line with what is expected from a strong bank.

3. AFC has a very strong capitalization with a debt to asset ratio of only 40%

4. You have indicated long-term debt retirement obligations are approximately $225,000 per year, including interest. Given the annualized profits of approximately $286,000, this appears to be well covered, assuming no growth in the loan portfolio.

5. Cash flows are not an issue for AFC. Given its level of profitability, all it would need to do to create cash flows is to not loan back 100% of the loans that are currently being repaid. In addition, with its strong profitability and capital structure, AFC could likely obtain additional debt financing.

Of course, all these conclusions could change if I had additional financial information, including historical financial statements, tax returns, interviews with management, loan delinquency analyses, income statement projections, etc. The most useful information would be audited or reviewed financial statements, if they exist.

Based on the level of profitability, the AFC shares appear to be worth on an undiscounted basis (at a very minimum) book value, or $1,250 times 35, or $43,750. On a discounted basis, (for lack of marketability, and lack of control) I would roughly estimate that the value would be at or near book value. I believe that acceptance of the $6,000 offer by the Commission would not be prudent. Again, my conclusions are preliminary, given the lack of access to additional data.

I suggest the following courses of action:

1) Offer to sell on an installment basis at book value, with interest only at say 7% annual payable monthly for 60 months. This should resolve the buyer's concerns about cash flow. Secure the note to the shares sold.
2) Distribute the 35 shares to the creditor group which number over 250 parties. This is only a burden on AFC and not on the Commission or the creditor group, in my mind. The threat of this ALONE should make AFC more willing to negotiate a reasonable price. The benefit to the creditor group would be that if AFC then decided to redeem the fractional shares, they must pay full undiscounted appraised value without discount.
3) Sell the shares at auction.
4) Keep the shares for a few more years.

I personally believe (2) above is a very viable option, but I would first suggest making the counter offer in (1) above. For such a small matter, a public auction might also be a simple alternative, and would guarantee that a fair price is obtained. To consider the auction alternative, you would need to provide more financial information to the bidders, including access to discuss matters with management.

Sincerely,

KETEL THORSTENSON, LLP
Paul J. Thorstenson, CPA/ABV, CVA