

May 6, 2008

Dear Investor or Interested Party,

During the month of April and the first week of May, the state probate court approved our settlement with Ron Witt, the personal representative of the William Morrison probate. The probate case will remain open as he is trying to close on the sale of two lots in the Bahamas. The Bankruptcy Court has similarly approved our settlement with Gloria Morrison, the Morrison probate and Tyglo, Mrs. Morrison's company. This represents the conclusion of the last major litigation remaining - we do have smaller open litigation.

We are in the process of "closing" on our settlement with Mrs. Morrison. We soon hope to have the three real properties available for sale.

We continue our efforts to sell our real estate owned portfolio. We hope to close upon the sale of the "Brivik property" (3501 Bayou Sound in Longboat Key).

While the state of the real estate market and the economy in general prevents me at this time from conducting a "forced sale" of the entire portfolio, we are considering offers for the "bulk sale" of our entire real estate portfolio. Again, we continue to weigh our options and evaluate the costs of administration versus the potential upside or downside in real estate values.

Best regards,
Brasota Mortgage Company

Gerard A. McHale, Jr.

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Chapter 11 Trustee