

Dear Investor or Interested Party,

May has been a good month in terms of distribution to creditors. I am pleased to report that the fourth interim distribution of fifteen percent (15%) is substantially completed. This brings the total distributed to \$75.6 million or fifty-five percent (55%) of allowed unsecured claims. Again, as previously mentioned, I am optimistic that we are on track to meet the projected ultimate distribution of sixty-five (65%).

We also reached a milestone in this case because the Plan of Liquidation was confirmed on May 1, 2007. This means that the Court has approved our orderly liquidation of the assets in this case.

The list of major remaining items to be resolved in this case remains about the same as last month:

Hidden Hills -- This approximately 218 acres is closer to a sale. In May, the Court approved the settlement agreement with the borrowers' Chapter 7 bankruptcy Trustee, which will put us in a position to obtain title to the entire parcel for sale to a third party soon. We also managed to obtain a judgment of foreclosure in the Hidden Hills adversary proceeding in this case.

Brivik -- We have managed to protect our second lien position in one of the properties by buying out the first note and mortgage held by Whitney bank. We anticipate that we will be filing a foreclosure action very shortly.

McMullen Creek -- We are still actively marketing this property.

Corporate Office Building -- We have spoken to several buyers who are interested in the building and have actually received an offer. Unfortunately, it was deemed too low and we continue to actively market this property.

Morrison Estate -- A personal representative has been appointed in the William Morrison probate case. We are co-operating with him in the liquidation of probate assets. As to Mrs. Morrison, we are continuing our litigation with her.

Broad and Cassel -- Mediation is on the horizon and if the matter is unresolved, we will move forward with a jury trial.

William Manfull -- Negotiations are still ongoing.

On other items, the Court has approved the sale of the personal property located at Brasota's headquarters through auction at EBAY or other avenues. The first auction will consist of sports memorabilia and is scheduled for later this month on EBAY. For those who currently have an EBAY account, they can locate these items by performing an advanced search and searching by seller "Antiquecollectibles". A listing of the items to be auctioned off is included as Attachment 1 to this monthly newsletter.

I would encourage all who have an interest to bid or spread word of the auction to friends and family who may want to bid. For those without an EBAY account, they will have to search by item, e.g., “Emmitt Smith Jersey”, etc. The link to EBAY is www.ebay.com. I expect the items will be on EBAY beginning Wednesday, June 20, 2007 and will be on auction for a 10 day period.

Recently, there has been a flurry of activity regarding mailings from companies who specialize in I.R.C. Section 165 (c) (2) theft losses.

The judge has indicated that this was, in fact, a Ponzi scheme, which on its face would seem to qualify for such treatment (i.e. theft loss). Further, the year of the “discovery of loss” appears to be 2007, the year in which the amount of the loss actually for the first time became fixed and determinable. However, this is not tax advice and you should not place any reliance on these statements without first consulting your own personal tax advisors. It would also be a good idea to also speak with your own tax advisor regarding your investment in Brasota before seeking other professional aid.

As always, we will strive to move closer to an ultimate disposition of this case and appreciate your patience. Certain litigation always takes time and we continue to move a step in the right direction every month.

As we continue to wind down operations, the staff at Brasota is being reduced accordingly. Laura Jeffries, our paralegal, left Brasota for a new position with a law firm in Tampa. Mike Schwartz, our CFO who has been very much part of my team here is now working part-time in this case. He will, however, continue to be available at Brasota should anyone have questions regarding their distribution checks.

Best Regards,

Brasota Mortgage Company

Gerard A. McHale, Jr.

Gerard A. McHale, Jr.

Chapter 11 Bankruptcy Trustee

Sports Memorabilia Being offered on E-Bay

<u>Item Description</u>	<u>Minimum Price</u>
Mickey Mantle photograph Autographed and Guaranteed for Authenticity	\$299.99
Nomar Garciaparra photograph Autographed and Guaranteed for Authenticity #269 of 600	\$50.00
Ted Williams/Mickey Mantle photograph Autographed and Guaranteed for Authenticity	\$499.99
Leroy Selmon poster with Game 3 game day ticket 9/17/1995 marked #65 Tampa Bay Stadium	\$99.99
Raymond James Stadium photograph Autographed #124 of 920 dated 9/20/1998 Collectors Series/Inaugural Game	\$200.00
Emmitt Smith Photo (Cowboys) photograph Autographed and Guaranteed for Authenticity # 91 of 500	\$174.99
Emmitt Smith Painting (Cowboys) photograph Autographed by both E.S. and Artist Richard Jackson and Guaranteed for Authenticity #278 of 657	\$199.99
Emmitt Smith Gator Jersey Autographed	\$749.99
Dan Marino Signed Football (Cased) Autographed and Guaranteed for Authenticity	\$99.99
Tampa Bay Lightning Stanley Cup Ring (Cased) dated 6/7/2004 to Brasota Mortgage Company	\$99.99