

November 12, 2007

Dear Investor or Interested Party,

As previously mentioned, we have received numerous inquiries regarding whether another distribution will be anticipated within the year. I am very pleased to announce that there will be another five percent (5%) distribution to unsecured creditors before the holiday season – or by early December.

We are making progress on the other remaining matters in the case. The Bankruptcy Court approved the settlement with William Manfull and Jana Votour. As previously mentioned, as part of the settlement, Mr. Manfull will pay \$2.7 million to the bankruptcy estate. \$315,000 in cash has been received and the balance has been memorialized by a one-year note, collateralized by ALL of his assets. This note carries an 8% interest rate and requires monthly payments of \$100,000. Mr. Manfull has made his first payment.

We have moved litigation further along in our other foreclosure actions, including the Brivik and DeVito foreclosures. The DeVito property, located at 2443 U.S. Highway 301 North, Ellenton, Florida 34222, was taken into Brasota's portfolio of real estate owned through foreclosure ("REO"). Additionally, two of the three Brivik properties, both waterfront single-family homes (3501 Bayou Sound, Longboat Key, Florida 34228 and 580 Yardarm Lane, Longboat Key, Florida 34228) have also been converted into REOs. We will be actively marketing these properties.

Mediation with Gloria Morrison is still anticipated in early December.

As always, our continued liquidation process is on-going. We continue to liquidate real property and to co-operate with the personal representative of the William Morrison estate to effectuate an orderly liquidation of those probate assets.

Best regards,

BRASOTA MORTGAGE COMPANY

Gerard A. McHale, Jr.
Chapter 11 Bankruptcy Trustee