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UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

APR 26 2005

BRASOTA MORTGAGE CO.

IN RE:

Chapter 11

BRASOTA MORTGAGE COMPANY, INC.,
FUNDING MANAGEMENT CORPORATION,

CASE NO: 8:05-bk-06215-KRM
CASE NO: 8:05-bk-06218-KRM
(Jointly Administered)

Debtors.

FREQUENTLY ASKED QUESTIONS

Do I Need an Attorney?

Neither the Trustee nor his counsel can give you any legal advice. Whether you need or desire an attorney is your decision. There are believed to be approximately 1600 creditors/investors in these cases. Only a small percentage will actually employ an attorney who will be actively involved in the bankruptcy. Others will rely on the creditors' committee to "look out" for their interests. See below for information on creditors' committees.

What is the time frame for distribution to creditors?

Before any distribution can be made, a complete creditor/investor list must be prepared. The Trustee is in the process of preparing that list now and hopes to have the list completed by May 9, 2005. Then the bankruptcy court must establish a deadline for the filing of claims. Then claims must be examined for proper classification and accuracy. In the meantime, assets will be liquidated for the benefit of creditors. It is unlikely that this process will be completed in less than 180 days and may take significantly longer depending on circumstances.

Do I need to file a proof of claim? Will the proof of claim form be mailed to me or if not where can get one?

In a chapter 11 bankruptcy case, a creditor need not file a claim if the creditor's claim is correctly shown on the schedules as undisputed, liquidated and non-contingent. As set forth above, the schedules are not due until May 9, 2005, and the claims bar date will be set at least thirty (30) days after that date. A proof of claim form may be mailed to you with the notice of commencement or with the order setting the claims deadline. In any event, a proof of claim form can be obtained from the court's web site - <http://www.flmb.uscourts.gov/Forms.htm>.

Will a creditors' committee be formed? What is a creditors' committee?

The Office of the United States Trustee ("UST") is responsible for the formation of any creditor committees. The Trustee understands that the UST is in the process of forming an unsecured creditors committee and that it will be formed shortly. The twenty (20) largest unsecured creditors are generally contacted concerning participation on the committee. Generally, the Trustee has minimal if any involvement in this process. The unsecured creditors' committee will be charged with representing the interests of all unsecured creditors in the bankruptcy. Generally, the unsecured creditors' committee is limited to purely unsecured creditors (as opposed to secured creditors).

Where can creditors/investors get updated information on the bankruptcy?

Like the receiver before him, the Trustee intends to continue posting information on the Brasota Mortgage web site - www.brasota.com. Additionally, the Trustee may send out additional communications like this one. Ultimately, a plan and disclosure statement will be sent to all creditors/investors.

What is the meeting of creditors and do I need to attend?

The meeting of creditors is required by the Bankruptcy Code and conducted by the UST. The Trustee is required to attend and answer questions from the UST and creditors concerning the assets and liabilities of the Debtors and the status of the Debtor's businesses. The meeting of creditors in these cases is scheduled for May 11, 2005, in Tampa, Florida. No creditor is required to attend. A transcript of the meeting may be obtained by contacting Johnson Transcription Service at (813) 920-1466.

Am I a secured or unsecured creditor?

To be a secured creditor in a bankruptcy case, you must have a properly and timely perfected lien on assets of the bankruptcy estate. Generally, some type of filing with an appropriate government office is required to obtain a properly perfected lien. Even then, some liens are still avoidable or subject to subordination by the bankruptcy court. Neither the Trustee nor his counsel can advise you on the secured or unsecured nature of your claim. If in doubt, you should consult your own bankruptcy attorney.