

October 22, 2008

Dear Investor or Interested Party,

We continue in our efforts to liquidate the real estate in this depressed market. Since the last report and our reported dissatisfaction with the bulk offers received for our real estate portfolio, we have stepped up our retail efforts in selling the real estate. We have sold the waterfront real property at 580 Yardarm Lane, Longboat Key, Florida, for \$665,999. We have another partially completed property located in Port Charlotte, Florida, under contract for \$80,000 and hope to obtain bankruptcy court approval soon. Other negotiations are on-going.

We have also settled the remaining piece of the Brivik litigation for \$120,000 and are in the process of concluding the remaining pending lawsuits.

The William Morrison probate case is still in the process of being concluded. The Bahamian lots continue to be the cause for the delay. We have received the bulk of the Morrison assets and will be prudently liquidating the assets. Unfortunately, Morrison had a fondness for bank stock and this current market may not be best for the sale.

Best regards,  
Brasota Mortgage Company  
*Gerard A. McHale, Jr.*

Gerard A. McHale, Jr.  
Chapter 11 Trustee