

**Blackburne & Brown Mortgage Company, Incorporated**  
**Balance Sheet**  
 As of June 30, 2007

	<u>Jun 30, 07</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
American Bank 0600011569	2,906.10
BOW #49787 (Missouri Acct)	15,770.41
FN-05038297 (General)	25,905.21
FN-05041181 (Investor Trust)	44,982.66
FN-05038339 (Loan Servicing)	69,041.41
FN-05038327 (Spec. Trust)	384,578.87
FN-05038315 (Prop. Mgmt.)	247,482.41
FN-05314598 (Savings)	1,532.35
<b>Total Checking/Savings</b>	<u>792,199.42</u>
<b>Accounts Receivable</b>	
Accounts Receivable	7,200.00
<b>Total Accounts Receivable</b>	<u>7,200.00</u>
<b>Other Current Assets</b>	
Advance to B&B Equity Preservat	7,000.00
Employee Advances	750.00
Prepaid Expenses	14,022.36
Prepaid Income Taxes	1,958.00
<b>Total Other Current Assets</b>	<u>23,730.36</u>
<b>Total Current Assets</b>	823,129.78
<b>Fixed Assets</b>	
Accumulated Depreciation	-200,179.00
Computer	33,293.04
Furniture & Fixtures	37,674.19
Office Equipment	73,317.48
Vehicles	134,188.94
<b>Total Fixed Assets</b>	<u>78,294.65</u>
<b>Other Assets</b>	
E-Trade Money Market	199.91
Investment in B&B Mtg Fund I	72,237.00
Mortgage Servicing Rights, Net	1,443,956.10
Prudent Bear Funds	7,308.49
Tocqueville Investment	45,323.99
<b>Total Other Assets</b>	<u>1,569,025.49</u>
<b>TOTAL ASSETS</b>	<u><b>2,470,449.92</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	43,503.24
<b>Total Accounts Payable</b>	43,503.24
<b>Other Current Liabilities</b>	
401k Employee Deferrals	2,670.52
Accrued Payroll	15,605.85
Accrued vacation liability	13,044.42
Loan from C Loans	32,975.37
Trust Funds - Investor Trust	44,982.66
Trust Funds - Prop. Management	266,158.92
Trust Funds - Spec. Trust	453,620.28
<b>Total Other Current Liabilities</b>	<u>829,058.02</u>
<b>Total Current Liabilities</b>	872,561.26

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Accrual Basis

# Blackburne & Brown Mortgage Company, Incorporated

## Balance Sheet

As of June 30, 2007

	<u>Jun 30, 07</u>
<b>Long Term Liabilities</b>	
Deferred Income Taxes	325,806.00
First Northern Notes Payable	<u>8,750.00</u>
<b>Total Long Term Liabilities</b>	<u>334,556.00</u>
<b>Total Liabilities</b>	1,207,117.26
<b>Equity</b>	
Additional Paid in Capital	312.00
Common Stock	100.00
Retained Earnings	1,110,894.20
Net Income	<u>152,026.46</u>
<b>Total Equity</b>	<u>1,263,332.66</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,470,449.92</u></u>

**Blackburne & Brown Mortgage Company, Incorporated**  
**Profit & Loss**  
 October 2006 through June 2007

	Oct '06 - Jun 07
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Arbitration and Legal Settlements	750.00
B&B Equity Pres. Fund Mgmt Fees	111,969.00
B&B Mtg Fund I Management Fees	99,000.00
Loan Commissions	193,038.64
Miscellaneous Income	8,122.42
Overhead Reimbursement	143,100.00
Property Mgmt. Fees	70,877.59
Servicing Fees	577,493.48
<b>Total Income</b>	<b>1,204,351.13</b>
<b>Expense</b>	
Advertising	60,463.75
Arbitration	3,710.50
Automobile	6,061.71
Bad Debt Expense	328.97
Consulting	25,422.17
Continuing Education	673.95
Contributions	1,000.00
Courier Service	13,112.80
Credit Reports	3,612.37
Donations	600.00
Employer 401k Match	17,205.98
Equipment Lease	2,557.35
Filing Fee	2,685.00
Health Insurance	32,898.82
Insurance	36,698.83
Interest	5,486.28
Internet	463.21
Janitorial	7,515.79
Licenses and Fees	15,053.61
Loan Fees	1,617.50
Lodging	2,507.90
Meals & Entertainment	4,694.84
Mileage Reimbursement	1,518.05
Miscellaneous Expense	637.53
Notaries	995.00
Office Supplies	37,346.84
Payroll Expenses	3,216.25
Payroll Taxes	65,050.90
Postage	39,904.52
Printing	2,839.11
Professional Fees	
Accounting	19,773.75
Legal	38,159.41
<b>Total Professional Fees</b>	<b>57,933.16</b>
Profit Sharing Plan Expense	-2,065.00
Recording Fees	4,805.60
Referral Fees	15,412.50
Rent	58,122.00
Repairs & Maintenance	2,571.83
Salaries F. Blackburne	46,378.00
Salaries G. Blackburne	0.00
Security	1,237.31
Site Inspection	2,253.13
Software Expense	4,195.55
Storage	2,688.00
Telephone	29,482.44
Travel	7,946.81
Utilities	6,955.39

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Accrual Basis

**Blackburne & Brown Mortgage Company, Incorporated**  
**Profit & Loss**  
October 2006 through June 2007

	Oct '06 - Jun 07
Wages	415,354.01
Workers Compensation	3,174.41
Total Expense	<u>1,052,324.67</u>
Net Ordinary Income	<u>152,026.46</u>
Net Income	<u><u>152,026.46</u></u>