

MIRABILIS VENTURES, INC. ("LIQUIDATING DEBTOR")

QUARTERLY POST-COMFIRMATION LITIGATION REPORT TO COURT

QUARTER ENDED SEPTEMBER 30, 2011

I PURPOSE OF REPORT:

One of the duties of the President of the Liquidating Debtor, as outlined in the Disclosure Statement, shall be, “ (5) for providing the Court quarterly written litigation summaries and operating reports which shall set forth the status of all litigation.” The Liquidating debtor has chosen to report this information, together with other information, to the Court in a narrative format together with attachments.

II OVERVIEW OF THE CASE:

On May 27, 2008 Mirabilis Venture, Inc. (“Mirabilis”) and AEM, Inc. (“AEM”) filed Chapter 11 under the US Bankruptcy Code. On June 5, 2008 Hoth Holdings, LLC (“Hoth”) filed Chapter 11 under the US Bankruptcy Code; case numbers 6:08-bk-04327, 6:08-bk-04681 and 6:08-bk-4328. AEM and Hoth were 100% and 90% subsidiaries of Mirabilis. On October 27, 2009 the Court approved the Joint Amended Plan of Liquidation As Modified (“Plan”) of these three companies and the liquidating debtor, Mirabilis, began to implement the Plan. The assets of these three debtors were put into the liquidating debtor together with their claims.

III FINANCIAL REPORT:

Enclosed is a copy of the Quarterly Post-confirmation Operating Report filed separately with the Court.

IV CIVIL LITIGATION:

The liquidating debtor was involved in a significant number of cases before filing Chapter 11. Many of these cases were settled, became claims or were dismissed during the bankruptcy case. Enclosed is a Summary of Litigation from the petition date to present. There were five fraudulent transfer suits filed. There were seventeen non-fraudulent transfer suits filed. These include four malpractice suits against professionals who represented the liquidating debtor, five collection suits for collections of the notes receivable, seven suits against insiders for various causes and one other suit against two insurance companies. Four fraudulent transfer suits have been settled. Ten of the non-fraudulent transfer suits have been settled, three default judgments obtained and three dismissed. A total of \$3,338,886 has been recovered from the civil litigation and ten default judgments for \$10,124,918 at the end of the quarter. Seven of the default judgments came from defendants in one of the suits, which was settled. The fraudulent transfer suit against the IRS has not been set for trial. The remaining non-fraudulent transfer suit is set for trial in 2012 and is scheduled to be mediated in October 2011. Mediations were held in eight of the cases to date with four settlements and four impasses.

V CRIMINAL LITIGATION:

The USA indicted Mirabilis, AEM and Hoth for conspiracy and wire fraud on October 30, 2008. At the same time the USA indicted three corporations ("Amodeo Companies") owned by Frank Amodeo for the same crimes, although the indictments against the Amodeo Companies were dropped by the USA. Mirabilis, AEM and Hoth pled not guilty on December 1, 2008. The three remaining defendants changed their pleas to nolo contendere on June 16, 2010. Although the USA objected to the change in plea, the Court allowed the change. The defendants were sentenced to fines of \$15,200.00, which have been paid, restitution of \$200,000,000.00 and forfeiture of assets. The restitution "...is to be consistent with the money judgment already entered in this case which is being administered by the Bankruptcy Court which presently has jurisdiction over the Corporate Defendants." The assets forfeited are "...those assets previously identified in the Superseding indictment that are subject to forfeiture." These assets are consistent with the division of assets between the USA and the debtor in the Bankruptcy Court. This litigation has led to numerous attempts by the defendants in the civil litigation to have their cases dismissed.

VI OTHER CLAIMS FOR RECOVERY:

The liquidating debtor filed income tax, federal and state payroll tax returns for 2005-2009, which request over \$26.5 million in refunds from federal and state tax authorities. The IRS began an audit of some of these returns in December 2009 and has completed its audits of the income tax returns, but not the payroll tax returns. In 2011 the liquidating debtor filed a fraudulent transfer suit against the IRS for tax refunds and other transfers in excess of \$26.8 million. The liquidating debtor has filed claims with two of its insurance providers for in excess of \$5.1 million. One of its insurance providers has completed an audit of the policy in question, but has not issued its report. The liquidating debtor filed litigation to collect on its claim against its insurance providers. The liquidating debtor had a claim in a Chapter 7 case of one of its subsidiaries and recovered \$111,285 previously.

October 12, 2011



R. W. Cuthill Jr., President

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

IN RE: MIRABILIS VENTURES, INC.

}
} CASE NUMBER: 6:08-BK-04327-KSJ
}

}
} CHIEF JUDGE KAREN S. JENNEMANN
}

DEBTOR.

}
} CHAPTER 11

DEBTOR'S POST-CONFIRMATION
QUARTERLY OPERATING REPORT
FOR THE PERIOD

FROM 7/1/2011 TO 9/30/2011

Comes now the above-named debtor and files its Post-Confirmation Quarterly Operating Report in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

Dated: _____

Attorney for Debtor
Roy S. Kobert, P.A.

Debtor's Address
and Phone Number:
341 N Maitland Ave.
Ste. 210
Maitland, FL 32751
Tel. 407-644-3781 Ext. 235

Attorney's Address
and Phone Number:
Broad and Cassel
390 N Orange Ave., Ste. 1400
Orlando, FL 32801
Bar No. 777153
Tel. 407-839-4200

QUESTIONNAIRE		
	YES*	NO
1. Have any assets been sold or transferred outside the normal course of business, or outside the Plan of Reorganization during this reporting period?		X
2. Are any post-confirmation sales or payroll taxes past due?		X
3. Are any amounts owed to post-confirmation creditors/vendors over 90 days delinquent?	X	
4. Is the Debtor current on all post-confirmation plan payments?	X	

*If the answer to any of the above questions is "YES," provide a detailed explanation of each item on a separate sheet.
Debtor has not made, nor was required to make, any post-confirmation payments through the date of this report.

INSURANCE INFORMATION		
	YES	NO*
1. Are real and personal property, vehicle/auto, general liability, fire, theft, worker's compensation, and other necessary insurance coverages in effect?		N/A
2. Are all premium payments current?		N/A

*If the answer to any of the above questions is "NO," provide a detailed explanation of each item on a separate sheet.
Debtor does not own property requiring insurance and has one part-time employee.

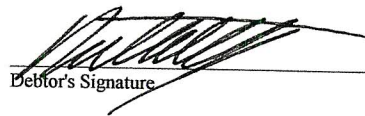
CONFIRMATION OF INSURANCE			
TYPE of POLICY and CARRIER	Period of Coverage	Payment Amount and Frequency	Delinquency Amount
N/A			

DESCRIBE PERTINENT DEVELOPMENTS, EVENTS, AND MATTERS DURING THIS REPORTING PERIOD:
Balance of computer equipment and warehouse equipment were sold at auction.

Estimated Date of Filing the Application for Final Decree: Unknown

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 12th day of October 2011.


Debtor's Signature

