UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2008

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to ___________

Commission File Number: 001-32171

Bimini Capital Management, Inc.
(Exact name of registrant as specified in its charter)

Maryland **(State or other jurisdiction of incorporation or organization)**	**72-1571637** **(I.R.S. Employer Identification No.)**

3305 Flamingo Drive, Vero Beach, Florida 32963
(Address of principal executive offices) (Zip Code)

(772) 231-1400
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☑ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller Reporting Company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☑

As of August 11, 2008, the number of shares outstanding of the registrant's Class A Common Stock, $0.001 par value, was 25,366,033; the number of shares outstanding of the registrant's Class B Common Stock, $0.001 par value, was 319,388; and the number of shares outstanding of the registrant's Class C Common Stock, $0.001 par value, was 319,388.

BIMINI CAPITAL MANAGEMENT, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

BIMINI CAPITAL MANAGEMENT, INC.
CONSOLIDATED BALANCE SHEETS

	(Unaudited) June 30, 2008	December 31, 2007
ASSETS:		
Mortgage-backed securities:		
Available-for-sale, pledged to counterparties, at LOCOM	$ -	$ 293,729,451
Held for trading, pledged to counterparties, at fair value	516,929,566	396,175,157
Unpledged, at fair value	6,981,227	674,326
Total mortgage-backed securities	523,910,793	690,578,934
Cash and cash equivalents	17,337,744	27,284,760
Restricted cash	-	8,800,000
Principal payments receivable	382,451	99,089
Accrued interest receivable	2,277,587	3,637,302
Property and equipment, net	4,111,403	4,181,813
Prepaids and other assets	4,913,071	5,315,835
Assets held for sale	48,538,374	96,619,615
Total Assets	$ 601,471,423	$ 836,517,348
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
LIABILITIES:		
Repurchase agreements	$ 452,446,754	$ 678,177,771
Junior subordinated notes due to Bimini Capital Trust I & II	103,097,000	103,097,000
Unsettled Security Transactions	48,941,425	-
Accrued interest payable	2,461,612	3,872,101
Accounts payable, accrued expenses and other	1,632,277	644,858
Liabilities related to assets held for sale	7,377,926	27,842,174
Total Liabilities	615,956,994	813,633,904
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; designated, 1,800,000 shares as Class A Redeemable and 2,000,000 shares as Class B Redeemable; no shares issued and outstanding	-	-
Class A Common Stock, $0.001 par value; 98,000,000 shares designated: 25,350,200 shares issued and outstanding as of June 30, 2008 and 24,861,404 shares issued and outstanding as of December 31, 2007	25,350	24,861
Class B Common Stock, $0.001 par value; 1,000,000 shares designated, 319,388 shares issued and outstanding as of June 30, 2008 and December 31, 2007	319	319
Class C Common Stock, $0.001 par value; 1,000,000 shares designated, 319,388 shares issued and outstanding as of June 30, 2008 and December 31, 2007	319	319
Additional paid-in capital	338,822,407	338,241,582
Accumulated deficit	(353,333,966)	(315,383,637)
Total Stockholders' Equity (Deficit)	(14,485,571)	22,883,444
Total Liabilities and Stockholders' Equity (Deficit)	$ 601,471,423	$ 836,517,348

See Notes to Consolidated Financial Statements

Bimini Capital Management, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Six Months Ended		Three Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Interest income, net of amortization of premium and discount	$ 16,897,697	$ 66,158,568	$ 6,786,804	$ 27,524,303
Interest expense	(13,085,907)	(71,142,576)	(5,458,446)	(33,590,371)
Net interest income (expense), before interest on trust preferred debt	3,811,790	(4,984,008)	1,328,358	(6,066,068)
Interest expense on trust preferred debt	(4,180,863)	(4,180,864)	(2,090,431)	(2,090,432)
Net interest expense	(369,073)	(9,164,872)	(762,073)	(8,156,500)
Fair value adjustment - held for trading securities	(134,831)	-	(737,912)	-
Other-than-temporary loss on mortgage-backed securities	-	(55,250,278)	-	(55,250,278)
Gains/(loss) on sale of mortgage-backed securities, net	708,319	(19,388,377)	385,748	(18,568,106)
Revenues (deficiency of revenues), net	204,415	(83,803,527)	(1,114,237)	(81,974,884)
Direct REIT operating expenses	373,613	451,702	188,324	223,455
General and administrative expenses:				
Compensation and related benefits	1,673,344	2,343,830	827,966	1,151,445
Directors' fees and liability insurance	368,742	388,536	194,696	188,573
Audit, legal and other professional fees	455,469	681,226	61,382	338,830
Other administrative	758,726	328,614	268,098	183,310
Total general and administrative expenses	3,256,281	3,742,206	1,352,142	1,862,158
Total expenses	3,629,894	4,193,908	1,540,466	2,085,613
Loss from continuing operations before minority interest	(3,425,479)	(87,997,435)	(2,654,703)	(84,060,497)
Minority interest in consolidated subsidiary	-	770,563	-	-
Loss from continuing operations	(3,425,479)	(87,226,872)	(2,654,703)	(84,060,497)
Loss on sale and disposal of assets of discontinued operations, net of tax	-	(10,469,203)	-	(10,469,203)
Loss from discontinued operations, net of tax	(36,238,946)	(142,841,366)	(31,905,445)	(67,937,722)
Total loss from discontinued operations, net of tax	(36,238,946)	(153,310,569)	(31,905,445)	(78,406,925)
Net loss	$ (39,664,425)	$ (240,537,441)	$ (34,560,148)	$ (162,467,422)
Basic And Diluted Net Loss Per Share Of:				
CLASS A COMMON STOCK				
Continuing operations	$ (0.14)	$ (3.51)	$ (0.10)	$ (3.38)
Discontinued operations	(1.43)	(6.16)	(1.26)	(3.15)
Total basic and diluted net loss per Class A share	$ (1.57)	$ (9.67)	$ (1.36)	$ (6.53)
CLASS B COMMON STOCK				
Continuing operations	$ (0.13)	$ (3.50)	$ (0.10)	$ (3.37)
Discontinued operations	(1.41)	(6.15)	(1.25)	(3.15)
Total basic and diluted net loss per Class B share	$ (1.54)	$ (9.65)	$ (1.35)	$ (6.52)
Average Shares Outstanding				
CLASS A COMMON STOCK	25,023,908	24,555,916	25,118,066	24,577,222
CLASS B COMMON STOCK	319,388	319,388	319,388	319,388
Cash dividends declared per share of:				
CLASS A COMMON STOCK	$ -	$ 0.05	$ -	$ -
CLASS B COMMON STOCK	$ -	$ 0.05	$ -	$ -

See Notes to Consolidated Financial Statements

BIMINI CAPITAL MANAGEMENT, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)
Six Months Ended June 30, 2008

	Common Stock, Amounts at par value			Additional Paid-in	Accumulated	
	Class A	Class B	Class C	Capital	Deficit	Total
Balances, December 31, 2007	$ 24,861	$ 319	$ 319	$ 338,241,582	$ (315,383,637)	$ 22,883,444
Cumulative effect adjustment upon adoption of SFAS No. 159	-	-	-	-	1,714,096	1,714,096
Net loss	-	-	-	-	(39,664,425)	(39,664,425)
Issuance of Class A common shares for board compensation and equity plan share exercises, net	489	-	-	157,324	-	157,813
Amortization of equity plan compensation	-	-	-	425,305	-	425,305
Equity plan shares withheld for statutory minimum withholding taxes	-	-	-	(861)	-	(861)
Stock issuance costs, and other adjustments	-	-	-	(943)	-	(943)
Balances, June 30, 2008	$ 25,350	$ 319	$ 319	$ 338,822,407	$ (353,333,966)	$ (14,485,571)

See Notes to Consolidated Financial Statements

BIMINI CAPITAL MANAGEMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (39,664,425)	$ (240,537,441)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:		
Net loss from discontinued operations	36,238,946	153,310,569
Other-than-temporary loss on mortgage backed securities	-	55,250,278
Amortization of premium and discount on mortgage-backed securities, net	-	10,776,614
Stock compensation	583,118	1,365,391
Depreciation and amortization	82,562	432,246
(Gain) loss on sale of mortgage-backed securities, net	(708,319)	19,388,377
Fair value adjustment - held for trading securities	134,831	-
From trading securities:		
Purchases	(87,630,648)	-
Sales	241,307,931	-
Principal repayments	63,936,504	-
Changes in operating assets and liabilities:		
Decrease in accrued interest receivable	1,359,715	4,236,464
Decrease (increase) in prepaids and other assets	402,766	(472,050)
Decrease in accrued interest payable	(1,410,488)	(7,472,493)
Increase in accounts payable, accrued expenses and other	986,558	1,547,010
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	215,619,051	(2,175,035)
CASH FLOWS FROM INVESTING ACTIVITIES:		
From available-for-sale securities:		
Purchases	-	(834,671,779)
Sales	-	1,191,814,282
Principal repayments	-	626,507,518
Purchases of property and equipment, and other	(12,152)	1,500
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(12,152)	983,651,521
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in restricted cash	8,800,000	-
Proceeds from repurchase agreements	2,655,653,975	10,106,181,385
Principal payments on repurchase agreements	(2,881,384,992)	(11,064,529,569)
Stock issuance costs, and other adjustments	(943)	-
Cash dividends paid	-	(2,534,582)
NET CASH USED IN FINANCING ACTIVITIES	(216,931,960)	(960,882,766)
CASH FLOWS FROM DISCONTINUED OPERATIONS:		
Net cash provided by operating activities	9,378,045	638,596,359
Net cash provided by investing activities	-	1,195,582
Net cash used in financing activities	(18,000,000)	(701,234,602)
NET CASH USED IN DISCONTINUED OPERATIONS	(8,621,955)	(61,442,661)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,947,016)	(40,848,941)
CASH AND CASH EQUIVALENTS, Beginning of the period	27,284,760	82,751,795
CASH AND CASH EQUIVALENTS, End of the period	$ 17,337,744	$ 41,902,854
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ 19,938,708	$ 82,795,933
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
Securities transferred from available-for-sale to trading (at fair value)	$ 1,714,096	$ -

See Notes to Consolidated Financial Statements

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business Description

Bimini Capital Management, Inc., a Maryland corporation ("Bimini Capital"), was originally formed in September 2003 as Bimini Mortgage Management, Inc. ("Bimini Mortgage") for the purpose of creating and managing a leveraged investment portfolio consisting of residential mortgage-backed securities ("MBS"). Bimini Capital's website is located at http://www.biminicapital.com. On February 10, 2006, Bimini Mortgage changed its name to Opteum Inc. ("Opteum"). On September 28, 2007, Opteum changed its name to Bimini Capital Management, Inc.

On November 3, 2005, Bimini Capital acquired Opteum Financial Services, LLC. This entity, which was previously referred to as "OFS," was renamed Orchid Island TRS, LLC effective July 3, 2007. Hereinafter, any historical mention, discussion or references to Opteum Financial Services, LLC or to OFS (such as in previously filed documents or Exhibits) now means Orchid Island TRS, LLC or "OITRS." Upon closing of the transaction, OITRS became a wholly-owned taxable REIT subsidiary of Bimini Capital.

On December 21, 2006, Bimini Capital sold to Citigroup Global Markets Realty Corp. ("Citigroup Realty") a Class B non-voting limited liability company membership interest in OITRS, representing 7.5% of all of OITRS's outstanding limited liability company membership interests, for $4.1 million. Immediately following the transaction, Bimini Capital held Class A voting Limited Liability Company membership interests in OITRS representing 92.5% of all of OITRS's outstanding limited liability company membership interests. In connection with the transaction, Bimini Capital also granted Citigroup Realty an option to acquire additional Class B non-voting limited liability company membership interests in OITRS representing 7.49% of all of OITRS's outstanding limited liability company membership interests. This option expired unexercised on December 20, 2007. On May 27, 2008, Bimini Capital repurchased Citigroup Realty's interest in OITRS for $0.05 million.

On April 18, 2007, the Board of Managers of OITRS, at the recommendation of the Board of Directors of Bimini Capital, approved the closure of OITRS's wholesale and conduit mortgage loan origination channels in the second quarter of 2007. Also, during the second and third quarters of 2007, substantially all of the other operating assets of OITRS were sold. Therefore, all of OITRS's assets are considered held for sale, and OITRS is reported as a discontinued operation for all periods presented following applicable accounting standards (see Note 11). For financial statement presentation purposes, Bimini Capital is now operating in a single business segment, as a real estate investment trust ("REIT").

Bimini Capital has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). As a REIT, Bimini Capital is generally not subject to federal income tax on its REIT taxable income provided that it distributes to its stockholders at least 90% of its REIT taxable income on an annual basis. OITRS has elected to be treated as a taxable REIT subsidiary and, as such, is subject to federal, state and local income taxation. In addition, the ability of OITRS to deduct interest paid or accrued to Bimini Capital for federal, state and local tax purposes is subject to certain limitations.

As used in this document, discussions related to Bimini Capital, the parent company, the registrant, and to REIT qualifying activities or the general management of Bimini Capital's portfolio of MBS refer to Bimini Capital Management, Inc. Further, discussions related to Bimini Capital's taxable REIT subsidiary or non-REIT eligible assets refer to OITRS and its consolidated subsidiaries. Discussions relating to the "Company" refer to the consolidated entity (the combination of Bimini Capital and OITRS). The assets and activities that are not REIT eligible, such as mortgage origination, acquisition and servicing activities, were formerly conducted by OITRS and are now reported as discontinued operations.

Liquidity

The financing market utilized by the Company to fund its MBS portfolio, as well as the market for MBS securities, have yet to fully recover from the turbulence experienced in the last quarter. The volatility in the market prompted intervention on the part of the Federal Reserve in an effort to restore stability. While the actions of the Federal Reserve have been effective for the most part so far, there can be no assurance such actions will be sufficient to achieve long lasting stability, or that another source of market disruption will not emerge. The Company has outstanding $452.4 million of obligations under repurchase agreements with maturities through October 2008. Should the Company be unable to extend the maturity of these repurchase obligations, it may be forced to sell assets, which may result in losses upon such sales. Additionally, the Company may need to augment its existing leveraged MBS portfolio with alternative investment strategies to the extent that sufficient repurchase agreement funding is not available. The Company is currently evaluating alternative investment strategies that utilize derivative mortgage backed securities collateralized by MBS with comparable borrower and prepayment characteristics to the securities currently in the portfolio. Such securities would not be funded in the repurchase market but instead would be owned free and clear. If cash resources are, at any time, insufficient to satisfy the Company's liquidity requirements, such as when cash flow from operations are materially negative, the Company may be required to pledge additional assets to meet margin calls, liquidate assets, sell additional debt or equity securities or pursue other financing alternatives. The Company presently believes that its junior subordinated debt capital, combined with the cash flow from operations and the utilization of borrowings, will be sufficient to enable the Company to meet its anticipated liquidity requirements. Continued disruptions in market conditions could, however, adversely affect the Company's liquidity, including the lack of available financing for the Company's MBS assets, increases in interest rates, increases in prepayment rates substantially above expectations and decreases in value of assets held for sale. Therefore, no assurances can be made regarding the Company's ability to satisfy its liquidity and working capital requirements.

Interim Financial Statements

The accompanying interim financial statements reflect all adjustments, consisting of normal recurring items that, in the opinion of management, are necessary for a fair presentation of the Company's financial position, results of operations, statement of stockholders' equity and cash flows for the periods presented. These interim financial statements have been prepared in accordance with disclosure requirements for interim financial information and accordingly, they do not include all of the information and footnotes required by United States generally accepted accounting principles ("GAAP") for annual financial statements. The operating results for the interim period ended June 30, 2008 are not necessarily indicative of results that can be expected for the year ended December 31, 2008. The consolidated balance sheet as of December 31, 2007 was derived from audited financial statements included in the Company's 2007 Annual Report on Form 10-K but does not include all disclosures required by GAAP. The financial statements included as part of this Form 10-Q should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements are in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates affecting the accompanying financial statements include the fair values of MBS, and certain discontinued operations related items including the deferred tax asset valuation allowance, the valuation allowance on mortgage loans held for sale, the valuation of retained interests, trading and the fair value of mortgage servicing rights.

Consolidation

The accompanying consolidated financial statements include the accounts of Bimini Capital and its wholly-owned subsidiary, OITRS, as well as the wholly-owned and majority-owned subsidiaries of OITRS. OITRS is reported as a discontinued operation for all periods presented. All inter-company accounts and transactions have been eliminated from the consolidated financial statements.

The results for the second quarter of 2007 have been previously restated to adjust for the elimination of interest income and interest expense on inter-company debt reflected in the results of operations as originally filed. Interest income and interest expense of $5.3 million and $2.0 million for the six months and three months ended June 30, 2007, respectively, have been eliminated from the results previously reported on August 14, 2007, which resulted in no change in net loss for the second quarter of 2007**.**

As further described in Note 5, Bimini Capital has a common share investment in two trusts used in connection with the issuance of Bimini Capital's junior subordinated notes. Pursuant to the accounting guidance provided in Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 46, *Consolidation of Variable Interest Entities*, Bimini Capital's common share investments in the trusts are not consolidated in the financial statements of Bimini Capital, and accordingly, these investments are accounted for on the equity method.

Discontinued Operations

During the second quarter of 2007, the Company closed OITRS's wholesale and conduit mortgage loan origination channels and sold substantially all of the operating assets of OITRS. All remaining assets and liabilities are reported as held for sale on the consolidated financial statements. Accordingly, all current and prior financial information related to OITRS and the mortgage banking business has been presented as discontinued operations in the accompanying consolidated financial statements. Refer to Note 11 - Discontinued Operations.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with original maturities of three months or less. The carrying amount of cash equivalents approximates its fair value as of June 30, 2008 and December 31, 2007. Restricted cash represents cash held on deposit as collateral with certain repurchase agreement counterparties (i.e. lenders). Such amounts may be used to make principal and interest payments on the related repurchase agreements.

Valuation of Mortgage-Backed Securities

At June 30, 2008, the valuation of the Company's investments in MBS is governed by Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements*. The definition of fair value in SFAS No. 157 focuses on the price that would be received to sell the asset or paid to transfer the liability (i.e., an exit price), rather than the price that would be paid to acquire the asset or received to assume the liability (i.e., an entry price). All REIT securities are reflected in the Company's financial statements at their estimated fair value at June 30, 2008. Estimated fair values for MBS are based on the average of third-party broker quotes received and/or independent pricing sources when available.

In accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*, the Company classified its investments in MBS as either trading investments, available-for-sale investments or held-to-maturity investments. Management determined the appropriate classification of the securities at the time they were acquired and evaluates the appropriateness of such classifications at each balance sheet date. The Company classifies all of its securities acquired prior to June 30, 2007 as available-for-sale. All securities acquired after June 30, 2007 were classified as trading securities. On January 1, 2008, in connection with the adoption of SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement 115*, the Company transferred its remaining available-for-sale securities to trading.

Property and Equipment, net

Property and equipment, net, consisting primarily of computer equipment with a depreciable life of 3 years, office furniture and equipment with a depreciable life of 8 to 20 years, leasehold improvements with a depreciable life of 15 years, land which has no depreciable life and building with a depreciable life of 30 years, is recorded at acquisition cost and depreciated using the straight-line method over the estimated useful lives of the assets.

Bimini Capital's property and equipment as of June 30, 2008 and December 31, 2007, is net of accumulated depreciation of $0.5 million and $0.4 million, respectively. Depreciation expense for the six and three months ended June 30, 2008 was $0.08 million and $0.04 million, respectively.

Repurchase Agreements

The Company finances the acquisition of its MBS through the use of repurchase agreements. Under these repurchase agreements, the Company sells securities to a repurchase counterparty and agrees to repurchase the same securities in the future for a price that is higher than the original sales price. The difference between the sales price that the Company receives and the repurchase price that the Company pays represents interest paid to the repurchase counterparty. Although structured as a sale and repurchase obligation, a repurchase agreement is accounted for as a financing under which the Company pledges its securities as collateral to secure a loan which is equal in value to a specified percentage of the estimated fair value of the pledged collateral. The Company retains beneficial ownership of the pledged collateral. At the maturity of a repurchase agreement, the Company is required to repurchase the underlying MBS and concurrently receives back its pledged collateral from the repurchase counterparty or, with the consent of the repurchase counterparty, the Company may renew such agreement at the then prevailing rate. These repurchase agreements may require the Company to pledge additional assets to the repurchase counterparty in the event the estimated fair value of the existing pledged collateral has declined. For the six months ended June 30, 2008 and for the year ended December 31, 2007, the Company did not have any margin calls on its repurchase agreements that it was not able to satisfy with either cash or additional pledged collateral.

Original terms to maturity of the Company's repurchase agreements generally, but not always, range from one month to twelve months; however, the Company is not precluded from entering into repurchase agreements with shorter or longer maturities. Repurchase agreement transactions are reflected in the financial statements at their cost. Should a counterparty decide not to renew a repurchase agreement at maturity, the Company must either refinance elsewhere or be in a position to satisfy this obligation. If, during the term of a repurchase agreement, a counterparty files for bankruptcy, the Company could experience difficulty recovering its pledged assets and may have an unsecured claim against the counterparty's assets for the difference between the amount received by the Company and the estimated fair value of the collateral pledged to such counterparty.

Interest Income Recognition on MBS

All securities in the MBS portfolio as of June 30, 2008 are classified as trading securities. Income on trading securities is based on the stated interest rate of the security. Changes in fair value during the period are recorded in earnings and reported as fair value adjustment-held for trading securities in the accompanying consolidated statement of operations. Premium or discount present at the date of purchase is not amortized.

MBS are recorded at cost on the date the MBS are purchased or sold, which is generally the trade date. Realized gains or losses from MBS transactions are determined based on the specific identified carrying value of the MBS. Interest income is accrued based on the outstanding principal amount of the MBS and their stated contractual terms. Prior to January 1, 2008, with respect to securities classified as available-for-sale, premiums and discounts associated with the purchase of the MBS were amortized or accreted into interest income over the estimated lives of the MBS adjusted for estimated prepayments using the effective interest method. Adjustments were made using the retrospective method to the effective interest computation each reporting period. The adjustment was based on the actual prepayment experiences to date and the present expectation of future prepayments of the underlying mortgages and/or the current value of the indices underlying adjustable rate mortgage securities versus index values in effect at the time of purchase or the last adjustment period. For securities classified as trading, interest income is based on the stated interest rate and the outstanding principal balance; premium or discount associated with the purchase of the MBS classified as trading securities are not amortized.

Comprehensive Loss

In accordance with SFAS No. 130, *Reporting Comprehensive Income*, the Company is required to separately report its comprehensive income (loss) each reporting period. Other comprehensive income refers to revenue, expenses, gains and losses that, under GAAP, are included in comprehensive income but are excluded from net income, as these amounts are recorded directly as an adjustment to stockholders' equity. Other comprehensive income for the period ended June 30, 2007 arose from unrealized gains from changes in market values of securities classified as available-for-sale. Comprehensive loss is as follows:

(in thousands)

	(Unaudited)		(Unaudited)	
	Six Months Ended June 30,		Three Months Ended June 30,	
	2008	2007	2008	2007
Net loss	$ (39,664)	$ (240,537)	$ (34,560)	$ (162,467)
Reclassify net realized loss on MBS	-	19,388	-	18,568
Reclassify other-than-temporary loss on MBS	-	55,250	-	55,250
Unrealized gain on available-for-sale securities, net	-	2,135	-	(1,043)
Comprehensive loss	$ (39,664)	$ (163,764)	$ (34,560)	$ (89,692)

Stock-Based Compensation

The Company adopted SFAS No. 123(R), *Share-Based Payment*, on January 1, 2006, and this adoption did not have an impact on the Company, as the Company had previously accounted for stock-based compensation using the fair value based method prescribed by SFAS No. 123, *Accounting for Stock-Based Compensation*. For stock and stock-based awards issued to employees, a compensation charge is recorded against earnings based on the fair value of the award. For transactions with non-employees in which services are performed in exchange for the Company's common stock or other equity instruments, the transactions are recorded on the basis of the fair value of the service received or the fair value of the equity instruments issued, whichever is more readily measurable at the date of issuance. Stock-based compensation was approximately $0.6 million and $0.2 million for the six and three months ended June 30, 2008 and $1.5 million and $0.7 million for the six and three months ended June 30, 2007, respectively.

Earnings Per Share

The Company follows the provisions of SFAS No. 128, *Earnings per Share*, and the guidance provided in the FASB's Emerging Issues Task Force ("EITF") Issue No. 03-6, *Participating Securities and the Two-Class Method under FASB Statement No. 128, Earnings Per Share*, which requires companies with complex capital structures, common stock equivalents or two (or more) classes of securities that participate in the declared dividends to present both basic and diluted earnings per share ("EPS") on the face of the consolidated statement of operations. Basic EPS is calculated as income available to common stockholders divided by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated using the "if converted" method for common stock equivalents. However, the common stock equivalents are not included in computing diluted EPS if the result is anti-dilutive.

Income Taxes

Bimini Capital has elected to be taxed as a REIT under the Code. As further described in Note 11, Discontinued Operations, OITRS is a taxpaying entity for income tax purposes and is taxed separately from Bimini Capital. Bimini Capital will generally not be subject to federal income tax on its REIT taxable income to the extent that Bimini Capital distributes its REIT taxable income to its stockholders and satisfies the ongoing REIT requirements, including meeting certain asset, income and stock ownership tests. A REIT must generally distribute at least 90% of its REIT taxable income to its stockholders, of which 85% generally must be distributed within the taxable year, in order to avoid the imposition of an excise tax. The remaining balance may be distributed up to the end of the following taxable year, provided the REIT elects to treat such amount as a prior year distribution and meets certain other requirements.

Recent Accounting Pronouncements

In June 2008, the FASB issued FSP EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities.* The FSP addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and, therefore, need to be included in the earnings allocation in computing earnings per share (EPS) under the two-class method. The FASB Emerging Issues Task Force (EITF) in Issue No. 03-6, *Participating Securities and the Two-Class Method under FASB Statement No. 128*, previously reached a consensus that, share-based payment awards containing a right to receive dividends declared on common stock represent participating securities if such awards are fully vested. Issue No. 03-6 does not, however, provide guidance on share-based payment awards that are not fully vested (i.e., the requisite service for vesting has not yet been rendered). The FSP has been issued to clarify that unvested instruments granted in share-based payment transactions containing non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) represent participating securities that should be included in the computation of EPS according to the two-class method. This FSP shall be effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years. Early application is not permitted. The Company has not issued share-based awards containing non-forfeitable rights to dividends or dividend equivalents; therefore, the adoption of FSP EITF 03-6-1 is not expected to have any impact.

In February 2008, the FASB issued FSP FAS 140-3, *Accounting for Transfers of Financial Assets and Repurchase Financing Transactions*. The FSP addresses whether there are circumstances that would permit a transferor and a transferee to evaluate the accounting for the transfer of a financial asset separately from a repurchase financing when the counterparties to the two transactions are the same. The FSP presumes that the initial transfer of a financial asset and a repurchase financing are considered part of the same arrangement (a linked transaction) under FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (Statement 140). However, if certain criteria specified in the FSP are met, the initial transfer and repurchase financing may be evaluated separately under Statement 140. The FSP is effective for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. Earlier application is not permitted. The Company is currently evaluating FSP FAS 140-3 but does not expect its application to have a significant impact on its financial reporting.

In December 2007, the FASB issued statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements* ("SFAS 160"), amendment to ARB No. 51. This standard establishes accounting and reporting standards that require: (1) the ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity; (2) the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income; (3) changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently; (4) when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value; and (4) entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective as of the beginning of the fiscal year that begins on or after December 15, 2008. Management is currently evaluating the effects, if any, that SFAS 160 will have upon adoption of this standard.

In June 2007, the FASB ratified the consensus reached in EITF 06-11, *Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards*. EITF 06-11 applies to entities that have share-based payment arrangements that entitle employees to receive dividends or dividend equivalents on equity-classified nonvested shares when those dividends or dividend equivalents are charged to retained earnings and result in an income tax deduction. Entities that have share-based payment arrangements that fall within the scope of EITF 06-11 will be required to increase capital surplus for any realized income tax benefit associated with dividends or dividend equivalents paid to employees for equity classified nonvested equity awards. Any increase recorded to capital surplus is required to be included in an entity's pool of excess tax benefits that are available to absorb potential future tax deficiencies on share-based payment awards. The Company adopted EITF 06-11 on January 1, 2008 for dividends declared on share-based payment awards subsequent to this date. The adoption did not have a material impact.

In February 2007, the FASB issued statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115* ("SFAS 159"). This standard permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of SFAS No. 159 are elective; however, the amendment to SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, applies to all entities that own trading and available-for-sale securities. The fair value option created by SFAS 159 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option is generally applied instrument by instrument, is irrevocable unless a new election date occurs, and must be applied to the entire instrument and not to only a portion of the instrument. SFAS 159 is effective as of the beginning of the first fiscal year that begins after November 15, 2007. On January 1, 2008, the Company elected the fair value option for its available-for-sale portfolio of mortgage-backed securities. Previously, these securities were considered to be other than temporarily impaired and carried at lower-of-cost or market. As of the adoption date, the carrying value of the existing mortgage-backed securities classified as available-for-sale were adjusted to fair value through a cumulative-effect adjustment to the beginning balance of retained earnings. This adjustment represented an increase in the carrying value of the securities of approximately $1.7 million.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, to eliminate the diversity in practice that exists due to the different definitions of fair value that are dispersed among the many accounting pronouncements that require fair value measurements, and the limited guidance for applying those definitions. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company adopted SFAS 157 on January 1, 2008, and the adoption did not have a material impact on financial condition or results of operations.

NOTE 2. MORTGAGE-BACKED SECURITIES

As of December 31, 2007, all of Bimini Capital's MBS were classified as either trading or available-for-sale. On January 1, 2008, the entire available-for-sale securities portfolio was transferred to trading in conjunction with the Company's comprehensive review of its balance sheet management strategies and adoption of SFAS No. 159. Accordingly, fluctuations in the portfolio's fair value are recorded directly to income effective January 1, 2008.

The following are the carrying values of Bimini Capital's MBS portfolio as of June 30, 2008 and December 31, 2007:

(in thousands)

	June 30, 2008	December 31, 2007
Hybrid Arms	$ 303,487	$ 398,982
Adjustable Rate Mortgages	147,872	177,608
Fixed Rate Mortgages	72,552	113,989
Totals	$ 523,911	$ 690,579

The following table presents the components of the carrying value of Bimini Capital's MBS portfolio as of June 30, 2008 and December 31, 2007:

(in thousands)

	June 30, 2008	December 31, 2007
Available-for-Sale Securities		
Principal balance	$ -	$ 291,579
Unamortized premium	-	3,134
Unaccreted discount	-	(309)
Trading Securities		
Principal balance	513,361	385,849
Premium	10,944	10,326
Discount	(394)	-
Carrying value/estimated fair value	$ 523,911	$ 690,579

As of June 30, 2008, all of Bimini Capital's MBS investments have contractual maturities greater than 39 months. Actual maturities of MBS investments are generally shorter than stated contractual maturities. Actual maturities of Bimini Capital's MBS investments are affected by the contractual lives of the underlying mortgages, periodic payments of principal, and prepayments of principal.

NOTE 3. EARNINGS PER SHARE

The Company follows the provisions of SFAS No. 128, *Earnings per Share*, and the guidance provided in the FASB's Emerging Issues Task Force ("EITF") Issue No. 03-6, *Participating Securities and the two-class method under FASB Statement No. 128, Earnings Per Share*, which requires companies with complex capital structures, common stock equivalents, or two classes of participating securities to present both basic and diluted EPS on the face of the statement of operations. Basic EPS is calculated as income available to common stockholders divided by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated using the "if converted" method for common stock equivalents.

Shares of Class B Common Stock, participating and convertible into Class A Common Stock, are entitled to receive dividends in an amount equal to the dividends declared on each share of Class A Common Stock if, and when authorized and declared by the Board of Directors. Following the provisions of EITF 03-6, the Class B Common Stock is included in the computation of basic EPS using the two-class method, and consequently is presented separately from Class A Common Stock. Class B common shares are not included in the computation of diluted Class A EPS as the conditions for conversion to Class A shares were not met.

The Class C common shares are not included in the basic EPS computation as these shares do not have participation rights. The Class C common shares totaling 319,388 are not included in the computation of diluted Class A EPS as the conditions for conversion to Class A shares were not met.

The Company has dividend eligible stock incentive plan shares that were outstanding during the six months ended June 30, 2008 and 2007. These stock incentive plan shares have dividend participation rights, but no contractual obligation to share in losses. Since there is no such obligation, these incentive plan shares are not included, pursuant to EITF 03-6, in the six months ended June 30, 2008 and 2007, basic EPS computations for the Class A Common Stock, even though they are participating securities. For the computation of diluted EPS for the Class A Common Stock for the periods ended June 30, 2008 and 2007, 48,491 and 414,991 phantom shares, respectively, are excluded as their inclusion would be anti-dilutive.

The table below reconciles the numerators and denominators of the basic and diluted EPS.
(in thousands, except per share data)

	(Unaudited) Six Months Ended June 30,		(Unaudited) Three Months Ended June 30,	
	2008	2007	2008	2007
Basic and diluted EPS per Class A common share:				
Numerator: net loss allocated to the Class A common shares	$ (39,171)	$ (237,455)	$ (34,130)	$ (160,385)
Denominator: basic and diluted:				
Class A common shares outstanding at the balance sheet date	25,350	24,603	25,350	24,603
Effect of weighting	(326)	(47)	(232)	(26)
Weighted average shares-basic and diluted	25,024	24,556	25,118	24,577
Basic and diluted EPS per Class A common share	$ (1.57)	$ (9.67)	$ (1.36)	$ (6.53)
Basic and diluted EPS per Class B common share:				
Numerator: net loss allocated to Class B common shares	$ (493)	$ (3,082)	$ (430)	$ (2,082)
Denominator: basic and diluted:				
Class B common shares outstanding at the balance sheet date	319	319	319	319
Effect of weighting	-	-	-	-
Weighted average shares-basic and diluted	319	319	319	319
Basic and diluted EPS per Class B common share	$ (1.54)	$ (9.65)	$ (1.35)	$ (6.52)

NOTE 4. REPURCHASE AGREEMENTS

Bimini Capital has entered into repurchase agreements to finance most of its MBS purchases. The repurchase agreements are short-term borrowings that bear interest at rates that have historically moved in close relationship to the forward London Interbank Offered Rate ("LIBOR") interest rate curve. As of June 30, 2008, Bimini Capital had outstanding repurchase obligations of $452.4 million with a net weighted average borrowing rate of 4.72% and these obligations were collateralized by MBS with a fair value of $462.2 million. As of December 31, 2007, Bimini Capital had outstanding repurchase obligations of $678.2 million with a net weighted average borrowing rate of 5.07%. These obligations were collateralized by MBS with a fair value of $683.9 million.

As of June 30, 2008 and December 31, 2007, Bimini Capital's repurchase agreements and the collateral agreements thereon had remaining maturities as summarized below:

(in thousands)

	OVERNIGHT (1 DAY OR LESS)	BETWEEN 2 AND 30 DAYS	BETWEEN 31 AND 90 DAYS	GREATER THAN 90 DAYS	TOTAL
June 30, 2008					
Agency-Backed Mortgage-Backed Securities:					
Amortized cost of securities sold, including accrued interest receivable	$ -	$ 54,807	$ 407,430	$ -	$ 462,237
Fair market value of securities sold, including accrued interest receivable	$ -	$ 54,807	$ 407,430	$ -	$ 462,237
Repurchase agreement liabilities associated with these securities	$ -	$ 53,380	$ 399,067	$ -	$ 452,447
Net weighted average borrowing rate	-	2.97%	4.96%	-	4.72%
December 31, 2007					
Agency-Backed Mortgage-Backed Securities:					
Amortized cost of securities sold, including accrued interest receivable	$ -	$ 249,124	$ 37,559	$ 397,260	$ 683,943
Fair market value of securities sold, including accrued interest receivable	$ -	$ 249,124	$ 37,559	$ 397,260	$ 683,943
Repurchase agreement liabilities associated with these securities	$ -	$ 244,379	$ 37,577	$ 396,222	$ 678,178
Net weighted average borrowing rate	-	5.21%	5.34%	4.96%	5.07%

The following summarizes information regarding the Company's amounts at risk with individual counterparties greater than 10% of the Company's equity as of June 30, 2008 and December 31, 2007.

(in thousands)

Repurchase Agreement Counterparties	Amount at Risk(1)	Weighted Average Maturity of Repurchase Agreements

		in Days
June 30, 2008		
Deutsche Bank Securities, Inc.	$ 6,432	67
JP Morgan Securities	6,376	67
RBS Greenwich Capital	1,769	25
MF Global Inc.	658	13
December 31, 2007		
Deutsche Bank Securities, Inc.	$ 8,823	193
Goldman Sachs	2,931	19

(1) *Equal to the fair value of securities sold, plus accrued interest income, minus the sum of repurchase agreement liabilities, plus accrued interest expense.*

NOTE 5. TRUST PREFERRED SECURITIES

At June 30, 2008, Bimini Capital sponsored two statutory trusts, of which 100% of the common equity is owned by the Company, formed for the purpose of issuing trust preferred capital securities to third-party investors and investing the proceeds from the sale of such capital securities solely in junior subordinated debt securities of the Company. The debt securities held by each trust are the sole assets of that trust. Obligations related to these statutory trusts are presented below.

(in thousands)

	June 30, 2008	December 31, 2007
Junior subordinated notes owed to Bimini Capital Trust I (BCTI)	$ 51,550	$ 51,550
Junior subordinated notes owed to Bimini Capital Trust II (BCTII)	$ 51,547	$ 51,547

The BCTI trust preferred securities and Bimini Capital's BCTI Junior Subordinated Notes have a fixed rate of interest until March 30, 2010, of 7.61% and thereafter, through maturity in 2035, the rate will float at a spread of 3.30% over the prevailing three-month LIBOR rate. The BCTI trust preferred securities and Bimini Capital's BCTI Junior Subordinated Notes require quarterly interest distributions and are redeemable at Bimini Capital's option, in whole or in part and without penalty, beginning March 30, 2010 and at any date thereafter. Bimini Capital's BCTI Junior Subordinated Notes are subordinate and junior in right of payment of all present and future senior indebtedness.

The BCTII trust preferred securities and Bimini Capital's BCTII Junior Subordinated Notes have a fixed rate of interest until December 15, 2010, of 7.8575% and thereafter, through maturity in 2035, the rate will float at a spread of 3.50% over the prevailing three-month LIBOR rate. The BCTII trust preferred securities and Bimini Capital's BCTII Junior Subordinated Notes require quarterly interest distributions and are redeemable at Bimini Capital's option, in whole or in part and without penalty, beginning December 15, 2010, and at any date thereafter. Bimini Capital's BCTII Junior Subordinated Notes are subordinate and junior in right of payment of all present and future senior indebtedness.

Each trust is a variable interest entity pursuant to FIN No. 46 because the holders of the equity investment at risk do not have adequate decision making ability over the trust's activities. Since Bimini Capital's investment in each trust's common equity securities was financed directly by the applicable trust as a result of its loan of the proceeds to Bimini Capital, that investment is not considered to be an equity investment at risk pursuant to FIN No. 46. Since Bimini Capital's common share investments in BCTI and BCTII are not a variable interest, Bimini Capital is not the primary beneficiary of the trusts. Therefore, Bimini Capital has not consolidated the financial statements of BCTI and BCTII into its financial statements. Based on the aforementioned accounting guidance, the accompanying consolidated financial statements present Bimini Capital's BCTI and BCTII Junior Subordinated Notes issued to the trusts as liabilities and Bimini Capital's investments in the common equity securities of BCTI and BCTII as assets. For financial statement purposes, Bimini Capital records payments of interest on the Junior Subordinated Notes issued to BCTI and BCTII as interest expense.

NOTE 6. CAPITAL STOCK

During the six and three months ended June 30, 2008, the Company issued a total of 426,615 and 301,613 shares of Class A Common Stock to its independent directors for the payment of director fees for services rendered.

During the six and three months ended June 30, 2008, the Company issued 62,181 and 35,488 shares of its Class A Common Stock to employees pursuant to the terms of the stock incentive plan phantom share grants (see Note 7).

NOTE 7. STOCK INCENTIVE PLANS

On December 1, 2003, Bimini Capital adopted the 2003 Long Term Incentive Compensation Plan (the "2003 Plan") to provide Bimini Capital with the flexibility to use stock options and other awards as part of an overall compensation package to provide a means of performance-based compensation to attract and retain qualified personnel. The 2003 Plan was amended and restated in March 2004. Key employees, directors and consultants are eligible to be granted stock options, restricted stock, phantom shares, dividend equivalent rights and other stock-based awards under the 2003 Plan. Subject to adjustment upon certain corporate transactions or events, a maximum of 4,000,000 shares of the Class A Common Stock (but not more than 10% of the Class A Common Stock outstanding on the date of grant) may be subject to stock options, shares of restricted stock, phantom shares and dividend equivalent rights under the 2003 Plan.

Phantom share awards represent a right to receive a share of Bimini's Class A Common Stock**.** These awards do not have an exercise price and are valued at the fair value of Bimini Capital's Class A Common Stock at the date of the grant. The grant date value is being amortized to compensation expense on a straight-line basis over the vesting period of the respective award. The phantom shares vest, based on the employees' continuing employment, following a schedule as provided in the grant agreements, for periods through December 31, 2010. The Company recognizes compensation expense over the vesting period. Compensation expense recognized for phantom shares during the six months ended June 30, 2008 and 2007 totaled approximately, $0.4 and $1.4 million, respectively. Phantom share awards may or may not include dividend equivalent rights. Dividends paid on unsettled phantom shares are charged to retained earnings when declared.

A summary of phantom share activity during the six month periods ended June 30, 2008 and 2007 is presented below:

	Six Months Ended June 30,			
	2008		2007	
	Shares	Weighted-Average Grant-Date Fair Value	Shares	Weighted-Average Grant-Date Fair Value
Nonvested, at January 1	127,372	$ 11.36	339,862	$ 12.60
Granted	250,000	0.26	25,607	7.61
Vested	(80,125)	6.33	(113,185)	12.97
Forfeited	(106,255)	5.82	(1,575)	8.66
Nonvested, at June 30	190,992	$ 2.03	250,709	$ 12.08

There were a total of 15,833 and 164,782 phantom shares that were vested and unissued as of June 30, 2008 and 2007, respectively. The total number of outstanding (vested and nonvested) phantom share awards that include dividend equivalent rights as of June 30, 2008 and 2007 were 48,491 and 414,991, respectively. As of June 30, 2008, there was approximately $322,845 of total unrecognized compensation cost related to nonvested phantom share awards. The cost is expected to be recognized over a weighted-average period of 7.5 months.

Bimini Capital also has adopted the 2004 Performance Bonus Plan (the "Performance Bonus Plan"). The Performance Bonus Plan is an annual bonus plan that permits the issuance of the Company's Class A Common Stock in payment of stock-based awards made under the plan. No stock-based awards have been made under and no shares of the Company's stock have been issued under the Performance Bonus Plan.

NOTE 8. COMMITMENTS AND CONTINGENCIES

Outstanding Litigation. On September 17, 2007, a complaint was filed in the U.S. District Court for the Southern District of Florida by William Kornfeld against the Company, certain of the Company's current and former officers and directors, Flagstone Securities, LLC and BB&T Capital Markets alleging various violations of the federal securities laws and seeking class action certification. On October 9, 2007, a complaint was filed in the U.S. District Court for the Southern District of Florida by Richard and Linda Coy against the Company, certain of the Company's current and former officers and directors, Flagstone Securities, LLC and BB&T Capital Markets alleging various violations of the federal securities laws and seeking class action certification. The Company believes the plaintiffs' claims in these actions are without merit, has filed a motion to consolidate these actions and intends to vigorously defend the cases.

Guarantees. Bimini Capital has guaranteed the performance of OITRS with respect to certain contractual obligations arising in connection with the sale of mortgage servicing rights by OITRS.

NOTE 9. INCOME TAXES

Taxable income, as generated by Bimini Capital's qualifying REIT activities, is computed differently from Bimini Capital's financial statement net income as computed in accordance with GAAP. Depending on the number and size of the various items or transactions being accounted for differently, the differences between Bimini Capital's REIT taxable income (loss) and Bimini Capital's financial statement net income (loss) can be substantial and each item can affect several years.

During the six months ended June 30, 2008, book gains of approximately $0.7 million on MBS sales were realized; tax capital losses are available to offset the gain from these MBS sales, and therefore they do not increase REIT taxable income. At June 30, 2008, the REIT has approximately $68.7 million of tax capital loss carryforwards available to offset future tax capital gains. As of June 30, 2008 the REIT has a tax net operating loss carryforward of approximately $11.6 million that is immediately available to offset future REIT taxable income.

NOTE 10. FAIR VALUE

In connection with the adoption of SFAS No. 159, Bimini Capital elected to transfer its available-for-sale portfolio of MBS to trading. The securities transferred have similar characteristics to the Company's existing trading portfolio, including issuer, credit quality, yield, duration and remaining term.

The securities transferred were previously considered to be other than temporarily impaired and carried at lower-of-cost-or-market. As such, decreases in fair value were charged directly to earnings, while increases in fair value were not recorded. As a result of electing to record these securities at fair value pursuant to the provisions of SFAS No. 159, the Company recorded the following to opening retained earnings:

(in thousands)

Balance at January 1, 2008 (after adoption)	$	296,118
Balance at December 31, 2007 (prior to adoption)		(294,404)
Cumulative effect of adopting the fair value option	$	1,714

The Company measures or monitors all of its MBS on a fair value basis. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for its mortgage-backed securities, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset. When possible, the Company looks to active and observable markets to price identical assets. When identical assets are not traded in active markets, the Company looks to market observable data for similar assets. Nevertheless, certain assets are not actively traded in observable markets and the Company must use alternative valuation techniques to derive a fair value measurement.

All of the fair value amounts included in losses from continuing operations resulted from Level 2 fair value methodologies; that is, the Company is able to value the assets based on observable market data for similar instruments. The securities in the Company's trading portfolio are priced via independent providers, whether those are pricing services or quotations from market-makers in the specific instruments. In obtaining such valuation information from third parties, the Company has evaluated the valuation methodologies used to develop the fair values in order to determine whether such valuations are representative of an exit price in the Company's principal markets.

Fair value is used to measure the trading portfolio on a recurring basis. The fair value as of June 30, 2008 is determined as follows:

(in thousands)

Fair Value Measurements at June 30, 2008, Using	
Quoted Prices in Active Markets for Identical Assets (Level 1)	$ -
Significant Other Observable Inputs (Level 2)	523,911
Significant Unobservable Inputs (Level 3)	-
Total Fair Value Measurements	$ 523,911

NOTE 11. DISCONTINUED OPERATIONS

OITRS

The results of discontinued operations of OITRS included in the accompanying consolidated statements of operations for the six and three months ended June 30, 2008 and 2007 were as follows:

(in thousands)

	Six Months Ended June 30,		Three Months ended June 30,	
	2008	2007	2008	2007
Revenues				
Interest income	$ 3	$ 16,407	$ 2	$ 4,746
Interest expense	(15)	(11,789)	(10)	(2,681)
Net interest income (deficiency)	(12)	4,618	(8)	2,065
Loss on discontinued mortgage banking activities				
Fair value adjustment on retained interest, trading	(34,830)	(27,492)	(32,710)	(26,168)
Other discontinued mortgage banking activities	(47)	(34,323)	(106)	(17,687)
Other income and expenses, net of non-recurring items	1,837	(9,652)	1,591	(9,652)
Net servicing income (loss)	965	(10,618)	790	(5,975)
Other interest income (expense) and loss reserves	(1,241)	2,254	(56)	886
Deficiency of revenues	(33,328)	(75,213)	(30,499)	(56,531)
Expenses				
General and administrative expenses	(2,911)	(66,635)	(1,406)	(21,876)
Loss before provision for income taxes	(36,239)	(141,848)	(31,905)	(78,407)
Provision for income taxes and valuation allowance	-	(11,463)	-	-
Loss from discontinued operations, net of taxes	$ (36,239)	$ (153,311)	$ (31,905)	$ (78,407)

During the quarter ended June 30, 2008, OITRS's 51% membership interest in Interactive Mortgage Advisors, LLC, a Delaware limited liability company ("IMA"), was sold for $500,000 as evidenced by a promissory note. The note, which is secured by the assets of IMA and guaranteed by certain affiliates of IMA, bears interest at a rate of 8% per annum and is payable in full on December 31, 2008. The sale of OITRS' membership interest resulted in a loss of approximately $285,000. This loss is included in the table above under "Other income and expenses, net of non-recurring items."

The assets and liabilities of OITRS included in the consolidated balance sheet as of June 30, 2008 and December 31, 2007 were as follows:

(in thousands)

	June 30, 2008	December 31, 2007
Assets		
Cash and cash equivalents	$ 81	$ 705
Mortgage loans held for sale	527	983
Retained interests, trading	23,800	69,301
Securities held for sale	15	173
Originated mortgage servicing rights	2,294	3,073
Receivables	17,388	17,868
Property and equipment, net	250	285
Prepaids and other assets	4,183	4,232
Assets held for sale	$ 48,538	$ 96,620
Liabilities		
Secured borrowings	$ -	$ 18,000
Accounts payable, accrued expenses and other	7,378	9,842
Liabilities related to assets held for sale	$ 7,378	$ 27,842

(a) - - Mortgage Loans Held for Sale

Prior to ceasing operations, upon the closing of a residential mortgage loan or shortly thereafter, OITRS would sell or securitize the majority of its mortgage loan originations. OITRS also sold mortgage loans insured or guaranteed by various government-sponsored entities and private insurance agencies. The insurance or guaranty is provided primarily on a nonrecourse basis to OITRS, except where limited by the Federal Housing Administration and Veterans Administration and their respective loan programs. Mortgage loans held for sale consist of the following as of June 30, 2008 and December 31, 2007:

(in thousands)

	June 30, 2008	December 31, 2007
Mortgage loans held for sale, and other, net	$ 3,952	$ 4,780
Valuation allowance	(3,425)	(3,797)
Total	$ 527	$ 983

(b) – Retained interest, trading

Retained interest, trading is the subordinated interests retained by OITRS resulting from securitizations and includes the over-collateralization and residual net interest spread remaining after payments to the Public Certificates and NIM Notes. Retained interest, trading represents the present value of estimated cash flows to be received from these subordinated interests in the future. The subordinated interests retained are classified as "trading securities" and are reported at fair value with unrealized gains or losses reported in earnings.

The total fair value of these retained interests was approximately $23.8 million as of June 30, 2008. Fluctuations in value of retained interests are primarily driven by projections of future interest rates (the forward LIBOR curve), the discount rate used to determine the present value of the residual cash flows and prepayment and loss estimates on the underlying mortgage loans. Due to higher loss severity assumptions and discount rates, the fair value of the retained interests decreased by $34.8 million and $32.7 million for the six and three months ended June 30, 2008, respectively. Due to higher forward LIBOR rates and increased loss assumptions on the underlying mortgage loans, the fair value of the retained interests decreased by $27.5 million and $26.2 million for the six and three months ended June 30, 2007.

All of OITRS's securitizations were structured and are accounted for as sales in accordance with SFAS No. 140, *Accounting for Transfers and* Servicing *of Financial Assets and Extinguishments of Liabilities*. Generally, to meet the sale treatment requirements of SFAS No. 140, the REMIC trust is structured as a "qualifying special purpose entity" or QSPE, which specifically limits the REMIC trust's activities, and OITRS surrenders control over the mortgage loans upon their transfer to the REMIC trust.

Valuation of Investments. OITRS classifies its retained interests as trading securities and therefore records these securities at their estimated fair value. In order to value these unrated, unquoted securities, OITRS records these assets at their estimated fair value utilizing pricing information available directly from dealers, when available, and the present value calculated by projecting the future cash flows of a security on a publicly available analytical system. When a publicly available analytical system is utilized, OITRS will input the following variable factors which will have an impact on determining the fair value:

Interest Rate Forecast. LIBOR interest rate curve.

Discount Rate. The present value of all future cash flows utilizing a discount rate assumption established at the discretion of OITRS to represent market conditions and value of similar instruments with similar risks. Discount rates used will vary over time. Management observes discount rates used for assets with similar risk profiles. In selecting which assets to monitor for variations in discount rates, management seeks to identify assets that share most, if not all of

the risk attributes of the Company's retained interests, trading. Such assets are typically traded between market participants whereby the discount rate is the primary variable.

Prepayment Forecast. The prepayment forecast may be expressed by OITRS in accordance with one of the following standard market conventions: 1) Constant Prepayment Rate (CPR) or 2) Percentage of a Prepayment Vector (PPV). Prepayment forecasts may be changed as OITRS observes trends in the underlying collateral as delineated in the Statement to Certificate Holders generated by the REMIC trust's Trustee for each underlying security. Prepayment forecast will also vary over time as the level of interest rates change, the difference between rates available to borrowers on adjustable rate versus fixed rate mortgages change and non-interest rate related variables fluctuate such as home price appreciation, among others.

Credit Performance Forecast. A forecast of future credit performance of the underlying collateral pool will include an assumption of default frequency, loss severity, and a recovery lag. In general, OITRS will utilize the combination of default frequency and loss severity in conjunction with a collateral prepayment assumption to arrive at a target cumulative loss to the collateral pool over the life of the pool based on historical performance of similar collateral by the originator. The target cumulative loss forecast will be developed and noted at the pricing date of the individual security but may be updated by OITRS consistent with observations of the actual collateral pool performance.

Default Frequency may be expressed by OITRS in accordance with any of three standard market conventions: 1) Constant Default Rate (CDR) 2) Percentage of a Standard Default Assumption (SDA) curve, or 3) a vector or curve established to meet forecasted performance for specific collateral pools.

Loss Severity will be expressed by OITRS in accordance with historical performance of similar collateral and the standard market conventions of a percentage of the unpaid principal balance of the forecasted defaults lost during the foreclosure and liquidation process.

During the first year of a new issue OITRS may balance positive or adverse effects of the prepayment forecast and the credit performance forecast allowing for deviation between actual and forecasted performance of the collateral pool. After the first year, OITRS will generally adjust the Prepayment and Credit Performance Forecasts to replicate actual performance trends without balancing adverse and positive effects.

The following table summarizes OITRS's residual interests in securitizations as of June 30, 2008 and December 31, 2007:

(in thousands)

Series	Issue Date	June 30, 2008	December 31, 2007
HMAC 2004-1	March 4, 2004	$ 1,632	$ 2,460
HMAC 2004-2	May 10, 2004	1,538	1,408
HMAC 2004-3	June 30, 2004	166	880
HMAC 2004-4	August 16, 2004	1,080	1,506
HMAC 2004-5	September 28, 2004	1,762	3,043
HMAC 2004-6	November 17, 2004	1,171	5,181
OMAC 2005-1	January 31, 2005	2,597	6,948
OMAC 2005-2	April 5, 2005	1,873	7,046
OMAC 2005-3	June 17, 2005	6,039	10,736
OMAC 2005-4	August 25, 2005	2,163	9,752
OMAC 2005-5	November 23, 2005	1,139	7,717
OMAC 2006-1	March 23, 2006	2,315	10,835
OMAC 2006-2	June 26, 2006	325	1,789
Total		$ 23,800	$ 69,301

As of June 30, 2008 and December 31, 2007, key economic assumptions and the sensitivity of the current fair value of residual cash flows to the immediate 10% and 20% adverse change in those assumptions are as follows:

(in thousands)

	June 30, 2008	December 31, 2007
Balance sheet carrying value of retained interests – fair value	$ 23,800	$ 69,301
Weighted average life (in years)	5.27	4.09
Prepayment assumption (annual rate)	18.13%	26.37%
Impact on fair value of 10% adverse change	$ (2,251)	$ (6,908)
Impact on fair value of 20% adverse change	$ (3,966)	$ (12,577)
Expected credit losses (% of original unpaid principal balance)	2.74%	1.22%
Impact on fair value of 10% adverse change	$ (5,484)	$ (6,409)
Impact on fair value of 20% adverse change	$ (6,073)	$ (13,633)
Residual cash-flow discount rate	27.50%	20.00%
Impact on fair value of 10% adverse change	$ (2,771)	$ (4,138)
Impact on fair value of 20% adverse change	$ (5,078)	$ (7,907)
Interest rates on variable and adjustable loans and bonds	Forward LIBOR Yield Curve	Forward LIBOR Yield Curve
Impact on fair value of 10% adverse change	$ (8,085)	$ (14,906)
Impact on fair value of 20% adverse change	$ (13,271)	$ (28,225)

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based upon a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of the variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another which may magnify or counteract the sensitivities. To estimate the impact of a 10% and 20% adverse change of the Forward LIBOR curve, a parallel shift in the Forward LIBOR curve was assumed based on the Forward LIBOR curve as of June 30, 2008 and December 31, 2007.

Credit loss percentages are calculated by using the original unpaid principal balance of each pool of assets as the denominator. The following credit loss percentages are calculated based upon all OITRS securitizations that have been completed to date:

(in thousands)

Series	Issue Date		Original Unpaid Principal Balance	Actual Losses Through June 30, 2008	Projected Future Credit Losses as of June 30, 2008	Projected Total Credit Losses as of June 30, 2008
HMAC 2004-1	March 4, 2004	$	309,710	0.50%	0.49%	0.99%
HMAC 2004-2	May 10, 2004		388,737	0.73%	0.40%	1.13%
HMAC 2004-3	June 30, 2004		417,055	0.47%	0.94%	1.41%
HMAC 2004-4	August 16, 2004		410,123	0.43%	0.58%	1.01%
HMAC 2004-5	September 28, 2004		413,875	0.54%	0.94%	1.48%
HMAC 2004-6	November 17, 2004		761,027	0.78%	1.35%	2.13%
OMAC 2005-1	January 31, 2005		802,625	0.56%	1.72%	2.28%
OMAC 2005-2	April 5, 2005		883,987	0.49%	1.67%	2.16%
OMAC 2005-3	June 17, 2005		937,117	0.49%	1.55%	2.04%
OMAC 2005-4	August 25, 2005		1,321,739	0.50%	2.58%	3.08%
OMAC 2005-5	November 23, 2005		986,277	0.49%	3.38%	3.87%
OMAC 2006-1	March 23, 2006		934,441	0.52%	3.57%	4.09%
OMAC 2006-2	June 26, 2006		491,572	0.75%	6.36%	7.11%
Total		$	9,058,285	0.55%	2.19%	2.74%

The table below summarizes certain cash flows received from and paid to securitization trusts:

(in thousands)

		June 30, 2008		June 30, 2007
Servicing fees received	$	845	$	9,691
Servicing advances and repayments		786		(1,433)
Cash flows received on retained interests		10,671		2,909

The following information presents quantitative information about delinquencies and credit losses on securitized financial assets as of June 30, 2008 and December 31, 2007:

(in thousands)

As of Date		Total Principal Amount of Loans		Principal Amount of Loans 60 Days or more delinquent		Net Credit Losses
June 30, 2008	$	4,222,116	$	685,368	$	49,636
December 31, 2007		4,528,481		457,872		23,639

(c) – Mortgage Servicing Rights, Net

OITRS has elected to account for all originated MSRs as one class and, therefore, all MSRs are carried at fair value. In addition, changes in value due to run-off of the portfolio are recorded as valuation adjustments instead of amortization.

The fair value of MSRs is determined using discounted cash flow techniques based on market assumptions. Changes in fair value are the result of changes in market conditions, changes in valuation assumptions and run-off of the underlying mortgage loans. Changes in fair value due to run-off of the underlying mortgage loans and changes in value due to changes in market conditions are grouped together above. When the underlying assumptions used for valuation purposes are changed, the effect on fair value is presented separately.

Activities for MSRs are summarized as follows for the six months ended June 30, 2008 and for 2007:

(in thousands)

		June 30, 2008		June 30, 2007
Balance at beginning of period (at cost)	$	3,062	$	98,859
Additions		-		7,693
Sales, net of reserve for prepayment protection		(1,344)		(57,447)
Changes in fair value:				
Due to changes in market conditions and run-off		576		(12,330)
Due to change in valuation assumptions		-		(4,630)
Balance at end of period	$	2,294	$	32,145

Estimates of fair value involve several assumptions, including the key valuation assumptions about market expectations of future prepayment rates, interest rates and discount rates. Prepayment rates are projected using a prepayment model. The model considers key factors, such as refinance incentive, housing turnover, seasonality and aging of the pool of loans. Prepayment speeds incorporate expectations of future rates implied by the forward LIBOR/swap curve, as well as collateral specific information.

As of June 30, 2008 and December 31, 2007, key economic assumptions and the sensitivity of the current fair value of MSR cash flows to the immediate 10% and 20% adverse change in those assumptions are as follows: (Note - base case prepayment and discount rate assumptions are a weighted average of the values applied to the various mortgage loans).

(in thousands)

		June 30, 2008		December 31, 2007
Prepayment assumption (annual rate) (PSA)		478.5		557.3
Impact on fair value of 10% adverse change	$	(125)	$	(129)
Impact on fair value of 20% adverse change	$	(239)	$	(242)
MSR Cash-Flow Discount Rate		14.54%		13.46%
Impact on fair value of 10% adverse change	$	(126)	$	(105)
Impact on fair value of 20% adverse change	$	(224)	$	(201)

These sensitivities are entirely hypothetical and should be used with caution. As the figures indicate, changes in fair value based upon 10% and 20% variations in assumptions generally cannot be extrapolated to greater or lesser percentage variation because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of the variation in a particular assumption on the fair value of the MSR is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another which may magnify or counteract the sensitivities.

(d) – Receivables

A summary of receivables as June 30, 2008 and December 31, 2007 is presented below:

(in thousands)

	June 30, 2008	December 31, 2007
Servicing advances (principal and interest)	$ 4,212	$ 5,636
Servicing advances (taxes and insurance)	8,134	7,495
Servicing sale receivable	4,257	4,681
Other receivables	785	56
Totals	$ 17,388	$ 17,868

(e) – Secured Borrowings

Secured borrowings consisted of the following as of June 30, 2008 and December 31, 2007:

(in thousands)

	June 30, 2008	December 31, 2007
Citigroup Global Markets Realty Corp., line of credit for $80.0 million secured by the retained interests in securitizations. The facility was extended on December 19, 2007 through February 26, 2008 and the limit reduced in stages, ultimately to $11.0 million. The facility was extended again through May 26, 2008 and the limit further reduced in stages, initially to $8.0 million through March 26, 2008, $5.0 million through April 30, 2008 and $0.0 million as of May 26, 2008. The line was paid in full on May 26, 2008. The agreement provided for interest rate based on LIBOR plus 3.00%.	$ -	$ 18,000

(f) - Income taxes

OITRS is a taxpaying entity for income tax purposes and is taxed separately from Bimini Capital. Therefore, OITRS separately reports an income tax provision or benefit based on its own taxable activities. As of June 30, 2008, all deferred tax assets, net of deferred tax liabilities, are offset in their entirety by a deferred tax asset valuation allowance. Substantially all of the net deferred tax assets are a result of net tax losses incurred. The amount of the gross tax benefit generated by these losses are reduced by an offsetting valuation allowance of the same amount.

During the six month period ended June 30, 2007, OITRS recorded a deferred tax asset valuation allowance of approximately $37.4 million; there was no allowance recorded previously. As of December 31, 2006, OITRS had recorded net deferred tax assets of approximately $7.1 million. The recording of the valuation allowance (among other items) during the six months ended June 30, 2007 resulted in OITRS recording an income tax provision of $11.5 million, and reduced the December 31, 2006 net deferred tax asset to a net deferred tax liability as of June 30, 2007 of approximately $4.3 million.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income within OITRS. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. At this time, management believes it is more likely than not that the Company will not realize the full benefits of all of the federal and state tax loss carryforwards, and that the Company will not realize any benefit of the other deferred tax assets. Therefore, the Company has recorded a valuation allowance against all the net deferred tax assets of OITRS.

(g) – Commitments and Contingencies

Loans Sold to Investors. Generally, OITRS is not exposed to significant credit risk on its loans sold to investors. In the normal course of business, OITRS provides certain representations and warranties during the sale of mortgage loans which obligate it to repurchase loans which are subsequently unable to be sold through the normal investor channels. The repurchased loans are secured by the related real estate properties, and can usually be sold directly to other permanent investors. There can be no assurance, however, that OITRS will be able to recover the repurchased loan value either through other investor channels or through the assumption of the secured real estate.

OITRS recognizes a liability for the estimated fair value of this obligation at the inception of each mortgage loan sale based on the anticipated repurchase levels and historical experience. The liability is recorded as a reduction of the gain on sale of mortgage loans and included as part of other liabilities in the accompanying financial statements.

Changes in the liability during the six months ended June 30, 2008 and 2007:

(in thousands)

	For the Six Months Ended June 30,	
	2008	2007
Balance—Beginning of period	$ 5,260	$ 7,136
Reclassification from other liabilities	1,700	-
Provision	1,000	16,010
Charge-Offs	(1,416)	(10,492)
Balance—End of period	$ 6,544	$ 12,654

Outstanding Litigation. OITRS is involved in various lawsuits and claims, both actual and potential, including some that it has asserted against others, in which monetary and other damages are sought. These lawsuits and claims relate primarily to contractual disputes arising out of the ordinary course of OITRS's business as previously conducted. The outcome of such lawsuits and claims is inherently unpredictable. However, management believes that, in the aggregate, the outcome of all lawsuits and claims involving OITRS will not have a material effect on the Company's consolidated financial position or liquidity; however, any such outcome may be material to the results of operations of any particular period in which costs, if any are recognized.

On June 14, 2007, a complaint was filed in the Circuit Court of the Twelfth Judicial District in and for Manatee County, Florida by Coast Bank of Florida against OITRS, seeking specific performance and alleging breach of contract for allegedly failing to repurchase certain loans. OITRS believes the plaintiff’s claim is without merit and intends to vigorously defend the case.

(h) – Fair Value

OITRS measures or monitors many of its assets on a fair value basis. Fair value is used on a recurring basis for certain assets in which fair value is the primary basis of accounting. Examples of these include, loans held for sale, retained interests, trading, securities held for sale and mortgage servicing rights. Additionally, fair value is used on a non-recurring basis to evaluate assets for impairment. Examples of these non-recurring uses of fair value include goodwill, and long-lived assets. Depending on the nature of the asset or liability, OITRS uses various valuation techniques and assumptions when estimating the instrument’s fair value. These valuation techniques and assumptions are in accordance with SFAS No. 157.

Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at and/or marked to fair value, OITRS considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability. When possible, OITRS looks to active and observable markets to price identical assets or liabilities. When identical assets and liabilities are not traded in active markets, OITRS looks to market observable data for similar assets and liabilities. Nevertheless, certain assets and liabilities are not actively traded in observable markets and OITRS must use alternative valuation techniques to derive a fair value measurement.

The following table presents financial assets measured at fair value on a recurring basis:

(in thousands)

	Fair Value Measurements June 30, 2008	Fair Value Measurements at June 30, 2008, Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mortgage loans held for sale	$ 527	$ -	$ -	$ 527
Retained interests, trading	23,800	-	-	23,800
Securities held for sale	15	-	-	15
Originated mortgage servicing rights	2,294	-	-	2,294

A reconciliation of activity for the six months ended June 30, 2008 for assets measured at fair value based on significant unobservable (non-market) information (Level 3) is presented in the following table:

(in thousands)

	Mortgage Loans Held for Sale	Retained Interests, Trading	Securities Held for Sale	Originated Mortgage Servicing Rights
Beginning balance	$ 983	$ 69,301	$ 173	$ 3,062
Gains (losses) included in earnings	52	(34,830)	(27)	576
Purchases, issuances and settlements	(508)	(10,671)	(131)	(1,344)
Ending Balance	$ 527	$ 23,800	$ 15	$ 2,294

Gains and losses included in earnings for the six months ended June 30, 2008 are reported in loss on discontinued mortgage banking activities.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FORWARD-LOOKING STATEMENTS

When used in this Quarterly Report on Form 10-Q, in future filings with the Securities and Exchange Commission (the "Commission") or in press releases or other written or oral communications, statements which are not historical in nature, including those containing words such as "anticipate," "estimate," "should," "expect," "believe," "intend" and similar expressions, are intended to identify "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

These forward-looking statements are subject to various risks and uncertainties, including, but not limited to, those described or incorporated by reference in Part II - Item 1A - Risk Factors of this Form 10-Q. These and other risks, uncertainties and factors, including those described in reports that the Company files from time to time with the Commission, could cause the Company's actual results to differ materially from those reflected in such forward-looking statements. All forward-looking statements speak only as of the date they are made and the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements to reflect events or circumstances occurring after the date of such statements.

The following discussion of the financial condition and results of operations should be read in conjunction with the Company's consolidated financial statements and related notes included elsewhere in this report.

Introduction

As used in this document, discussions related to "Bimini Capital," the parent company, the registrant, and to real estate investment trust ("REIT") qualifying activities or the general management of Bimini Capital's portfolio of mortgage-backed securities ("MBS") refer to "Bimini Capital Management, Inc." Further, discussions related to Bimini Capital's taxable REIT subsidiary or non-REIT eligible assets refer to Orchid Island TRS, LLC and its consolidated subsidiaries. This entity, which was previously named Opteum Financial Services, LLC, and referred to as "OFS," was renamed Orchid Island TRS, LLC effective July 3, 2007. Hereinafter, any historical mention, discussion or references to Opteum Financial Services, LLC or to OFS (such as in previously filed documents or Exhibits) now means Orchid Island TRS, LLC or "OITRS." Discussions relating to the "Company" refer to the consolidated entity (the combination of Bimini Capital and OITRS).

Bimini Capital Management, Inc., formerly Opteum Inc. and Bimini Mortgage Management, Inc., was formed in September 2003 to invest primarily in but not limited to, residential mortgage related securities issued by the Federal National Mortgage Association (more commonly known as Fannie Mae), the Federal Home Loan Mortgage Corporation (more commonly known as Freddie Mac) and the Government National Mortgage Association (more commonly known as Ginnie Mae). Bimini Capital attempts to earn a return on the spread between the yield on its assets and its costs, including the interest expense on the funds it borrows. It generally intends to borrow between eight and twelve times the amount of its equity capital in an attempt to enhance its returns to stockholders. This leverage may be adjusted above or below this range to the extent management or the Company's Board of Directors deems necessary or appropriate. For purposes of this calculation, Bimini Capital treats its junior subordinated notes as an equity capital equivalent. Bimini Capital is self-managed and self-advised and has elected to be taxed as a REIT for U.S. federal income tax purposes.

On April 18, 2007, the Board of Managers of OITRS, at the recommendation of the Board of Directors of the Company, approved the closure of the wholesale and conduit mortgage loan origination channels. Both channels ceased accepting new applications for mortgage loans on April 20, 2007. On May 7, 2007, OITRS signed a binding agreement to sell its retail mortgage loan origination channel to a third party as well. On June 30, 2007, OITRS completed such sale and ceased its mortgage loan origination business and therefore the results of the mortgage origination business are reported as discontinued operations for the six months ended June 30, 2007. The results of the ongoing activities associated with the wind-down of the mortgage loan origination business for the six months ended June 30, 2008 are likewise reported as discontinued operations.

DIVIDENDS TO STOCKHOLDERS

In order to maintain its qualification as a REIT, Bimini Capital is required (among other provisions) to annually distribute dividends to its stockholders in an amount at least equal to, generally, 90% of Bimini Capital's REIT taxable income. REIT taxable income is a term that describes Bimini Capital's operating results calculated in accordance with rules and regulations promulgated pursuant to the Internal Revenue Code. As a REIT, Bimini Capital may be subject to a federal excise tax if Bimini Capital distributes less than 85% of its taxable income by the end of the calendar year.

Bimini Capital's REIT taxable income is computed differently from net income as computed in accordance with generally accepted accounting principles ("GAAP net income"), as reported in the Company's accompanying consolidated financial statements. Depending on the number and size of the various items or transactions being accounted for differently, the differences between REIT taxable income and GAAP net income can be substantial and each item can affect several reporting periods. Generally, these items are timing or temporary differences between years; for example, an item that may be a deduction for GAAP net income in the current year may not be a deduction for REIT taxable income until a later year.

The Company has negative retained earnings (titled "Accumulated deficit" in the stockholders' equity section of the financial statements) as of June 30, 2008. This deficit is computed on a GAAP basis, and does not directly affect the REIT's ability to pay dividends. As described in Note 9 to the accompanying consolidated financial statements, the differences between GAAP results and REIT taxable income is substantial; from inception to June 30, 2008, Bimini Capital's REIT taxable income is approximately $77.5 million greater than Bimini Capital's results as reported in its GAAP financial statements.

Results of Operations

PERFORMANCE OVERVIEW

Described below are the Company's results of operations for the six and three months ended June 30, 2008, as compared to the Company's results of operations for the six and three months ended June 30, 2007. During the year ended December 31, 2007, the Company ceased all mortgage origination business at OITRS. As stated above, results of those operations are reported in the financial statements as discontinued operations.

Consolidated net loss for the six and three months ended June 30, 2008, was $39.7 million and $34.6 million, compared to a consolidated net loss of $240.5 million and $162.5 million, respectively, for the six and three months ended June 30, 2007. The consolidated net loss for the six and three months ended June 30, 2008 was primarily the result of negative mark to market adjustments to the retained interests, trading of OITRS of $34.8 million and $32.7 million, respectively. The consolidated net loss for the six and three months ended June 30, 2007 was primarily the result of an other-than-temporary impairment of $55.3 million taken on the Company's MBS portfolio during the three months ended June 30, 2007 and a loss from discontinued operations at OITRS of $142.8 million and $67.9 million, respectively, for the six and three month periods ended June 30, 2007. Consolidated net loss per basic and diluted share of Class A Common Stock was $1.57 and $1.36, respectively, for the six and three months ended June 30, 2008, compared to a consolidated net loss per basic and diluted share of Class A Common Stock of $9.67 and $6.53, respectively, for the comparable prior period.

For the six and three months ended June 30, 2008, comprehensive loss was $39.7 million and $34.6 million, respectively. For the six and three months ended June 30, 2007, comprehensive loss was $163.8 million and $89.7 million, including the net unrealized gain on available-for-sale securities of $2.1 million and ($1.0) million and the reclassification of other-than-temporary loss on MBS of $55.3 million.

Unrealized gains/(losses) on available-for-sale securities is a component of accumulated other comprehensive loss, which is included in stockholders' equity on the consolidated balance sheet. The unrealized gains/(losses) on available-for-sale securities is the difference between the fair market value of the portfolio of mortgage-backed securities ("MBS") securities and their cost basis. The unrealized gain on available-for-sale securities for the six months ended June 30, 2007, was driven by a combination of a decrease in short term rates for the period, which tends to increase the fair market value of the Company's portfolio of MBS securities, and increased amortization of net premium for the period, which lowers the cost basis in the portfolio of MBS securities. The increased amortization for the period was the result of the continued upward resetting of ARM securities in the portfolio, which results in higher coupons on the securities relative to their booked yields, and therefore greater amortization.

On February 15, 2007, the FASB issued statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115* ("SFAS 159"). This standard permits an entity to measure financial instruments and certain other items at estimated fair value. The fair value option created by SFAS 159 permits an entity to measure eligible items at fair value as of specified election dates. The Company adopted SFAS 159 on January 1, 2008, and in connection with the adoption of SFAS No. 159, the Company elected to record available-for-sale mortgage-backed securities at fair value and to transfer these securities to its trading portfolio. As a result, fluctuations in value of the entire MBS portfolio are recorded in earnings effective January 1, 2008.

PERFORMANCE OF BIMINI CAPITAL'S MBS PORTFOLIO

For the six and three months ended June 30, 2008, Bimini Capital generated $3.8 million and $1.3 million, respectively, of net interest income. Included in these results were $16.9 million and $6.8 million, respectively, of interest income, offset by $13.1 million and $5.5 million, respectively, of interest expense. Net interest income is up approximately $8.8 million and $7.4 million, respectively, compared to the six and three months ended June 30, 2007. The increase is due to higher net interest margin available in the market in 2008, offset to some extent by a substantially reduced portfolio.

For the six and three months ended June 30, 2008, Bimini Capital's general and administrative costs were approximately $3.3 million and $1.4, respectively. For the six and three months ended June 30, 2008, compensation and related benefits were $0.7 million and $0.3 million, respectively, lower than for the same period in 2007, while costs associated with the Company's evaluation of possible strategic options caused other administrative expenses to increase $0.4 million and $0.1 million, respectively.

Bimini Capital had $0.7 million and $0.4 million, respectively, in realized gains from the sales of securities in the MBS portfolio during the six and three months ended June 30, 2008, compared to losses of ($19.4) million and ($18.6) million, respectively, during the six and three months ended June 30, 2007.

For the six and three months ended June 30, 2008, Bimini Capital had a loss from continuing operations of $3.4 million and $2.7 million, respectively.

As of June 30, 2008, the MBS portfolio consisted of $523.9 million of agency or government MBS at fair value and had a weighted average coupon on assets of 5.87% and a net weighted average borrowing cost of 4.72%. The following tables summarize Bimini Capital's agency and government mortgage related securities as of June 30, 2008 and December 31, 2007:

(in thousands)

Asset Category	Market Value	Percentage of Entire Portfolio	Weighted Average Coupon	Weighted Average Maturity in Months	Longest Maturity	Weighted Average Coupon Reset in Months	Weighted Average Lifetime Cap	Weighted Average Periodic Cap
June 30, 2008								
Adjustable-Rate MBS	$ 147,872	28.22%	5.14%	300	1-Jan-41	6.26	10.15%	5.30%
Fixed-Rate MBS	72,552	13.85%	6.64%	336	1-Jul-38	n/a	n/a	n/a
Hybrid Adjustable-Rate MBS	303,487	57.93%	6.05%	341	1-Apr-38	43.49	11.77%	3.44%
Total Portfolio	$ 523,911	100.00%	5.87%	329	1-Jan-41	31.29	11.24%	3.50%
December 31, 2007								

Adjustable-Rate MBS	$ 177,608	25.72%	6.58%	294	1-Apr-44	5.49	10.61%	2.47%
Fixed-Rate MBS	110,297	15.97%	6.98%	335	1-Oct-37	n/a	n/a	n/a
Hybrid Adjustable-Rate MBS	398,982	57.78%	6.11%	344	1-Sep-37	39.62	11.92%	3.62%
Fixed-Rate CMO	3,692	0.53%	7.00%	233	18-May-27	n/a	n/a	n/a
Total Portfolio	$ 690,579	100.00%	6.37%	329	1-Apr-44	29.11	11.52%	3.41%

(in thousands)

	June 30, 2008		December 31, 2007	
Agency	**Market Value**	**Percentage of Entire Portfolio**	**Market Value**	**Percentage of Entire Portfolio**
Fannie Mae	$ 490,417	93.61%	$ 638,763	92.50%
Freddie Mac	28,495	5.44%	46,318	6.70%
Ginnie Mae	4,999	0.95%	5,498	0.80%
Total Portfolio	$ 523,911	100.00%	$ 690,579	100.00%

Entire Portfolio	**June 30, 2008**	**December 31, 2007**
Weighted Average Purchase Price	$ 102.35	$ 102.32
Weighted Average Current Price	$ 102.05	$ 101.94
Effective Duration (1)	2.098	1.267

(1) Effective duration of 2.098 indicates that an interest rate increase of 1% would be expected to cause a 2.098% decline in the value of the MBS in the Company's investment portfolio at June 30, 2008. Effective duration of 1.267 indicates that an interest rate increase of 1% would be expected to cause a 1.267% decline in the value of the MBS in the Company's investment portfolio at December 31, 2007.

In evaluating the MBS portfolio assets and their performance, Bimini Capital's management team primarily evaluates these critical factors: asset performance in differing interest rate environments, duration of the security, yield to maturity, potential for prepayment of principal and the market price of the investment.

Bimini Capital's portfolio of MBS will typically be comprised of adjustable-rate MBS, fixed-rate MBS, hybrid adjustable-rate MBS and balloon maturity MBS. Bimini Capital seeks to acquire low duration assets. Although the duration of an individual asset can change as a result of changes in interest rates, Bimini Capital strives to maintain a portfolio with an effective duration of less than 2.0. The stated contractual final maturity of the mortgage loans underlying Bimini Capital's portfolio of MBS generally ranges up to 30 years. However, the effect of prepayments of the underlying mortgage loans tends to shorten the resulting cash flows from investments substantially. Prepayments occur for various reasons, including refinancing of underlying mortgages and loan payoffs in connection with home sales.

Prepayments on the loans underlying MBS can alter the timing of the cash flows from the underlying loans to the Company. As a result, Bimini Capital gauges the interest rate sensitivity of its assets by measuring their effective duration. While modified duration measures the price sensitivity of a bond to movements in interest rates, effective duration captures both the movement in interest rates and the fact that cash flows to a mortgage related security are altered when interest rates move. Accordingly, when the contract interest rate on a mortgage loan is substantially above prevailing interest rates in the market, the effective duration of securities collateralized by such loans can be quite low because of expected prepayments. Although some of the fixed-rate MBS in Bimini Capital's portfolio are collateralized by loans with a lower propensity to prepay when the contract rate is above prevailing rates, their price movements track securities with the same contract rates but lack such lower propensity to prepay, and therefore exhibit similar effective duration.

As of June 30, 2008, approximately 57.9% of Bimini Capital's portfolio is comprised of hybrid adjustable rate MBS. Bimini Capital favors such securities since they offer superior income potential in the current slow prepayment environment. Going forward, to the extent such superior relative income potential is not available, the composition of the portfolio may be changed to better take advantage of opportunities in the market at that time.

The value of the MBS portfolio changes as interest rates rise or fall. Bimini Capital faces the risk that the market value of its assets will increase or decrease at different rates than that of its liabilities. Bimini Capital primarily assesses its interest rate risk by estimating the duration of its assets and the duration of its liabilities. Duration essentially measures the market price volatility of financial instruments as interest rates change. Bimini Capital generally calculates duration using various financial models and empirical data and different models and methodologies can produce different duration numbers for the same securities.

The following sensitivity analysis shows the estimated impact on the fair value of Bimini Capital's interest rate-sensitive investments as of June 30, 2008, assuming rates instantaneously fall 100 basis points, rise 100 basis points and rise 200 basis points:

(in thousands)

		Interest Rates Fall 100 BPS	Interest Rates Rise 100 BPS	Interest Rates Rise 200 BPS
Adjustable Rate MBS				
Fair Value	$ 147,872			
Change in fair Value		$ 1,414	$ (1,414)	$ (2,828)
Change as a % of Fair Value		0.96%	(0.96%)	(1.91%)
Fixed Rate MBS				
Fair Value	$ 72,552			
Change in fair Value		$ 2,437	$ (2,437)	$ (4,873)
Change as a % of Fair Value		3.36%	(3.36%)	(6.72%)
Hybrid Adjustable Rate MBS				
Fair Value	$ 303,487			
Change in fair Value		$ 7,140	$ (7,140)	$ (14,280)
Change as a % of Fair Value		2.35%	(2.35%)	(4.71%)
Portfolio Total				
Fair Value	$ 523,911			
Change in fair Value		$ 10,991	$ (10,991)	$ (21,981)
Change as a % of Fair Value		2.10%	(2.10%)	(4.20%)
Cash				
Fair Value	$ 17,338			

The table below reflects the same analysis presented above but with the figures in the columns that indicate the estimated impact of a 100 basis point fall or rise adjusted to reflect the impact of convexity.

(in thousands)

		Interest Rates Fall 100 BPS	Interest Rates Rise 100 BPS	Interest Rates Rise 200 BPS
Adjustable Rate MBS				
Fair Value	$ 147,872			
Change in fair Value		$ 1,197	$ (1,708)	$ (4,075)
Change as a % of Fair Value		0.81%	(1.16%)	(2.76%)
Fixed Rate MBS				
Fair Value	$ 72,552			
Change in fair Value		$ 1,707	$ (3,057)	$ (6,791)
Change as a % of Fair Value		2.35%	(4.21%)	(9.36%)
Hybrid Adjustable Rate MBS				
Fair Value	$ 303,487			
Change in fair Value		$ 5,624	$ (8,311)	$ (18,068)
Change as a % of Fair Value		1.85%	(2.74%)	(5.95%)
Portfolio Total				
Fair Value	$ 523,911			
Change in fair Value		$ 8,528	$ (13,076)	$ (28,934)
Change as a % of Fair Value		1.63%	(2.50%)	(5.52%)
Cash				
Fair Value	$ 17,338			

In addition to changes in interest rates, other factors impact the fair value of Bimini Capital's interest rate-sensitive investments and hedging instruments, such as the shape of the yield curve, market expectations as to future interest rate changes and other more recent disruptions in the financial markets. Accordingly, in the event of changes in actual interest rates, the change in the fair value of Bimini Capital's assets would likely differ from that shown above and such difference might be material and adverse to Bimini Capital's stockholders.

Given the current difficulties in the market with respect to the availability of funding via the repurchase market, the Company may need to augment its existing leveraged MBS portfolio with alternative sources of income to the extent sufficient repurchase agreement funding is not available. The Company is currently evaluating alternative investment strategies utilizing derivative mortgage backed securities collateralized by MBS with comparable borrower and prepayment characteristics to the securities currently in the portfolio. Such securities would not be funded in the repurchase market but instead would be owned free and clear. The leverage inherent in the securities would replace the leverage obtained by acquiring pass-through securities and funding them in the repurchase market.

The table below shows Bimini Capital’s average investments held, total interest income, yield on average earning assets, average repurchase obligations outstanding, interest expense, average cost of funds, net interest income and net interest spread for the quarter ended June 30, 2008, and the seventeen previous quarters for Bimini Capital’s portfolio of MBS securities only. The data in the table below does not include information pertaining to discontinued operations at OITRS.

RATIOS FOR THE QUARTERS HAVE BEEN ANNUALIZED

(in thousands)

Quarter Ended	Average Investment Securities Held	Total Interest Income	Quarterly Retrospective Adj.	Premium Lost due to Paydowns	Yield on Average Interest Earning Assets (1)	Average Balance of Repurchase Agreements Outstanding	Interest Expense (2)	Average Cost of Funds (2)	Net Interest Income	Net Interest Spread	Trust Preferred Interest Expense
June 30, 2008	$ 519,614	6,787	-	415	4.91%	$ 471,732	5,448	4.62%	$ 1,339	0.29%	$ 1,933
March 31, 2008	602,948	10,112	-	652	6.28%	584,597	7,590	5.19%	2,522	1.08%	1,933
December 31, 2007	972,236	11,364	(345)	-	4.68%	944,832	10,531	4.46%	833	0.22%	1,933
September 30, 2007	1,536,265	24,634	(404)	-	6.41%	1,497,409	20,998	5.61%	3,636	0.81%	1,933
June 30, 2007	2,375,216	26,970	(6,182)	-	4.54%	2,322,727	33,444	5.76%	(6,475)	(1.22%)	1,933
March 31, 2007	2,870,265	38,634	1,794	-	5.38%	2,801,901	37,405	5.34%	1,229	0.04%	1,933
December 31, 2006	2,944,397	31,841	(4,013)	-	4.33%	2,869,210	39,448	5.50%	(7,607)	(1.17%)	1,933
September 30, 2006	3,243,674	43,051	3,523	-	5.31%	3,151,813	42,683	5.42%	368	(0.11%)	1,933
June 30, 2006	3,472,921	54,811	13,395	-	6.31%	3,360,421	41,674	4.96%	13,137	1.35%	1,933
March 31, 2006	3,516,292	40,512	1,917	-	4.61%	3,375,777	36,566	4.33%	3,946	0.28%	1,933
December 31, 2005	3,676,175	43,140	3,249	-	4.69%	3,533,486	35,337	4.00%	7,803	0.69%	1,858
September 30, 2005	3,867,263	43,574	4,348	-	4.51%	3,723,603	32,345	3.48%	11,230	1.03%	973
June 30, 2005	3,587,629	36,749	2,413	-	4.10%	3,449,744	26,080	3.02%	10,668	1.07%	454
March 31, 2005	3,136,142	31,070	1,013	-	3.96%	2,976,409	19,731	2.65%	11,339	1.31%	-
December 31, 2004	2,305,748	20,463	1,250	-	3.55%	2,159,891	10,796	2.00%	9,667	1.55%	-
September 30, 2004	1,573,343	11,017	-	-	2.80%	1,504,919	4,253	1.13%	6,764	1.67%	-
June 30, 2004	1,512,481	10,959	-	-	2.90%	1,452,004	4,344	1.20%	6,615	1.70%	-
March 31, 2004	871,140	7,194	-	-	3.30%	815,815	2,736	1.34%	4,458	1.96%	-

(1) Adjusted for premium lost on paydowns
(2) Excludes Trust Preferred Interest

The net interest figures in the table above exclude interest associated with the trust preferred debt, such figures are reflected in the last column separately. The net interest figures do reflect the quarterly retrospective adjustment, where applicable. As a result of the entire MBS portfolio being classified as held for trading for the three months ended June 30, 2008, there are no longer quarterly retrospective adjustments. For the three months ended June 30, 2008, the net margin was 29 basis points on a portfolio of MBS securities classified entirely as held for trading. For the three months ended June 30, 2007, ($6.2) million of the $27.0 million of interest income was attributable to the quarterly retrospective adjustment. As a result of the retrospective adjustment, the yield on average interest earning assets for the period was reduced by 104.1 basis points to 454.2 basis points.

PERFORMANCE OF DISCONTINUED OPERATIONS OF OITRS

As stated above, the Company has sold or discontinued all residential mortgage origination activities at OITRS. The principal business activities of OITRS were the origination and sale of mortgage loans. In addition, as part of the securitization of loans sold, OITRS retained an interest in the resulting residual interest cash flows more fully described below. Finally, OITRS serviced the loans securitized as well as some loans sold on a whole loan basis.

Currently, there are no operating activities at OITRS and all income and expenses at OITRS are attributable to mark to market adjustments on the retained interest, trading (market value of $23.8 million at June 30, 2008), the remaining originated mortgage servicing rights (market value at June 30, 2008 of $2.3 million), the remaining mortgage loans held for sale (market value at June 30, 2008 of $0.5 million) and general and administrative expenses associated with the wind down of their operations.

The retained interests in securitizations represent residual interest in pools of loans securitized. The total fair value of these retained interests was approximately $23.8 million as of June 30, 2008. Fluctuations in value of retained interests are primarily driven by projections of future interest rates (the forward LIBOR curve), the discount rate used to determine the present value of the residual cash flows and prepayment and loss estimates on the underlying mortgage loans. Due to higher loss severity assumptions and discount rates, the fair value of the retained interests decreased by $34.8 million and $32.7 million for the six and three months ended June 30, 2008, respectively. Due to higher forward LIBOR rates and increased loss assumptions on the underlying mortgage loans, the fair value of the retained interests decreased by $27.5 million and $26.2 million for the six and three months ended June 30, 2007.

As of June 30, 2008, OITRS owned $0.5 million of mortgage loans, net of fair value adjustments, which were classified as mortgage loans held for sale. As stated above, OITRS no longer originates mortgage loans and the remaining loan inventory is being liquidated. Losses realized on the discontinued mortgage banking activities for the six months ended June 30, 2008, were $34.9 million and consist primarily of fair value adjustments on the retained interests, trading.

The table below provides details of OITRS's loss on discontinued mortgage banking activities for the three and six months ended June 30, 2008 and 2007. OITRS recognizes a gain or loss on sale of mortgages held for sale only when the loans are actually sold.

(in thousands)

	Six Months Ended		Three Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Fair value adjustment of retained interests, trading	$ (34,830)	$ (27,492)	$ (32,710)	$ (26,168)
Gains/(losses) on sales of mortgage loans	(35)	4,942	(93)	(9,571)
Fees on brokered loans	-	1,749	-	892
Loss on derivatives	-	(4,719)	-	(83)
Direct loan origination expenses, deferred		(5,495)	-	(4,003)
Fees earned, brokering	-	705	-	270
Direct loan origination expenses, reclassified	-	(22,181)	-	(9,942)
Change in market value of IRLC's	-	14	-	(190)
Change in market value of mortgage loans held for sale	(12)	(9,338)	(12)	4,940
Loss on discontinued mortgage banking activities	$ (34,877)	$ (61,815)	$ (32,815)	$ (43,855)

For the six months ended June 30, 2007, losses realized on the discontinued mortgage banking activities were $61.8 million. Mark to market losses of loans held for sale of $9.3 million were the result of a sharp deterioration in the secondary market for the loans originated and sold. Losses from discontinued mortgage banking activities also include changes in the fair value of retained interests in securitizations and the associated hedge gains or losses. Excluding changes in fair value of retained interests in securitizations net of hedge gains and losses, OITRS had losses from sales of mortgages held for sale of $29.6 million for the six months ended June 30, 2007.

For the six and three months ended June 30, 2007, OITRS originated $1.5 billion and $0.4 billion, respectively, and sold $2.0 billion and $0.7 billion, respectively, of mortgage loans. Of the originated mortgage loans sold during the six and three months ended June 30, 2007, $0.8 billion and $0.3 billion, respectively, were sold on a servicing retained basis.

For the six months ended June 30, 2007, OITRS had net servicing loss of $10.6 million. The results were driven primarily by negative fair value adjustments to the MSRs (inclusive of run-off of the servicing portfolio).

Liquidity and Capital Resources

Our principal sources of cash generally consist of borrowings under repurchase agreements, payments of principal and interest we receive on our MBS portfolio, and cash flows received by OITRS from the residual interests that are used to repay intercompany debt. Our principal uses of cash are the repayment of principal and interest on our repurchase agreements, purchases of MBS, funding our operations and, to the extent dividends are declared, making dividend payments on our capital stock.

During the three months ended June 30, 2008, we purchased $114.4 million of MBS, using proceeds from repurchase agreements, prepayments and sales of MBS and existing cash. During the second quarter of 2008, we received cash of $22.7 million from prepayments on our MBS. During the six months ended June 30, 2008, we generated net proceeds of $82.7 million from the sale of MBS. Also, the residual interests at OITRS generated $10.7 million and $7.3 million, respectively, in cash flows for the six and three months ended June 30, 2008.

As of June 30, 2008, Bimini Capital had outstanding balances under master repurchase agreements with various counterparties. None of the counterparties to these agreements are affiliates of Bimini Capital. These agreements are secured by Bimini Capital's MBS and bear interest rates that are based on a spread to LIBOR.

As of June 30, 2008, Bimini Capital had obligations outstanding under its repurchase agreements totaling $452.4 million with a net weighted average borrowing cost of 4.72%. As of June 30, 2008, all of Bimini Capital's outstanding repurchase agreement obligations are due in less than 6 months with $0.0 million maturing overnight, $53.4 million maturing between 2 and 30 days and the remaining $399.1 million maturing between 31 and 90 days. Securing these repurchase agreement obligations as of June 30, 2008, were MBS with an estimated fair value of $462.2 million and a weighted average maturity of 329 months.

The following summarizes information regarding the Company's amounts at risk with individual counterparties greater than 10% of the Company's equity as of June 30, 2008 and December 31, 2007.

(in thousands)

Repurchase Agreement Counterparties	Amount at Risk(1)	Weighted Average Maturity of Repurchase Agreements in Days
June 30, 2008		
Deutsche Bank Securities, Inc.	$ 6,432	67
JP Morgan Securities	6,376	67
RBS Greenwich Capital	1,769	25
MF Global Inc.	658	13
December 31, 2007		
Deutsche Bank Securities, Inc.	8,823	193
Goldman Sachs	2,931	19

(1) Equal to the fair value of securities sold, plus accrued interest income, minus the sum of repurchase agreement liabilities, plus accrued interest expense.

Bimini Capital's master repurchase agreements have no stated expiration, but can be terminated at any time at Bimini Capital's option or at the option of the counterparty. However, once a definitive repurchase agreement under a master repurchase agreement has been entered into, it generally may not be terminated by either party absent an event of default. A negotiated termination can occur, but may involve a fee to be paid by the party seeking to terminate the repurchase agreement transaction.

As discussed above, increases in short-term interest rates could negatively impact the valuation of Bimini Capital's MBS portfolio. Should this occur, Bimini Capital's repurchase agreement counterparties could initiate margin calls, thus inhibiting its liquidity or forcing us to sell assets.

During the six month period ended June 30, 2008, the Company undertook a series of asset sales intended to raise funds necessary to service the residual financing line of OITRS and maintain adequate liquidity during the continuing period of disruption in the mortgage market. Such sales ceased during the three months ended June 30, 2008, and the MBS portfolio size has stabilized.

Given the current difficulties with respect to the availability of funding via the repurchase market, the Company may need to augment its existing leveraged MBS portfolio with alternative sources of income to the extent sufficient repurchase agreement funding is not available. The Company is currently evaluating alternative investment strategies utilizing derivative mortgage backed securities collateralized by MBS with comparable borrower and prepayment characteristics to the securities currently in the portfolio. Such securities would not be funded in the repurchase market but instead would be owned free and clear. The leverage inherent in the securities would replace the leverage obtained by acquiring pass-through securities and funding them in the repurchase market.

In May 2005, Bimini Capital completed a private offering of $51.6 million of trust preferred securities of Bimini Capital Trust I ("BCTI") resulting in the issuance by Bimini Capital of $51.6 million of junior subordinated notes. The interest rate payable by Bimini Capital on the BCTI junior subordinated notes is fixed for the first five years at 7.61% and then floats at a spread of 3.30% over three-month LIBOR for the remaining 25 years. However, the BCTI junior subordinated notes and the corresponding BCTI trust preferred securities are redeemable at Bimini Capital's option at the end of the first five year period and at any subsequent date that Bimini Capital chooses.

In addition, in October 2005, Bimini Capital completed a private offering of an additional $51.5 million of trust preferred securities of Bimini Capital Trust II ("BCTII") resulting in the issuance by Bimini Capital of an additional $51.5 million of junior subordinated notes. The interest rate on the BCTII junior subordinated notes and the corresponding BCTII trust preferred securities is fixed for the first five years at 7.8575% and then floats at a spread of 3.50% over three-month LIBOR for the remaining 25 years. However, the BCTII junior subordinated notes and the corresponding BCTII trust preferred securities are redeemable at Bimini Capital's option at the end of the first five year period and at any subsequent date that Bimini Capital chooses.

The Company presently believes that its equity and junior subordinated debt capital, combined with the cash flow from operations and retained interests, will be sufficient to enable the Company to meet its anticipated liquidity requirements. Continued disruptions in market conditions could, however, adversely affect the Company's liquidity, including the lack of available financing for the Company's MBS assets, increases in interest rates, increases in prepayment rates substantially above expectations and decreases in value of assets held for sale. Therefore, in spite of the efforts contemplated above to address any potential loss of sufficient repurchase agreement funding, no assurances can be made regarding the Company's ability to satisfy its liquidity and working capital requirements.

On April 14, 2008, there were changes made to senior management of the Company. The cost savings associated with these changes are estimated to be approximately $0.4 million in 2008.

Outlook

The Company's results of operations for the six months ended June 30, 2008 were impacted by disruptions in the residential mortgage market, the mortgage-backed securities market and a general tightening of credit conditions brought about by adverse actions taken by ratings agencies, liquidations of various investment funds and substantial losses incurred by various market participants. As a result of these events, the Federal Reserve Open Market Committee has adjusted their target for overnight lending rates which has positively impacted the Company's borrowing rates.

The funding costs of the MBS portfolio seem to have stabilized and the coupon on the MBS assets now exceeds the funding costs mainly as a result of Federal Reserve actions mentioned above. The need to fund negative cash flow operations at OITRS precluded the Company from reinvesting monthly pay-downs and also required the Company to sell MBS assets to generate funds throughout much of 2006 and 2007. Further, OITRS has exposure to early payment default claims that have been received from buyers of mortgage loans sold in the past. The settlement of such claims also had to be funded, and some claims remain.

Going forward, at current interest rate levels, the lack of cash flow needs for OITRS and resulting halt of asset sales should allow the net interest margin, ("NIM") of the MBS portfolio to remain positive. To the extent the Company is able to refinance its existing repurchase funding agreements as they come due in the third quarter, and at rates comparable to current market conditions, the NIM should expand. However, no assurance can be made of its ability to do so or for rates to remain at current levels. Also, the Company intends to utilize any cash flows received from the retained interests, trading of OITRS primarily to repay intercompany debt so as to fund growth of the portfolio. Nonetheless, even with any potential for an expanded NIM and residual cash flows from the retained interests, the reduced size of the portfolio in relation to the Company's operating expenses will constrain the earnings potential of the Company in the near term.

Critical Accounting Policies

The Company's financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company's significant accounting policies are described in Note 1 to the Company's accompanying consolidated financial statements.

GAAP requires the Company's management to make some complex and subjective decisions and assessments. The Company's most critical accounting policies involve decisions and assessments which could significantly affect reported assets and liabilities, as well as reported revenues and expenses. The Company believes that all of the decisions and assessments upon which its financial statements are based were reasonable at the time made based upon information available to it at that time. Management has identified its most critical accounting policies to be the following:

MORTGAGE-BACKED SECURITIES

The Company's investments in MBS are classified as held for trading. Changes in fair value of securities held for trading are recorded through the statement of operations. The Company's MBS have fair values determined by management based on the average of third-party broker quotes received and/or by independent pricing sources when available. Because the price estimates may vary to some degree between sources, management must make certain judgments and assumptions about the appropriate price to use to calculate the fair values for financial reporting purposes. Alternatively, management could opt to have the value of all of its positions in MBS determined by either an independent third-party pricing source or do so internally based on management's own estimates. Management believes pricing on the basis of third-party broker quotes is the most consistent with the definition of fair value described in SFAS No. 107, *Disclosures about the Fair Value of Financial Instruments.*

RETAINED INTEREST, TRADING

Retained interest, trading is the subordinated interests retained by the Company from the Company's various securitizations and includes the over-collateralization and residual net interest spread remaining after payments to the Public Certificates and NIM Notes (see Note 11 of the accompanying consolidated financial statements). Retained interest, trading represents the present value of estimated cash flows to be received from these subordinated interests in the future. The subordinated interests retained are classified as "trading securities" and are reported at fair value with unrealized gains or losses reported in earnings. In order to value these unrated and unquoted retained interests, the Company utilizes either pricing available directly from dealers, when available, or calculates their present value by projecting their future cash flows on a publicly-available analytical system. When a publicly-available analytical system is employed, the Company uses the following variable factors in estimating the fair value of these assets:

Interest Rate Forecast. LIBOR interest rate curve.

Discount Rate. The present value of all future cash flows utilizing a discount rate assumption established at the discretion of the Company to represent market conditions and value.

Prepayment Forecast. The prepayment forecast may be expressed by the Company in accordance with one of the following standard market conventions: Constant Prepayment Rate ("CPR") or Percentage of a Prepayment Vector. Prepayment forecasts are made utilizing Citigroup Global Markets Yield Book and/or management estimates based on historical experience. Conversely, prepayment speed forecasts could have been based on other market conventions or third-party analytical systems. Prepayment forecasts may be changed as OITRS observes trends in the underlying collateral as delineated in the Statement to Certificate Holders generated by the securitization trust's Trustee for each underlying security.

Credit Performance Forecast. A forecast of future credit performance of the underlying collateral pool will include an assumption of default frequency, loss severity and a recovery lag. In general, the Company will utilize the combination of default frequency and loss severity in conjunction with a collateral prepayment assumption to arrive at a target cumulative loss to the collateral pool over the life of the pool based on historical performance of similar collateral by the originator. The target cumulative loss forecast will be developed and noted at the pricing date of the individual security but may be updated by the Company consistent with observations of the actual collateral pool performance.

As of June 30, 2008, and December 31, 2007, key economic assumptions and the sensitivity of the current fair value of retained interests to the immediate 10% and 20% adverse change in those assumptions are as follows:

(in thousands)

	June 30, 2008	December 31, 2007
Balance Sheet Carrying value of retained interests – fair value	$ 23,800	$ 69,301
Weighted average life (in years)	5.27	4.09
Prepayment assumption (annual rate)	18.13%	26.37%
Impact on fair value of 10% adverse change	$ (2,251)	$ (6,908)
Impact on fair value of 20% adverse change	$ (3,966)	$ (12,577)
Expected Credit losses (annual rate)	2.74%	1.22%
Impact on fair value of 10% adverse change	$ (5,484)	$ (6,409)
Impact on fair value of 20% adverse change	$ (6,073)	$ (13,633)
Residual Cash-Flow Discount Rate	27.50%	20.00%
Impact on fair value of 10% adverse change	$ (2,771)	$ (4,138)
Impact on fair value of 20% adverse change	$ (5,078)	$ (7,907)
Interest rates on variable and adjustable loans and bonds	Forward LIBOR Yield Curve	Forward LIBOR Yield Curve
Impact on fair value of 10% adverse change	$ (8,085)	$ (14,906)
Impact on fair value of 20% adverse change	$ (13,271)	$ (28,225)

These sensitivities are entirely hypothetical and should be used with caution. As the figures indicate, changes in fair value based upon 10% and 20% variations in assumptions generally cannot be extrapolated to greater or lesser percentage variations because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of the variation in a particular assumption on the fair value of the subordinated interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another that may magnify or counteract the sensitivities. To estimate the impact of a 10% and 20% adverse change of the forward LIBOR curve, a parallel shift in the forward LIBOR curve was assumed based on the forward LIBOR curve as of June 30, 2008, and December 31, 2007.

INCOME RECOGNITION

For securities classified as held for trading, interest income is based on the stated interest rate and the outstanding principal balance; premium or discount associated with the purchase of the MBS are not amortized. As of January 1, 2008 all MBS portfolio securities are classified as held for trading.

INCOME TAXES

Bimini Capital has elected to be taxed as a REIT under the Code. As further described below, Bimini Capital's subsidiary, OITRS a taxpaying entity for income tax purposes and is taxed separately from Bimini Capital. Bimini Capital will generally not be subject to federal income tax on its REIT taxable income to the extent that Bimini Capital distributes its REIT taxable income to its stockholders and satisfies the ongoing REIT requirements, including meeting certain asset, income and stock ownership tests. A REIT must generally distribute at least 90% of its REIT taxable income to its stockholders, of which 85% generally must be distributed within the taxable year, in order to avoid the imposition of an excise tax. The remaining balance may be distributed up to the end of the following taxable year, provided the REIT elects to treat such amount as a prior year distribution and meets certain other requirements.

OITRS and its activities are subject to corporate income taxes and the applicable provisions of SFAS No. 109, *Accounting for Income Taxes*. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. To the extent management believes deferred tax assets will not be fully realized in future periods, a provision is recorded so as to reflect the net portion, if any, of the deferred tax asset management expects to realize.

FAIR VALUES

The Company measures or monitors many of its assets on a fair value basis. Fair value is used on a recurring basis for certain assets and liabilities in which fair value is the primary basis of accounting. Examples of these include trading securities, loans held for sale, retained interests and mortgage servicing rights (MSRs). Additionally, fair value is used on a non-recurring basis to evaluate assets or liabilities for impairment.

Fair value is the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. If observable market prices are not available, then fair value is estimated using modeling techniques such as discounted cash flow analyses. These modeling techniques utilize assumptions that market participants would use in pricing the asset or the liability, including assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset, and the risk of nonperformance. To increase consistency and comparability in fair value measures, SFAS No. 157 establishes a three-level hierarchy to prioritize the inputs used in valuation techniques between observable inputs that reflect quoted prices in active markets, inputs other than quoted prices with observable market data, and unobservable data such as the Company's own data.

Off-Balance Sheet Arrangements

As previously discussed, OITRS previously pooled loans originated or purchased and then sold them or securitized them to obtain long-term financing for its assets. Securitized loans are transferred to a trust where they serve as collateral for asset-backed bonds, which the trust primarily issues to the public. Since mid-2006, OITRS has not executed a securitization and is not expected to do so in the future. However, OITRS held approximately $23.8 million of retained interests from securitizations as of June 30, 2008.

The cash flows associated with OITRS's securitization activities over the six months ended June 30, 2008 and 2007, were as follows:

(in thousands)

	June 30, 2008	June 30, 2007
Servicing fees received	$ 845	$ 9,691
Servicing advances and repayments	786	(1,433)
Cash flows received on retained interests	10,671	2,909

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, the Company's management carried out an evaluation, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective.

Changes in Internal Controls over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 4T. CONTROLS AND PROCEDURES.

Not Applicable.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is involved in various lawsuits and claims, both actual and potential, including some that it has asserted against others, in which monetary and other damages are sought. Except as described below, these lawsuits and claims relate primarily to contractual disputes arising out of the ordinary course of the Company's business. The outcome of such lawsuits and claims is inherently unpredictable. However, management believes that, in the aggregate, the outcome of all lawsuits and claims involving the Company will not have a material effect on the Company's consolidated financial position or liquidity; however, any such outcome may be material to the results of operations of any particular period in which costs, if any, are recognized. See also Notes 8 and 11 to the Company's accompanying consolidated financial statements.

On September 17, 2007, a complaint was filed in the U.S. District Court for the Southern District of Florida by William Kornfeld against the Company, certain of the Company's current and former officers and directors, Flagstone Securities, LLC and BB&T Capital Markets alleging various violations of the federal securities laws and seeking class action certification. On October 9, 2007, a complaint was filed in the U.S. District Court for the Southern District of

Florida by Richard and Linda Coy against the Company, certain of the Company's current and former officers and directors, Flagstone Securities, LLC and BB&T Capital Markets alleging various violations of the federal securities laws and seeking class action certification. The Company believes the plaintiffs' claims in these actions are without merit, has filed a motion to consolidate these actions and intends to vigorously defend the cases.

ITEM 1A. RISK FACTORS.

During the period covered by this report, and except as described below, there were no material changes to the risk factors previously disclosed under Item 1A – Risk Factors in the Company's Annual Report on Form 10-K for the period for the period December 31, 2007 as filed on March 14, 2008. The information set forth under Item 1A – Risk Factors in the Company's Annual Report on Form 10-K for the period ended December 31, 2007, is incorporated herein by reference.

As stated in the accompanying consolidated financial statements, the Company currently has negative consolidated net worth. The lack of positive consolidated net worth could further hamper the Company's ability to obtain sufficient access to funding for the MBS portfolio. To the extent the Company is unable to obtain other sources of revenue, our ability to cover expenses and/or generate earnings will be impaired. The Company may need to alter its investment strategy if it is unable to obtain sufficient access to funding for its MBS portfolio.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

ISSUER PURCHASES OF EQUITY SECURITIES

Except as described below, the Company has not repurchased any shares of its equity securities during 2008. The following table shows shares of common stock deemed to have been repurchased in connection with the withholding of a portion of shares of Class A Common Stock to cover taxes on vested phantom shares for each calendar month during the quarter ended June 30, 2008.

Calendar Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Amount That May Yet Be Purchased Under the Plans or Programs
April 2008	1,287	$ 0.31	-	-
May 2008	-	-	-	-
June 2008	16	0.31	-	-
Total	1,303	$ 0.31	-	-

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

At the Company's 2008 Annual Meeting of Stockholders held on May 27, 2008, the following matters were submitted to a vote of the Company's stockholders:

1. *Election of Directors.* Robert E. Cauley and Robert J. Dwyer were each re-elected as directors of the Company. Mr. Cauley was re-elected as a Class II director to serve until the Company's 2011 Annual Meeting of Stockholders. Mr. Dwyer was re-elected as a Class III director to serve until the Company's 2009 Annual Meeting of Stockholders. For each director nominee, votes were cast as follows:

NOMINEE	FOR	ABSTAIN
Robert E. Cauley	18,003,917	1,895,658
Robert J. Dwyer	18,334,436	1,565,139

The following directors continued in office after the meeting:

Kevin L. Bespolka and W. Christopher Mortenson.

2. *Amendment of the Company's Charter*. The proposal to amend the Company's Charter was approved by the Company's stockholders. The number of votes cast for and against the proposal to amend the Company's Charter and the number of abstentions and broker non-votes were as follows:

FOR	AGAINST	ABSTAIN	BROKER NON-VOTES
14,049,700	5,212,325	637,549	0

ITEM 6. EXHIBITS.

Exhibit No.

3.1	Articles of Amendment and Restatement, incorporated by reference to Exhibit 3.1 to the Company’s Form S-11/A, filed with the SEC on April 29, 2004
3.2	Articles Supplementary, incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, dated November 3, 2005, filed with the SEC on November 8, 2005
3.3	Articles of Amendment, incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, dated February 10, 2006, filed with the SEC on February 15, 2006
3.4	Articles of Amendment, incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, dated September 24, 2007, filed with the SEC on September 24, 2007
3.5	Certificate of Notice, incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, dated January 28, 2008, filed with the SEC on February 1, 2008
3.6	Articles of Amendment, incorporated by reference to Exhibit 10.3 to the Company’s Current Report on Form 8-K, dated May 27, 2008, filed with the SEC on May 29, 2008
3.7	Amended and Restated Bylaws, incorporated by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K, dated September 24, 2007, filed with the SEC on September 24, 2007
†10.1	Bimini Capital Management, Inc. 2003 Long Term Incentive Compensation Plan, as amended September 28, 2007, incorporated by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2007, filed with the SEC on November 8, 2007
†10.2	Bimini Capital Management, Inc. 2004 Performance Bonus Plan, as amended September 28, 2007, incorporated by reference to Exhibit 10.4 to the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2007, filed with the SEC on November 8, 2007
†10.3	Form of Phantom Share Award Agreement incorporated by reference to Exhibit 10.5 to the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2007, filed with the SEC on November 8, 2007
†10.4	Form of Restricted Stock Award Agreement incorporated by reference to Exhibit 10.6 to the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2007, filed with the SEC on November 8, 2007
†10.5	Separation Agreement and General Release, dated as of June 29, 2007, by and among Opteum Inc., Opteum Financial Services, LLC and Peter R. Norden, incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K, dated June 30, 2007, filed with the SEC on July 5, 2007
†10.6	Separation Agreement and General Release by and between Bimini Capital Management, Inc. and Jeffrey J. Zimmer, incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, dated April 14, 2008, filed with the SEC on April 16, 2008
†10.7	Retention and Severance Agreement between Bimini Capital Management, Inc. and G. Hunter Haas, IV, incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, dated April 18, 2008, filed with the SEC on April 18, 2008
†10.8	Retention and Severance Agreement between Bimini Capital Management, Inc. and J. Christopher Clifton, incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K, dated April 18, 2008, filed with the SEC on April 18, 2008
†*10.9	Employment Agreement dated as of April 27, 2006, by and between Opteum Inc. and J. Christopher Clifton
10.10	Voting Agreement, among certain stockholders of Bimini Mortgage Management, Inc., Jeffrey J. Zimmer, Robert E. Cauley, Amber K. Luedke, George H. Haas, IV, Kevin L. Bespolka, Maureen A. Hendricks, W. Christopher Mortenson, Buford H. Ortale, Peter Norden, certain of Mr. Norden’s affiliates, Jason Kaplan, certain of Mr. Kaplan’s affiliates and other former owners of Opteum Financial Services, LLC, incorporated by reference to Exhibit 99(D) to the Schedule 13D, dated November 3, 2005, filed with the SEC on November 14, 2005
10.11	Membership Interest Purchase, Option and Investor Rights Agreement among Opteum Inc., Opteum Financial Services, LLC and Citigroup Global Markets Realty Corp. dated as of December 21, 2006, incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, dated December 21, 2006, filed with the SEC on December 21, 2006
10.12	Seventh Amended and Restated Limited Liability Company Agreement of Orchid Island TRS, LLC, dated as of July 20, 2007, made and entered into by Opteum Inc. and Citigroup Global Markets Realty Corp., incorporated by reference to Exhibit 10.12 to the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2007, filed with the SEC on August 14, 2007
10.13	Asset Purchase Agreement, dated May 7, 2007, by and among Opteum Financial Services, LLC, Opteum Inc. and Prospect Mortgage Company, LLC, incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, dated May 7, 2007, filed with the SEC on May 7, 2007
10.14	First Amendment to Purchase Agreement, dated June 30, 2007, by and among Metrocities Mortgage, LLC – Opteum Division, Opteum Financial Services, LLC and Opteum Inc., incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, dated June 30, 2007, filed with the SEC on July 5, 2007
10.15	Membership Interest Purchase Agreement, dated May 27, 2008, by and among Bimini Capital Management, Inc., Orchid Island TRS, LLC and Citigroup Global Markets Realty Corp., incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K, dated May 27, 2008, filed with the SEC on May 29, 2008
10.16	Eighth Amended and Restated Limited Liability Company of Orchid Island TRS, LLC, dated as of May 27, 2008, incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K, dated May 27, 2008, filed with the SEC on May 29, 2008
*31.1	Certification of the Principal Executive Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of the Principal Financial Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith.

† Management compensatory plan or arrangement required to be filed by Item 601 of Regulation S-K.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BIMINI CAPITAL MANAGEMENT, INC.

Date: August 11, 2008 By: /s/ G. Hunter Haas, IV

G. Hunter Haas, IV
Executive Vice President, Chief Investment Officer
Interim Chief Financial Officer and Treasurer

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* Filed herewith.

† Management compensatory plan or arrangement required to be filed by Item 601 of Regulation S-K.

Exhibit 10.9

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is dated as of April 27, 2006, and is entered into by and between Opteum Inc., with its principal place of business at 3305 Flamingo Drive, Vero Beach, Florida 32963 (the "Company"), and J. Christopher Clifton, residing at the address set forth on the signature page hereof (the "Executive").

WHEREAS, the Company wishes to employ the Executive, and the Executive wishes to accept such employment, on the terms set forth below:

Accordingly, the parties hereto agree as follows:

1. Term. The Company hereby employs the Executive, and the Executive hereby accepts such employment, for an initial term commencing as of May 15, 2006 and continuing for a three-year period, unless earlier terminated in accordance with the provisions of Section 4 or Section 5; with such employment to continue for successive one-year periods in accordance with the terms of this Agreement (subject to termination as aforesaid) unless either party notifies the other party of non-renewal in writing prior to 60 days before the expiration of the initial term and each annual renewal, as applicable (the period during which the Executive is employed hereunder being hereinafter referred to as the "Term").

2. Duties. During the Term, the Executive shall be employed by the Company as Senior Vice President and General Counsel of the Company, and, as such, the Executive shall faithfully perform for the Company the duties of said offices and shall perform such other duties of an executive, managerial or administrative nature consistent with such position as shall be specified and designated from time to time by the Chief Executive Officer of the Company (the "CEO") or the Chief Investment Officer of the Company (the "CIO"). The Executive agrees that he shall devote substantially all of his business time and effort to the performance of his duties hereunder; provided that in no event shall this sentence prohibit the Executive from performing personal and charitable activities, or any other business activities as may be approved by the CEO or the CIO.

3. Compensation.

3.1 Salary. The Company shall pay the Executive a salary of $8,333.33 for the period from May 15, 2006 through May 31, 2006. The Company shall pay the Executive from the date of June 1, 2006 through December 31, 2006 a salary of $16,666.67 per month. From January 1, 2007, the Company shall pay the Executive an annual salary of $250,000 per annum payable monthly in accordance with the customary payroll practices of the Company applicable to senior executives. (The foregoing amounts are referred to below, as applicable, to the "Annual Salary.")

3.2 Bonus

3.2.1 2006 Annual Bonus. In addition to the Annual Salary, the Executive shall be awarded an annual bonus (the "2006 Annual Bonus") of $40,000 payable 50% in cash and 50% in phantom shares in respect of the Company's class A common stock with dividend equivalent rights ("Phantom Shares"). Phantom Shares awarded in respect of the 2006 Annual Bonus shall vest in six equal installments on November 15, 2006, May 15, 2007, November 16, 2007, May 15, 2008, November 15, 2008, and May 15, 2009 and shall otherwise be subject to definitive documentation under, and to the terms of, the governing plan. The number of the Phantom Shares granted pursuant to the 2006 Annual Bonus will be determined based on the closing market price of the Company's class A common stock on a valuation date on May 15, 2006. With respect to the cash portion of the 2006 Annual Bonus 50% will be paid on August 15, 2006 and 50% will be paid on November 15, 2006.

3.2.2 2007 Annual Bonus. On or before December 31, 2007, in addition to the Annual Salary, the Executive shall be awarded an annual bonus (the "2007 Annual Bonus") of $60,000, payable as 60% in cash and 40% in Phantom Shares, which shall vest equally over a three-year period from the date of issuance (to be January 2008), and which will otherwise be subject to definitive documentation under, and to the terms of, the governing plan. The cash portion will be paid in December 2007. The number of the Phantom Shares granted pursuant to the 2007 Annual Bonus will be determined based on the closing market price of the Company's class A common stock on a valuation date within the first five business days of 2008, the exact date of which will be determined after the date of this Agreement.

3.3 Benefits - In General. Except with respect to benefits of a type otherwise provided for under Section 3.4, the Executive shall be permitted during the Term to participate in any hospitalization or disability insurance plans, health programs, retirement plans, fringe benefit programs and similar benefits that may be available to other Senior Vice Presidents of the Company generally, on the same terms as such other executives, in each case to the extent that the Executive is eligible under the terms of such plans or programs.

3.4 Certain Specific Benefits.

(a) The Company shall reasonably assist the Executive in identifying reasonable temporary living quarters in or around Vero Beach, Florida, and the Company shall pay for such temporary living quarters through August 31, 2006, or such earlier time as Executive shall have permanently vacated such temporary living quarters. In addition, the Company shall, upon submission to the Company's Treasurer of receipts therefor, reimburse the Executive for reasonable travel expenses incurred by Executive and his immediate family members in traveling to or from the State of Florida if such travel is completed on or before August 15, 2006; provided, however, that in no event shall the Company be responsible for reimbursing the Executive for any amounts in excess of $3,000 in the aggregate, excluding any travel expenses incurred by Executive prior to the date hereof.

(b) The Company shall, on or before May 15, 2006, pay to the Executive a one-time cash relocation package of $100,000 intended to mitigate certain expenses the Executive incurred or may incur in relocating to Florida. Should the Executive's employment with the Company be terminated by the Executive without Good Reason or by the Company for Cause, prior to May 15, 2007, the Executive shall repay the Company this $100,000 amount within one business day of such termination.

(c) The Executive shall be entitled to vacation of no less than 20 days per year, as well as such personal days and holidays as are customarily made available to other Senior Vice Presidents of the Company.

3.5 Expenses - In General. The Company shall pay or reimburse the Executive for all ordinary and reasonable out-of-pocket expenses actually incurred (and, in the case of reimbursement, paid) by the Executive during the Term with the prior approval of the CEO or CIO in the performance of the Executive's services under this Agreement; provided that the Executive submits proof of such expenses, in accordance with such procedures as may be prescribed from time to time by the Company. Expense reimbursement reports should generally be submitted to the Company within 60 days of the payment by the Executive of the out-of-pocket expense; provided that no report for reimbursement will be accepted after more than six months' time, other than in the case of unusual circumstances as may be determined by the CEO, CIO or the or the Board of Directors of the Company (the "Board").

4. Termination upon Death or Disability. If the Executive dies during the Term, the Term shall terminate as of the date of death, and the obligations of the Company to or with respect to the Executive shall terminate in their entirety upon such date except as otherwise provided under this Section 4. If the Executive by virtue of ill health or other disability is unable to perform substantially and continuously the duties assigned to him for more than 90 consecutive or non-consecutive days out of any consecutive 12-month period, the Company shall have the right, to the extent permitted by applicable law, to terminate the employment of the Executive upon notice in writing to the Executive. Upon termination of employment due to death or disability, (i) the Executive (or the Executive's estate or beneficiaries in the case of the death of the Executive) shall be entitled to receive any Annual Salary and other benefits earned and accrued under this Agreement prior to the date of termination (and reimbursement under this Agreement for expenses incurred prior to the date of termination), (ii) subject to Section 5.2(c), for a 12-month period after termination of employment, the Executive (if applicable), and in the event of his death, his spouse (or life partner) and his dependents, shall receive such continuing coverage under the group health plans (including, without limitation, any dental, vision, and prescription-drug plans) they would have received under this Agreement (but at such costs no higher than as in effect immediately preceding such termination) as would have applied in the absence of such termination; and (iii) the Executive (or, in the case of his death, his estate and beneficiaries) shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder (but, for the avoidance of doubt, the Executive shall receive such disability and death benefits as may be provided under the Company's plans and arrangements in accordance with their terms).

5. Certain Terminations of Employment.

5.1 Termination by the Company for Cause; Termination by the Executive without Good Reason.

(a) For purposes of this Agreement, "Cause" shall mean the Executive's:

(i) commission of (or pleading nolo contendere to) a felony (but in no event including a traffic or similar violation), a crime of moral turpitude, dishonesty, breach of trust or unethical business conduct, or any crime involving the Company;

(ii) engagement in the performance of his duties hereunder in willful misconduct, willful or gross neglect, fraud, misappropriation or embezzlement;

(iii) failure to adhere to the directions of the Board, the CEO or the CIO or to the Company's policies and practices or to devote his business time and efforts to the Company as required by Section 2;

(iv) willful failure to substantially perform his duties properly assigned to him (other than any such failure resulting from his disability) after demand for substantial performance is delivered by the Company specifically identifying the manner in which the Company believes the Executive has not substantially performed such duties;

(v) material breach of any of the provisions of Section 6; or

(vi) breach in any material respect of the terms and provisions of this Agreement and failure to cure such breach within 10 days following written notice from the Company specifying such breach;

provided that (x) solely in the case of Sections 5.1(a)(iii), (iv), (v) and (vi) above, the Company shall not be permitted to terminate the Executive for Cause for any inactions of the Executive the performance of which, or any actions of the Executive the non-performance of which, the Executive can demonstrate would result in a violation of any applicable code of professional responsibility governing attorneys or any rule governing persons appearing or practicing as attorneys before the U.S. Securities and Exchange Commission, and (y) the Company shall not be permitted to terminate the Executive for Cause except on written notice given to the Executive at any time following the occurrence of any of the events described in clauses (i), (ii) or (v) above and on written notice given to the Executive at any time not more than 30 days following the occurrence of any of the events described in clause (iii), (iv) or (vi) above (or, if later, the Company's knowledge thereof).

(b) The Company may terminate the Executive's employment hereunder for Cause, and the Executive may terminate his employment on at least 30 days' and not more than 60 days' written notice given to the Company. If the Company terminates the Executive for Cause, or the Executive terminates his employment and the termination by the Executive is not for Good Reason in accordance with Section 5.2, (i) the Executive shall receive Annual Salary and other benefits earned and accrued under this Agreement prior to the termination of employment (and reimbursement under this Agreement for expenses incurred prior to the termination of employment); and (ii) the Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

5.2 Termination by the Company without Cause; Termination by the Executive for Good Reason.

(a) For purposes of this Agreement, "Good Reason" shall mean, unless otherwise consented to by the Executive,

(i) the material reduction of the Executive's authority, duties and responsibilities, or the assignment to the Executive of duties materially inconsistent with the Executive's position or positions with the Company;

(ii) a reduction in Annual Salary of the Executive;

(iii) the relocation of the Executive's office to more than 50 miles from Vero Beach, Florida;

(iv) the Company's failure to pay the Executive any amounts otherwise due hereunder or under any plan, policy, program, agreement, arrangement or other commitment of the Company, including, without limitation, the Annual Salary and any annual bonus;

(v) if the Executive reports to the Board (or the appropriate committee thereof) "evidence of a material violation" (as defined in 17 CFR Section 205.2(e)) and after the Executive reports such evidence (and, if requested to do so, explains why there exists such evidence), the Board does not either (A) require the Company to take reasonably appropriate remedial measures, or (B) retain (or instruct the Executive to retain) an outside attorney to investigate the evidence of a material violation; or

(vi) the Company's material and willful breach of this Agreement.

Notwithstanding the foregoing, (i) Good Reason shall not be deemed to exist unless notice of termination on account thereof (specifying a termination date no later than 30 days from the date of such notice) is given by the Executive to the Company no later than 30 days after the time at which the event or condition purportedly giving rise to Good Reason first occurs or arises (provided that, for the avoidance of doubt, for purposes of this clause (i), an event or condition shall not be deemed to have given rise to Good Reason under clause (i), (ii), (iv) or (vi) of the foregoing sentence until the Executive knows or should have known of the event or condition); and (ii) if there exists (without regard to this clause (ii)) an event or condition that constitutes Good Reason, the Company shall have ten days from the date notice of such a termination is given by the Executive to cure such event or condition and, if the Company does so, such event or condition shall not constitute Good Reason hereunder.

(b) The Company may terminate the Executive's employment at any time for any reason or no reason and the Executive may terminate the Executive's employment with the Company for Good Reason. If the Company terminates the Executive's employment and the termination is not covered by Section 4 or 5.1, or the Executive terminates his employment for Good Reason, (i) the Executive shall receive Annual Salary, annual bonus and other benefits earned and accrued under this Agreement prior to the termination of employment (and reimbursement under this Agreement for expenses incurred prior to the termination of employment); (ii) if (and only if) the Executive executes a general release reasonably acceptable to (and in a form provided to the Executive by) the Company, which general release is or has become irrevocable, the Executive shall receive (A) a cash payment payable in a single sum equal to (1) if the termination of employment occurs prior to the first anniversary of the date hereof, 200%, or (2) if the termination of employment occurs on or following the first anniversary of the date hereof, 100%, of the sum of (x) the Executive's Annual Salary (as in effect for the Company's fiscal year immediately before such termination) and (y) the annual bonus (as in effect for the Company's fiscal year immediately before such termination), (B) for a period of 12 months after termination of employment, such continuing coverage under the group health plans (including, without limitation, any dental, vision, and prescription-drug plans) the Executive would have received under this Agreement (but at such costs (if any) to the Executive no higher than as in effect immediately preceding such termination) as would have applied in the absence of such termination (but not taking into account any post-termination increases in Annual Salary that may otherwise have occurred without regard to such termination and that may have favorably affected such benefits) and (C) at the Company's cost (not to exceed $5,000), outplacement services reasonably selected by the Company; and (iii) the Executive shall have no further rights to any other compensation or benefits hereunder on or after the termination of employment, or any other rights hereunder.

(c) Notwithstanding clause (ii) of the third sentence of Section 4 and clause (ii)(B) of the second sentence of Section 5.2(b), (i) nothing herein shall restrict the ability of the Company to amend or terminate with general application the plans and programs referred to in such clauses from time to time in its sole discretion, and (ii) the Company shall in no event be required to provide any benefits otherwise required by such clauses after such time as the Executive becomes entitled to receive benefits of the same type from another employer or recipient of the Executive's services (upon which time the Executive shall give the Company notice thereof).

6. Covenants of the Executive.

6.1 Covenant Against Competition; Other Covenants. The Executive acknowledges that (i) the principal business of the Company (which expressly includes for purposes of this Section 6 (and any related enforcement provisions hereof), its successors and assigns, all of which are expressly acknowledged and agreed as third-party beneficiaries of, without limitation, this Section 6 (and such related provisions)) is the operation of an integrated mortgage-related securities-investment portfolio and a mortgage-origination platform (such business herein being referred to as the "Business"); (ii) the Company is one of the limited number of persons who have developed such a business; (iii) the Business is, in part, national in scope; (iv) the Executive's work for the Company has given and will continue to give him access to the confidential affairs and proprietary information of the Company; (v) the covenants and agreements of the Executive contained in this Section 6 are essential to the business and goodwill of the Company; and (vi) the Company would not have entered into this Agreement but for the covenants and agreements set forth in this Section 6. Accordingly, the Executive covenants and agrees that:

(a) By and in consideration of the salary and benefits to be provided by the Company hereunder, including the severance arrangements set forth herein, and further in consideration of the Executive's exposure to the proprietary information of the Company, the Executive covenants and agrees that, during the period commencing on the date hereof and ending one year following the date upon which the Executive shall cease to be an employee of the Company and its affiliates, he shall not in the United States, directly or indirectly, except with the prior approval of the Board, (i) engage in the Business (other than for the Company or its affiliates) or otherwise compete with the Company or its affiliates, (ii) render any services to any person, corporation, partnership or other entity (other than the Company or its affiliates) engaged in the elements of the Business, or (iii) become interested in any person, corporation, partnership or other entity (other than the Company or its affiliates) engaged in the elements of the Business as a partner, shareholder, principal, agent, employee, consultant or in any other relationship or capacity; provided, however, that, notwithstanding the foregoing, the Executive may invest in securities of any entity, solely for investment purposes and without participating in the business thereof, if (A) such securities are traded on any national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System, (B) the Executive is not a controlling person of, or a member of a group which controls, such entity and (C) the Executive does not, directly or indirectly, own 1% or more of any class of securities of such entity.

(b) During and after the period of the Executive's employment with the Company and its affiliates, the Executive shall keep secret and retain in strictest confidence, and shall not use for his benefit or the benefit of others, except in connection with the business and affairs of the Company and its affiliates, all confidential matters relating to the Company's Business and the business of any of its affiliates and to the Company and any of its affiliates, learned by the Executive heretofore or hereafter directly or indirectly from the Company or any of its affiliates (the "Confidential Company Information"); and shall not disclose such Confidential Company Information to anyone outside of the Company except with the Company's express written consent and except for Confidential Company Information which is at the time of receipt or thereafter becomes publicly known through no wrongful act of the Executive or is received from a third party not under an obligation to keep such information confidential and without breach of this Agreement.

(c) During the period commencing on the date hereof and ending one year following the date upon which the Executive shall cease to be an employee of the Company and its affiliates, (i) the Executive shall not, without the Company's prior written consent, directly or indirectly (A) solicit or encourage to leave the employment or other service of the Company, or any of its affiliates, any employee or independent contractor thereof or (B) hire (on behalf of the Executive or any other person or entity) any employee or independent contractor who has left the employment or other service of the Company or any of its affiliates within the one-year period which follows the termination of such employee's or independent contractor's employment or other service with the Company and its affiliates and (ii) the Executive shall not, whether for his own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with the Company's or any of its affiliates' relationship with, or endeavor to entice away from the Company or any of its affiliates, any person who during the Term is or was a customer or client of the Company or any of its affiliates. While the Executive's non-compete obligations under Section 6.1(a) are in effect, the Executive shall not publish any statement or make any statement under circumstances reasonably likely to become public that is critical of the Company or any of its affiliates, or in any way adversely affecting or otherwise maligning the Business or reputation of the Company or any of its affiliates.

(d) All memoranda, notes, lists, records, property and any other tangible product and documents (and all copies thereof), whether visually perceptible, machine-readable or otherwise, made, produced or compiled by the Executive or made available to the Executive concerning the business of the Company or its affiliates, (i) shall at all times be the property of the Company (and, as applicable, any affiliates) and shall be delivered to the Company at any time upon its request, and (ii) upon the Executive's termination of employment, shall be immediately returned to the Company (except that in all events the Executive may retain a copy of his contacts list).

6.2 Rights and Remedies upon Breach. The Executive acknowledges and agrees that any breach by him of any of the provisions of Section 6.1 (the "Restrictive Covenants") would result in irreparable injury and damage for which money damages would not provide an adequate remedy. Therefore, if the Executive breaches, or threatens to commit a breach of, any of the provisions of Section 6.1, the Company and its affiliates, in addition to, and not in lieu of, any other rights and remedies available to the Company and its affiliates under law or in equity (including, without limitation, the recovery of damages), shall have the right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, including, without limitation, the right to an entry against the Executive of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants.

6.3 Certain Exceptions.

(a) Notwithstanding Section 6.1, clauses (a) and (c) of the second sentence of Section 6.1 shall not be applicable if and to the extent the Executive can demonstrate that to be required to comply therewith would result in a violation of any applicable code of professional responsibility governing attorneys or ethical rules governing attorney conduct. For the avoidance of doubt, in such event, the restrictions of such clauses (a) and (c) shall continue to apply to the maximum extent possible that the application of such restriction would not constitute such a violation.

(b) Notwithstanding Section 6.1, clause (a) of the second sentence of Section 6.1 shall not be applicable in the event that the Executive terminates his employment without Good Reason within a 12-month period following a Change in Control. For purposes of this Agreement, "Change in Control" shall mean the happening of any of the following:

(i) any "person," including a "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), but excluding the Company, any entity controlling, controlled by or under common control with the Company, any employee benefit plan of the Company or any such entity, and Executive and any "group" (as such term is used in Section 13(d)(3) of the Exchange Act) of which the Executive is a member) is or becomes the "beneficial owner" (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of either (A) the combined voting power of the Company's then outstanding securities or (B) the then outstanding Common Stock of the Company (in either such case other than as a result of an acquisition of securities directly from the Company); provided, however, that, in no event shall a Change in Control be deemed to have occurred upon an initial public offering or a subsequent public offering of the Common Stock under the Securities Act of 1933, as amended; or

(ii) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate 50% or more of the combined voting power of the securities of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any); or

(iii) there shall occur (A) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by "persons" (as defined above) in substantially the same proportion as their ownership of the Company immediately prior to such sale or (B) the approval by stockholders of the Company of any plan or proposal for the liquidation or dissolution of the Company; or

(iv) the members of the Board at the beginning of any consecutive 24-calendar-month period (the "Incumbent Directors ") cease for any reason other than due to death to constitute at least a majority of the members of the Board; provided that any director whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the members of the Board then still in office who were members of the Board at the beginning of such 24-calendar-month period, shall be deemed to be an Incumbent Director.

7. Other Provisions.

7.1 Severability. The Executive acknowledges and agrees that (i) he has had an opportunity to seek advice of counsel in connection with this Agreement and (ii) the Restrictive Covenants are reasonable in geographical and temporal scope and in all other respects. If it is determined that any of the provisions of this Agreement, including, without limitation, any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the provisions of this Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid portions.

7.2 Duration and Scope of Covenants. If any court or other decision-maker of competent jurisdiction determines that any of the Executive's covenants contained in this Agreement, including, without limitation, any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, then, after such determination has become final and unappealable, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

7.3 Enforceability; Jurisdiction; Arbitration.

(a) The Company and the Executive intend to and hereby confer jurisdiction to enforce the Restrictive Covenants set forth in Section 6 upon the courts of any jurisdiction within the geographical scope of the Restrictive Covenants. If the courts of any one or more of such jurisdictions hold the Restrictive Covenants wholly unenforceable by reason of breadth of scope or otherwise it is the intention of the Company and the Executive that such determination not bar or in any way affect the Company's right, or the right of any of its affiliates, to the relief provided above in the courts of any other jurisdiction within the geographical scope of such Restrictive Covenants, as to breaches of such Restrictive Covenants in such other respective jurisdictions, such Restrictive Covenants as they relate to each jurisdiction's being, for this purpose, severable, diverse and independent covenants, subject, where appropriate, to the doctrine of res judicata.

(b) Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement (other than a controversy or claim arising under Section 6, to the extent necessary for the Company (or its affiliates, where applicable) to avail itself of the rights and remedies referred to in Section 6.2) that is not resolved by the Executive and the Company (or its affiliates, where applicable) shall be submitted to arbitration in Vero Beach or Palm Beach, Florida in accordance with Florida law and the procedures of the American Arbitration Association. The determination of the arbitrator(s) shall be conclusive and binding on the Company (or its affiliates, where applicable) and the Executive and judgment may be entered on the arbitrator(s)' award in any court having jurisdiction.

7.4 Indemnification and Insurance. The Company agrees to indemnify (in addition to any other indemnification provided to the Executive under any separate agreement or the by-laws of the Company) the Executive to the fullest extent permitted by applicable law, as the same exists and may hereafter be amended, from and against any and all losses, damages, claims, liabilities and expenses (collectively, "Damages") asserted against, or incurred or suffered by, the Executive (including the costs and expenses of legal counsel retained by the Company to defend the Executive (which, for the avoidance of doubt, shall be reputable counsel separate from the Company's counsel if the Company's counsel is by virtue of a conflict of interest unable to represent the Executive) and judgments, fines and amounts paid in settlement actually and reasonably incurred by or imposed on such indemnified party) with respect to any action, suit or proceeding (which, for the avoidance of doubt, shall include official governmental formal or informal investigations that may give rise to future potential proceeding), whether civil, criminal, administrative or investigative in which the Executive is made a party or threatened to be made a party (which for the avoidance of doubt, shall include the Executive's good faith belief that the Executive could reasonably expect to be made a party), either with regard to his entering into this Agreement or in his capacity as an officer or director, or former officer or director, of the Company or any affiliate thereof for which he may serve in such capacity; provided, however, that in no event shall the Company be obligated to indemnify the Executive for Damages to the extent such Damages arose from Executive's fraud, misappropriation, embezzlement, willful or gross negligence or willful misconduct. Such indemnification shall continue after the Executive is no longer employed by the Company and shall inure to the benefit of his heirs, executors, and administrators. The Company also agrees to attempt to secure and maintain reasonable officers and directors liability insurance at reasonable rates, before or within a reasonable time after the date hereof, providing coverage for Executive (and, if such coverage has been provided for any other senior executive, shall procure such coverage for the Executive on comparable terms), which coverage would continue after termination of employment for a reasonable time (but in no event for a shorter time than is applicable to any other similarly situated senior executive of the Company).

7.5 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or, if mailed, five days after the date of deposit in the United States mails as follows:

(i) If to the Company, to:

Opteum Inc.
3305 Flamingo Drive
Vero Beach, Florida 32963
Attention: Chief Executive Officer

with a copy to:

Clifford Chance US LLP
31 West 52nd Street
New York, New York 10019-6131
Attention: Robert E. King, Jr.

(ii) If to the Executive, to the address set forth on the signature page hereof.

Any such person may by notice given in accordance with this Section 7.5 to the other parties hereto designate another address or person for receipt by such person of notices hereunder.

7.6 Entire Agreement. This Agreement contains the entire agreement between the Company and the Executive with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

7.7 Waivers and Amendments. This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by the Company and the Executive or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

7.8 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAW WHICH COULD OTHERWISE RESULT IN THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF FLORIDA.

7.9 Assignment. This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive; any purported assignment by the Executive in violation hereof shall be null and void. In the event of any sale, transfer or other disposition of all or substantially all of the Company's assets or business, whether by merger, consolidation or otherwise, the Company may assign this Agreement and its rights hereunder.

7.10 Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of tax withholding it determines to be required by applicable law.

7.11 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

7.12 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

7.13 Survival. Anything contained in this Agreement to the contrary notwithstanding, the provisions of Sections 6, 7.3, 7.4 and 7.10, and the other provisions of this Section 7 (to the extent necessary to effectuate the survival of Sections 6, 7.3, 7.4 and 7.10), shall survive termination of this Agreement and any termination of the Executive's employment hereunder.

7.14 Existing Agreements. The Executive represents to the Company that he is not subject or a party to any employment or consulting agreement, non-competition covenant or other agreement, covenant or understanding which would reasonably be expected to prohibit him from executing this Agreement or limit his ability to fulfill his responsibilities hereunder.

7.15 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

OPTEUM INC.

By: /s/ Jeffrey J. Zimmer
Name: Jeffrey J. Zimmer
Title: Chief Executive Officer

/s/ J. Christopher Clifton
J. Christopher Clifton

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert E. Cauley, Vice Chairman of the Board, President and Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2008, of Bimini Capital Management, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

   a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2008

/s/ Robert E. Cauley
Name: Robert E. Cauley
Title: Vice Chairman of the Board, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, G. Hunter Haas, IV, Executive Vice President, Chief Investment Officer, Interim Chief Financial Officer and Treasurer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2008, of Bimini Capital Management, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):

   a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2008

/s/ G. Hunter Haas, IV
Name: G. Hunter Haas, IV
Title: Executive Vice President, Chief Investment Officer, Interim Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Bimini Capital Management, Inc. (the "Company") for the fiscal quarter ended June 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert E. Cauley, Vice Chairman of the Board, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

August 11, 2008

/s/ Robert E. Cauley
Robert E. Cauley
Vice Chairman of the Board, President
and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Bimini Capital Management, Inc. (the "Company") for the fiscal quarter ended June 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, G. Hunter Haas, IV, Executive Vice President, Chief Investment Officer, Interim Chief Financial Officer and Treasurer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

August 11, 2008

/s/ G. Hunter Haas, IV
G. Hunter Haas, IV
Executive Vice President, Chief Investment Officer, Interim
Chief Financial Officer and Treasurer