

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:) Case No. 10-50494
)
FAIR FINANCE COMPANY) Chapter 7
)
Debtor.) Chief Judge Marilyn Shea-Stonum
)

STATUS REPORT FOR SEPTEMBER 21, 2010 STATUS CONFERENCE

Brian A. Bash, Trustee herein, submits the following summary of the status of the Trustee’s administration of the estate:

Since the August 17, 2010 Status Conference before this Court, the Trustee, with the assistance of his professionals, has accomplished the following:

a) Received in excess of \$250,000 in proceeds from the sale of two luxury cars pledged to the Trustee and auctioned by RM auctions.

b) Reached agreement with the Department of Justice regarding the disposition of the remaining cars. Custody of the cars will be turned over to the Trustee. The Trustee plans to file a motion to retain RM Auctions in the near future to sell the remaining vehicles. Reconciliation of the vehicles purportedly owned by Durham and Durham entities is ongoing.

c) Made substantial progress in reviewing debtor’s records, including voluminous electronic documents which require the assistance of Vestige, the estate’s forensic computer experts.

d) Identified potential significant claims and commenced analysis and investigation thereof.



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e) Obtained approval of the Trustee's access request for information held by the Securities and Exchange Commission.

f) Continued cooperation with the Department of Justice regarding the case.

g) Served and responded to discovery requests in pending adversary proceedings.

h) Obtained and commenced review of information from account servicers relevant to Fair's obligations to CLST.

i) Continued to investigate the organizational structure of over seventy entities which are or were owned or controlled by common owners of Debtor and others owing obligations to the estate.

j) Continued to prepare the Debtor's 401(k) plan for termination.

k) Filed motion and obtained order permitting the Trustee to issue subpoenas under Bankruptcy Rule 2004

l) Published notice of the Trustee's sale of artwork, and a supplement to the Trustee's motion to sell.

m) Provided an agreed order to Taft Stettinius regarding its motion to withdraw from representation of the debtor.

n) Negotiated with banks that hold senior liens on Debtor's collateral regarding the disposition of that property, with favorable results.

o) Negotiated terms for a sale of the debtor's legal forms and other assets, subject to approval to the court.

In the following weeks, the Trustee intends to focus on accomplishing the following key actions:

- 1) Continue to pursue mortgages, liens, or other accommodations to perfect security interests in property owned by people and entities that owe money to the estate.
- 2) Continue to negotiate for consensual turnover of assets from entities owing obligations to the Debtor, including finalizing the agreements with Mr. Durham and Diamond Investments.
- 3) Continue review of records and analysis of claims.
- 4) Address issues regarding State of Massachusetts license revocation action.
- 5) Continue discovery in pending adversary proceedings.
- 6) Continue to follow up with Fortress Investments LLC regarding estate's interest in accounts.
- 7) Monitor status of proceedings relating to the Trustee's collateral..
- 8) Continue investigation and commence additional proceedings to recover assets, including avoidance claims under chapter 5 of the Bankruptcy Code.
- 9) Monitor and appear, as necessary, in CLST actions in Texas state and district courts; continue negotiations with CLST regarding options for resolving the Trustee's claims and interests.
- 10) Follow up regarding the potential sale of accounts owned by the Debtor.
- 11) Prepare motion to sell the legal forms and other assets for the negotiated price.
- 12) Conduct auction of artwork held by the Trustee.
- 13) Issues discovery requests pursuant to Rule 2004.
- 14) Work with RM Auctions to take custody of the vehicles and schedule sales.

Date: September 20, 2010

Respectfully submitted,

/s/ Brian A. Bash

Brian A. Bash, Trustee (0000134)

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Counsel for the Trustee

CERTIFICATE OF SERVICE

A copy of the foregoing has been served via ECF or regular, U.S. Mail, on September 20, 2010, on the attached service list.

/s/ Brian A. Bash

Brian A. Bash

SERVICE LIST

Electronic Mail Notice List

The following is the list of **parties** who are currently on the list to receive e-mail notice/service for this case.

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Manual Notice List

The following is the list of **parties** who are **not** on the list to receive e-mail notice/service for this case (who therefore require manual noticing/service).

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