

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 DECEMBER 14, 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 November 16, 2010 Status Conference before this Court, the Trustee, with the assistance of his professionals, has accomplished the following:

- a) Continued to review information from Fortress Credit Corp. regarding its transaction with Fair Finance in 2008, and information provided to the Trustee by the Department of Justice.
- b) Sent demand letters to debtors of the Debtor, Fair Holdings or DC Investments, and began preparing complaints to recover obligations owing to the estate.
- c) Filed Complaints against the two highest bidders at the Trustee’s art auction for failure to pay, and began discussions regarding potential resolution of same.
- d) Requested, and was granted access to, audit files of two of Fair Finance’s auditors.
- e) Reviewed status, issues and options in connection with pending state court litigation and contacted plaintiff’s counsel regarding possible resolution of issues.
- f) Continued to negotiate and resolve discovery issues in the Laikin and McKibben litigation.



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- g) Filed and recorded security interests on behalf of the estate, and analyzed options in connection with certain stock pledged to Debtor.
- h) Continued negotiations with political donees regarding return of contributions.
- i) Continued to work with RM Auctions, and with bank holding first lien on Duesenberg pledged to Trustee, regarding arrangements and preparation for sale.
- j) Negotiated insurance issues related to vehicles and artwork.
- k) Continued to investigate, and develop strategy and approach regarding, the organizational structure and assets of over seventy entities which are or were owned or controlled by common owners of Debtor and others owing obligations to the estate.
- l) Continued to review Debtor's records.
- m) Continued to analyze, investigate and develop Trustee's claims.
- n) Responded to new notices of foreclosure filed on Mr. Durham's property.
- o) Filed a Motion to Retain RM Auctions to sell cars pledged to the estate, and identified and discussed with RM potential issues for further investigation regarding same.
- p) Continued prosecution of pending adversary proceedings, including by filing briefs on cross-motions for summary judgment in Brevet adversary proceeding.
- q) Researched issues relevant to pending adversary proceedings and administration of Debtor's estate.

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 on behalf of the estate, and to analyze and recover from collateral of value to the estate.

2) Continue to negotiate for consensual turnover of assets from entities owing obligations to the Debtor, including finalizing the agreements in principal with Mr. Durham and Diamond Investments.

3) Continue review of records and analysis and development of claims.

4) Continue discovery and administration of pending adversary proceedings.

5) Continue investigation and analysis of alleged claims and liens against assets of the Debtor.

6) Monitor status of proceedings relating to the Trustee's collateral.

7) Continue investigation and commence additional proceedings to recover assets, including avoidance claims under chapter 5 of the Bankruptcy Code.

8) 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.

9) Follow up regarding the potential sale of accounts owned by the Debtor.

10) Prepare motion to sell the legal forms and other assets for the negotiated price.

11) Issue requests for documents and examinations pursuant to Rule 2004.

12) Send additional demand letters and pursue additional obligations owing to the estate.

Date: December 13, 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 December 13, 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

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