

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 FEBRUARY 15, 2011 STATUS CONFERENCE

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

Since the January 18, 2011 Status Conference before this Court, the Trustee, with the assistance of his professionals, has accomplished the following key items:¹

a) The majority of the Trustee’s professionals’ time has been spent investigating, identifying and developing numerous potential claims and causes of action. The Trustee has filed several lawsuits since the last status conference and expects to file additional lawsuits on a rolling basis.

b) Completed the auction of twenty vehicles in the Trustee’s possession. The face value of the sale was \$1,077,350 before the auctioneer’s commission and expenses, which the Trustee is informed will be itemized and provided shortly. The Trustee has made arrangements with the auctioneer to receive an advance shortly (expected to be approximately \$800,000). The remaining three cars in the Trustee’s possession are wrecks or have title defects and will be sold on a wholesale basis.

In addition, the Trustee holds a junior lien upon a Duesenberg which sold at the same auction for \$1,237,500. The senior lender will provide the Trustee with an accounting. This sale may result in funds turned over to the estate in excess of the senior lien, and will enhance the Trustee’s lien position on real estate in Indiana.

c) Successfully settled the *Isen* litigation.

¹ The Trustee and his professionals have addressed and resolved many of the administrative issues in this matter. This list is not exhaustive, but focuses on the issues most significant to asset recovery.



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d) Negotiated a settlement in principle in the *Hart* litigation. The Trustee believes he is close to a final resolution of this matter.

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

1) Developing and filing causes of action to recover funds for the estate, including avoidance claims under chapter 5 of the Bankruptcy Code, breach of contract claims against loan recipients, and other claims.

2) Issuing requests for documents and examinations pursuant to Rule 2004.

3) Sending additional demand letters and pursue additional obligations owing to the estate.

4) Seeking turnover of records from counsel that formerly represented Debtor.

Date: February 14, 2011

Respectfully submitted,

/s/ Brian A. Bash

Brian A. Bash, Trustee (0000134)

Kelly S. Burgan (0073649)

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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 February 14, 2011, 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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