

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 MARCH 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 February 14, 2011 Status Report To 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.
- b) The Trustee has filed his *Complaint for Substantive Consolidation* against Obsidian Enterprises, Inc. and Diamond Investments, LLC and expects to file additional lawsuits on a rolling basis.
- c) The Trustee has received sale proceeds totaling \$900,000 on the vehicles auctioned in January 2011. A detailed report of sale will be forthcoming.
- d) The Trustee is reviewing the allocation of proceeds of sale of the Duesenberg and is monitoring state court foreclosure proceedings. The Trustee will take appropriate actions to protect and enforce the estate’s interest in the subject properties.
- e) The Trustee has agreed to a proposed settlement of the *Hart* litigation which will permit him to collect substantially all of the debt. A motion to compromise will be forthcoming.
- f) The Trustee is continuing to negotiate in the *Plopper* litigation. The Trustee believes he is near a settlement in that matter.

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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g) Issued subpoenas to Fair's former auditors and loan broker, and received additional document production from a former counsel for Fair.

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 pursuing additional obligations owing to the estate.

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

Date: March 14, 2011

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 March 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.

- Brian A Bash bashtrustee@bakerlaw.com, bbash@ecf.epiqsystems.com
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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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