

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 OCTOBER 18, 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 September 13, 2011 Status Report To this Court, the Trustee, with the assistance of his professionals, has accomplished the following key items:<sup>1</sup>

a) The Trustee served subpoenas for Rule 2004 Examinations on several entities, including Medical Collections Group, LLC, My Ghetto Holdings, LLC, Bad Boyz Top Shop, LLC, Blair Kiel Partners, Inc., and Durham Whitesell & Associates, LLC.

b) The Trustee filed a *Motion for an Order Authorizing and Approving Trustee's Entry into an Account Servicing Agreement with Duvera Billing Services LLC*, and received \$331,053.67 from Duvera on account of Fair’s accounts being collected by Duvera.

c) The Trustee filed a *Motion to Approve Compromise with Zoeller For Attorney General*.

d) The Trustee has obtained orders approving compromises with the Marion County Republican Central Committee and the Committee to Elect Paul Ricketts.

e) The Trustee has obtained an order authorizing the employment of Hanglely Aronchick Segal Pudlin & Schiller as special purpose counsel to the Trustee, effective September 2, 2011.

<sup>1</sup> 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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f) The Trustee filed *Notices of Taking of Depositions* for Jeffrey L. Eglen, James F. Cochran, John J. Head, and Keith E. Schaffter in the *McKibben* adversary proceeding, and took the depositions of Eglen and Cochran.

g) The Trustee obtained an order granting leave to amend the complaint against FCS Advisors, Inc. and Westchester Fire Insurance Co. in the *FCS Advisors* matter.

h) In the *National Lampoon* matter, the Trustee continues to litigate National Lampoon's *Motion to Strike Portions of Second Amended Complaint*, *Motion to Dismiss*, and *Opposition to Application for Receiver and Preliminary Injunction*. The matter is set for hearing on October 24, 2011.

i) The Trustee continued negotiations with Blank Rome regarding claims to the proceeds of sale of Mr. Laikin's Los Angeles real property.

j) The Trustee has sent demand letters to numerous parties seeking to recover transfers pursuant to Chapter 5 of the Bankruptcy Code, reviewed responses to the same, and engaged in preliminary settlement discussions.

k) The Trustee has reached a settlement in principal with Obsidian and Diamond in the substantive consolidation adversary proceeding, and has made substantial progress in documenting the settlement.

l) The Trustee's professionals have continued to investigate, identify and develop numerous potential claims and causes of action.

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) Taking depositions in Cleveland, Indianapolis, and Los Angeles, and issuing additional requests for documents and examinations pursuant to Rule 2004.

- 3) Continuing the investigation of the claims asserted by Blank Rome and Liberty International to the proceeds of the sale of Daniel Laikin's Los Angeles property.
- 4) Sending additional demand letters regarding obligations owing to the estate and avoidance claims, and pursuing a resolution of claims with the obligors.
- 5) Negotiating the potential sale of United Trailers, Obsidian's only operating subsidiary, on whose assets the Trustee holds a second lien.
- 6) Marketing and selling real property owned by Fair in Akron.
- 7) Investigating and responding to offers to purchase commercial real estate in Indianapolis.
- 8) Continuing to pursue discussions regarding potential settlement of (i) National Union's motion regarding advancement of proceeds under Fair's D&O insurance policy; and (ii) claims in the McKibben adversary proceeding.
- 9) Finalizing documentation for settlement of the Obsidian consolidation adversary, and filing a motion to approve compromise.

Date: October 17, 2011

Respectfully submitted,

*/s/ Brian A. Bash*

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**CERTIFICATE OF SERVICE**

A copy of the foregoing has been served via ECF or regular, U.S. Mail, on October 17, 2011, on the attached service list.

*/s/ Brian A. Bash*

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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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